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Regulating Short-Term Rentals in Bali: A Tourism Justice Analysis of Housing Affordability and Local Residents' Rights

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Abstract

The rapid growth of short-term rental accommodation has transformed residential areas in Bali into increasingly commercialized tourism spaces. While digital platforms and short-term rentals create income opportunities for property owners and expand accommodation choices for visitors, they may also contribute to rising housing costs, reduced long-term rental supply, and displacement of local residents. This article examines short-term rental regulation in Bali from a tourism justice perspective. Using normative juridical research and policy analysis, the study evaluates tourism licensing, land-use regulation, housing protection, local government authority, and platform-based accommodation governance. The article argues that tourism regulation should account for the cumulative impact of short-term rentals on residents' access to affordable and adequate housing. Unregulated conversion of residential properties into tourist accommodation may transfer the social costs of tourism onto local communities while concentrating commercial benefits among property owners and tourism platforms. The study proposes a regulatory framework combining licensing, zoning, registration, taxation, occupancy limits, and transparent platform reporting. Regulation should distinguish between community-based home sharing and large-scale commercial short-term rental operations. A housing justice approach would allow Bali to retain the economic benefits of tourism while preventing excessive commercialization from undermining residents' ability to live in and remain within their communities.

[*Pertumbuhan pesat akomodasi sewa jangka pendek telah mengubah kawasan permukiman di Bali menjadi ruang wisata yang semakin komersial. Meskipun platform digital dan sewa jangka pendek menciptakan peluang pendapatan bagi pemilik properti dan memperluas pilihan akomodasi bagi pengunjung, hal tersebut juga dapat berkontribusi pada kenaikan biaya perumahan, pengurangan pasokan sewa jangka panjang, dan penggusuran penduduk lokal. Artikel ini mengkaji regulasi sewa jangka pendek di Bali dari perspektif keadilan pariwisata. Dengan menggunakan riset yuridis normatif dan analisis kebijakan, studi ini mengevaluasi perizinan pariwisata, regulasi* *tata guna lahan, perlindungan perumahan, otoritas pemerintah daerah, dan tata kelola akomodasi berbasis platform. Artikel ini berpendapat bahwa regulasi pariwisata harus mempertimbangkan dampak kumulatif sewa jangka pendek terhadap akses penduduk terhadap perumahan yang terjangkau dan memadai. Konversi properti hunian menjadi akomodasi wisata yang tidak diatur dapat mentransfer biaya sosial pariwisata kepada masyarakat lokal sekaligus memusatkan keuntungan komersial di antara pemilik properti dan platform pariwisata. Studi ini mengusulkan kerangka kerja regulasi yang menggabungkan perizinan, zonasi, pendaftaran, perpajakan, batasan hunian, dan pelaporan platform yang transparan. Regulasi harus membedakan antara berbagi rumah berbasis komunitas dan operasi sewa jangka pendek komersial skala besar. Pendekatan keadilan perumahan akan memungkinkan Bali untuk mempertahankan manfaat ekonomi dari pariwisata sekaligus mencegah komersialisasi berlebihan yang dapat merusak kemampuan warga untuk tinggal dan tetap berada di dalam komunitas mereka.*]

Keywords: Short-term rentals, Bali, housing justice, tourism regulation, local residents

Introduction

Bali's tourism economy has progressively expanded beyond conventional hotels and resorts into residential neighborhoods where villas, guesthouses, homestays, and platform-mediated short-term rentals operate alongside ordinary housing. Digital platforms have lowered transaction costs between property owners and visitors, allowing residential properties to become part of the tourism accommodation market. The development has generated economic opportunities for households and small entrepreneurs while also altering the functional character of residential areas. Earlier research on Airbnb in Bali found that platform accommodation could facilitate encounters between tourists and local hosts and create an experience of living within local communities rather than merely staying in conventional tourist facilities (Bhaskara 2018). This dimension distinguishes community-based home sharing from purely commercial accommodation and suggests that short-term rentals cannot be treated as a homogeneous category. The regulatory challenge therefore lies in identifying when tourism accommodation remains compatible with residential use and when its commercialization begins to undermine the interests of permanent residents.

The housing implications become more significant when short-term rental activity operates at substantial scale. International research increasingly demonstrates that the effects of short-term rentals depend on the characteristics and concentration of listings. Garay-Tamajyn et al. (2022), examining destination neighborhoods in Barcelona, found that the concentration of short-term rental listings was associated with increased rental prices and displacement pressures extending beyond highly touristified neighborhoods. Valente et al. (2023) similarly found that Airbnb activity affected residential stability in Amsterdam and Barcelona, although the precise mechanism varied according to local housing-market conditions. More recent spatial research has further demonstrated that entire-home listings managed by multi-unit hosts generate stronger effects on rents, property values, and gentrification than other forms of platform accommodation (Lee and Kim 2023). These findings suggest that regulatory responses should focus not simply on the number of tourist accommodations but also on ownership structure, frequency of use, spatial concentration, and the extent to which housing is withdrawn from the long-term residential market.

The international literature also challenges the assumption that platform accommodation necessarily represents a decentralized sharing economy. Cocola-Gant and Gago (2021) found in Lisbon that Airbnb increasingly functioned as a vehicle for buy-to-let investment, allowing property investors to obtain higher returns from tourists while reducing the availability of conventional rental housing. This process links short-term rentals with housing financialization and tourism-driven displacement. Similar findings have emerged from research on touristification, which demonstrates that the conversion of residential space into tourist accommodation can create a tourism-driven rent gap and alter the economic function of neighborhoods (Benнtez-Aurioles and Tussyadiah 2021; Celata and Romano 2022). The implication is particularly relevant for Bali, where land and property have become central components of the tourism economy and where the economic value of residential property may increasingly depend on its capacity to serve visitor demand.

Previous studies concerning Bali have largely examined short-term rentals from tourism, consumer, or business perspectives rather than from the standpoint of housing justice. Bhaskara (2018) documented tourist perceptions of Airbnb properties managed by local Balinese hosts, while Ganapati, Sukwika, and Sulistyadi (2021) examined Airbnb's effects on conventional hotel businesses and found concerns regarding unequal competitive conditions. Aritenang and Setiawan (2024) subsequently identified limited implementation of health, safety, and environmental standards among some Airbnb listings in Denpasar and highlighted difficulties in supervision because the legal status and registration of platform accommodation remained problematic. These studies establish important regulatory and economic concerns, but they do not fully examine how the expansion of short-term rentals affects the distribution of residential benefits and burdens. In particular, the question of whether residential property should remain primarily available for long-term habitation has received insufficient attention within Bali's tourism-governance literature.

The research gap is therefore located at the intersection of tourism regulation and the right to housing. Indonesian law recognizes housing as a basic human need and establishes state responsibility to facilitate adequate and affordable housing. Law No. 1 of 2011 concerning Housing and Residential Areas expressly links housing policy to the ability of communities to obtain adequate and affordable homes, while also recognizing community participation and mechanisms for dispute resolution. Tourism legislation, meanwhile, requires tourism development to be sustainable and responsible while recognizing community interests and the distribution of tourism benefits. Law No. 10 of 2009 concerning Tourism therefore provides a basis for understanding accommodation regulation not only as an economic matter but also as part of sustainable destination governance. The coexistence of these legal objectives raises an unresolved regulatory question: how should the state reconcile the commercial use of residential property for tourism with the continuing obligation to maintain adequate housing for residents?

This article addresses that question by developing a tourism-justice framework for regulating short-term rentals in Bali. Rather than treating short-term rentals as inherently harmful or inherently beneficial, the article distinguishes between forms of accommodation according to their social and spatial effects. The analysis argues that household-based home sharing may support local economic participation when it remains ancillary to residential use, whereas professionally operated portfolios of entire homes may generate substantially different externalities. This distinction provides the basis for a regulatory framework combining licensing, zoning, registration, taxation, platform reporting, occupancy limitations, and housing-impact assessment. The article contributes to the literature by connecting the governance of platform tourism with distributive justice and the protection of residents’ housing interests.

Literature Review and Theoretical Frameworks

The concept of tourism justice provides the principal theoretical foundation for this study. Tourism justice concerns the distribution of tourism's benefits, costs, opportunities, and decision-making power among different groups affected by tourism development. Conventional tourism policy often evaluates success through visitor numbers, investment, employment, and regional income. A justice-oriented approach introduces a different question: who gains from tourism development and who bears its costs? This perspective is particularly important where tourism competes with residential uses of land. Property owners may obtain increased returns from tourist accommodation, platforms may generate transaction revenue, and visitors may receive more accommodation choices, while tenants and lower-income residents may experience higher rents or reduced access to housing. The existence of aggregate economic benefits therefore does not establish that tourism development is socially equitable.

Housing justice provides the second theoretical dimension. Housing is not simply an economic asset; it is also a foundation for social stability, family life, community continuity, and access to employment and public services. The financialization literature emphasizes the transformation of housing from a social good into an investment vehicle whose value is increasingly determined by its capacity to generate financial returns (Aalbers 2016). Short-term rental platforms may accelerate this process because tourist demand can produce higher and more flexible returns than long-term rental arrangements. Cocola-Gant and Gago (2021) demonstrate how investors can use platform accommodation to transform residential property into an income-generating tourism asset, potentially displacing long-term residents. Housing justice therefore requires regulation that considers not only ownership rights but also the social function of residential property.

The third theoretical concept is touristification. Touristification refers to the transformation of spaces primarily organized around residents into spaces increasingly structured around tourist consumption. It involves changes in land use, commercial activity, property investment, neighborhood composition, and social relations. Celata and Romano (2022) show that platform-mediated tourism can extend touristification into areas previously characterized by residential functions. Benнtez-Aurioles and Tussyadiah (2021) similarly demonstrate that the relationship between short-term rentals and housing markets can vary according to local market characteristics. Touristification is therefore not necessarily synonymous with the presence of tourists; it concerns the structural transformation of urban and residential space in response to tourism demand.

The fourth concept is the platform economy. Digital platforms do not merely connect existing suppliers and consumers; they can reshape market incentives by making residential properties more accessible to global tourism demand. This process can alter the relative profitability of long-term and short-term rental uses. When the returns from tourism exceed those from residential leasing, property owners have an economic incentive to reallocate housing toward tourist use. The regulatory significance of platforms therefore lies in their ability to accelerate changes that might otherwise occur more slowly. Platform governance must consequently address data asymmetry, enforcement difficulties, and the capacity of authorities to identify commercial activity occurring within residential areas.

These theoretical perspectives can be integrated through a tourism-justice framework based on three distributive questions. The first concerns benefit distribution: whether income generated through short-term rentals remains accessible to local households or becomes concentrated among professional investors and platform operators. The second concerns cost distribution: whether increased housing prices, neighborhood disruption, infrastructure pressure, and loss of residential supply are disproportionately borne by residents. The third concerns regulatory voice: whether residents have meaningful opportunities to influence decisions regarding the scale and location of short-term rental activity. The framework therefore treats housing affordability and residential stability as substantive indicators of sustainable tourism governance rather than external issues beyond the scope of tourism policy.

Methods

This research uses a normative juridical method combined with policy and institutional analysis. The normative component examines Indonesian legal provisions concerning housing, tourism, land use, spatial planning, local government authority, accommodation businesses, taxation, and community participation. Particular attention is given to Law No. 1 of 2011 concerning Housing and Residential Areas, Law No. 10 of 2009 concerning Tourism as amended through 2025, relevant spatial-planning and regional-government legislation, and Bali's regulatory framework concerning cultural tourism and accommodation. The legal analysis focuses on the extent to which existing rules can accommodate platform-based accommodation without undermining residential functions.

The policy analysis evaluates the regulatory relationship between tourism accommodation and housing protection. It examines registration, licensing, zoning, taxation, safety standards, platform accountability, and mechanisms for distinguishing household-based accommodation from commercial operations. The study also draws on peer-reviewed literature concerning Airbnb, short-term rentals, housing affordability, tourism-driven displacement, touristification, gentrification, and destination governance. Sources were selected according to relevance, scholarly credibility, and publication date, with the analysis limited to materials published or available no later than 2025. Studies published after 2025 were excluded from the substantive literature base.

The analytical process proceeds by comparing the normative objectives of housing and tourism regulation with documented evidence concerning the social and economic effects of short-term rentals. The study does not attempt to estimate a causal effect of Airbnb on housing prices in Bali because that would require a longitudinal property and rental dataset beyond the scope of the present normative research. Instead, international empirical evidence is used to identify mechanisms that may be relevant to Bali, while Bali-specific studies are used to establish the characteristics and regulatory challenges of platform accommodation in the local context. The resulting analysis is therefore comparative and institutional rather than econometric.

Results and Discussion

1. Short-Term Rentals and the Transformation of Residential Space

The first finding is that short-term rentals should be regulated according to their relationship with residential use rather than classified solely according to the platform through which accommodation is marketed. A property occupied by its owner who occasionally rents a spare room has fundamentally different social consequences from a portfolio of dozens of entire homes operated exclusively for tourists. Treating both activities as identical would produce either excessive regulation of household-level entrepreneurship or insufficient regulation of commercial tourist accommodation. The distinction is supported by research showing heterogeneous effects among different types of Airbnb listings. Lee and Kim (2023) found that entire-home listings operated by multi-unit hosts generated the strongest effects on rents, housing values, and gentrification. This evidence indicates that regulatory intensity should correspond to the scale and commercial character of the operation.

Bali's own regulatory framework already contains elements that could support such differentiation. The provincial framework governing cultural tourism accommodation has recognized homestays in village tourism areas as accommodation operated from residential buildings inhabited by owners, with a maximum of five rooms and local ownership and labor requirements. This model demonstrates that Bali's regulatory architecture can distinguish community-oriented accommodation from conventional commercial lodging. The regulatory principle could be extended to platform-mediated accommodation by establishing a clear category for genuine home sharing and a separate category for professional short-term rental operations.

Such differentiation is important because short-term rentals may produce genuine local economic benefits. Bhaskara's study of Airbnb in Bali found that visitors staying in locally managed properties emphasized interaction with local hosts and the experience of living within local communities (Bhaskara 2018). This suggests that household-based accommodation can generate forms of tourism that are more embedded in local social life than standardized commercial accommodation. Regulation should therefore avoid eliminating these activities through rules designed primarily for large-scale operators. The objective should instead be to preserve the economic and social benefits of community-based accommodation while preventing the conversion of residential housing into de facto commercial hotels.

The distinction also improves regulatory proportionality. A resident renting a room occasionally should not face the same administrative requirements as an investor managing numerous entire-home properties. At the same time, commercial operators should not be allowed to exploit the legal identity of "home sharing" to avoid obligations applicable to accommodation businesses. Registration systems should therefore capture ownership, number of properties, number of units, frequency of rental, and whether the host ordinarily resides at the property. Such information would enable government to identify when a platform activity has moved beyond supplementary household income into professional tourism commercialization.

2. Housing Affordability, Displacement, and Tourism Externalities

The second finding concerns the distribution of housing-related externalities. Short-term rental expansion does not necessarily cause housing unaffordability in every location, and the strength of the effect depends on market conditions. Nevertheless, substantial empirical evidence demonstrates plausible and sometimes significant mechanisms through which short-term rentals can reduce long-term housing supply and increase housing costs. Garay-Tamajyn et al. (2022) found that concentrations of short-term rentals were associated with increased rents and resident displacement in Barcelona. Valente et al. (2023) found that Airbnb activity affected residential stability in Amsterdam and Barcelona, with rent increases and property-value changes functioning as important mechanisms. These findings should not be mechanically transferred to Bali, but they establish why housing effects must be incorporated into tourism regulation rather than treated as unrelated market outcomes.

The displacement mechanism may operate without formal eviction. When residential rents rise beyond the purchasing power of existing residents, households may relocate even if no legal tenancy termination occurs. This form of exclusionary displacement is especially important in tourism destinations because property owners can compare returns from local residents with returns from visitors. Cocola-Gant and Gago (2021) demonstrate how short-term rentals can facilitate this shift by allowing residential property to generate higher returns through tourist demand. The resulting transformation is not simply a change in rental contracts; it represents a change in the social function of housing. Housing becomes increasingly valued for its capacity to serve visitors rather than its capacity to provide stable residence.

For Bali, this issue is connected to the wider commercialization of residential and cultural landscapes. Research on Bali has documented the transformation of traditional houses under tourism-related commercialization, indicating that tourism can alter not only economic activities but also the physical and cultural organization of residential space. Putra, Setijanti, and Dinapradipta identify commercialization-induced transformations in traditional Balinese houses, demonstrating that tourism pressures can influence spatial organization and the cultural principles embedded within residential environments. Short-term rental regulation should therefore recognize that the housing impact is multidimensional: it concerns affordability, availability, residential stability, neighborhood character, and cultural continuity.

The appropriate regulatory response is not necessarily a blanket prohibition. Rather, authorities should monitor housing-market indicators and intervene where short-term rental concentration creates measurable residential pressure. Neighborhood-level monitoring is particularly important because research indicates that short-term rental impacts are spatially heterogeneous. Garay-Tamajyn et al. (2022) argue that neighborhoods should constitute an important management unit because tourism-related housing effects can spill beyond the areas initially targeted by tourism development. A Bali-specific regulatory system could therefore establish thresholds based on the proportion of residential properties converted to tourist accommodation, changes in long-term rental availability, rent-to-income ratios, and the density of commercial short-term rental listings.

3. Regulatory Fragmentation and the Need for Platform Accountability

The third finding concerns enforcement. The existence of formal tourism regulation does not guarantee effective control of platform accommodation because digital platforms can operate across administrative boundaries and generate information asymmetry between authorities, property owners, and residents. Aritenang and Setiawan (2024) identified difficulties in monitoring Airbnb properties in Denpasar, including limited compliance with health and safety requirements and uncertainty concerning registration. Their findings demonstrate that the regulatory problem is not simply a shortage of substantive rules but also a problem of institutional visibility. Authorities cannot effectively regulate accommodation that they cannot reliably identify.

This problem is intensified by the distinction between platform operators and accommodation providers. The platform may facilitate transactions without directly owning the property, while the host may characterize the activity as private property use rather than a tourism business. Traditional licensing systems designed for hotels and registered accommodation enterprises may therefore struggle to capture platform-based operations. Ganapati, Sukwika, and Sulistyadi (2021) similarly identified concerns regarding unequal competitive conditions between Airbnb accommodation and conventional hotels in Bali. Their findings demonstrate that regulatory asymmetry can produce both economic and consumer-protection consequences.

Platform accountability should consequently become a central component of regulation. Authorities should require registered listings to display a valid accommodation registration number, while platforms should be required to verify and periodically transmit information concerning active listings, hosting capacity, and booking activity. Such obligations need not require unrestricted access to personal data. Instead, data sharing can be structured around regulatory objectives, with privacy safeguards and clearly defined purposes. The objective is to enable government to identify commercial operations and enforce applicable standards without creating unnecessary surveillance of ordinary residents.

Taxation should operate alongside registration rather than substitute for it. A tax obligation may capture economic activity, but taxation alone does not establish whether an accommodation operation complies with zoning, safety, environmental, or housing requirements. Conversely, strict licensing without a realistic tax and registration pathway may encourage informal operation. An integrated system would connect registration, licensing, taxation, and enforcement so that legal compliance becomes administratively simpler for small local operators while large-scale commercial operators face proportionate obligations. This would also reduce the competitive imbalance identified in previous Bali research.

The enforcement model should further distinguish between illegal operation and regulatory non-compliance that can be corrected. Small hosts should be given accessible registration procedures, clear guidance, and reasonable compliance periods. Professional operators with multiple properties should face stronger verification, inspection, and reporting obligations because their potential externalities are greater. Platforms repeatedly hosting unregistered commercial properties should face escalating administrative consequences. Such a graduated approach would be more compatible with proportionality than a regulatory model relying exclusively on criminal sanctions or blanket prohibition.

4. A Tourism-Justice Framework for Bali

The fourth finding is that a housing-justice approach requires a shift from accommodation regulation based primarily on business classification toward regulation based on social impact. The central regulatory question should not be whether a property is marketed through Airbnb or another platform, but whether its operation remains compatible with the residential function of the area. This principle would allow Bali to regulate different accommodation models according to their actual effects. Owner-occupied home sharing could receive a lighter regulatory regime, while entire-home commercial rentals and multi-property operations would face stronger restrictions in areas experiencing housing pressure.

Zoning should be the first substantive instrument. Short-term rental activity should be permitted more freely in designated tourism and mixed-use areas where tourism accommodation is compatible with spatial planning, while residential areas with significant affordability pressures should receive stronger protection. This approach would prevent the gradual conversion of entire neighborhoods without requiring a universal ban. Zoning decisions should be based on transparent indicators, including housing availability, tourism intensity, infrastructure capacity, environmental pressure, and community preferences. Such a system would translate tourism justice into spatial governance by recognizing residents' legitimate interest in maintaining areas where permanent habitation remains possible.

The second instrument should be a registration and licensing hierarchy. Owner-occupied home sharing with limited capacity could be subject to simplified registration, safety requirements, and basic taxation. Hosts who operate several properties or entire homes exclusively for tourists should require a more comprehensive tourism-business license. Multi-property commercial operators should be subject to additional obligations concerning parking, waste management, water consumption, neighborhood disturbance, and housing impacts. This hierarchy would reflect the empirical finding that different categories of short-term rentals generate different externalities rather than assuming that all listings are equally harmful.

The third instrument should be housing-impact assessment. Before authorities approve substantial concentrations of short-term rentals in a neighborhood, they should assess whether the activity is likely to reduce long-term housing supply or increase housing costs. This mechanism could be modeled conceptually on environmental-impact assessment but adapted to residential conditions. Indicators could include changes in long-term rental listings, rent levels, property transactions, residential occupancy, and the proportion of properties dedicated to tourist accommodation. Where evidence demonstrates significant housing pressure, authorities could impose temporary caps, geographic restrictions, or limits on new commercial registrations.

The fourth instrument should be fiscal redistribution. If short-term rentals generate public costs through infrastructure use, waste, water consumption, congestion, and neighborhood management, a portion of tourism-related taxation should support the communities where those costs arise. This principle is consistent with a broader tourism fiscal-justice approach because the legitimacy of tourism taxation depends partly on whether public revenue addresses tourism-generated externalities. Local revenue could support affordable housing programs, neighborhood infrastructure, waste management, water conservation, community facilities, and cultural preservation. The objective would not be to punish tourism accommodation but to internalize part of its social costs.

The fifth instrument should be meaningful community participation. Residents should have a formal role in determining whether short-term rentals are appropriate within their neighborhoods and in reviewing their cumulative impacts. Participation should not mean that every individual objection automatically prevents tourism activity. Instead, local communities should participate in evidence-based planning, monitoring, and evaluation. This is particularly important in Bali because residential space is embedded within customary, cultural, and community institutions. A regulatory framework that treats housing solely as privately owned real estate would overlook the broader social relationships through which neighborhoods function.

Finally, regulation should protect legitimate local participation in tourism. A justice framework would be incomplete if it protected housing by excluding local residents from tourism income. Short-term rentals can provide supplementary income, particularly where households convert unused rooms or limited portions of their homes into accommodation. The appropriate objective is therefore not to eliminate short-term rentals but to prevent the concentration of residential property in commercially oriented portfolios that produce benefits for investors while shifting housing costs onto residents. The regulatory distinction between community-based accommodation and commercialized residential tourism is consequently central to achieving a balanced policy.

Conclusion

The expansion of short-term rentals in Bali represents more than a technological development within the accommodation sector. It changes the economic function of residential property by connecting local housing markets with global tourism demand. The benefits are significant: households can generate supplementary income, tourists gain accommodation diversity, and local communities can participate directly in the tourism economy. Nevertheless, the same mechanism can produce housing-market pressure when entire residential properties are withdrawn from long-term use or accumulated by professional operators. International empirical research demonstrates that these effects are heterogeneous and particularly pronounced for entire-home and multi-property listings. Bali-specific studies further reveal regulatory and enforcement challenges surrounding platform accommodation. The central policy issue is therefore not whether short-term rentals should exist, but how their scale, location, ownership structure, and social effects should be governed.

A tourism-justice approach requires differentiated and evidence-based regulation. Bali should distinguish owner-occupied home sharing from large-scale commercial short-term rental operations and apply proportionate requirements concerning registration, licensing, zoning, taxation, safety, platform reporting, and housing-impact monitoring. Neighborhood-level housing indicators should inform regulatory thresholds, while tourism-related fiscal resources should contribute to mitigating infrastructure, environmental, and housing pressures. Such a framework would align tourism governance with the objectives of Indonesian housing law, which recognizes access to adequate and affordable housing as a central public responsibility, while preserving the economic opportunities associated with community-based tourism.

The broader implication is that housing should be treated as an essential component of sustainable tourism governance rather than as a market variable external to tourism policy. Bali's tourism economy depends upon residential communities, cultural landscapes, infrastructure, and social institutions that cannot be indefinitely subordinated to short-term visitor demand. Effective regulation should therefore seek an institutional balance in which tourism remains economically productive without converting residential neighborhoods into exclusively commercial tourism spaces. The ultimate measure of regulatory success is not the number of listings eliminated or the volume of tourism accommodated, but whether Bali can maintain a tourism economy in which residents remain able to live, work, participate, and benefit within the communities that make the destination attractive in the first place.

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