

Strategy Of Banyuwangi Local Government To Increase Coastal Economic Growth

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Abstract- Banyuwangi Regency is a part of East Java Province. In 2020 it has an area of 5.782.50 km² and consists of 24 districts with a population of 1.708.114. As the district with the lowest poverty rate in East Java, Banyuwangi has developed and implemented a series of strategies. Based on the Central Bureau of Statistics' data 2015, Banyuwangi Micro Small Medium Scale Business (MSMSBs) reached 269.267 business people. The government stimulated and continued promoting the competitiveness of MSMSBs. It is prior to the education and health sectors. MSMSBs are one of the most important stimulants to economic growth and provide long-term benefits. Tourism influences the turnover of MSMSBs such as culinary, souvenirs, lodging and homestays. Tourism is a magnet for rapid economic turnover. The Banyuwangi government seeks to build trust in the community through tourism. Basically, tourism is an asset for Banyuwangi Regency. Having sustainable management and development is a key strategy to be carried out by the government in collaboration with the ministry of tourism, then the implementation of development is continued by regional areas that have the potential to be developed as a tourist destination.

Keywords- Banyuwangi, strategy, economy, MSMSBs, tourism.

I. INTRODUCTION

Banyuwangi Regency is a part of East Java province. Banyuwangi Regency has an area of 5.782.50 km², consisting of 24 districts with a population around 1.708.114 in 2020. As the district with the lowest poverty rate in East Java, Banyuwangi Regency has implemented a series of strategies prepared and implemented by the district government (BPS, 2022). As a district that has a coastline length of 175.8 km (Banyuwangi Fisheries Service, 2022), the Banyuwangi Regency government needs to strengthen its synergy both with ministries or agencies and in the community to detect and be aware of all forms of incoming threats. The Bali Strait, which is part of the Banyuwangi region, is a shipping traffic route that is widely traversed by good ships, ranking second after DKI Jakarta (Water and Air Police Corps in KKDN 2023).

Geographically according to the official website of the Banyuwangi Regency the west and north part is generally mountainous, while the southern part is mostly lowland. The average slope in the western and northern regions is 40°, with average rainfall higher than the other region. Flat land mostly has a slope level of less than 15°, with average rainfall. In the lowland area stretches from south to north there are many rivers that always flow throughout the year. Banyuwangi Regency recorded 35 watersheds; it's not only able to irrigate a very large expanse of rice fields, but also has a positive effect on the level

of soil fertility. It is suitable for agriculture, plantation and forestry. Banyuwangi also has the potential to be developed as a livestock producer which is a new source of economic growth. As a long stretch coast-in a future perspective, the development of marine resources can be carried out with various efforts. The vision of the Banyuwangi Regency government is "To Achieve a More Advanced, Prosperous and Blessed Banyuwangi".

To achieve its vision Banyuwangi Regency first has to improve the coastal economy. The Regent of Banyuwangi collaborated with the start-up Aruna to increase the knowledge and skill of fishermen by free training them on fish cultivation, processing, and marketing utilizing digital platforms. By having proper knowledge, skills and infrastructure certainly the productivity of the fishery will increase. The other government efforts hand in hand with the Ministry of Marine Affairs and Fisheries, Directorate of Coastal and Small Island Utilization, Directorate General of Marine Space Management which encourages coastal villages in Banyuwangi to be clean and independent coastal villages. The Clean Coastal Village Pilot Program held in Pancer Hamlet, Sumberagung Village, Pesanggaran District. The latest is expected to be a breakthrough in village scale waste management based on community empowerment. The Clean Coastal Village Program in Pancer is the first concrete pilot project that can be carried out and replicated by all parties in solving marine debris problems, especially at the village scale. In 2017 the Economic Growth of Banyuwangi regency was 5.6 higher than national. Their supporting factors for economic growth are:

1. Regional inflation shows the lowest number in East Java with inflation indicating the period January - March 2017 reached 0.81 percent. It is below the national average of 1.19 percent in the same period.

2. Gross Regional Domestic Product at Current Prices (GDP ADHB) in trillions

Table 1. GDP ADHB Banyuwangi Regency in 2016

| Year | | | |
|-------|-------|-------|-------|
| 2014 | 2015 | 2016 | 2017 |
| 53.37 | 60.18 | 60.34 | 70.06 |

Source : Banyuwangi Central Bureau of Statistics

The table experienced an upward trend in 2017 with projections of 70.06 trillion rupiah.

3. Gross Regional Domestic Product on a Constant Price Basis (GDP ADHK) in Trillion

Table 2. GDP ADHB Banyuwangi Regency in 2017

| Year | | | |
|-------|-------|-------|-------|
| 2014 | 2015 | 2016 | 2017 |
| 41.99 | 44.52 | 46.92 | 49.55 |

Source : Banyuwangi Central Bureau of Statistics

There is an increasing trend in 2017 with a projection of 70.06 trillion rupiah and posted an ADHK GDP value of 46.92 trillion rupiah.

II. DISCUSSION

Banyuwangi Regency has held a Development Planning Deliberation (Musrenbang) to prepare the Regional Medium-Term Development Plan (RPJMD) for 2021-2026. The RPJMD will become a vital element in the development of Banyuwangi Regency in the next five years. The Musrenbang, which was held on June 17, 2021, was attended by various elements of the community such as heads of OPD, Village Leader, representatives of mass organizations, NGOs, Family Welfare Programme, academics and vertical agencies were presented to figure out Banyuwangi development in the next five years. Banyuwangi

Regent-*Ipuk Fiestiandani* explained that development in the midst of Covid pandemic has many challenges. It has had an impact on economic collapse all over the world, poverty and unemployment have increased, purchasing power decreased, and almost all sectors experienced a significant decline.

In a presentation delivered by the Assistant to the Government and People's Welfare, Regional Secretary of Banyuwangi Regency, *Drs. Arief Setiawan, M.M* at the Maritime Security Domestic Work Lecture (2023) on the role of leaders in regional development has a significant influence. This was proven during the administration of the Regent of Banyuwangi, *Mr. Abdullah Azwar Anas*, for 10 years from 2010-2021. The leadership of the regent *Anas* succeeded in changing the image of Banyuwangi into a developed regency and succeeded in prospering its people.

MSMSBs provide a forum for the community to grow and develop independently by implementing a strategic role in economic development in Licin District. They produce sweet potato crackers, onion crackers, and banana chips. They make a living as farmers and traders. In MSMSB policy, local governments emphasize the role of MSMSBs in village community development, especially in *Jelun Village, Gumuk Village, Kluncing Village, and Pakel Village*, in Licin District. The government has to improve the welfare of their citizens through various efforts and innovations. In 2017 the local government of Banyuwangi Regency established the Banyuwangi Regency MSMSB Forum aimed at implementing people's products in order to develop their products and to ensure welfare. The support for MSMSBs product is not only marketed locally but also outside the region. The Banyuwangi government collaborates with the Family Welfare Program and private companies organize free training programs for MSMSB actors. The training includes design, marketing, exhibition, product development, export and enterprise development. As for this goal, regional MSMSBs can compete. The role of local government and community to realize development is based on the needs of the community as a trigger and development facilitator. The Role of the Tourism Industry and MSMSBs in increasing the Welfare of Village Communities by processing raw materials or semi-finished products into finished products. The MSMSBs in Licin District have business activities to build local community economics.

According to *Buerger (2015)* maritime security matrix economic development is a main issue. Economic program by the Banyuwangi government supports the maritime security issue and upholds Indonesia as the largest archipelagic country. Increasing the economy by the Banyuwangi government supports coastal society and empowering unity. An increase in income leads to an increase in consumption, so automatically the community can prosper in terms of basic needs. In this regard, welfare increases the amount of production and distribution of goods and as a result of it increasing employment and reducing the unemployment rate. This MSMSB is very helpful in building the community's economy as stated by one respondent that before opening a yam cracker business, the family's economic condition was sufficient, but after opening this business, the economic condition got better. The existence of these MSMSBs opens up job opportunities. Those businesses had a positive impact on the local community. Thus the wheels of the community's economy can turn. The impact of the development of MSMSBs has a major effect on the welfare of families and communities. People welfare can be seen as the cost of their children's education, the vehicles they own and the houses they own. In the issue of children's education costs, in general, MSMSB actors admit that they no longer face economic obstacles in sending their children to college.

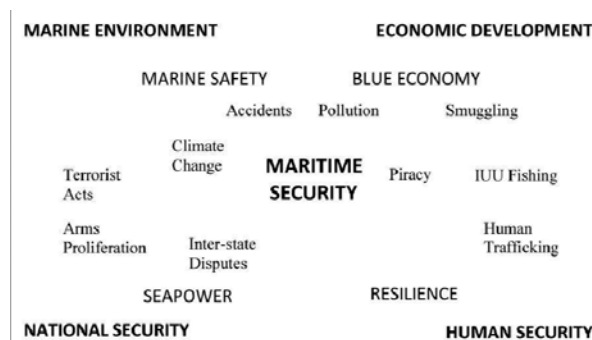


Figure 1. Maritime Security Matrix by Christian Buerger (2015)

Based on data from the Central Bureau of Statistics 2015, Banyuwangi MSMSBs reached 269.267 business actors with stimulants and continued promotion by the district government. It increases the competitiveness of MSMSBs to be priority sectors after the education and health sectors. MSMSBs stimulate people's economy and provide more long-term benefits. Tourism has a direct impact on the turnover of MSMSBs such as in Banyuwangi, namely culinary, souvenirs, lodging and homestays. Those

become a magnet for rapid economic turnover. Currently, MSMSB products are starting to be in demand by a wider market. Busy marketing MSMSB products in Banyuwangi in order to protect their existence. As in this Banyuwangi mall case, an online shopping site that specifically contains quality Banyuwangi MSMSB products. Banyuwangi also facilitates massive promotions to increase its productivity and quality. The district government protects MSMSBs, prohibits the establishment of new modern markets and restricts the establishment of large malls. Regional regulations also stipulate the distance of the mall established at least 4 kilometers from the city center. There are regulations regarding the presentation of imported fruits in every event in the community. The purpose of partnership supervision is to protect MSMSB actors from potential abuse of dominant positions by large business actors. The existence of partnership supervision allows MSMSB actors to develop MSMSB activities and not be harmed by large companies. In this case, LIPI improves the quality of MSMSB products through proper technology. As in Taman Gandrung Terracotta (TGT) at Jiwa Jawa Resort, Tamansari Village, Licin District, dated September 22, 2019. The Indonesian Institute of Sciences (LIPI) assistance program in Banyuwangi focuses on increasing the capacity of MSMSBs related to product quality in applying appropriate technology. The transfer technology depends on the readiness of human resources. The assistance is on coffee processing, chocolate processing and the development of efficient roasting tools. The innovation of coffee products such as ginger coffee, milk coffee and others. The Indonesian Institute of Sciences will continue to accompany the people, until they are completely mastered. The MSMSB Development Strategy of Banyuwangi Regency was awarded the Satya Badge Development award from the President of Republic Indonesia. The number of MSMSB actors based on BPS data in 2015 amounted to 269,267 out of a total of around 1.6 million people. The data shows that 90 percent consist of micro and small scale business and the rest are medium scale business. There was an increase of 131 thousand. Banyuwangi Book In 2017 Figures the number of cooperative legal entities in 2016 amounted to 196 units which indicates a significant increase compared to 2013 of 16. This growth is due to the approach efforts by the district government. In a non-financial approach in the form of training and mentoring starting with financial management, marketing management, and product diversification. The form of MSMSBs in Banyuwangi consists of handicrafts, tourism services and agricultural education tours. In 2015 the MSMSB Discop innovated the development of Cooperatives and MSMSBs through the Online Marketing (MOL) program aimed to facilitate MSMSB actors in promoting products. The digital market forum through the www.banyuwangi-mall.com website created by Banyuwangi residents plus the Online Report (ROL) facility to accelerate reports on the development of cooperative financial management and optimizing K-MSMSB clinical services. In the process, the contribution of the MSMSB sector increased from 57.84 percent to 60.34 percent in 2016.

The potential capture on the coast of Banyuwangi is sought to be optimized by the fisheries office of the Regency through fishermen capacity building activities, improvement of small fishermen's production facilities and infrastructure, improvement of small fish farming and infrastructure, improvement and capacity development of fishery business actors, and infrastructure facilities of fishery business actors. To optimize the potential capture fisheries, the Banyuwangi government also conserves coral reefs in Bangsring underwater, fish banks / apartments in the Bali strait, Bomo and Badian beaches, restocking in public waters Ds. Karangdoro Tegalsari District, Ds. Telemung Pesucen District, mangrove and fir planting in Wringin Putih, Muncar, and turtle conservation on Cemara beach as an effort to maintain and develop the sustainable natural resources and coastal ecosystems and the sea.

The transformation of the mission on the regional head was also carried out by the Banyuwangi government by changing the orientation of the program towards regional development. Those are:

1. Increasing local economic growth based on agriculture, fisheries, MSMSBs, and tourism.
2. Building superior human resources and character by increasing access and quality of education, health, and other basic needs services.
3. Creating society character that upholds religious values, maintains the wisdom heritage, and strengthen mutual cooperation and harmony in diversity.
4. Accelerating economic and social infrastructure development.
5. Strengthening agile and dynamic governance through digital transformation to achieve productive bureaucracy and to ease of doing business.

6. Mission building an inclusive economy and equitable infrastructure that is able to lift the productivity of leading sectors and strengthen environmental resilience.

Government ranks its regional development priorities. The first priority is education and health, and then MSMSBs, agriculture, and tourism as well as infrastructure, social, environmental and bureaucratic improvements. The strategic issue of the Fisheries Service is the lack of optimal management of the fisheries sector on the coast of Banyuwangi. Being not optimal in utilizing and managing capture fisheries in accordance with community empowerment. The management of aquaculture which has become an integrated business and the management of micro-small scale fisheries processing and marketing business have not been optimized.

There are many programs implemented by the Fisheries Office, such as training, health facilities, insurance facilities and fishing festivals. Facilitating infrastructure would increase small fish farmers, improve fish farming facilities and infrastructure, increase and develop the capacity of fisheries business actors. The Banyuwangi Regency Government also pays attention to the management of conservation areas such as coral reef conservation, fish banks, restocking in public waters, planting mangroves and cypresses and turtle conservation. In order to improve the ability of fishermen, mothers are also trained by the government according to new businesses by helping to provide business legality to coastal communities. Legality is important to give confidence to consumers.

Local governments are also innovating to improve jobs, simplify jobs and serve the community easily. The products or programs include, Susur Sungai at public water management, the community manages public waters in the form of zoning areas. Furthermore, Klik SEHATI is a Klik Sehati application created to help fish farmers who need assistance related to Fish Health and the farming environment. Fish Market Mandar is the concept of buying and selling fresh fish culinary in the center of Banyuwangi presenting views of the Bali Strait. Controlled fish sowing(Barkanli) is an effort to maintain the abundance and preservation of local fish in public waters, and aims to create a controlled fish sowing tourist destination.

The government of Banyuwangi Regency provides special public service outlets for fishermen, providing fishermen's documents on the provinces to ministries resolved in one place. There is also a Shopping Day program to the Market and MSMSBs, shopping on certain dates. Through these programs, the government of Banyuwangi Regency believes that it will help the community to be more prosperous. Training and assistance of fishermen groups are also carried out to support the improvement of community welfare, especially in coastal areas. The mentoring and strengthening activities include training on making fishing gear, repairing fishing engines and boats, business management, fishermen's land rights facilities, fishermen's insurance, fishermen's taverns, Banyuwangi fishing festival, seed assistance and CBIB training, assistance with cultivation facilities and infrastructure, aquarium expo activities, training on fish-based preparations, implementation of gemarikan programs, Halal, home industry product(PIRT) and NIB certifications, as well as the help of fish processing equipment. To focus on coastal areas and its potential the Banyuwangi government also makes various efforts to protect the sea starting from land. Various activities carried out include controlled fish sowing, river crossing festival, klik sehati which aims to help fish farmers related to fish health and the farming environment, Oling festival which invites people to eat eel while enjoying the beauty of clean rivers, build a fish market in Mandar village, people's business friends raise the MSMSB class, stalls upgrade the economy to restore class, holding shopping days to markets and MSMSBs on beautiful dates, facilitating free shipping for all MSMSBs who send goods through PT. Post, as well as special fishermen's public service outlets. Achievements obtained by Banyuwangi district in the last 10 years :

- The holder of the top position as the most innovative district in Indonesia since 2018-2022.
- Implementation of bureaucratic reform "A".
- Achieved SAKIP A for 7 consecutive years (2016-2022).
- Ijen Geopark will soon be inaugurated as a global geopark by UNESCO.
- Banyuwangi Airport as the best architectural work at AKAA in 2022 defeated 463 participants.

III. CONCLUSION

In running a government, leadership greatly influences results. Changes made by a leader early in a reign are generally rejected. This is also the case in Banyuwangi. At the beginning of the Anas regent administration, many people rejected the

programs launched by the district government with the aim of improving community welfare. The creativity of a leader has an important role for the success of government programs. The Banyuwangi Regency Government built RTH (Green Park Space), the government was given appreciation by veterans/fighters. Building Banyuwangi was built by the Leader, Regent at that time, Mr. Anas. Development is not only monumental but also artistic and beneficial for the community. The government also builds trust in the people. Basically, tourism is an asset for the Indonesian state, sustainable management and development is a key strategy carried out by the Indonesian government in collaboration with the Ministry of Tourism and then the implementation of development continued by regional areas that have the potential to be developed as a tourist destination. Tourism is also very influential on the country's income. First, the Department of Culture and Tourism always monitors and develops all tourist destinations in Banyuwangi to update tourist access facilities to facilitate local and foreign tourists. Second, the policy that has been set from the beginning of the policy focus on the Banyuwangi Regency Culture and Tourism Office is sustainable tourism development, and during the Covid 19 pandemic it is more towards maintaining strict health protocols, limiting operating hours, and limiting visitor capacity. Third, the purpose of this tourism development strategy is aimed at the development of all tourist attractions in Banyuwangi, this strategy is also used for better regional income in the future for the Banyuwangi Regency Government. Fourth, from the tourism development strategy Banyuwangi held annual events and in 2021 Banyuwangi held 102 events which were held virtually and directly with the implementation of strict health protocols. The goal to be achieved is to increase inclusive and sustainable economic growth that has an impact on reducing poverty through indicators of economic growth and the percentage of poor people.

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