

## **Adaptive Governance in the Implementation of the Remote Worker Visa Policy for Sustainable Tourism Development in Bali**

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### **ABSTRACT**

*The rapid growth of remote work has transformed international mobility patterns, shifting Bali's tourism profile from short-term visitors to long-stay remote workers. While this trend generates economic opportunities, it also creates governance challenges related to immigration compliance, destination carrying capacity, social order, and the sustainability of tourism development. These emerging dynamics require adaptive policy responses that balance economic benefits with effective regulatory oversight. This study aims to examine the implementation of Indonesia's Remote Worker Visa policy (Index E33G) in supporting sustainable tourism in Bali through the lens of adaptive governance. A descriptive qualitative design with a socio-legal approach was employed, drawing on policy documents, regulatory analysis, and institutional practices related to immigration governance. The findings indicate that the Remote Worker Visa policy provides greater legal certainty for foreign remote workers while facilitating longer visitor stays and supporting local economic activity. The policy also strengthens the distinction between tourists and foreign workers, contributing to improved immigration governance. However, its implementation remains constrained by fragmented inter-agency coordination, limited digital monitoring capacity, high mobility among remote workers, and persistent violations involving unauthorized commercial activities conducted under inappropriate visa categories. The study concludes that the effectiveness of the Remote Worker Visa policy depends not only on regulatory design but also on adaptive governance characterized by digital-based monitoring systems, cross-sectoral collaboration, and responsive policy implementation. Strengthening these governance capacities is essential to maintaining legal compliance, protecting destination sustainability, and enhancing Bali's competitiveness as a sustainable tourism destination.*

### **Keywords:**

*Adaptive Governance; Remote Worker Visa; Tourism Policy Implementation; Sustainable Tourism Development; Immigration Governance*

### **A. INTRODUCTION**

The transformation of the global employment landscape following the COVID-19 pandemic has accelerated the growth of remote work and cross-border mobility. Advances in information and communication technology have enabled professionals to conduct employment activities without being geographically tied to the location of their employers (Cook, 2023). This transformation has contributed to the emergence and normalization of digital nomadism, in which individuals combine professional activities with temporary residence and tourism experiences in destinations outside their home countries (Hari & Triandafyllidou, 2025; Jiwasiddi et al., 2024). Unlike conventional tourists, remote workers may remain in a destination for several months while continuing to work for employers or clients located abroad. Consequently, the increasing mobility of remote workers has generated new opportunities as well as new challenges for destination governance.

The emergence of digital nomadism has encouraged governments to develop specific visa schemes to attract remote workers and capture their economic contributions while maintaining immigration control. Digital nomad and remote worker visa programs have increasingly become

policy instruments through which tourism destinations seek to attract relatively high-income, long-stay visitors. From a tourism perspective, this form of mobility can potentially contribute to destination resilience because remote workers tend to stay longer and distribute their expenditure across accommodation, food and beverage, coworking spaces, transportation, entertainment, and other local services. However, the benefits of long-stay remote work are not automatically distributed equally across local communities. Increased demand for accommodation, land, infrastructure, and services may simultaneously generate pressures on housing affordability, public infrastructure, the environment, and local social relations.

Bali represents an important case in this context. As one of Southeast Asia's major tourism destinations, Bali possesses a combination of relatively affordable living costs, digital connectivity, coworking infrastructure, natural attractions, and cultural resources that make it attractive to international remote workers (Wijaya et al., 2024). The presence of remote workers has the potential to diversify Bali's tourism market from short-term mass tourism toward longer-stay and potentially higher-value tourism. Remote workers can contribute to local Micro, Small, and Medium Enterprises

(MSMEs), accommodation businesses, culinary activities, creative industries, coworking spaces, and other tourism-supporting sectors (Nikšić & Dragičević, 2025). Bank Indonesia (2025) similarly emphasizes the broader transformation of Indonesia's tourism sector toward quality tourism, in which visitor expenditure, length of stay, and economic contribution become important considerations.

Nevertheless, the expansion of remote work also presents a governance dilemma for Bali. The longer duration of stay and relatively high purchasing power of remote workers may generate economic benefits while simultaneously increasing pressure on local resources. Concentration in destinations such as Canggu, Pererenan, Ubud, and Uluwatu may contribute to rising housing and land prices, traffic congestion, waste generation, and competition over local resources (Nikšić & Dragičević, 2025). The phenomenon may also contribute to gentrification when international demand for housing and land exceeds the purchasing power of local residents. Therefore, remote worker mobility should not be understood solely as a tourism phenomenon. It is also an issue of immigration governance, taxation, local economic regulation, environmental management, spatial development, and social sustainability.

Before the introduction of a specific remote worker visa, one of the major governance problems involved foreign nationals conducting remote work activities while entering Indonesia through tourist-oriented visa categories. The use of Visa on Arrival (VoA) or B211A for activities that may resemble employment created a regulatory grey area because tourist visas are not designed to facilitate long-term employment activities (Nikšić & Dragičević, 2025). Such practices create difficulties for immigration authorities in distinguishing between legitimate tourists and foreign nationals conducting activities that may violate the conditions of their stay. The situation also creates challenges for local authorities when foreign nationals participate in commercial activities directed toward the domestic market.

The Indonesian Government responded to these dynamics through the Remote Worker Visa, Index E33G. The policy provides a specific legal category for foreign nationals who work remotely for companies or entities located outside Indonesia. The policy is intended to provide legal certainty while strengthening the distinction between tourism activities and employment-related activities. The E33G visa therefore represents not merely an immigration instrument but also a governance response to the changing nature of international mobility. Its implementation illustrates how states must adapt regulatory institutions to emerging forms of work and mobility that do not fit neatly into traditional categories of tourists and foreign workers.

However, the existence of a specific visa category does not automatically guarantee effective governance. Policy implementation involves multiple

institutions with different mandates, information systems, and enforcement capacities. Immigration authorities are primarily responsible for visa and residence compliance, while taxation authorities have responsibilities related to tax residency and income, tourism authorities manage destination development, local governments oversee public services and local economic activities, and public order institutions may become involved when violations occur. Consequently, the implementation of E33G represents a cross-sector governance problem in which no single institution possesses sufficient authority or information to address all dimensions of remote worker mobility.

This condition makes the concept of adaptive governance particularly relevant. Adaptive governance emphasizes institutional flexibility, collaboration among multiple actors, continuous learning, and the capacity to respond to uncertainty and rapidly changing social and environmental conditions (Tresiana & Kartika, 2024). In contrast to conventional hierarchical governance, adaptive governance recognizes that complex policy problems require coordination across organizational boundaries. In the context of Bali, adaptive governance can provide a framework for connecting immigration governance with tourism development, taxation, environmental sustainability, digital monitoring, and local community participation.

The need for adaptive governance is further strengthened by the characteristics of remote workers themselves. Their high geographical mobility makes conventional physical monitoring difficult. Remote workers may change accommodation, move between destinations, and conduct professional activities through digital platforms. Therefore, static regulatory mechanisms may not be sufficient to monitor their activities. Effective governance requires integrated data, digital monitoring, institutional collaboration, and mechanisms for continuously evaluating and adjusting policy instruments. The challenge is consequently not only whether E33G provides legal certainty, but whether the institutions responsible for implementing the policy can adapt to the changing patterns of international mobility.

Previous studies have examined different aspects of digital nomadism and tourism. Wijaya et al. (2024) examined the influence of digital nomads on small and medium-sized tourism enterprises in Bali and demonstrated the economic significance of this population. However, the study did not focus on the implementation of immigration regulations. Hari and Triandafyllidou (2025) examined the emergence of digital nomad visas from a comparative international perspective, but did not explore the institutional implementation of such policies at the local level in Bali. Meanwhile, Nikšić and Dragičević (2025) highlighted the economic, social, and environmental impacts of digital nomads in tourism destinations, while Addarisalam et al. (2025)

emphasized digital governance and sustainable regional development. These studies provide important foundations but do not fully integrate remote worker visa implementation, adaptive governance, and sustainable tourism within a single analytical framework.

This research therefore addresses three gaps. First, there remains limited analysis of the implementation of the Remote Worker Visa at the local destination level, particularly in Bali. Second, existing discussions of digital nomadism have not sufficiently connected immigration policy implementation with adaptive governance. Third, the relationship between E33G implementation and the three dimensions of sustainable tourism, namely economic, social, and environmental sustainability, requires further examination. This study addresses these gaps by analyzing E33G as a governance instrument and examining whether its implementation possesses the institutional flexibility, cross-sectoral collaboration, digital monitoring capacity, and policy learning mechanisms required to manage the complexity of remote worker mobility.

The novelty of this study lies in repositioning adaptive governance from an instrument for measuring immigration compliance into an analytical lens for measuring sustainable tourism performance itself. Prior socio-legal and economic studies on remote worker mobility, including Hari and Triandafyllidou (2025) and Wijaya et al. (2024), tend to evaluate policy success through compliance-based indicators, namely whether a visa holder's legal status is correct, or through expenditure-based indicators, namely how much a remote worker spends locally. Both indicator sets are useful, but neither can register a situation in which every individual remote worker is fully compliant and economically productive while their aggregate presence still erodes housing affordability, overloads infrastructure, or displaces local residents. Such an outcome would register as a policy success under conventional compliance and expenditure metrics, even though it represents a governance failure from a sustainability standpoint. Adaptive governance is therefore adopted in this study not as a normatively preferable alternative to compliance monitoring, but as an analytically necessary lens: its four dimensions, namely institutional flexibility, cross-sector collaboration, digital-based oversight, and policy agility, allow economic, social, and environmental sustainability outcomes to be read as products of institutional coordination and learning capacity, rather than as by-products of individual visa-holder conduct. This constitutes the socio-legal novelty of the present study: it uses the E33G legal architecture as an entry point of analysis, but treats destination-level sustainable tourism performance, rather than visa compliance alone, as the outcome that adaptive governance is ultimately used to explain.

The central argument of this study is that the E33G policy can provide legal certainty and support long-stay, potentially higher-value tourism, but these benefits cannot be achieved through regulatory design alone. The effectiveness of the policy depends on adaptive governance capacity. In other words, E33G may solve the previous problem of legal ambiguity surrounding remote workers, but it simultaneously generates new governance requirements related to taxation, housing, infrastructure, environmental carrying capacity, and local social integration. Sustainable tourism is therefore not an automatic outcome of the Remote Worker Visa. Rather, it depends on the capacity of institutions to coordinate, monitor, learn, and adapt.

Based on this background, this study addresses three research questions: (1) How is the implementation of the E33G Remote Worker Visa policy supporting sustainable tourism development in Bali? (2) What institutional and governance obstacles constrain the implementation of the E33G policy? and (3) How can an adaptive governance framework strengthen the implementation of the E33G policy to balance immigration compliance, economic benefits, and sustainable tourism development?

## **B. RESEARCH METHOD**

This study employs a descriptive qualitative research design using a socio-legal approach and qualitative document analysis. The approach is appropriate because the research examines the implementation of a relatively new immigration policy through regulatory documents, institutional reports, academic literature, and policy frameworks rather than through direct interviews or field observations. A socio-legal perspective enables the analysis to move beyond the formal content of legal regulations and examine how regulatory instruments relate to institutional practices, actor behavior, and the broader socio-economic context (Tresiana & Kartika, 2024).

The study treats the E33G Remote Worker Visa as both a legal instrument and a public policy instrument. As a legal instrument, the visa establishes the rights, obligations, restrictions, and eligibility requirements of foreign remote workers. As a public policy instrument, it is intended to influence patterns of international mobility and contribute to the governance of tourism destinations. Therefore, the analysis focuses not only on what the regulation stipulates but also on the institutional capacity required to implement, monitor, and adapt the policy.

The research relies on secondary data obtained from four major categories of sources. First, official regulations and government policy documents were examined to identify the legal architecture of E33G, including immigration regulations, residence permit provisions, Non-Tax State Revenue (PNBP) regulations, and tourism development policies. Second, institutional reports from government

agencies and public institutions, including Bappenas and Bank Indonesia, were used to contextualize tourism, economic, and governance conditions. Third, scientific articles published between 2021 and 2026 were reviewed to identify theoretical debates and empirical findings related to adaptive governance, digital nomadism, sustainable tourism, immigration governance, and digital governance. Fourth, comparative policy materials were examined to identify relevant international practices in managing remote worker mobility.

The inclusion criteria consisted of official Indonesian government documents relevant to the E33G visa and related immigration regulations, peer-reviewed scientific articles indexed in Scopus or SINTA and published during 2021–2026, institutional reports issued by government agencies or credible public institutions, and studies relevant to Bali or comparable tourism destinations. Documents were excluded when they were unrelated to remote worker governance, sustainable tourism, or immigration policy, or when their institutional and academic credibility could not be established.

Document collection was conducted using Google Scholar, Scopus, and SINTA with combinations of the keywords "adaptive governance", "remote worker visa", "digital nomad", "sustainable tourism", "Bali tourism policy", and "immigration governance". The documents were subsequently classified into four analytical clusters: E33G regulatory architecture, institutional and governance barriers, socio-economic and environmental implications, and adaptive governance mechanisms.

To strengthen the methodological rigor expected of policy-implementation research that relies solely on secondary data, the document search and selection procedure was structured according to a Systematic Literature Review (SLR) logic adapted from the PRISMA framework, rather than an unstructured or convenience-based reading of the literature. The procedure comprised four sequential stages: (1) identification, in which records were retrieved from Google Scholar, Scopus, and SINTA using the keyword combinations listed above, after which duplicate records were removed; (2) screening, in which titles and abstracts were screened against the inclusion and exclusion criteria described above; (3) eligibility, in which the full texts of the remaining records were assessed for direct relevance to E33G implementation, adaptive governance, or sustainable tourism in Bali or comparable destinations; and (4) inclusion, in which the documents meeting all criteria, comprising peer-reviewed articles, institutional reports, and official regulations, were retained for final analysis. This four-stage process is summarized in a PRISMA-adapted flow diagram (Figure 1), reporting the number of records identified, screened, assessed for eligibility, and finally included at each stage. Structuring document selection in this manner reduces the risk of selective or confirmatory

reading, to which descriptive qualitative document analysis is often exposed, and makes the corpus construction process auditable and replicable by other researchers.

The included documents were then analyzed using a structured thematic coding procedure modeled on the node-based logic of qualitative data analysis software such as NVivo, with coding performed manually given the moderate size of the final corpus. Four parent nodes were defined a priori, corresponding to the four analytical dimensions of adaptive governance used in this study, namely institutional flexibility and certainty, cross-sector collaboration, digital-based oversight, and policy agility and continuous learning. Within each parent node, child nodes were developed inductively as recurring sub-themes emerged from the documents; for example, "employment-restriction ambiguity" and "grey-area visa use" were coded under institutional flexibility, while "inter-agency data silos" and "Desa Adat/Banjar involvement" were coded under cross-sector collaboration. Each excerpt was coded to a maximum of one parent node and one associated child node to avoid double-counting, and coding consistency was checked by re-reading a subset of previously coded excerpts after an interval of one week. This structured coding matrix, rather than a purely narrative reading of the documents, allows the four adaptive-governance dimensions to be mapped more empirically onto the themes identified in the corpus, and it is this coded matrix that forms the analytical basis of the discussion presented in Section C.

The analysis follows the principles of qualitative content analysis. Relevant statements, concepts, and policy provisions were identified and organized according to their relevance to the research questions. The analytical process consisted of three stages, namely data reduction, data organization, and interpretation. During the reduction stage, documents that did not contribute to the research questions were excluded. During the organization stage, evidence was classified into analytical categories. During the interpretation stage, the empirical and regulatory findings were compared against the adaptive governance framework.

The study operationalizes adaptive governance through four analytical dimensions, namely institutional flexibility and certainty, cross-sector collaboration, digital-based oversight capacity, and policy agility and continuous learning. Institutional flexibility and certainty refer to the ability of regulations and institutions to provide clear legal arrangements while responding to emerging mobility patterns. Cross-sector collaboration concerns coordination among institutions responsible for immigration, taxation, tourism, local government, and public order. Digital-based oversight focuses on the capacity to use integrated information systems and digital technologies to monitor remote workers.

Policy agility and continuous learning refer to the capacity of government institutions to evaluate implementation outcomes and modify policies according to changing conditions.

These four dimensions are used to examine whether E33G implementation can move beyond a conventional rule-based approach toward a governance system capable of responding to uncertainty and changing conditions. The framework also connects policy implementation with sustainable tourism by examining economic, social, and environmental outcomes.

This research has several limitations. First, the study is based on secondary data and therefore cannot directly capture the perceptions and experiences of remote workers, local residents, businesses, or government officials. Second, the research does not quantitatively measure the causal economic or environmental impacts of E33G. Third, some policy implementation practices may evolve faster than the publication of academic studies and official reports. Finally, the Bali case limits the generalizability of the findings to other destinations. These limitations indicate the need for future empirical research involving stakeholder interviews, field observations, and quantitative analysis of tourism, taxation, housing, and environmental indicators.

### **C. RESULTS AND DISCUSSION**

#### **Policy Architecture and Legal Certainty of the E33G Remote Worker Visa**

The introduction of the Remote Worker Visa, Index E33G, represents an important development in Indonesia's immigration governance. The policy creates a specific legal category for foreign nationals who work remotely for foreign-based companies or entities while residing temporarily in Indonesia. Under the policy architecture examined in this study, E33G provides a longer period of stay than conventional tourist visas and does not require a local sponsor. It is therefore positioned between conventional short-term tourism visas and longer-term investment-oriented residence schemes.

The policy establishes several requirements intended to ensure that applicants have sufficient economic capacity and legitimate foreign employment relationships. The E33G visa requires evidence of employment or contractual relationships with foreign entities and establishes an annual income threshold of USD 60,000. The visa provides access to a Limited Stay Permit (ITAS), Multiple Entry Re-entry Permit (MERP), and certain supporting facilities. The policy also accommodates dependent family members through related KITAS categories. These provisions demonstrate an attempt to construct a selective migration regime that prioritizes foreign nationals considered capable of contributing economically while remaining formally outside Indonesia's domestic labor market.

From a governance perspective, these provisions provide an important form of institutional certainty. Prior to a dedicated remote worker category, foreign nationals conducting remote work activities while holding tourist-oriented visas occupied a regulatory grey area. The creation of E33G provides a clearer distinction between individuals visiting Indonesia for tourism and those who intend to reside for extended periods while continuing professional activities for foreign entities. The policy therefore represents a shift from an ambiguous regulatory environment toward a more explicit categorization of international mobility.

However, legal certainty should not be equated with effective governance. A clear regulation establishes the formal rules of the game, but implementation depends on the ability of institutions to identify, monitor, and respond to violations. This distinction is central to adaptive governance. E33G addresses the first-order problem of legal classification, but it does not by itself resolve the second-order problem of monitoring behavior after entry into Indonesia.

The employment restriction is particularly important. E33G holders are not permitted to receive wages, compensation, or sell goods and services to Indonesian entities or citizens within Indonesia. This provision seeks to ensure that remote workers remain economically connected to foreign employers rather than competing directly in Indonesia's domestic labor or commercial market. The restriction creates a legal boundary between legitimate remote work and unauthorized local economic activity.

The challenge, however, is that such boundaries can be difficult to observe through conventional administrative monitoring. A remote worker may conduct professional activities entirely online, move between destinations, and interact with clients through international digital platforms. Consequently, the implementation problem shifts from rule creation to behavioral monitoring. This is precisely where adaptive governance becomes relevant: institutions need mechanisms that allow them to detect emerging forms of non-compliance rather than merely respond after violations become visible.

The E33G policy can therefore be understood as a policy instrument that partially resolves an existing governance gap while creating a demand for more sophisticated governance capacity. The policy provides legal certainty, but the certainty will only be meaningful when supported by institutional coordination, reliable data, digital monitoring, and responsive policy learning.

#### **E33G and the Transformation toward Quality Tourism**

The E33G policy has potential implications for the transformation of Bali's tourism model from short-term mass tourism toward longer-stay and potentially higher-value tourism. Conventional

international tourists generally remain in destinations for relatively short periods, whereas remote workers can reside for several months while continuing their professional activities. This longer period of residence can generate more stable demand for accommodation, food, transportation, coworking spaces, recreational activities, and local services.

Remote workers may spend directly on long-term accommodation, coworking spaces, restaurants, transportation, wellness services, cultural activities, and other local businesses. This can help reduce the seasonality associated with conventional tourism because remote workers are not necessarily dependent on holiday periods. Jiwasiddi et al. (2024) and Nikšić and Dragičević (2025) indicate that digital nomads can contribute to local economic activity through their extended residence and consumption patterns.

However, the contribution of remote workers should not be assessed solely through expenditure. The concept of quality tourism also requires consideration of the distribution of economic benefits and the costs imposed on local communities. A tourism model cannot be considered sustainable simply because visitors spend more money if the resulting demand increases housing costs, displaces local residents, or creates environmental pressures.

The E33G therefore illustrates a central paradox of sustainable tourism. The same characteristics that make remote workers economically attractive, particularly long stays and relatively high purchasing power, may also increase their demand for land, housing, infrastructure, and natural resources. The longer duration of stay can therefore simultaneously strengthen local economic activity and intensify destination pressures.

From an economic perspective, remote workers provide recurring demand rather than one-time consumption. Their expenditure can support accommodation providers, restaurants, coworking spaces, transportation providers, creative industries, and MSMEs. Their professional networks may also generate opportunities for knowledge exchange and international connections. Nevertheless, these benefits may become spatially concentrated in destinations already experiencing high tourism pressure.

Therefore, the economic sustainability of remote worker tourism should involve not only attracting more visitors but also managing their spatial distribution and ensuring that local economic actors benefit. Without such mechanisms, economic gains may become concentrated among property owners, accommodation providers, and businesses serving international consumers, while other community groups experience increased costs.

### **The Sustainability Paradox: Social and Environmental Pressure**

Social sustainability represents one of the significant challenges associated with long-stay remote worker tourism. The demand for housing generated by international residents can increase

rental and property prices. The concentration of digital nomads in areas such as Canggu and Pererenan has been associated with concerns regarding housing affordability and gentrification (Nikšić & Dragičević, 2025). When international salaries become the benchmark for accommodation prices, local residents with lower incomes may find it increasingly difficult to remain in their own communities. Tourism development can therefore generate economic growth while simultaneously creating social displacement.

This is not merely a theoretical concern. Industry cost-of-living surveys published in 2026 report that rents in Canggu rose by approximately 18 percent year-on-year, with landlords increasingly demanding two-month deposits instead of one, while broader property-market assessments estimate that rental prices across Canggu, Uluwatu, and Seminyak have risen by 10 to 25 percent annually since 2021, driven substantially by international relocation and remote-worker demand (Prestige Property Bali, 2026; Asia Lifestyle Magazine, 2026). Some long-term tenants report being unable to renew leases on their original terms once landlords recognize the willingness of international renters to pay foreign-currency-equivalent rates, illustrating how a policy instrument such as E33G, designed to formalize remote-work compliance, interacts with an informal housing market that the policy itself does not regulate. Congestion compounds the housing pressure: destination guides and resident accounts consistently describe Canggu's narrow road network as unable to absorb its now-dense concentration of villas, coworking spaces, and cafés, producing daily traffic congestion that residents and researchers alike identify as a defining feature of the area's overtourism (Nikšić & Dragičević, 2025). These conditions illustrate the sustainability paradox in concrete terms: the same combination of coworking infrastructure, culinary variety, and social scene that draws remote workers to Canggu also generates the congestion and cost pressure that increasingly push both remote workers and long-term local residents out of the area.

Social sustainability also involves relationships between foreign residents and local communities. Remote workers may spend considerable time in Bali but remain socially and economically connected to international networks. Long-term residence does not necessarily produce meaningful social integration if there are limited mechanisms for interaction with local communities. Therefore, the governance of remote worker tourism should extend beyond immigration control and incorporate local institutions, tourism actors, and community organizations.

Environmental sustainability presents a similar challenge. Longer residence means that visitors consume accommodation-related resources, water, electricity, transportation, and other services over an

extended period. Concentration in specific tourism areas can intensify traffic congestion, waste generation, and infrastructure pressure. The problem becomes particularly significant when destination development exceeds local carrying capacity.

Conventional tourism indicators may not adequately capture these effects. A remote worker who stays for six or twelve months may not appear in conventional tourism arrival statistics as frequently as short-term tourists, despite consuming resources continuously. This indicates the need to expand tourism monitoring from visitor numbers to resident-like tourism impacts. Monitoring should consider length of stay, spatial concentration, accommodation patterns, infrastructure demand, waste generation, and other indicators of destination carrying capacity.

The sustainability of E33G implementation should therefore be understood through three interconnected dimensions. Economic sustainability concerns the capacity of remote workers to support local businesses and diversify tourism demand. Social sustainability concerns housing affordability, community participation, cultural interaction, and the distribution of tourism benefits. Environmental sustainability concerns resource consumption, waste, traffic, and infrastructure carrying capacity. These dimensions cannot be separated because improvements in one dimension may create pressures in another.

### **Institutional Fragmentation in E33G Implementation**

One of the principal findings of this study is that E33G implementation is characterized by institutional fragmentation. The governance of remote workers involves several institutions, each operating with different mandates and information systems. Immigration authorities are responsible for visa and residence compliance; taxation authorities address tax obligations; tourism authorities manage tourism development; local governments oversee public services and local economic activities; Satpol PP has public-order responsibilities; and law enforcement agencies may become involved when violations occur.

The problem is not that these institutions have different responsibilities. Functional differentiation is necessary in modern governance. The governance problem arises when institutions cannot effectively exchange information or coordinate their actions. Immigration authorities may know the legal status of a foreign national, while taxation authorities may possess information relevant to tax residency. Tourism authorities may understand destination concentration, while local governments may observe changes in housing and infrastructure pressure. If these datasets remain separated, each institution sees only one part of the governance problem.

This represents a silo governance problem. The absence of a fully integrated monitoring system can result in slow enforcement responses because

information must move through separate institutional channels. Fragmentation is therefore not merely organizational but informational. The capacity to govern remote worker mobility depends on whether relevant institutions can transform fragmented information into shared knowledge for decision-making.

The implementation challenge is further complicated by the mobility of remote workers. Immigration officers may encounter difficulties distinguishing tourists who are purely visiting from individuals who are conducting remote work or unauthorized commercial activities. The use of inappropriate tourist visa categories may continue when the cost or administrative burden of E33G is perceived as less attractive than alternative visa options. This illustrates the importance of aligning regulatory incentives with monitoring and enforcement mechanisms.

Unauthorized commercial activities also demonstrate that the consequences of visa misuse extend beyond immigration law. Foreign nationals engaging in local photography, surfing instruction, property management, consulting, or similar activities may directly compete with local businesses. Consequently, enforcement of immigration rules becomes connected with local economic protection and community welfare.

Recent enforcement activity illustrates the scale of this problem. In April 2026, Indonesia's Directorate General of Immigration launched the Dharma Dewata Immigration Patrol Task Force, deploying roughly 100 officers across Bali's principal remote-worker hubs, including Canggu, Ubud, Seminyak, Kerobokan, and Uluwatu. Within the first three weeks of operation, the task force reportedly detained 62 foreign nationals for violations including illegal work, overstays, and falsified documents, while nationwide enforcement figures for the early months of 2026 recorded thousands of administrative actions against foreign nationals, a substantial share resulting in deportation or permit cancellation (Directorate General of Immigration, 2026; The Bali Sun, 2026). Immigration officials have publicly clarified that even unpaid activity, such as sponsored social media content, brand collaborations, or informal wellness instruction, can constitute a visa violation once it carries identifiable economic value, regardless of whether payment is exchanged inside Indonesia. This enforcement pattern is instructive for E33G implementation in two respects. First, it confirms that the grey-area problem identified in this study is not hypothetical but actively targeted by immigration authorities, lending empirical weight to the argument that legal classification alone does not resolve behavioral monitoring. Second, it shows that current enforcement remains largely reactive and patrol-based rather than data-integrated, which is precisely the governance gap that the adaptive

governance framework proposed in this study is intended to close.

### **Multi-Level Governance and the Role of Local Institutions**

The governance of remote workers in Bali should also be understood as a multi-level governance problem. Although E33G is a national immigration instrument, its impacts are experienced locally. This creates a vertical governance relationship between central government, provincial government, regency/city governments, and local community institutions.

At the national level, immigration and taxation institutions determine legal requirements and compliance mechanisms. At the provincial level, tourism and development policies shape the broader destination environment. At the local level, governments deal with accommodation, infrastructure, public order, environmental management, and local economic activities.

In Bali, this multi-level structure is further complemented by the role of Desa Adat and Banjar. These institutions possess local knowledge and social legitimacy that formal government agencies may not possess. Their involvement could strengthen the ability to identify emerging problems associated with foreign residents and facilitate communication between international residents and local communities.

Operationalizing this role within the hospitality industry requires moving beyond a general acknowledgment of Desa Adat and Banjar relevance toward concrete points of integration in day-to-day tourism operations. Several mechanisms are plausible. First, villa, coworking, and coliving operators, who are typically the first point of contact for incoming remote workers, could be encouraged to conduct a standardized guest orientation, developed jointly with the local Desa Adat, covering customary regulations (awig-awig) relevant to land use, waste disposal, water use, and expected conduct during ceremonial or Nyepi-related periods, matters on which formal immigration law is silent but customary governance is authoritative. Second, Banjar-level registration, in which hospitality operators voluntarily notify the local Banjar when a long-stay foreign guest checks in, could complement rather than replace formal immigration reporting obligations, giving customary institutions real-time visibility into who resides within their territory without granting them formal enforcement authority. Third, revenue-linked community mechanisms, such as a portion of coworking-space or villa-management fees channeled into a Banjar-administered community or environmental fund, could align the commercial incentives of hospitality operators with the infrastructure and environmental costs that concentrated remote-worker presence imposes on the surrounding customary village. Fourth, Desa Adat representatives could be formally included as

advisory members in the destination-level governance and monitoring bodies proposed later in this study, such as the Bali Tourism Digital Observatory, ensuring that customary knowledge of land-use change and social friction feeds into the same evidence base used by government agencies. Because Desa Adat and Banjar sit institutionally closer to the everyday reality of hospitality operations than any national ministry, their integration at this operational level, rather than as a purely symbolic or consultative gesture, is what would allow multi-level governance to function as adaptive governance rather than as an additional layer of uncoordinated authority.

However, involving local institutions should not mean transferring formal immigration enforcement responsibilities to communities. Their role should focus on information sharing, social integration, local communication, and early identification of problems, while formal enforcement remains within the authority of legally competent government institutions.

This arrangement illustrates the principle of adaptive governance because different actors contribute different types of knowledge and authority. Government institutions provide legal authority, digital infrastructure, and enforcement capacity; tourism actors provide destination knowledge; local communities provide social knowledge; and academic institutions can contribute monitoring, evaluation, and evidence-based policy analysis.

Thus, effective governance should move from a government-centered model toward a collaborative arrangement involving government agencies, tourism businesses, local government, communities, private-sector actors, and academic institutions. Such an approach is particularly important because the consequences of remote worker mobility are distributed across multiple policy sectors.

### **Adaptive Governance Framework in Strengthening E33G Implementation**

Based on the findings, this study proposes a three-pillar adaptive governance framework for E33G implementation in Bali, consisting of cross-sector collaboration, digital-based monitoring, and policy agility and continuous learning.

The first pillar is the strengthening of cross-sector collaboration. The existing institutional fragmentation demonstrates that E33G implementation requires a mechanism for connecting immigration, taxation, tourism, local government, and public-order institutions. The proposed mechanism is an integrated governance arrangement in which relevant agencies can exchange information within an appropriate data protection framework. Immigration data can provide information on visa status and duration of stay, taxation data can support the identification of potential tax residents, tourism data can provide information about destination concentration, and local governments can contribute

information related to accommodation, public infrastructure, and local economic conditions.

The integration of these sources would allow government agencies to move from reactive enforcement toward preventive governance. Rather than physically monitoring every foreign national, institutions could prioritize cases presenting higher governance risks. This would increase administrative efficiency while allowing resources to be directed toward cases where there are indicators of non-compliance.

The second pillar is digital-based monitoring. The high mobility of remote workers makes conventional monitoring increasingly difficult. Digital governance can provide mechanisms for identifying patterns that may not be visible through isolated inspections. A monitoring system could integrate information regarding immigration status, duration of stay, accommodation, tourism destination, relevant tax residency indicators, and reported commercial activities.

The development of an integrated monitoring dashboard could allow relevant institutions to identify potential anomalies and initiate appropriate verification. Digital tools could also support verification by accommodation providers and other tourism businesses, provided that such mechanisms comply with data protection and privacy requirements. The objective should not be unrestricted surveillance but risk-based governance that uses digital information to improve compliance and destination management.

The third pillar is policy agility and continuous learning. Remote work is a rapidly changing phenomenon. Employment structures, digital platforms, international mobility patterns, and destination preferences can change faster than conventional regulatory cycles. Therefore, the E33G policy should not be treated as a static instrument. Government institutions need mechanisms to evaluate whether eligibility requirements, fees, monitoring mechanisms, and compliance procedures remain appropriate.

The income threshold and PNB structure should therefore be evaluated periodically in relation to application patterns, compliance behavior, and the economic contribution of remote workers. The objective is not necessarily to reduce regulatory requirements but to ensure that the policy remains aligned with its objectives. Excessively restrictive requirements may encourage eligible remote workers to use inappropriate tourist visa categories, while excessively relaxed requirements may increase governance risks.

Policy agility therefore requires a feedback mechanism in which policy implementation produces monitoring data, monitoring data generates evidence, evidence is evaluated by institutions and stakeholders, and the resulting lessons are used to modify policies. Such a continuous learning cycle allows the E33G

system to adapt to changing forms of remote work and international mobility.

### **Integrated Adaptive Governance Model for Sustainable Tourism**

The three pillars of adaptive governance can be integrated into a broader governance model for Bali. The process begins with E33G as the legal instrument that provides clear eligibility and legal certainty for remote workers. This is followed by cross-sector collaboration among immigration, taxation, tourism, local government, Desa Adat, Banjar, private-sector actors, and other relevant stakeholders. The collaboration is supported by integrated digital monitoring that connects relevant information within an appropriate legal and institutional framework.

The monitoring system should then produce information that can be used to identify governance risks and destination-level pressures. These risks may involve immigration violations, unauthorized commercial activities, potential tax compliance issues, housing pressure, or environmental carrying-capacity concerns. The information is subsequently fed into a policy-learning mechanism through which government institutions evaluate implementation and determine whether regulatory or institutional adjustments are required.

The ultimate objective is sustainable tourism. Economic sustainability can be strengthened through longer visitor expenditure, MSME opportunities, and tourism diversification. Social sustainability can be supported through community participation, local integration, and monitoring of housing and gentrification pressures. Environmental sustainability can be promoted through carrying-capacity management, infrastructure planning, and monitoring of resource consumption and waste.

This model emphasizes that sustainable tourism should be treated as an outcome of governance rather than an automatic consequence of attracting remote workers. Adaptive governance is therefore not synonymous with deregulation. Instead, it requires clear rules combined with flexible implementation mechanisms, effective coordination, evidence-based monitoring, and continuous institutional learning.

### **Policy Recommendations**

Based on the analysis, several policy recommendations can be formulated. First, the Indonesian Government should establish an integrated Bali Remote Worker Governance Dashboard that enables relevant institutions to share appropriate information concerning immigration status, tourism patterns, taxation indicators, and local destination conditions. Such integration should be accompanied by clear data protection, access, and accountability mechanisms.

Second, the establishment of a Bali Tourism Digital Observatory could provide a collaborative platform involving government agencies, universities,

tourism businesses, and other relevant stakeholders. The observatory could monitor the distribution, length of stay, economic contribution, housing impacts, and environmental pressures associated with remote workers. This would allow policy decisions to be based on destination-level evidence rather than general assumptions.

Third, local-level participation should be strengthened. *Desa Adat* and Banjar can contribute to social integration, community communication, and early identification of problems. Their participation can strengthen the connection between national immigration policy and local governance without transferring formal immigration enforcement responsibilities to community institutions.

Fourth, a Digital Nomad Integration Program could be developed to provide remote workers with information concerning Indonesian law, cultural norms, environmental responsibilities, taxation, and community expectations. This would shift governance from enforcement-only approaches toward preventive and participatory governance.

Fifth, E33G requirements should be periodically evaluated. The relationship between the income threshold, PNPB, application patterns, compliance, and economic contribution should be examined using empirical evidence. Policy adjustment should be based on implementation experience and stakeholder feedback so that the visa remains attractive to legitimate remote workers while maintaining adequate safeguards.

Sixth, international cooperation should be strengthened because remote workers maintain employment, financial, and professional relationships across national borders. Information exchange and international cooperation can therefore contribute to more effective immigration and tax compliance while responding to the inherently transnational nature of remote work.

#### **D. CONCLUSION**

Visa, Index E33G, represents an important transformation in Indonesia's governance of international mobility. The policy provides a clearer legal category for foreign nationals who work remotely for foreign-based entities and addresses part of the regulatory ambiguity associated with the use of conventional tourist visas for remote work. E33G also has the potential to support Bali's transition toward longer-stay and potentially higher-value tourism by generating continuous demand for accommodation, local services, coworking spaces, and MSMEs.

However, the findings demonstrate that the presence of a specific visa category does not automatically produce sustainable tourism. E33G resolves the problem of legal classification but generates additional governance requirements related to taxation, housing, infrastructure, environmental carrying capacity, social integration, and monitoring of unauthorized commercial activities. The benefits of

remote worker tourism are therefore accompanied by potential social and environmental costs.

The central challenge is institutional fragmentation. Immigration, taxation, tourism, local government, public-order institutions, and community organizations possess different mandates and information. Without effective coordination and data integration, each institution can only observe part of the problem. The implementation of E33G consequently requires a shift from fragmented sectoral governance toward collaborative and adaptive governance.

This study proposes three interconnected pillars of adaptive governance, namely cross-sector collaboration, digital-based monitoring, and policy agility and continuous learning. Cross-sector collaboration is required to overcome institutional silos and establish coordinated responses. Digital monitoring is necessary because the high mobility and digitally mediated activities of remote workers make conventional monitoring insufficient. Policy agility and continuous learning are required because remote work and international mobility continue to evolve, meaning that regulatory instruments need to be periodically evaluated and adjusted.

The theoretical contribution of this research lies in applying adaptive governance to the implementation of immigration policy within a tourism destination. The analysis demonstrates that immigration policy can no longer be treated exclusively as a legal or administrative matter when the mobility being regulated has direct consequences for tourism, local economies, social relations, taxation, housing, and the environment. Adaptive governance provides a framework for connecting these dimensions through institutional collaboration, information integration, and continuous policy learning.

The practical contribution is the proposed integrated adaptive governance model for Bali. The model connects E33G legal certainty with cross-sector collaboration, digital monitoring, risk-based governance, policy feedback, and sustainable tourism outcomes. The establishment of an integrated Bali Remote Worker Governance Dashboard, Bali Tourism Digital Observatory, Digital Nomad Integration Program, and periodic policy evaluation can provide institutional mechanisms for implementing this approach.

Beyond these macro-level, primarily national instruments, the findings also point to tactical steps that Bali's Destination Management Organizations (DMOs) and hospitality operators do not need to wait for national policy change to implement. First, DMOs at the regency or destination level, such as Badung's tourism office in the case of Canggu, could establish a voluntary "Responsible Remote Worker Accreditation" scheme for coworking spaces, coliving operators, and villa-management companies, under which accredited operators commit to verifying

guests' visa status at check-in, providing the customary and environmental orientation described above, and reporting long-stay foreign occupancy to the local Banjar. Such accreditation would give responsible operators a marketable compliance signal while giving DMOs a lower-cost, operator-mediated monitoring channel that does not depend on immigration officers alone. Second, hospitality operators, particularly property-management companies and coworking or coliving platforms that already use digital property-management systems (PMS) to handle bookings, could integrate a simple visa-category and length-of-stay flag into their existing PMS or booking software, so that guests staying beyond typical tourist durations or declaring income-generating activity are automatically flagged for E33G verification rather than defaulting to repeated tourist-visa extensions. Because these two measures operate at the level of individual destinations and businesses rather than national regulation, they can be piloted quickly in high-pressure areas such as Canggu and scaled to other destinations once their effectiveness is demonstrated, providing an operational bridge between the national-level E33G policy and the destination-level realities documented in this study.

Ultimately, the sustainability of remote worker tourism depends not simply on attracting more international remote workers but on the capacity of governance institutions to manage their presence responsibly. E33G can become an instrument for sustainable tourism only when economic opportunities are balanced with social inclusion, environmental protection, immigration compliance, and community participation. Adaptive governance therefore provides not merely a mechanism for responding to problems after they occur, but a framework for anticipating emerging challenges and continuously adjusting policy to the changing dynamics of global remote work.

This study is limited by its reliance on secondary data and the absence of direct interviews with remote workers, local communities, businesses, and government officials. Future research should therefore employ mixed methods to examine the actual experiences and perceptions of relevant stakeholders, measure the economic and social effects of E33G, and evaluate destination-level environmental impacts. Longitudinal research is also needed to assess whether the proposed adaptive governance mechanisms can improve compliance and sustainability over time. Such research would provide stronger empirical evidence for evaluating the long-term role of remote worker visa policies in Bali and other emerging tourism destinations.

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