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# Analysis of Economic Growth and Tourism Potential in Tanjung Lesung, Panimbang, Banten as a Creative Economy Destination

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# Abstract

Tanjung Lesung, located in Pandeglang Regency, Banten, has been designated as a Special Economic Zone (SEZ) for Tourism with the aim of encouraging regional economic growth and improving community welfare. This study analyzes the impact of SEZ on the local economy using qualitative and quantitative approaches. Data were obtained through in-depth interviews, surveys, field observations, and documentation studies. The results of the study indicate that the Tanjung Lesung SEZ has contributed positively to increasing community income by 52% and reducing the unemployment rate by 33%. In addition, investment in the tourism sector encourages business growth in the hospitality, culinary, and tourism services sectors. However, the development of SEZ also faces several challenges, such as limited infrastructure, readiness of local workers, and social and environmental impacts. Limited infrastructure, especially transportation access, is an obstacle in supporting the growth of the tourism sector. In addition, many local workers do not yet have the skills needed by the tourism industry. Environmental impacts, such as increasing waste volume and conversion of agricultural land, are also major concerns. Therefore, a comprehensive strategy is needed through improving infrastructure, strengthening human resource capacity, and implementing sustainable environmental management policies. With the right steps, Tanjung Lesung Special Economic Zone can become a successful model for inclusive and sustainable tourism-based economic development in Indonesia.

Keywords: Special Economic Zone, Tanjung Lesung, local economy, tourism, sustainable development

# **1. Introduction**

Tanjung Lesung, located in Panimbang District, Pandeglang Regency, Banten, is one of the special economic zones (KEK) that has great potential in the tourism and creative economy sectors (Ummah et al., 2023). The government has designated Tanjung Lesung as a Tourism KEK in the hope of encouraging regional economic growth and improving the welfare of the local community. With its stunning natural beauty, exotic beaches, and diverse local cultures, Tanjung Lesung has great potential to develop as a leading tourist destination in Indonesia (Wahyudi et al., 2023).

Tourism has become one of the main sectors in driving economic growth in various regions, including Tanjung Lesung. The presence of this Tourism KEK is expected to attract investment in various fields such as hospitality, culinary, transportation, and other creative industries (Aprilani and Fathurrahman, 2021). In addition, the development of the tourism-based economic sector is expected to be able to create new jobs for the local community and increase regional income.

However, despite its great potential, economic development in Tanjung Lesung still faces various challenges. Inadequate infrastructure, limited accessibility, and low skills of the local workforce are some of the main obstacles in optimizing the economic potential of this region (Kaiser and Barstow, 2022). Therefore, appropriate policies and synergy between the government, investors, and the community are needed to support the development of this area (Leonhardt et al., 2022).

Tanjung Lesung also faces challenges in terms of environmental sustainability. Unwise management of natural resources can have a negative impact on the local ecosystem, which is actually the main attraction of tourism. Therefore, the application of sustainable economic principles is very important to maintain a balance between economic exploitation and environmental preservation (Vu et al., 2024).

In addition to tourism, other economic sectors such as fisheries and agriculture also play an important role in the economy of Tanjung Lesung. The local community still relies on these sectors as their main source of livelihood. Therefore, the synergy between the tourism sector and the traditional economic sector needs to be considered so that economic growth is not only centered on one sector (Pasanchay and Schott, 2021; Qiu et al., 2021).

Investing in infrastructure and human resources is a key factor in accelerating the economic growth of Tanjung Lesung. Developing better transportation access, such as toll roads and airports, can improve the connectivity of this area with other economic centers. On the other hand, improving the skills of the workforce through training and education also needs to be considered so that the local community can be more competitive in facing increasingly dynamic economic developments (Bhattarai et al., 2021).

Government policies in supporting the development of the Tourism Special Economic Zone in Tanjung Lesung have included various incentives for investors, such as ease of licensing, tax relief, and infrastructure support. However, the effectiveness of this policy still needs to be evaluated in order to truly have a positive impact on economic growth and community welfare (Hamudy and Rifki, 2021; Ginting and Saptono, 2024).

This study aims to analyze economic development in Tanjung Lesung and evaluate the challenges and opportunities that exist. With a regional economic approach, this study will examine how the impact of the Tourism Special Economic Zone on local economic growth and how other sectors can be developed synergistically to support a more inclusive and sustainable economy. The purpose of this study is to identify factors that contribute to economic growth in Tanjung Lesung, evaluate the impact of the Special Economic Zone on the local economy, and provide policy recommendations to support the sustainable development of this area.

With this study, it is hoped that deeper insights can be obtained into the economic dynamics in Tanjung Lesung, so that it can be a basis for stakeholders in formulating more effective development strategies. In addition, this study can also be a reference for other regions that want to develop the tourism sector as the main driver of economic growth. As an area that has great potential in the creative economy and tourism, Tanjung Lesung must be able to manage the existing potential optimally. With the right strategy, synergy between various sectors, and support from the government and the community, it is hoped that this area can become a successful example in developing a tourism-based economy in Indonesia.

## 2. Methods

This study uses qualitative and quantitative approaches to analyze economic development in Tanjung Lesung. The descriptive approach is used to describe the economic phenomena that occur, including the potential, challenges, and impacts of the establishment of a special economic zone (KEK) in this area. Meanwhile, the quantitative approach is used to measure the economic impact through statistical data, macroeconomic indicators, and analysis of the relationship between investment and regional economic growth. The steps in this study can be seen in Figure 1.

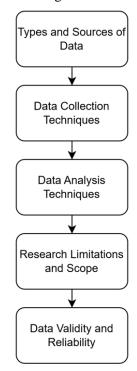


Figure 1: research flow

### 2.1. Types and sources of data

This study uses two main types of data, namely primary data and secondary data, which are collected from various sources to gain a deeper understanding.

Primary data is obtained directly from the field through various techniques, such as in-depth interviews, questionnaire surveys, and observations. Interviews were conducted with key stakeholders, including local governments, investors, local business actors, and local communities affected by the KEK policy. The questionnaire survey was distributed to local residents to find out changes in their economic welfare before and after the implementation of the KEK. Meanwhile, observations were conducted to directly see the condition of infrastructure, economic activities, and tourism potential in the Tanjung Lesung area.

Secondary data were obtained from various relevant sources, such as official government reports, SEZ policy documents, statistical data from the Central Statistics Agency (BPS), and academic publications related to regional economics and tourism development. In addition, secondary data also includes reports from non-governmental organizations (NGOs) and previous research that has been conducted related to tourism-based economic development in Indonesia. With the combination of primary and secondary data, this study can produce a more valid and in-depth analysis.

### 2.2. Data collection techniques

To collect relevant and valid data, this study uses several methods, namely in-depth interviews, questionnaire surveys, field observations, and documentation studies.

In-depth interviews were conducted in a semi-structured manner to obtain more flexible information from the informants. These interviews were conducted with various parties who have direct involvement in SEZ development, including local government officials who handle investment policies, investors who have invested in this area, and communities who have experienced the direct impact of the economic changes that have occurred.

The questionnaire survey was compiled with a combination of open and closed questions to measure the economic impact of SEZs on community welfare. Survey respondents included workers in the tourism sector, small and medium enterprise (SME) owners, and communities who previously worked in traditional sectors such as fisheries and agriculture. Through this survey, the research can collect quantitative data related to income levels, unemployment rates, and changes in community consumption patterns after the existence of the Special Economic Zone.

Field observations were conducted to directly observe the condition of infrastructure, the development of tourism facilities, and economic activity patterns that occur in Tanjung Lesung. In addition, this observation also includes a study of the environmental impacts caused by tourism development, such as changes in land use and impacts on local ecosystems.

Documentation studies were conducted by reviewing various policies and reports related to the Tanjung Lesung Special Economic Zone. The documents analyzed included the Tourism Special Economic Zone Development Master Plan, statistical reports on the tourism and creative economy sectors, and regulations related to investment incentives in special economic zones. By studying these documents, the research can obtain information on how the Special Economic Zone policy has been implemented and the extent of its impact on the local economy.

#### 2.3. Data analysis techniques

The data obtained in this study were analyzed using descriptive and inferential methods to provide a comprehensive picture of the impact of the Special Economic Zone on economic growth in Tanjung Lesung.

Descriptive analysis is used to describe the economic conditions before and after the implementation of the Special Economic Zone. The data collected will be processed to show investment trends, tourism sector growth, and changes in other economic sectors such as fisheries and agriculture. Through this analysis, it can be seen how the pattern of economic change in the Tanjung Lesung area has been since it was designated as a Special Economic Zone.

Inferential analysis is used to test the relationship between Special Economic Zone policies and local economic growth. One of the methods used in this analysis is a simple regression test, which measures the correlation between increased investment and Gross Regional Domestic Product (GRDP) growth and the level of community welfare. This inferential analysis helps in identifying factors that have a significant influence on economic development in the area.

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is conducted to evaluate the strengths and weaknesses of the Special Economic Zone development, as well as the opportunities and challenges faced in optimizing the economic potential of Tanjung Lesung. The results of this analysis will be the basis for providing strategic recommendations for more sustainable economic development.

#### 2.4. Research limitations and scope

This research focuses on the main economic sectors in Tanjung Lesung, namely tourism, fisheries, and agriculture. The analysis is carried out on economic development since Tanjung Lesung was designated as a Special Economic Zone until now. The main focus of this research is how the Special Economic Zone policy affects local economic growth, community welfare, and the dynamics of related economic sectors.

In addition, this research limits the scope of the analysis to local economic aspects without discussing the impacts nationally or globally in depth. However, external factors such as changes in national regulations, macroeconomic conditions, and the impact of the COVID-19 pandemic will be considered as supporting variables in the analysis.

# 2.5. Data validity and reliability

To ensure that the data collected is valid and reliable, this research uses the data triangulation method. This method is carried out by comparing data obtained from various sources and different collection methods. For example, data from interviews will be validated with secondary data from official government reports, while survey results will be tested for reliability through statistical analysis.

By using this triangulation method, research can produce more accurate and reliable findings, thus providing a strong basis for formulating policy recommendations for economic development in Tanjung Lesung.

# 3. Results and Discussion

#### 3.1. Respondent Profile

This study involved 100 respondents, consisting of local communities, business actors, and related policy makers. Respondents were selected purposively by considering their involvement in the economic sector in Tanjung Lesung. The majority of respondents work in the tourism sector (45%), followed by the fisheries sector (30%), agriculture (15%), and other sectors (10%). The results can be seen in Table 1.

Та	Table 1: Distribution of respondents based on economic sector							
	Respondent Category	Number of people	Percentage (%)					
	Tourism	45	45%					
	Fisheries	30	30%					
	Agriculture	15	15%					
	Others	10	10%					
	Total	100	100%					

In Table 1, it can be seen that most people depend on the tourism and fisheries sectors for their economy. This shows that the SEZ policy has a significant impact on the livelihoods of local residents.

# 3.2. Results of interviews with stakeholders

The results of interviews with representatives of the local government show that the development of SEZs in Tanjung Lesung provides great opportunities for the local economy. However, the main challenges faced are the lack of supporting infrastructure and the readiness of local human resources (HR). Some important points from the interview results are:

- Government Support: The local government has provided various incentives for investors, including tax 1 exemptions and ease of licensing. However, investment attractiveness still depends on the development of basic infrastructure such as roads and electricity.
- Human Resource Readiness: Most local workers still work in traditional sectors such as fisheries and agriculture, 2. so there is a need for training to improve skills in the tourism sector.
- Socio-Economic Impact: The community acknowledges that SEZs provide new jobs, but there are still concerns 3. regarding the increase in living costs and the loss of agricultural land due to tourism expansion.

# 3.3. Community welfare survey results

A questionnaire survey was conducted to measure changes in community welfare levels after the implementation of the Special Economic Zone (KEK). The results can be seen in Table 2.

101C <u>4</u>	Indicators	Before KEK (Rp)	After KEK (Rp)	Change (%)
-	Average Monthly Income	2.500.000	3.800.000	+52%
	Unemployment Rate	18%	12%	-33%
	Access to Job Training	40%	70%	+75%

Table 2	: Com	oarison o	of community	y welfa	re bef	ore and	l after	the	special	l econor	<u>mic zon</u> e	(kek)
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In table 2, shows that the implementation of the Special Economic Zone (KEK) contributed to an increase in the average income of the community by 52%. In addition, the unemployment rate decreased by 33%, indicating that the tourism sector and its supporting industries have succeeded in absorbing local labor. However, several respondents stated that although income increased, the price of goods and services also increased, so that people's purchasing power did not increase significantly.

## 3.4. Field observation results

Observation results at several main points in the Tanjung Lesung Special Economic Zone area show significant developments in various aspects, especially in infrastructure, economic dynamics, and environmental impacts. In terms of infrastructure, the main road to Tanjung Lesung has improved, although public transportation access is still limited. Public facilities such as hotels, restaurants, and tourist attractions have also begun to develop, but are still concentrated in certain areas. This shows progress in supporting the tourism industry, although equitable development is still a challenge.

The economic dynamics in this area have also changed. Activities in local markets have increased, especially in the sale of souvenirs and regional specialties. Many residents who previously worked as fishermen and farmers have begun to switch professions to become workers in the tourism sector, such as tour guides, homestay managers, or employees in restaurants and hotels. These changes indicate that the community's economy has adapted to the opportunities offered by the Special Economic Zone, although there are still concerns about the sustainability of traditional livelihoods.

In terms of environmental impacts, the increase in the number of tourists has also caused an increase in the volume of waste in several coastal areas. The lack of adequate waste management facilities is one of the main obstacles in maintaining environmental cleanliness. In addition, the conversion of agricultural land into commercial areas has also begun to occur, resulting in a reduction in productive land. If not managed properly, this can have a negative impact on local community food security and the balance of the ecosystem in the area.

# 3.5. Discussion

Based on the results of the study, the Tanjung Lesung Special Economic Zone has a significant economic impact on the local community, especially in increasing income and employment opportunities. However, there are several challenges that must be overcome so that the economic benefits generated can be sustainable. One of the main obstacles is limited infrastructure. Although there have been road improvements and development of public facilities, limited transportation access is still an obstacle to attracting more tourists and investors. Therefore, the government needs to accelerate the development of transportation facilities, such as more affordable public transportation and accessibility to wider tourist areas.

In addition, the readiness of local human resources (HR) is also an important factor in the sustainability of the Special Economic Zone. Currently, many local workers still do not have the skills that match the needs of the tourism industry. Vocational training and education need to be strengthened so that the community can be better prepared to compete in this sector. Training programs for MSMEs, tour guides, and workers in the hotel sector must continue to be encouraged so that the economic benefits of the SEZ can be felt more evenly.

The social and environmental impacts of the SEZ also need to be considered. Although people's incomes are increasing, the increase in the price of goods and services in this area can reduce the purchasing power of local people. Therefore, there needs to be a price control policy and support for small and medium enterprises so that they can continue to compete in a rapidly developing economic environment. In addition, the increase in the number of tourists that is not balanced with a good waste management system can cause environmental degradation. Therefore, there needs to be stricter regulations regarding waste management and nature conservation efforts so that the development of the SEZ remains sustainable.

To ensure that the economic benefits of the SEZ can be felt by all levels of society, it is important to develop a community-based economy. Community participation in the tourism sector can be increased through MSME empowerment programs, tourism cooperatives, and incentives for community-based businesses. Thus, local people will not only become workers, but also the main actors in the tourism industry that is developing in their own area.

The Tanjung Lesung SEZ has great potential to become a center for sustainable tourism-based economic growth. However, this success is highly dependent on the synergy between the government, investors, and the community in creating an inclusive and sustainable economic ecosystem. With careful planning and the right policies, the Tanjung Lesung Special Economic Zone can become a successful regional economic development model that has a positive impact on all stakeholders.

# 4. Conclussion

Based on the research results, the development of the Tanjung Lesung Tourism Special Economic Zone (KEK) has had a significant impact on local economic growth. The KEK policy has encouraged increased investment in the

tourism sector, which is reflected in the increase in the number of businesses in the hospitality, culinary, and tourism services sectors. Other positive impacts can be seen from the increase in the average income of the community by 52% and the decrease in the unemployment rate by 33%.

However, this study also found that there are several challenges that still need to be overcome so that economic benefits can be sustainable. One of the main obstacles is the limited infrastructure, especially transportation access which is still not optimal in supporting the growth of the tourism sector. In addition, the readiness of local human resources is also an important factor, where there are still many workers who do not have the skills that match the needs of the tourism industry.

Social and environmental impacts are also a concern in the development of this KEK. Although there has been an increase in welfare, the increase in the price of goods and services can reduce the purchasing power of the local community. In addition, the increase in the number of tourists that is not balanced with an adequate waste management system has the potential to reduce environmental quality. Therefore, strict environmental management policies and community empowerment programs are needed so that economic growth does not sacrifice social and ecological aspects.

Thus, the sustainability of the development of the Tanjung Lesung Special Economic Zone is highly dependent on the synergy between the government, investors, and the community in creating an inclusive and sustainable economic ecosystem. Policies that encourage infrastructure development, improving workforce skills, and environmental preservation need to be a priority so that the Tanjung Lesung Special Economic Zone can become a model for successful tourism-based development in Indonesia.

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