



# Value Conflict in Bali's Casino Development Plan: Value Conflict Theory Analysis

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## ABSTRACT

One of the most controversial issues that has sparked debate in print media is the proposal to develop casinos in Bali—a topic that resurfaced in mid-2024. This controversy reveals a deep conflict between two social groups: local government authorities and cultural communities advocating for the preservation of local values and a group of young entrepreneurs proposing a new economic approach. This proposal triggered a heated debate between proponents, who viewed casinos as economic catalysts, and opponents—including the Ministry of Tourism and the Bali Tourism Office. This study seeks to explore the public controversy surrounding the proposed development of casinos in Bali, with a particular focus on illustrating the conflict between economic interests and the preservation of culture-based tourism. This study employs a qualitative descriptive research design. Data collection is conducted through a literature review, drawing on existing academic works, media reports, and relevant public statements. The debate surrounding the proposal to establish international-standard casinos in Bali highlights a profound conflict between the preservation of traditional cultural values and aspirations for economic modernization. This conflict exemplifies the central thesis of Value Conflict Theory, which posits that societal disputes often arise from incompatible value systems rather than mere material interests. The opposing sides in Bali's casino debate are not only advancing different economic strategies but are also championing divergent visions of what constitutes societal progress. The challenge lies in reconciling these distinct value frameworks without diminishing either side's fundamental aspirations.

**Keywords:** value conflict, Casino, Bali, Tourism.

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## BACKGROUND

With its rich cultural heritage, deep-rooted traditions, and profound belief systems, Balinese society has long attracted global attention within the context of tourism. Bali is well-known not only for its natural beauty but also for its cultural diversity, which is vividly reflected in its religious ceremonies, arts, architecture, and daily life. Balinese traditions, primarily based on the teachings of Balinese Hinduism, emphasize the concept of Tri Hita Karana, which highlights the importance of harmony among humans, nature, and the divine.<sup>1</sup> This philosophy has laid the foundation for the development of Bali's tourism sector, particularly one that is rooted in cultural and spiritual values (Suamba, 2017).<sup>2</sup>

However, amidst the rapid expansion of tourism, numerous challenges have emerged concerning the preservation of Balinese cultural values. These challenges are particularly pronounced in managing the direction of tourism

development when faced with pressures of modernization and economic expansion. One of the most controversial issues that has sparked debate in print media is the proposal to develop casinos in Bali—a topic that resurfaced in mid-2024.<sup>3</sup> This controversy reveals a deep conflict between two social groups: local government authorities and cultural communities advocating for the preservation of local values and a group of young entrepreneurs proposing a new economic approach. This proposal triggered a heated debate between proponents, who viewed casinos as economic catalysts, and opponents—including the Ministry of Tourism and the Bali Tourism Office—who contended that such developments would erode Bali's fundamental identity as a cultural and spiritual destination.<sup>4,5</sup>

## METHODS

This study seeks to explore the public controversy surrounding the proposed development of casinos in Bali, with a

particular focus on illustrating the conflict between economic interests and the preservation of culture-based tourism. The conflict will be analyzed through the lens of Value Conflict Theory, which posits that social conflicts often arise from fundamental clashes in the values upheld by different groups within a society (Schwartz, 1992; Rokeach, 1973; Yang, 2013; Almeida, 2017).<sup>6,7,8,9</sup> According to this theoretical framework, value conflict occurs when individuals or groups fundamentally oppose one another's beliefs, values, or principles (Kouzakova et al., 2012). Such conflicts emerge when different parties prioritize different issues or possess divergent perceptions regarding what is deemed appropriate, necessary, or ethical within a given social context.<sup>10</sup>

This study employs a qualitative descriptive research design. Data collection is conducted through a literature review, drawing on existing academic works, media reports, and relevant public statements. The data analysis procedure consists of four main

steps: First, the collected data are observed and scrutinized; second, key statements made by public figures or stakeholders are highlighted and documented; third, the data are analysed using the Value Conflict Theory framework to identify the underlying value-based tensions; and finally, the results are presented in a narrative form, accompanied by relevant supporting images to enrich the textual analysis.

### Conflict Between Traditional Values and Aspirations for Economic Modernization

As an international tourist destination, Bali continues to seek strategies to strengthen its regional economy through the tourism sector, including introducing new forms of entertainment. One prominent proposal is the development of international-standard casinos, which, while offering substantial economic potential, have also generated controversy regarding their impact on local culture and compliance with Indonesia's legal norms. Gambling, which lies at the heart of casino operations, has a long history in Bali. Nevertheless, such practices fundamentally conflict with the religious values held by the Balinese Hindu community. In Balinese Hindu teachings, gambling is generally regarded as behavior inconsistent with the moral and ethical principles upheld within the community (Aditi et al., 2020).<sup>11</sup>

In this context, the proposed development of casinos presents a significant dilemma: a tension between efforts to enhance economic welfare through the entertainment and tourism sectors and the imperative to safeguard the sustainability of cultural values and traditions that are integral to Bali's identity. Bali's tourism, which traditionally centers on cultural and spiritual experiences (Rachmawati et al., 2019), now faces the challenge of maintaining a balance between commercialization and the preservation of its cultural heritage.<sup>12,13</sup>

Several parties argue that the introduction of entertainment forms such as casinos could tarnish Bali's image as a destination characterized by cultural richness, artistic vibrancy, and spirituality. This concern has fueled debates among Balinese society

regarding the future trajectory of tourism development—debates centered around building a tourism sector that is more inclusive and sustainable. Therefore, the discourse surrounding the development of casinos in Bali encompasses not only economic considerations but also touches upon complex social, cultural, and legal dimensions, requiring critical reflection and thoughtful deliberation.<sup>14</sup>

The Chairman of the Karangasem Regency chapter of the Indonesian Young Entrepreneurs Association (Himpunan Pengusaha Muda Indonesia or HIPMI), I Gusti Ngurah Gde Subagiarta, responded to the proposal for casino development in Bali. According to Subagiarta, although the idea of establishing casinos has sparked both support and opposition, the proposal merits further discussion. "The proposal to develop casinos in Bali, initiated by young entrepreneurs, should not be judged merely in terms of right or wrong. Rather, it should be considered as a legitimate idea worthy of comprehensive discussion by all stakeholders," stated Subagiarta on Tuesday, July 30, 2024.

The debate over the establishment of international-standard casinos in Bali gained public attention following a statement by the Chairman of HIPMI Bali, Agung Bagus Pratiksa Linggih, who suggested that such casinos could be developed in Bali (August 5, 2025). Linggih argued that these casinos would cater specifically to wealthy and affluent individuals.

"The envisioned casino would be developed as a designated zone, similar to the Indonesia Tourism Development Corporation (ITDC) model, in economically disadvantaged areas such as Karangasem, Buleleng, or potentially Jembrana or Bangli Regencies, thereby promoting equitable economic distribution," he explained. Linggih further proposed that by localizing the casinos within specific zones, the adverse impacts on local customs and traditions could be effectively controlled. "I hope that 50 percent of the casino management would consist of Balinese people, ensuring that we do not become mere spectators in our homeland," he added, suggesting that revenues generated from the casinos could be allocated toward cultural preservation

initiatives and waste management programs.

Similarly, Putu Bayu Mandayana, the Chairman of the Buleleng chapter of HIPMI, expressed his support for the development of a casino in North Bali. He argued that this would align with the broader discourse surrounding the proposed development of North Bali Airport. "As we know, Buleleng has previously been labeled the poorest regency in Bali, largely due to limited economic circulation," Bayu remarked. He emphasized that economic dynamics heavily influence regional advancement, and to achieve substantial economic turnover, reliance solely on local sectors would be insufficient. Bayu further noted that several countries with Muslim-majority populations, such as Malaysia, already operate casino centers, citing Genting Highlands as an example—a casino complex located in a remote mountainous area.

Nevertheless, the proposal was firmly rejected by the Ministry of Tourism and Creative Economy. "First of all, let me be clear—there is no such plan," asserted Minister of Tourism and Creative Economy Sandiaga Salahuddin Uno during a weekly press conference held in Jakarta on Monday, August 5, 2024. Echoing this stance, the Senior Expert in Tourism and Creative Economy at the Ministry, Nia Niscaya, emphasized that gambling activities associated with casinos are illegal and strictly prohibited in Indonesia. "Casino gambling is absolutely out of the question, as it is explicitly prohibited under Indonesian law. We are a country governed by law, and thus, such an activity is not permissible," Nia stated firmly.

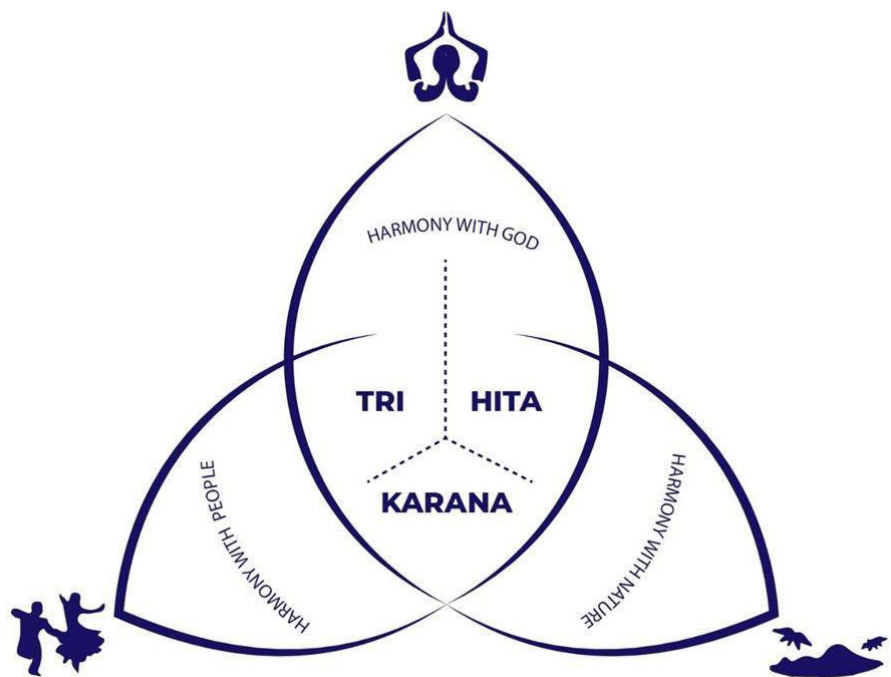
Previously, the Head of the Bali Provincial Tourism Office, Tjok Bagus Pelayun, stated that the proposed casino development in Bali remains unfeasible and cannot be realized, as gambling is prohibited under the Indonesian Criminal Code (KUHP). "The proposal for casino development is currently not possible because the Criminal Code is still in effect," said Tjok Pelayun after attending a plenary session of the Bali Provincial Legislative Council (DPRD) in Denpasar on Monday.

He further explained that during a recent socialization and discussion event regarding the Indonesian Standard Industrial Classification (KBLI), questions regarding the possibility of casino development had also arisen, and it was clearly stated that such a project could not be implemented. “Essentially, our foundation is culture; therefore, the tourism we are developing is cultural tourism. It is not a matter of simple rejection; it is about maintaining cultural tourism,” he added.

According to Tjok Bagus Pelayun, tourism in Bali is fundamentally centered on cultural tourism, and thus, incorporating casino gambling activities into Bali’s tourism offerings is deemed unacceptable. He firmly emphasized that the principal basis of Bali’s tourism industry is its cultural heritage. Therefore, casino-related gambling activities are incompatible with the concepts and values that Bali seeks to uphold and promote through its tourism sector.

Bali’s tourism focus is on preserving and introducing its rich cultural traditions and local heritage to visitors. He underlined that Bali’s distinct advantage lies not in commercial entertainment but in the richness of its customs, arts, and spirituality—treasures that have been passed down through generations. Within this framework, Balinese culture is positioned as a sacred and noble value that must not be compromised.

Conversely, several young entrepreneurs associated with the Indonesian Young Entrepreneurs Association (HIPMI) view casino development as a pragmatic solution to enhance local government revenue and to accelerate economic circulation, particularly in North Bali, which has long suffered from developmental disparities. They adopt a utilitarian approach, evaluating development primarily through the lens of efficiency and its potential impact on the community’s economic welfare. In this narrative, cultural values are still acknowledged as important; however, they are not regarded as the sole consideration in policymaking and development initiatives.



**Figure 1.**<sup>19</sup> Illustration of Tri Hita Karana.

### Analysis Using the Value Conflict Theory Approach

According to Value Conflict Theory, societal conflicts do not solely originate from material interests but rather from clashes between opposing systems of values (Rokeach, 1973; Schwartz, 1992). Values are deeply held beliefs that serve as guiding principles in determining what is considered right, reasonable, and appropriate.<sup>17,18</sup> Value Conflict Theory, often associated with Max Weber’s thought and the concept of competing societal values provides an appropriate framework for analysing the debate surrounding the proposed casino development in Bali. The conflict, in this case, centres on two fundamentally opposing core values: the preservation of traditional Balinese cultural values and the pursuit of pragmatic economic needs offered by the casino project.

On one side, those opposing the casino development, including the Ministry of Tourism and Creative Economy and the Head of the Bali Tourism Office, emphasize the primacy of Balinese cultural values as integral to the island’s identity and its appeal as a tourist destination. Bali, Indonesia’s premier tourism destination, has long been renowned for its rich cultural heritage, spirituality, and

traditional practices, which constitute the foundation of its tourism industry.

Balinese culture is deeply rooted in the concept of Tri Hita Karana, which emphasizes the harmonious relationship between humans, nature, and the divine. From this perspective, casino development—centered on gambling-based entertainment and excessive commercialization—is seen as fundamentally incompatible with these core principles. Opponents view the casino as a threat to the sacred values underpinning Bali’s social and economic life and as a potential force that could alter Bali’s tourism focus from cultural and spiritual experiences to mere commercial entertainment.

Conversely, the group of young entrepreneurs supporting casino development, as represented by the leadership of the HIPMI chapters in Karangasem and Buleleng, prioritize pragmatic values related to economic advancement. They perceive the casino as a potential solution to the problem of unequal development in Bali, particularly in North Bali, which has historically lagged behind regions such as Denpasar and Kuta. By establishing a casino in underdeveloped areas such as Karangasem or Buleleng, they hope to stimulate faster economic





**Figure 2.**<sup>20</sup> Opponents view the casino as a threat to the sacred values underpinning Bali's social and economic life and as a potential force that could alter Bali's tourism focus from cultural and spiritual experiences to mere commercial entertainment.

circulation, attract investment, and create employment opportunities that would enhance local government revenue. They further suggest that involving Balinese locals in casino management could help mitigate potential cultural degradation. From their viewpoint, economic values and efficiency take precedence, although efforts are made to accommodate cultural considerations to some extent.

This value conflict reflects a broader societal tension between those who believe that economic progress can be achieved without compromising cultural values and those who argue that some traditional values must be reconsidered—or even modified—in order to enable development. Within the framework of Value Conflict Theory, it becomes evident that each group advocates for what it perceives as higher or more vital values, often leading to conflicts that are difficult to resolve without finding a compromise that respects both sides.

Ultimately, Bali's situation may serve as an example of how societies attempt to balance seemingly conflicting values—the imperative to preserve cultural heritage against the need to adapt to the evolving demands of the global economy. In Bali's case, cultural values, spirituality, and the sanctity of place occupy a central position in the collective identity of the Balinese

people. Meanwhile, the HIPMI group upholds values of modernity, economic efficiency, and developmental innovation as the argumentative foundation for their proposal.

### **Social Reflection and the Search for Common Ground**

The clash of values has resulted in a communication impasse, as each party adheres to distinct moral frameworks. The regional government tends to adopt a normative approach grounded in legal frameworks and local traditions. In contrast, the group of young entrepreneurs relies on an instrumental and transformative approach, emphasizing the urgency of development from the perspective of short-term economic needs.

The value conflict reflects a broader tension between cultural conservatism and economic liberalism. It also illustrates the challenges faced by local communities in preserving their identity amidst the currents of globalization that introduce new sets of values.

Value Conflict Theory reminds us that resolving such conflicts is not merely a matter of technical compromise but rather a process of value reconciliation through dialogue across identities and interests. In the context of Bali, the creation of an inclusive public

participation space—grounded in shared value understandings—becomes crucial for formulating tourism policies that are not only economically beneficial but also culturally dignified.

## **CONCLUSION**

The debate surrounding the proposal to establish international-standard casinos in Bali highlights a profound conflict between the preservation of traditional cultural values and aspirations for economic modernization. On one side, government authorities and cultural advocates emphasize the importance of safeguarding Bali's spiritual and cultural heritage, which forms the foundation of its global tourism appeal. They argue that casino development, centered on gambling and commercialization, threatens the sacred values enshrined in Balinese life and contradicts Indonesia's legal prohibitions against gambling. In contrast, young entrepreneurs from the Indonesian Young Entrepreneurs Association (HIPMI) advocate for pragmatic economic solutions, viewing casinos as instruments to stimulate regional economic development, particularly in Bali's underserved northern regions.

This conflict exemplifies the central thesis of Value Conflict Theory, which posits that societal disputes often arise from incompatible value systems rather than mere material interests. The opposing sides in Bali's casino debate are not only advancing different economic strategies but are also championing divergent visions of what constitutes societal progress. For the defenders of cultural tourism, economic growth must harmonize with—and even reinforce—cultural integrity. Meanwhile, proponents of casino development prioritize economic revitalization and efficiency, suggesting that modernization and cultural preservation can coexist through localized management and community participation. The challenge lies in reconciling these distinct value frameworks without diminishing either side's fundamental aspirations.

Ultimately, Bali's ongoing debate underscores the necessity of fostering inclusive dialogue and participatory decision-making that respects both economic aspirations and cultural

identity. Rather than framing the issue as a binary opposition between tradition and progress, stakeholders must explore pathways for value reconciliation, seeking strategies that ensure economic benefits are attained without compromising the island's rich cultural heritage. In this context, the development of tourism policies anchored in shared values and mutual understanding will be essential to sustaining Bali's future as a globally respected, culturally vibrant destination.

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