

**MARITIME ECONOMY MODEL FOR TOURISM SPECIAL ECONOMIC ZONE
(SEZ) CAPE KELAYANG TO PROMOTE PERFORMANCE OF TOURISM-
BASED MICRO AND SMALL ENTERPRISES ON BELITUNG ISLAND**

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ABSTRACT

The aim of the research was to establish a Maritime Economy model for Tourism SEZ Cape Kelayang to promote the performance of tourism-based micro and small enterprises as an alternative economy following the closure of lead mining. The research was conducted using descriptive quantitative design. The sample consisted of 80 tourism-based micro and small enterprises. The data was analyzed using Partial Least Squares (PLS) and Lisrel 8.5.

Research findings showed that the tourism development conducted on Belitung Island had yet to have a significant impact on the performance of micro and small enterprises. However, it had impacts on the economic, social and technological conditions on Belitung Island.

The results of the research had an implication for managerial practices. To accelerate the impacts on the economy of Belitung Island, continuous synergy and coordination should be established with all stakeholders, particularly the Central and Regional Governments, private sector, micro and small entrepreneurs and society.

Research originality: The research was conducted on Belitung Island, one of ten tourist objects in Indonesia established as Special Economic Zones.

Keywords: *Maritime Economy, Tourism Special Economic Zone, Performance of Micro and Small Enterprise*

I. INTRODUCTION (3-4 halaman)

Tourism is a leading sector. This is based on the following arguments: (1) improvements in tourist destinations and tourism investment make tourism a key factor in export revenue, employment creation and business and infrastructure development; (2) tourism has experienced sustainable expansion and diversification and has become one of

the largest and most rapidly growing sectors worldwide; (3) despite several global crises, the number of international tourist trips still showed positive growth from 25 million in 1950 to 278 million in 1980 to 528 million in 1995 and finally to 1.14 billion in 2014 (Larasati Setdyaningsih, 2017).

According to the March 2011 report of the World Travel & Tourism Council, global travel and tourism are expected to grow by an average 4% per year between 2011 and 2021. By 2021, tourism is predicted to account for 69 million more jobs — almost 80% of which will be in Asia, Latin America, the Middle East and Africa (World Travel & Tourism Council, 2011).

In the office of Joko Widodo and Yusuf Kalla, five priority sectors have been determined in the Working Cabinet Development, namely (1) food, (2) maritime, (3) energy, (4) tourism and (5) SEZs and Industrial Estates. In the Indonesian Tourism Development Policy 222 KPPN, 88 KSPN, Cape Kelayang Tourism is set as a National Tourism Strategic Area (KSPN) based on the Government Regulation No. 50 of 2011 on the Master Plan of National Tourism Development year 2010–2025 (Witarsa, 2015).

As many as 10 priority tourist destinations have obtained Government Tourism Special Economic Zone, including: Lake Toba (North Sumatera), Cape Kelayang (Bangka Belitung), Mandalika (West Nusa Tenggara), Wakatobi (Southeast Sulawesi), Morotai Island (North Maluku), Thousand Islands (DKI Jakarta), Komodo (East Nusa Tenggara), Cape Lesung (Banten), Borobudur (Central Java) and Bromo Tengger Semeru (East Java).

The spatial planning of SEZ Cape Kelayang, Belitung regency, has been proposed pursuant to the Regional Regulation No. 3 of 2014 on the Regional Spatial Plan of Belitung Regency year 2014–2034 under Tourism Zoning, thus it is suitable with and support the

tourism in the SEZ Cape Kelayang. The land acquired covered an area of 324.4 Ha under the Building Rights Title (HGB) (Januar Mahardhani, Ardhana, 2013).

The President Instruction of the Republic of Indonesia on SEZ Cape Kelayang, Belitung, dated June 20, 2015, underlined that tourism is a sector that should be focused on. Support for the plan of the establishment of SEZ Cape Kelayang by investors has been given in the form of an extension of runway of H.A.S. Hanajoeddin Airport from a length of 2,250 m to 2,800 m. Investors are requested to realize the construction plan immediately. Meanwhile, the Ministry of Tourism held a follow-up meeting with Dharmawangsa Group and the National SEZ Board on June 25, 2015 (Source: Deputy of Tourist Destination and Tourism Industry Development, Ministry of Tourism, 2016).

Ever since receiving the 18 trillion fund from the Central Government, the tourism in Belitung started to show signs of life. This was proved by the data showing that the number of tourists experienced an up trend from year to year and that tourism-based micro and small enterprises were increasingly developing in this region. This obviously impacted on the economy of Belitung Island, in particular, and Bangka Belitung Province, in general.

Small and large companies have different advantages and drawbacks with innovation, but small businesses provide the most conducive environment for entrepreneurship and innovation that are not necessarily sustained by the know-how and resources characteristic of large scale production but require commitment and close cooperation between company members (Sahut and Marta Peris-Ortiz, 2015).

Micro, Small and medium enterprises are the back bone of the economic development of the country, which concentrates to meet the local as well as the global demands in a unique characters of the products and services. In India, these sectors

performed well and spread all over the country according to the availability of resources and traditional methods. MSM enterprises performing in a constant manner even in the globalisation era with the competitive advantages. (Paramasivan dan Mari Selvan, 2013).

The aim of this research was to improve the competence in the managerial sector, especially the micro and small enterprises in the fields of entrepreneurial management, strategic management, human resource management and organizational behavior. Specifically, this research was aimed at (1) identifying and analyzing the effect of the development of Tourism SEZ Cap Kelayang on the performance of tourism-based micro and small enterprises on Belitung Island, (2) identifying and analyzing the effect of tourism-based micro and small enterprises on the economic, social and environmental conditions on Belitung Island and (3) formulating a development model for the improvement of micro and small enterprises in Tourism SEZ Cape Kelayang and identifying its impacts on the economic, social and environmental conditions of Belitung Island.

II. LITERATURE REVIEW

2.1 Maritime Economy

When we discuss the improvement of maritime economy, according to Ade Prasetya (2016, p. 54), it will mean that we talk about how to improve maritime-based demand as well as offer. This, by all means, cannot be achieved solely by boosting exports of domestic resources or manipulating citizens of the world to fulfil their needs from the sea. It will also be necessary to build facilities and infrastructure for facilitating distribution to expedite production and marketing. Kusumastanto (2012) stated that the concept of maritime economy stresses on the economy development which empower ocean-based resources and

sea functions wisely as a drive for economic growth and improvement of the welfare of Indonesian people supported by land-based economy pillars that are robust and competitive at the worldwide competition level.

Prasetya (2016) stated that various marine potential in Indonesia in the form of fisheries resources, oil and gas resources, marine tourism, maritime industry and service and Archipelagic Sea Lanes of Indonesia (ALKI) may generate a considerable economic value when managed maximally⁽³⁾. The Law Number 17 of 2007 on Long-Term Development Plan year 2005–2025 stipulates eight development missions in Indonesia, including developing marine economy in an integrated manner by optimizing the exploitation of the sea sustainably.

2.2. Post-Lead Mining Economy

Tin has an important history for Indonesia and the Province of Bangka Belitung Islands. Tin not only has a strategic and vital value because it has a high economy, but it also has a big impact on the socio-cultural and economic and political developments in the area of its operation, namely the kwawan known as The Indonesian Tin Islands, the cluster of islands and its waters since from Karimun-Kundur, Singkep, Bangka and Belitung.

Post-lead mining era in the Province of Bangka Belitung Islands according to Reniati (2016, p. 7) started in 2012 since which the market share in the mining sector (lead) and processing industry (lead) has been continuously decreasing to date. Reniati (2016, p. 2) furthermore stated that the continued decrease in the amount of lead deposit on land led to the removal of lead exploration to the sea. It is unfortunate since the sea in the Province of Bangka Belitung Islands hides astonishing beauty and may become tourism potential for the future.

2.3. Factors Influencing Tourism Development

The factors influencing tourism development according to I Gusti Bagus Rai Utama (2017, p. 59) encompass 1) government regulations, 2) political, economic, social and technological support, 3) marketing strategy, including programs and budget, 4) skills and expertise of other departments, 5) network, media and communication industry, 6) consumers' behavior and reactions, 7) industry and competitor actions and 8) natural environment.

¹ Marketa Kubickova (2017): stated that the role of government plays in destination competitiveness is reflected in a country's institutional environment. The results indicate that not all government decisions impact destination competitiveness in the same way, as some may have more influence than others. Nikolaos Boukas and Vassilios Ziakas (2012) : have identified three types of policy measures : (1) immediate response measures, (2) foreign investment in tourism and (3) diversification of the tourism product and quality improvement. As for Liam M. Carr and Daniel Y. Liu (2016) : Tourism is promoted as an environmentally beneficial activity for Caribbean economies. Yet degradation still occurs and more integrated policy approaches are needed.

2.4. The Impact of Events on Economic, Social and Environmental Conditions

The impact of events on economic conditions according to I Gusti Bagus Rai Utama (2017, p. 11–15) consists of five aspects, including (a) foreign exchange, (b) government revenue, (c) employment absorption, (d) infrastructure development and (e) improvement in the community's economy. As the largest economic sector, tourism creates employment and promote growth in many countries. According to supporting empirical data regarding

the effects of tourism economy, it can be concluded that tourism will be considerably useful for the economy (Ayeni, D.A., 2013).

Tourism will be one of the industries that will be mostly affected by the current recession. Increasingly demanding tourism consumers, rapid technological advances, the increased emphasis on sustainability issues along with economic, social, political and environmental developments have altered the way businesses are executed in the tourism sector (Tsotsou & Ratten, 2010). The Next Jorge Ridderstaat, Robertico Croes And Peter Nijkamp (2013) stated study examines the long-run relationship between tourism development and economic growth in a small island destination. The policy implication is that resource allocation supporting both the tourism and tourism-related industries could benefit both tourism development and economic growth. The Next Maree Thyne, et all (2017) : Regression analyses reveal social distance to have a more significant influence on host perceptions towards tourism and its development than host attributes identified in earlier studies.

Bing Zuo, Songshan (Sam) Huang and Luhui Liu (2015) : the effects of tourism as an agent of political socialisation are dependent on the discursive interactions among consumers, industry operators and the state. Stephanie Hays, Stephen John Page and Dimitrios Buhalis (2012) stated the study uses content analysis and semi-structured interviews to examine the usage and impact of social media marketing strategies and identifies a framework of best practice for other national tourism organizations (NTOs) to learn from. The study argues that social media usage among top DMOs (destination marketing organisation) is still largely experimental and that strategies vary significantly. Xi Yu Leung, et all (2011) : The 2008 The study identified the diversity of tourist

attractions and the expansion of main visiting areas as the two main changes during the Olympics. ³ Khaldoon'Khal' Nusair*, Anil Bilgihan and Fevzi Okumus (2012) : Study results suggest that innovativeness, perceived utility, and information sharing are effective for developing online social interaction. Aikaterini Manthiou, Juhee Kang, Norzuwana Sumarjan And Liang (Rebecca) Tang (2016) : The findings indicate that brand experience was represented as a holistic concept with sensory, affective, behavioral and intellectual aspects. While brand experience influences brand loyalty, its impact is partially mediated by brand knowledge. This is a pioneer study that combines consumer experience with branding in the hospitality industry and offers practical suggestions to facilitate hotel managers in their development of effective branding strategies

César Camisón, Alba Puig-Denia, Beatriz Forés, María Eugenia Fabra, Azahara Muñoz And César Muñoz Martínez (2015) : Results reveal that financial resources and dynamic and production capabilities favor a better competitive position for tourism firms in general; however, coordination and marketing capabilities are key factors for firms embedded in a tourism district, while dynamic capabilities have a negative effect in this case. Emmanuel Tweneboah Senzu and Haruna Ndebugri (2018) : The research study, seek to critically examine and empirically justify the exact role and benefit, financial records keeping does to the performance of start-ups and management of micro, small and medium scale enterprises in Ghana. Fateme Tohid Ardahaey (2011) : stated in this article is concerned with the economic impacts of tourism industry, especially in developing countries.

David L. Jones, Jonathon Day and Donna Quadri Felitti (2013) : The study determined that boutique hotels are best characterized as small, stylish hotels that offer high

levels of service. Vytautas Barkauskas, Kristina Barkauskiene, Edmundas Jasinskas (2015) : Five groups of macro environmental factors were identified after analysis of various scientific literatures: economic, socio-cultural natural-ecological, political-legal and technological factors. These groups of factors were analysed in the example of Lithuanian rural tourism sector much further. Md. Shafiqul Islam (2015) in his paper was created this maycreate awareness among the mass people and will helpful for sustainable tourism.

2.5. Tourist Destinations Marketing Strategy

Development of tourism destination areas all over the world has increased the international arrivals. The high rating was dependent on the quality of packaging of the programmes in marketing communication methods such as radio and television, internet, magazines/newspapers etc about the destination attractions..(Ajake, 2015)

Tourism in most developing countries has been promoted by tourism development agencies with very little attention being focused on the roles of rural communities in potential tourist areas. (Taylor et al, 2013). The proposition of a marketing plan for the development of city tourism in Thessaloniki, that highlights the need of reinforcing and promoting particular cultural routes, cruise and gastronomy tourism and health tourism experiences at the destination. (Velissariou and Theoharis, 2017)Tourism is a complex industry because it is a compilation of various services such as accommodation, transportation, dining, recreation and travel. All these services comprise the tourism experience. (Tsioutsou, 2014). Thee European Union defines its sustainability approach in which one part focuses on sustainable and responsible tourism. (Oberer, 2013).

By economic force, cultural tourism system of Nanpu community is completely constructed to accomplish sustainable development upon community development and

tourism (Sung Lo and Yu Mei Lin, 2015).The proposition of a marketing plan for the development of city tourism in Thessaloniki, that highlights the need of reinforcing and promoting particular cultural routes, cruise and gastronomy tourism and health tourism experiences at the destination. (Velissariou &Theoharis Gkougkoulitsas, 2018).

2.6. Performance of Tourism-Based Micro and Small Enterprises

The impact of customer perception, destination image and satisfaction on loyalty has been trendy research topic in tourism research. It is very important to determine the destination image while taking decisions for strategic destination marketing. Because it is assumed that it will result in a positive image of a destination, loyalty to destinations and satisfaction felt by customers, such as variables (Coban, 2012).

Food plays an important role in creating tourist places and destinations and it is recognized as a great potential and influential attraction in tourism. The three main factors which positively and meaningfully influencing the food tourism branding are advertisement, distinctive culinary style and food quality and variety. (Mirtaghiyan, M.R, 2013) The tourism industry is an integrated industry made up of a number of sectors such as accommodation, catering, transportation, visitor attractions, entertainment, travel intermediaries, retailing and tourism-related public agencies. (Amissah, E.F., 2013)

There is a significant positive impact of hotel development on sustainable tourism development. Also, the results revealed that there is no significant difference in the impact of hotel development on sustainable tourism development that can be attributed to gender. (Masa Deh et al, 2017).

Micro, Small and medium enterprises are the back bone of the economic development of the country, which concentrates to meet the local as well as the global

demands in a unique characters of the products and services. In India, these sectors performed well and spread all over the country according to the availability of resources and traditional methods. MSM enterprises performing in a constant manner even in the globalisation era with the competitive advantages. (Paramasivan dan Mari Selvan, 2013)

The positive impacts of tourism development at Domboshava National Monument outweigh the costs accrued by the local community. (Woyo, E and Edith Woyo, 2016). The tourism industry is believed to be generating daily revenue of over US\$2 billion (Balakrishnan, 2009) and is predicted to grow by an average of 4.9% over the next five years (UNWTO, 2015).

This needs no subsequent studies related to other than the courage to take risks in building a feat attempted such aspects of mental attitude and local knowledge possessed (Pailis et al, 2016). The implication of these findings is that engagement of households in the three measures of social capital will reduce household welfare among households in Sokoto metropolis. The study therefore recommends that, households in Sokoto metropolis should engage in some other social capital activities other than the ones that have negative influence on their welfare. But some of the control variables have significant impacts on a household's welfare in the metropolis (Achida *et al*, 2018).

Small and large companies have different advantages and drawbacks with innovation, but small businesses provide the most conducive environment for entrepreneurship and innovation that are not necessarily sustained by the know-how and resources characteristic of large scale production but require commitment and close cooperation between company members (Sahut and Marta Peris-Ortiz, 2015).

The relationship between satisfaction and loyalty intentions is very important to the literature in the areas of customer loyalty. Tourists have expectations and tourism businesses have to emphasize the needs of tourists. The empirical research supports the notion that destination loyalty is significantly influenced by customers' satisfied experience or memorable experience. (Bediova, M. and Kateřina Ryglova, 2015).

Their study concluded that the MSME sector has shown a better growth rate in all these parameters in the pre-liberalization era as compared to post liberalization era boutique hotels are best characterized as small, stylish hotels that offer high levels of service. (Jones et al, 2013) Ujjal Bhuyan (2016) said The MSME sector is considered to be the engine of growth for an economy. The estimated contribution of Micro, Small and Medium Enterprises (MSME) sector, including service segment, to the country's GDP during 2012-13 was 37.54 per cent; while the total employment in the sector is 805.24 Lakh. The contribution of the sector to India's total export for the year 2014-15 was 44.70 per cent.

Gemechu Abdissa & Teklemariam Fitwi (2016) : The aim of this study is to investigate the factors that affect the performance of SMEs in Bench Maji, Sheka, and Kefa zone particular to manufacturing, trade and service sector. C. Paramasivan, P. Mari Selvam (2013) : Micro, small and medium enterprises are powerful segment of the industrial development of a country. These sectors performed well with multidimensional aspects of the socio-economic aspects. Growth and progress of MSME in India is an emerging aspect which directly associated with the sustainable development in the country. Paul Agu Igwe, et al (2018) : In Nigeria, most of businesses operate in the form of Small and Medium Enterprises (SMEs). SMEs play a significant role in the economic development of many nations. This paper employs current perspectives to examine the factors affecting

investment, productivity and growth of SMEs by employing the World Bank Enterprise Survey in Nigeria.

2.7. Framework of Study

Grand Theory is a theory in the study of entrepreneurial Management. Middle Range Theory is a theory of Management strategies (Strategic Management) and organizational behaviour (Organizational Behavior). While the Application Theory include the factors that affect the development of Domestic Tourism of Kelayang Cape, the impact of economic, social and environmental development of the KEK Kelayang Cape Tourism and Tourism-based SME Performance. This type of research is qualitative and quantitative data collection in the field through that is descriptive and eksplanaory survey. In accordance with the review of the literature and a framework of thought above, diagram theory research can be compiled as the picture below 2.1.:

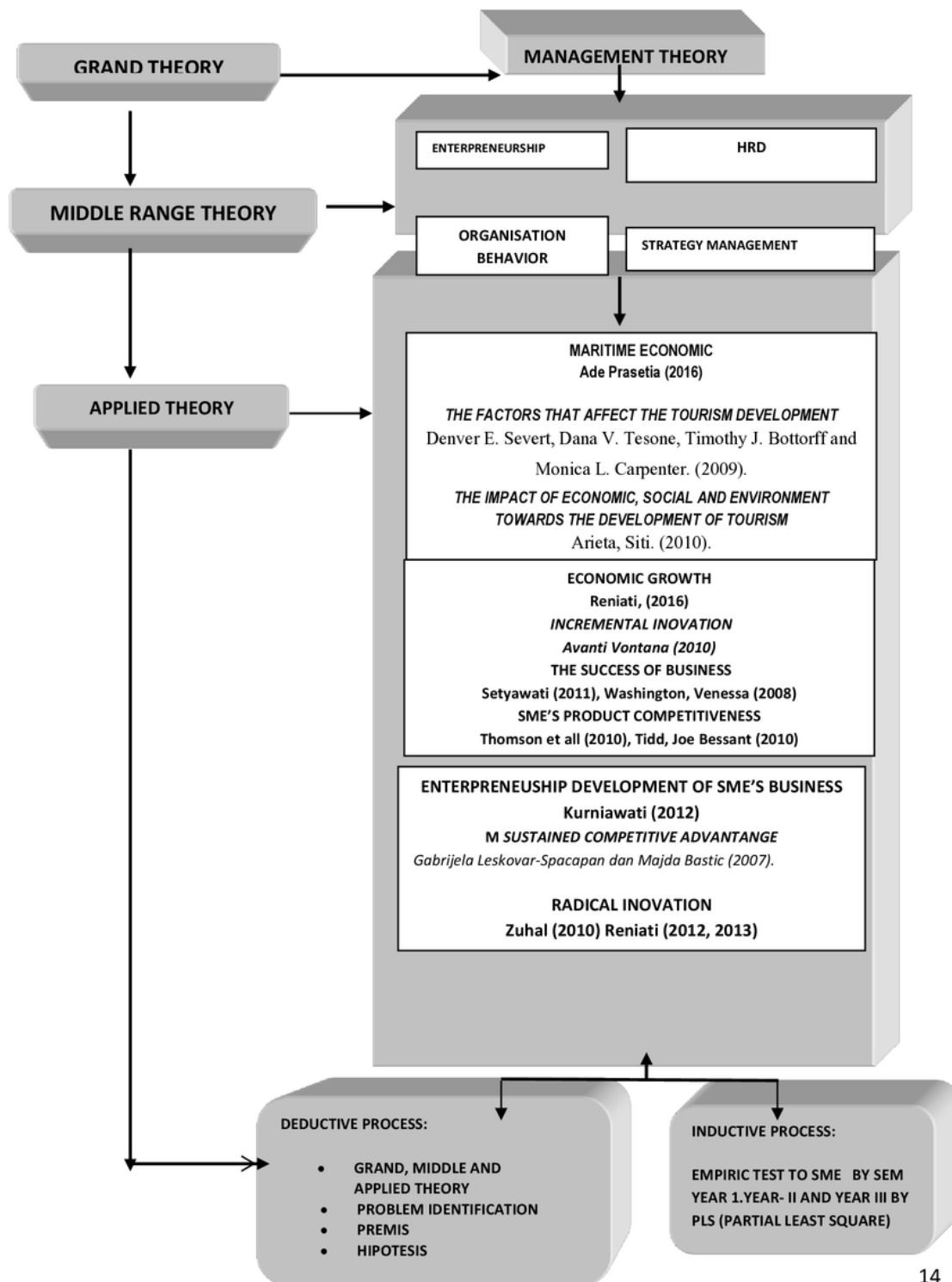
2.8. Hypotheses

$H_{01}: \gamma_{11}=0$: Tourism Development does not effect on the Performance of Micro and Small Enterprises

$H_{a1}: \gamma_{11} \neq 0$ Tourism Development effects on the Performance of Micro and Small Enterprises

$H_{02}: \beta_{21}=0$: Performance of Micro and Small Enterprises does not effects on the Economic, Social and Environment Conditions

$H_{a2}: \beta_{21} \neq 0$: Performance of Micro and Small Enterprises effects on the Economic, Social and Environment Conditions



III. RESEARCH METHODOLOGY

3.1. Methods Used

This study is an economic study, particularly in the field of management economics which focuses on the fields of entrepreneurial management, strategic management, marketing management, human resource management and organization behavior. The objects and scope of this research included analyses of maritime economy based on tourism SEZ and the performance of tourism-based micro and small enterprises in the post-lead mining era. To further investigate the relationship between variables, this research was designed using research qualitative methods with grounded theory and phenomenological approaches as well as quantitative methods.

3.2 Sampling and Data Collection Technique

In relation to hypothesis testing, the most appropriate sample sizing technique to use was power analysis technique. The determination of sample size for SEM using power analysis was formulated as follows:

$$n = \frac{\hat{\lambda}}{RMSEA^2 \times db}$$

where:

λ : Max(c-db), c : 2nF₀, db : Degree of Freedom, *RMSEA* : *Root Means Square Error Approximati*

Therefore, the minimum sample size to be taken in this research was 80 units of tourism-based micro and small enterprises on Belitung Island (Belitung Regency and Belitung Timur Regency). The sample was divided into 7 (seven) clusters in the regencies/cities on Belitung Island, namely 1) hotels and lodgings, 2) tour and travel, 3) entertainment, 4) diners and restaurants, 5) snack and foods typical of Belitung, 6) crafts and 7) event organizers. Data were collected through direct or indirect combination of

techniques, including literature study, observation, questionnaire distribution, interview and FGD (focus discussion group).

3.3. Quantitative Analysis Plan

The verificative instrument used was Structural Equation Modeling (SEM) with the use of LISREL 8.5. SEM consists of five stages, including (1) model specification, (2) model identification, (3) model estimation, (4) model suitability testing and (5) model modification. The research model was comprised of two types of equations, namely deduction equation and structural equation.

Data analysis method used in testing the hypothesis is Structural Equation Modeling (SEM) technique, where this technique is used to determine the pattern of relationships between variables in order to determine the direct or indirect effects or set of independent (exogenous) variables on the dependent variable (endogenous). The reason for using the SEM analysis is that the purpose of this study is to see the effect of exogenous variables on endogenous variables with the variables involved are latent variables, namely variables that cannot be measured directly but use dimensions and indicators. The influence between the variables to be tested is built on the basis of a particular theoretical framework that is able to explain the quality relationship between these variables (Hair, 2013).

Analysis of SEM is used to test the model of the relationship between variables in the form of causation (causing-modeling). Thus in the model of the relationship between these variables there are independent variables (free) and dependent variables (bound). The SEM analysis technique used in this study is Partial Least Square Path Modeling (PLS-PM) because the sample size is less than 200. The main objective in the application of PLS is to predict. In addition to predicting, another goal of PLS is to

confirm the theory and explain whether or not there is a relationship between the latent variables. The focus in PLS is to maximize the variance of the dependent variables explained by the independent variable as a substitute for producing the empirical covariance matrix.

Various limitations that are often faced by researchers when using LISREL in structural equation modeling is one of the factors contributing to the growing use of Partial Least Square Path Modeling in structural equation modeling, especially in performance research. There are several stages in PLS modeling, namely 1) model specification, 2) model estimation, 3) model evaluation, and 4) hypothesis testing.

IV. RESULTS

To answer the research objective, namely to explain the effect of tourism development on performance and the impacts of the development, we used the Structural Equation Modeling analysis technique. The selection of SEM technique was based on the grounds that effects analysis involves latent variable, which is a variable that is not measured directly but involves indicators and dimensions. The modeling was carried out in the following stages: model development, measurement and structural model analysis and hypothesis testing. All of the stages are explained below.

4.1. Effects Analysis

Effect analysis was aimed at describing the effect of tourism development on the performance of micro and small enterprises and the impacts of the performance of micro and small enterprises on the economic, social and environmental conditions.

4.2. Analysis of the Effect of Tourism Development on the Performance of Micro and Small Enterprises

The first hypothesis tested in this research was, ‘Tourism development affects the performance of micro and small enterprises’.

The analysis results showed that the effect of tourism development on the performance of micro and small enterprises had a standard deviation of 0.055. This was relatively small, thus it cannot be declared as significant. The results are presented as follows.

Table 4.1. Hypothesis Testing on the Effect of Tourism Development on the Performance of Micro and Small Enterprises

| Latent variabel | Value | Standard error | t | Pr > t | f ² |
|---------------------|-------|----------------|-------|---------|----------------|
| Tourism Development | 0.055 | 0.113 | 0.487 | 0.628 | 0.003 |

Source: processed by the researcher, 2018

The calculation results showed a *t*-count value of 0.487 with a *p* value of 0.628 > 0.05, which means that tourism development had no significant effect on the performance of micro and small enterprises.

Table 4.2. Coefficient of Determination

| R ² | F | Pr > F |
|----------------|-------|--------|
| 0.003 | 0.237 | 0.628 |

Source: processed by the researcher, 2018

The analysis results also showed an extremely low coefficient of determination, namely 0.003 or 0.3%, which means that in the meantime, tourism development has 0.3% effect on the performance of micro and small enterprises. This is due to the fact that the development of SEZ Cape Kelayang will only be complete by the end of December 2018 as quoted by newspaper Babel Pos, Saturday, May 26, 2018. The infrastructure developed includes road access from the gateway to the hotel. The development of SEZ Cape Kelayang was expected to be complete in March 2019 but expedited to December 2018. Upon the completion of the development of the area,

electricity supply of 24 megawatts and clean water supply of 100 to 150 liters per second will be required. There are four key factors that affect tourists' satisfaction with hotel services. A significant ² relationship between satisfaction and revisit intention has also been identified. It is recommended that hotel managements develop a strategy to improve employees' self-confidence, fast service delivery and provide service-related materials (Amissah, E. F., 2013) [17]. Kartika (2017) stated that the elements that have a vital role in the implementation of maritime development are country (unsure vertical), civil society (unsure horizontal) and knowledge as well as ability (augmented product). Therefore, micro, small and medium enterprises must be developed by the government with the following aspects: 1) an increase in the access to productive assets, especially capital, in addition to technology and management; 2) training on the knowledge and skills to conduct business; 3) economic institutions, which in a wider sense means market; and 4) business partnership.

4.3. Analysis of the Effect of the Performance of Micro and Small Enterprises on the Economic, Social and Environment Conditions

The second hypothesis tested in this research was, 'The performance of micro and small enterprises affects economic, social and environmental conditions. The analysis results showed that the effect of tourism development on the performance of micro and small enterprises had a standard deviation of 0.321. The value was relatively great, thus it is declared as significant. The results are presented as follows.

Table 4.3. Hypothesis Testing on the Effect of the Performance of Micro and Small Enterprises on Economic, Social and Environmental Condition

| Latent variabel | Value | Standard error | t | Pr > t | f ² |
|--|-------|----------------|-------|---------|----------------|
| Performance of Micro and Small Enterprises | 0.321 | 0.107 | 2.998 | 0.004 | 0.115 |

Source: processed by the researcher, 2018

The calculation results showed a *t*-count value of 2.998 with a *p* value of 0.004 > 0.05, which means that the performance of micro and small enterprises had a significant effect on the economic, social and environmental conditions.

Table 4.4. Coefficient of Determination of the Effect of the Performance of Micro and Small Enterprises on the Economic, Social and Environmental Conditions

| R ² | F | Pr > F |
|----------------|-------|--------|
| 0.103 | 8.987 | 0.004 |

Source: processed by the researcher, 2018

The analysis results also showed an extremely low coefficient of determination, namely 0.103 or 10.3%, which means that in the meantime, performance has 10.3% effect on the impact. Although the effect of the development of SEZ Cape Kelayang on the performance of Micro and Small Enterprises was not significant, the latter had significant economic, social and environmental impacts. This means that the incomplete infrastructure development in the SEZ Cape Kelayang had received good response from micro and small entrepreneurs on Belitung Island, which was evidenced by relatively great economic, social and environmental impacts. It was expected that Belitung Island would have even more developed and advanced economic, social and environmental conditions after the completion of SEZ Cape Kelayang development.

The SEZ and industrial estate (IE) development will attract economic growth in the region and boost the economy equally across the region (Farole, 2011) ⁽⁵⁾. SEZ has an important role in improving the economy, especially in the industrial sector, where SEZ can trigger improvements of technology, national productivity and structural transformation (Asian Economic Integration Report, 2015) .

SEZ is a means a country uses to promote trading and development and to attract investment (Rodrik, 2013) ⁽⁷⁾. The development of medium industry in the SEZ of

Bitung City offers multiplier effect for the improvement of economic growth in the Province of North Sulawesi, especially in the employment absorption and contribution of medium industry to the economic structure GRDP (Makalew et al, 2017).

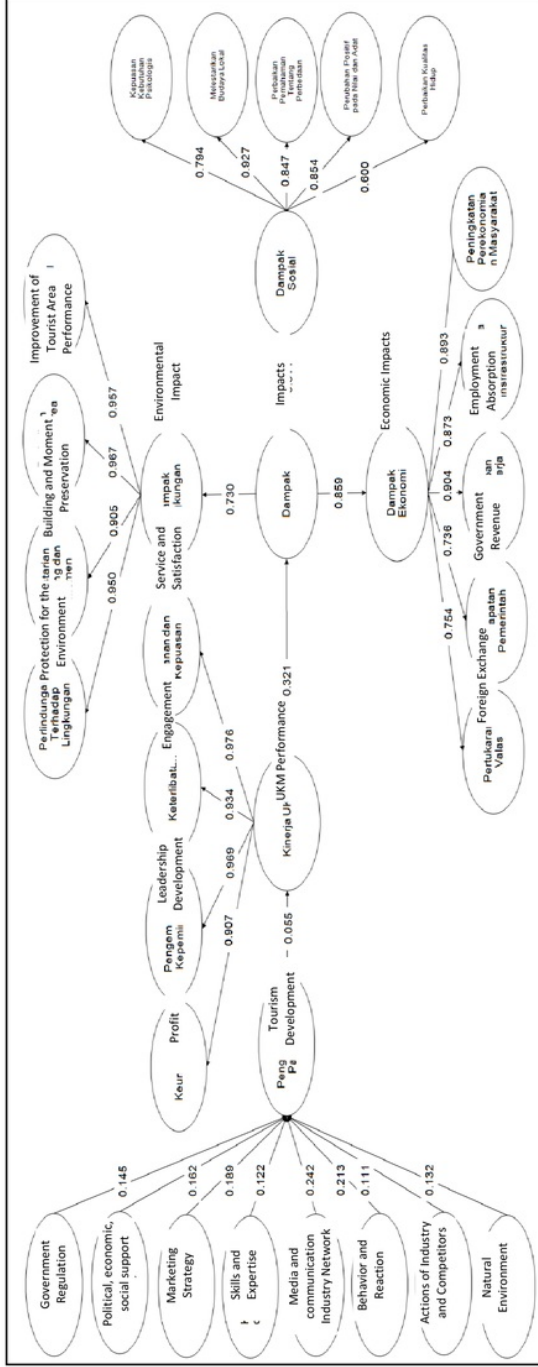


Figure 4.1.
Model of Analysis of the Effect of Tourism Development on the Performance of Micro and Small Enterprises and the Impacts on the Economic, Social and Environmental Conditions
 Source: processed by the researchers, 2018

V. DISCUSSION, MANAGERIAL IMPLICATIONS AND CONCLUSIONS

5.1. Discussion

The results of this analysis found that the economic impact is the most important dimension in measuring the impact of the development of Tanjung Kelayang SEZ with the highest loading factor. Exchange of foreign exchange, government revenue, employment, infrastructure development and improvement of the community's economy affect the economic impact in the development of Tanjung Kelayang SEZ on Belitung Island. There is no significant influence of tourism development on SME performance. This is due to tourism development. This is because the construction of the Tanjung Kelayang SEZ will only be completed at the end of December 2018, as reported in Babel Pos Newspaper, Saturday, May 26, 2018. Infrastructure development being carried out includes road access from the gate to the hotel.

The Tanjung Kelayang SEZ development target is expected to be completed in March 2019, but accelerated in December 2018. After this area is completed, there is still a need for around 24 megawatt electricity supply, about 100 to 150 liters of water per second, while the water supply is still 4 liters per seconds. So it is natural that the SEZ development variable has not been maximized. Furthermore, according to the Deputy Governor of the Bangka Belitung Islands Province the construction of the Tanjung Kelayang SEZ is the fastest in Indonesia. Currently in the construction of a Sheraton Hotel with 200 rooms overlooking Lengkuas Island. The availability of clean water will be prepared by building a reservoir that connects with Mount Tajam to the SEZ area. It is expected that with the completion of infrastructure development and infrastructure facilities at Tanjung Kelayang SEZ, it will be able to improve the

performance of MSEs even higher. One of the challenges faced by small and medium-sized tourism companies globally, especially in developing countries, is customer satisfaction. There are four main factors that influence tourist satisfaction with hotel services. Also, there is a significant relationship between satisfaction and intention to visit again. It is recommended that the management of these hotels must put in place strategies to increase employee confidence, delivery of fast services and materials related to services. (Amissah, E.F., 2013) [17]

Kartika (2017), an element that plays an important role in the implementation of maritime development is country (vertical elements), civil society (horizontal elements), and knowledge and abilities (augmented products). The three elements are the pulse and backbone of the implementation of development towards a maritime country. Micro, small and medium enterprises (MSMEs) are one business sector that is able to provide equitable prosperity for the community because every community has equal opportunities in trying to fulfill their needs. Therefore UMKM must be able to be developed by the government whose aspects include (Kartasmita, 1996) (15): 1) Increased access to productive assets, especially capital in addition to technology and management; 2) Training on knowledge and skills to try; 3) Economic institutions in the broadest sense are markets; and 4) Business partnership.

There is a significant influence of SME Performance on the Impact of Development of the influence of tourism development is only 0.3% on the performance of SMEs. Development of SEZs and Industrial Areas (KI) will attract economic growth in the region and encourage the economy evenly throughout the region (Farole, 2011) (5). KEK has an important role in improving the economy, especially the industrial sector, where SEZ is able to create technological improvements, increase national

productivity and structural transformation (Asian Economic Integration Report, 2015) (6). SEZ is a tool used by the state to promote trade and development, and is able to attract investment (Rodrik, 2013) (7). The development of the medium-sized KEK industry in the city of Bitung provides a multiplier effect for increasing economic growth in the province of North Sulawesi, especially in increasing employment, increasing the contribution of medium-sized industries to the economic structure that forms GRDP (Makalew et al, 2017) (8).

The results of the analysis also provide a high coefficient of determination, which is 0.103 or 10.3% which means that for now the effect of performance on the impact is 10.3%. Although the influence of the Tanjung Kelayang SEZ development on MSE performance is insignificant but the effect of MSE performance has a large economic, social and environmental impact. This means that the unfinished infrastructure development in the Tanjung Kelayang SEZ area has been well responded by MSEs in Belitung Island which is shown by positive and considerable economic, social and environmental impacts. Especially if the development of Tanjung Kelayang SEZ has been completed then Belitung Island will be more developed and developing economically, socially and environmentally. The results of this analysis found that the economic impact is the most important dimension in measuring the impact of the development of Tanjung Kelayang SEZ with the highest loading factor. Exchange of foreign exchange, government revenue, employment, infrastructure development and improvement of the community's economy affect the economic impact in the development of Tanjung Kelayang SEZ on Belitung Island.

5.2. Managerial Implications

1. To accelerate the impact on the economy of Belitung Island, it is necessary to have constant synergy and coordination with all stakeholders, especially the Central and Regional Governments, private sector, micro and small entrepreneurs and community.
2. Further research should incorporate variables related with digital economy, which currently becomes a principal issue in the disruption era.

5.3. CONCLUSIONS

According to the discussion above, it can be concluded that:

1. The development of Tourism SEZ Cape Kelayang for the time being has yet to have a significant effect on the performance of tourism-based micro and small enterprises on Belitung Island.
2. The performance of tourism-based micro and small enterprises had economic, social and environmental impacts on the community on Belitung Island.
3. The model of the development of Tourism SEZ Cape Kelayang for the improvement of the performance of micro and small enterprises and the impacts on the economic, social and environmental conditions on Belitung Island has already been able to be implemented to encourage accelerations in the tourism sector.

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GENERAL COMMENTS

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15

PAGE 16

PAGE 17

PAGE 18

PAGE 19

PAGE 20

PAGE 21

PAGE 22

PAGE 23

PAGE 24

PAGE 25

PAGE 26

PAGE 27

PAGE 28

PAGE 29

PAGE 30

PAGE 31
