Tourism Special Economic Zone: A Review of Tanjung Kelayang, Belitung

Bulan Prabawani, Diponegoro University, Indonesia*

https://orcid.org/0000-0001-7213-5770

Hartuti Purnaweni, Diponegoro University, Indonesia Kismartini Kismartini, Diponegoro University, Indonesia

Nurul Retno Hapsari, Universitas Pembangunan Nasional "Veteran" Jawa Timur, Indonesia

ABSTRACT

Tanjung Kelayang is a tourism special economic zone (SEZ) established in Belitung regency, Indonesia as an alternative and sustainable income to the community after the decline of tin mining. The TSEZ is focusing on rural and heritage tourism although mining activities are actively and continuously conducted. SEZs have been successful in some countries; however, India, China, and African countries have experienced less success in several aspects. The TSEZ offers some benefits but is vulnerable to external shock, since it was not developed based on a comprehensive design and is associated with horizontal conflicts. This study reviewed Tanjung Kelayang's TSEZ policy based on SEZ implementation in various countries as a comparative study by adjusting the context of the phenomena occurring in Tanjung Kelayang. This research produced a review related to the TSEZ's design, facilities, rules, and regulations, along with efforts to overcome horizontal conflicts.

KEYWORDS

Conflict, Design, Infrastructure, Regulation, TSEZ

INTRODUCTION

The Indonesian Government has officially designated Belitung as one of the tourism special economic zones (TSEZ) in Indonesia since 2019, along with Morotai, Singhasari, Tanjung Lesung, and Mandalika (Situmorang et al., 2019; Utomo, 2019). Some of the reasons for this designation were due to success stories from many other countries which resulted in socio-economic growth, local economic development, technology transfer, and income equality (Farole & Akinci, 2011; Ginting et al., 2018; Ketels, 2015; Situmorang et al., 2019), through economic intensification and penetration (Bagiryan et al., 2018). To implement the special economic zone (SEZ) in Indonesia, there have been various efforts made by the government, including law enforcement toward ensuring legal certainty and investment predictability (Ginting et al., 2018), completing infrastructure and the facilities (Adam, 2019), and creating competitiveness in human resources through conscious tourism education (Febiyansah et al.,

DOI: 10.4018/IJSESD.293251 *Corresponding Author

Copyright © 2022, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.

International Journal of Social Ecology and Sustainable Development Volume 13 • Issue 1

2018). These diverse efforts were comprehensible considering that TSEZ is a driving force for the country's socio-economic growth attained from job creation, welfare, foreign exchange, tax revenue, and infrastructure (Farole & Akinci, 2011). Tourism is also immensely useful for attracting foreign investment and transferring technology and expertise (Sobirov, 2018).

Tourism has developed significantly in Belitung. In particular, the success of *Laskar Pelangi* novels and films (*Laskar Pelangi*, English term: Rainbow troops) and the high tourism potential of the region have made Belitung widely known nationally and internationally (Nofiyanti et al., 2018; O'Connor & Sangkyun, 2014). Green tourism is considered to be the one of the best alternative income sources for Belitung since tin could no longer as a main regional commodity due to the fact that its production and contribution to the gross domestic product has been continuously decreasing (Wardhani, R. S., & Valeriani, 2016). Moreover, the effect of tin mining has caused significant damage to the natural and social environment such as landslides, pollution, and horizontal conflicts (Nurtjahya et al., 2017).

An initial field study conducted in 2019 showed that there was a significant growth in various tourism-based businesses from air transportation, hotels/resorts, and restaurants, to various businesses related to natural empowerment such as honey production with local specialties, turtle breeding, and sea coral planting. The community has improved and prepared to take part in the operation of Belitung TSEZ, even though they possibly do not understand the concept of TSEZ. The community has a high level of commitment and expectations for the tourism sector amidst the threat of environmental damage due to tin mining which has been exploited for hundreds of years in Belitung Island (Nurtjahya et al., 2017). In 2018, there were an increase in tourist visit to Belitung, accompanied by the establishment of new flight routes to Belitung by several airlines for instances Air Asia, Lion Air, and Garuda Indonesia of course as the state owned airline company. Unfortunately, since 2019 there has been a significant decline in the traffic levels due to the normalization of airline ticket prices. As a result, a considerable decline in the number of tourists to Belitung has forced in a decrease in hotel occupancy rates and sales turnover for a lot of tourism-based businesses. Moreover, the operation of TSEZ in Belitung, especially Tanjung Kelayang, has not yet been able to attract investors (Adam, 2019). Moreover, only the fishing industry was not affected by the increase in air transport costs. However, the amount of fish captured have increased mainly since there has been less fishing by foreigners following the implementation of Article 69 Paragraph (4) of Law Number 15/2009 regarding the sinking of illegal fishing vessels in Indonesian oceans. This shows the success of sustainable fishing.

In addition to flight ticket prices, based on Belitung community, the decline in visits and the development of the tourism sector in Belitung may be due to the low commitment of the regional government and the partiality of regional officials. Administratively, there have been conflicts related to land acquisition for residents, development targets, inter-agency coordination, administrative capacity, foreign workers, fiscal incentives, and management capacity, as well as the design of immature tourism related to TSEZ in Belitung (Adam, 2019; Alkon, 2018). Furthermore, the COVID-19 pandemic has reduced or even stalled tourism activities although the Minister for Public Works and Human Settlements (local abbreviation: *PUPR*) had budgeted 44 billion for regional planning by the end of 2019 (Nursalikah, 2019).

SEZ offers social and economic benefits. However, there are negative impacts on SEZs in several countries ranging from workforce exploitation in Zimbabwe (Chiukira, 2020), failure to provide the enforcement of socio-economic development because it was exclusively implemented in India (Alkon, 2018), to environmental degradation, overlapping regulations, and imbalance condition between industrial and social development (Zeng, 2015), also denationalization in China (Zhu, 1996), in which local workers merely work as blue-collar workers. In addition, SEZ tax incentives or subsidy schemes have not been able to meet the revenue targets (Newman & Page, 2017), especially since government spending has increased significantly due to massive demands for infrastructure improvement (Adam, 2019; Newman & Page, 2017).

The placement of sustainable tourism in Belitung has contributed to empirical positive growth in regional income from 2013 to 2017 with an average increase of 14.63 billion per year (Indonesian Ministry of Tourism, 2018). This, however, does not necessarily facilitate the realization of TSEZ Tanjung Kelayang in Belitung. There are issues of land acquisition, a small value of investment commitments, a declining number of tourists, and a lack of adequate knowledge on the developed Tanjung Kelayang TSEZ design among the community. Moreover, there has not been sufficient development activity in the TSEZ region since 2019. Hence, a review of sustainable tourism for Belitung SEZ needs to be conducted before the implementation of further investment so that the socio-economic target may be achieved.

LITERATURE REVIEW

SEZ is a form of economic agglomeration (Aggarwal, 2011) that covers many systems including trading, production, innovation, service, and comprehensive area (Newman & Page, 2017). Tourism is a part of the service economic zones causing the TSEZ to be a strategic economic sector in various countries (Rahmafitria et al., 2019). For example, the North Russia Government invested in infrastructure and developing other related areas to realize a competitive tourism and recreation cluster as TSEZ (Bagiryan et al., 2018). Likewise, TSEZ has been able to result in positive economic impacts such as through employment, improving exchange rates, tax revenues, and encouraging infrastructure development, to ultimately encourage improvement in the quality of life of the community in Uzbekistan (Sobirov, 2018).

To encourage TSEZ, there are a number of incentives implemented in many countries. For instances, tax exemptions in the US, Spain, France, Belgium, the UK, and Indonesia (Ginting et al., 2018); subsidies in Spain; and stipulations of employment in the US (Sobirov, 2018). Furthermore, infrastructure, legal policy, and certainty are required, as done in Sei Mangkei, Indonesia to accomplish an increasing growth (Ginting et al., 2018). In the last few decades, TSEZ seemed to be one of the government's favorable solutions to increasing investment and economic growth. TSEZ can act as a form of economic localization which is able to drive increasingly dynamic economic activities (Bobur & Mashkhura, 2019), to encourage improvement in infrastructure quality (Febiyansah et al., 2018), to simplify rules for special areas such as single-window clearance (Sosnovskikh, 2016), to create an attractive business environment (Zeng, 2015), and to increase potential for foreign exchange earnings (Farole & Akinci, 2011).

A well-managed TSEZ will become an export promotion medium for local products (Zeng, 2010) and a medium of investment promotion for both local and foreign investors (Rustidja et al., 2017), especially FDI (Sharma et al., 2012). In several countries such as Mauritius, Costa Rica, and the Philippines, TSEZ is considered to bring positive economic spillover (Febiyansah et al., 2018) so that there is a significant employment absorption (Lin & Wang, 2014). Hence, it can function as a medium for knowledge transfer (Sosnovskikh, 2016) and for increasing innovation and productivity (Sosnovskikh, 2016).

METHODOLOGY

This is a descriptive study which used focus group discussions (FGD) and in-depth interviews as primary data, and documentation and literature study as secondary data. The FGD involved local government agencies, i.e. the Tourism Office, the Regional Planning Agency, and the societies of Keciput Village, Sungailiat Village, and Tanjung Gunung Village, Bangka Belitung Regency. The in-depth interview involved indigenous people who work as fishermen, food stall entrepreneurs, turtle breeding entrepreneurs, bee entrepreneurs, hotel managers, miners, and Muslim women (a well-known teacher profiled in the film and novel "Laskar Pelangi"). The secondary data were obtained from

media references, formal reports, and scientific articles related to, but not limited to, TSEZ, Bangka Belitung, and tin mining, as study materials.

The data in this study were analyzed by thematic analysis, that is Tanjung Kelayang TSEZ progress plan. The primary and secondary data were identified to obtain a certain pattern related to Tanjung Kelayang TSEZ design, infrastructure and the supporting facilities, rule and regulation, as well as horizontal conflict. The data analysis involved data reduction by analyzing only the relevant data according to the research objectives to produce meaningful information and conclusions from a phenomenon.

DISCUSSION

Belitung and Tin are two phrases which for more than 200 years could not be separated. Tin in Bangka and Belitung has been explored as the largest tin producer in the world since the 18th century (Heidhues, 1991; Aspinall, 2001). This exploration was done by the Dutch Government, i.e. *Banka Tin Winning Bedrijf* in Belitung (Suprapto, 2010). Since Independence Day in 1945, tin mining in this island has been mainly managed by PT Timah, an Indonesian state-owned enterprise, that the shares have been publicly owned. Besides, there are also hundreds of legal and even illegal tin miners who conduct mining in both land and water territories (Nurtjahya et al., 2017).

Nowadays, tin in Belitung is started to be considered as history because it is assumed as an unfriendly and unsustainable business. Tin mining has left large and deep holes in the mainland. However, the tin timing on the mainland is relatively permissible because it has minimal damages to the environment and does not interfere with tourism. On the contrary, mining in waters damages marine biota (Prianto & Husnah, 2009). The International Institute for Environment and Development, Mining Minerals, and Sustainable Development Report several notes that there are opposing forces between tin mining and fishery particularly since mining eventually affects the sea with a suction dredging system. Even fishing communities do not hesitate to set fire to ships identified as conducting tin exploration at sea. This mining system at sea certainly damages the environment as it causes depletion, and deterioration of sea catch products due to turbidity that harms coral (Rosyida & Sasaoka, 2018). Meanwhile, the damage recovery results in a much greater cost than the economic value of the tin mined (Nurtjahya et al., 2017). However, immature democracy has encouraged local politics to be more pro-mining due to its higher economic contributions, particularly since the era of decentralization. Meanwhile, the net fishermen (fishermen using the net as fishing gear) are in a dilemma because they have no close relationship to local figures, feel insecure, and are afraid of outside political interests (Rosyida & Sasaoka, 2018).

However, the golden era of tin in Belitung has started to end, as indicated by the decreasing number of tin fields and poorer quality compared to that obtained from such other regions as Bangka (Reniati et al., 2019). After the end of the tin mining era in Belitung, the Government starts to place the priority and orientation toward sustainable economic development through the establishment of TSEZ in Belitung such as in Tanjung Kelayang, which is based on rural and heritage tourism (Situmorang et al., 2019), and natural beauty with a maritime landscape (Adam, 2019).

In its progress, the embryo of Tanjung Kelayang SEZ has resulted in a significant impact on the economy. The local revenue (local term: *PAD*) of Rp 193.18 billion in 2017 is considered a big achievement as it shows a sharp increase from that in 2013, Rp92.97 billion. From 2013 to 2016, the average increase in Belitung's local revenue was Rp14.63 billion per year. In contrast, several other leading sectors in Belitung show a slight decline. The mining sector fell to 11.89% in 2016, from 15.36% in 2012. Likewise, the manufacturing industry sector was previously 24.33% in 2012 and by 2016, it dropped to 20.05%(Bank Indonesia, 2018). To implement TSEZ in Belitung, the Government has significantly built infrastructure, specifically roads, which connect regions, or tourist destination points. The government established a management consortium involving foreign investors and inaugurated Tanjung Kelayang TSEZ on March 14, 2019 (KEK, 2019). A number

of tourist destinations, the hospitality industry, transportation services, and souvenir centers have been developed and managed. Various community diversifications and innovations have also been performed to support tourism.

However, when this research was conducted from 2019 to 2021, there has not been any significant development in Tanjung Kelayang TSEZ itself. In addition, development activities seemed to be completely discontinued. The Government, through the Ministry of Villages, Development of Disadvantaged Regions and Transmigration (local term: Kementerian Desa, Pembangunan daerah Tertinggal dan Transmigrasi), along with the Ministry of Agrarian Affairs and Spatial Planning, and the Ministry of Environment and Forestry, states that there are a variety of obstacles so that the construction of the TSEZ area was terminated. These obstacles included the acquisition of 324.4 hectares of land controlled by the community as well as several economic indicators that do not meet the target. Although Belitung's Local Revenue increased by 60 percent in 2015-2017, the small investment commitment was valued only 24.6% of the total Rp85.3 trillion and its contribution to Gross Regional Domestic Product was only 13 percent in 2015-2018. In addition, the number of tourists still did not meet the expected target i.e. full operational of TSEZ is targeted to be able to bring 59,000 tourists per year with an economic value of Rp10.3 trillion, and absorb 23,645 workers (Adam, 2019). The lack of successful management of SEZ, probably due to unclear policy design and lack of professionalism in management in Indonesia, makes the promotion less attractive which results in poor tourist attraction despite the existing Laws, Presidential Regulations, Regulations of the Zone Council Secretariat, and Decree of the Business Development Management Agency (Adam, 2019). This is an unfortunate fact for the public as Belitung community/people have a high commitment to make tourism a livelihood source posts the tin mining era, as a more sustainable business.

In contrast to the free trade zone which that has already been existing in 4,300 regions in the world, the Government has a large potential role in determining the direction of the SEZ policy. Moreover, SEZ success stories as lessons learned are easier to find than less successful stories (Newman & Page, 2017). The government functions as the only-regulator (policy maker) in the SEZ so that an increase in the economic value of the area does not have an impact on other parties but is merely focused on both central and regional government revenues and the surrounding communities. Employment, improvement in exchange rates, regional income, and taxes will be attained through investment, some tourist visits, and infrastructure development, which in turn will encourage improvements in the community's quality of life (Sobirov, 2018).

TSEZ Design

Regarding the context of regional, economic, as well as employment factors in Indonesia, especially in Belitung, the government essentially needs to inventory, develop, and socialize local wisdom-based tourism designs which are clear, integrated, and well-coordinated. Without good strategic planning, SEZ design would be a failure as what has occurred in Africa (Zeng, 2015). TSEZ design needs to have a clear concept which presents the milestone of regional development plans, stakeholder involvement, and achievement targets in detail. With a clear and detailed design, relevant parties would be able to map the workforce and competencies needed and to form a kind of private involvement in investment, business innovation, and diversification. It is also essential to acknowledge the government support for the drafter and the wider community as well as the financing schemes that are accessible to the public.

The local community's misinformation of the TSEZ Tanjung Kelayang concept and design appeared in FGDs and in-depth interviews were conducted with some business people. Hence, community involvement could not yet be achieved by the public or by local business people. The TSEZ area is still assumed as a restricted area and shows no meaningful activity. The community only guesses and wishes to get an economic spillover from the existence of TSEZ by creating various businesses in the hospitality sector, including lodging, travel agents, turtle breeding, and diving equipment rental. Meanwhile, community understanding is significantly important, because TSEZ seems to only be oriented toward the interests of the government and ignores the interests of the local

community. Indigenous people's ignorance or uninformed condition would leave only the informal business sector that doed not provide adequate welfare guarantees such as parking services, food stalls, and conventional transportation. The lack of cooperation between the government and the local community in TSEZ is often caused by the presence of local vendors (Situmorang et al., 2019), in this case, the managers of TSEZ, politicians, and the mediators/intermediaries, each of whom has interests.

Belitung has the potential to be developed as a sea and beach-based green tourism destination. It also has a large potential for forests and hills such as Pelawan Forest and Menumbing Hill, respectively. Green tourism in this region is possible to establish because of the support of nature, conservation, sustainability, and education (Wardhani, R. S., & Valeriani, 2016). This great concept must be prepared and presented adequately so that it does not only focus on the 324.4 hectares' area which is exclusive for certain parties but can also be enjoyed by the wider community.

To involve rural communities in enjoying the regional wealth potential, the concept of "one village one product (OVOP)" needs to be properly managed through the proximity of products and services in the area (Li & Schumann, 2013) such as through the success of OVOP *Cual* woven fabric in Bangka in the production of superior products based on local wisdom (Aryanto & Fransiska, 2012). Some potential OVOP programs in Belitung include the salted fish industry in Tanjung Binga village, natural stone art in Ketap Village, and medicine-based plants in Peramun Village. OVOP, however, requires universities and public-private partnerships aimed at upgrading the industry (Li & Schumann, 2013) to increase product diversification and innovation. Universities can share knowledge within the geographical area, while the government acts as the consensus space between parties (Etzkowitz, 2003).

Without diversification and integrated management, the area around the TSEZ could be disadvantageous and TSEZ would be the only benefit of TSEZ management; as it happened with the massive development of FTA in China, which cannot be balanced by diversification of tourism in Hong Kong (Ji et al., 2015), could not achieve the development spillover in China (Alkon, 2018) as well as the potential rivalry between indigenous people and policymakers (Situmorang et al., 2019).

Infrastructure and Supporting Facilities

Tanjung Kelayang TSEZ requires completion of regional infrastructure, not only road access, but also water, 41.5 MW planned electricity, gas, disposal, and contract enforcement (Adam, 2019; Ginting et al., 2018). In addition, there is a need for relevant services including legal, software, data processing, advertising, business and management consulting firms, skills training, warehousing, legal, biotechnology development, and IT-enabled services (Mendoza, 2016; Newman & Page, 2017; Zeng, 2015).

Good infrastructure could reduce inequality (Mendoza, 2016) and create a conducive business environment (Zeng, 2010) because it increases regional productivity and encourages the development of informal economic sectors. Without adequate water and electricity support and hospitality supporting services, hospitality in rural areas would be high-cost tourism. This, again, will make TSEZ an exclusive territory. Neglecting the infrastructure and supporting facilities and services was the cause of the failure of the SEZ in Africa (Newman & Page, 2017), but it also could not be the only incentive for the SEZ region.

It is recognized that infrastructure development requires high cost; nevertheless, it does not mean this development can be given to the private sector, because it would then tend to be market-oriented and profit-driven (Newman & Page, 2017; Zeng, 2015). Therefore, local governments should initiate infrastructure development to reduce dependence on the central government (Zeng, 2010), in addition to those who enjoy the direct benefits of the SEZ are the local community. The infrastructure provided by the government should not only be built in the SEZ zone but also in an outside area so that it can open still isolated areas.

A solar cell is one of the potential renewable energy resources that can be developed in Belitung. This type of energy is considered the most climatological, meteorological, and geographically appropriate for Belitung which has 1,015 small islands (Tiandho et al., 2019). Without having adequate

facilities and infrastructure, TSEZ Belitung will always be highly dependent on central government policy, as the delayed development of Tanjung Kelayang TSEZ is currently due to high dependence on air transportation access. The main reason for the decline in the number of tourists, particularly domestic tourists is the rising ticket prices related to the rationalization of ticket prices since 2019. This has hugely affected many regions in Indonesia especially Belitung, which is an island region that is far from the center of government.

Rule and Regulation

SEZ is different from the free trade zone which is considered as a policy with reduced regulation. SEZ allows the government to freely "create a level playing field" to protect the interests of local businesses. The government can create regulations that are timely or "graduated sovereignty" (Holden, 2017), according to the needs of the perpetrators of the SEZ and the blueprint. For example, in China, the government began to regulate technology-intensive or high–value-added sectors after the SEZ succeeded so that local businesses have time to adjust to the competition. In the end, a similar tax structure is developed between foreign and domestic businesses (Zeng, 2015). The Chinese government implemented a land-use fee for investors outside the region and began opening foreign investments a few years later.

To obtain investment commitment, the government is required to simplify regulations which are complemented by a combination of tax-and-tariff incentives as carried out by 4300 TFZs worldwide as pillars of economic reform (The Economist, 2015 in Zeng, 2015), especially women workers without ignoring labor rights. Without adequate guarantees of legal protection, workers/women are likely potential to experience exploitation in the form of low wage, lack of skills and less upgrading, and low employment standards, even intimidation and physical violence in labor unions, as what has occurred in several industrial economic zones (Farole & Akinci, 2011; Holden, 2017). At this time, the Indonesian government is preparing innovation legislation as an Omnibus law that will be one of the legal means to facilitate labor exploitation. Omnibus law as an umbrella act in overlapping regulations in Indonesia is considered to prioritize the interests of investors than those of laborers. Labor unions highly concern that the omnibus law will reduce labor bargaining power by changes in minimum wage provisions, labor supply (outsourcing), the dominance of foreign workers, severance pay, working hours, simplification of layoffs, and the elimination of long and menstrual leave. In addition to emphasizing the interests of investors, the Omnibus law which is intended to organize regulations so that it is more consistent, neat, simple, and right on target, is feared to be able to disrupt the use and the arrangement of land/space which eventually will be environmental threats.

The open doors policy implemented during the Deng Xiaoping Government in 1978 has made China the most successful country in developing the SEZ (Zeng, 2015); the policy can also increase foreign direct investment (Zeng, 2015) and improve the investment climate (Newman & Page, 2017). Foreign investment, on the other hand, threatens local investment and encourages profit-driven business that leads to environmental degradation. Thus, the government needs to perform selective deregulation by prioritizing the interests of local, public, and marginal sectors. Besides, the availability of an intellectual property office to protect local wealth is essential. This shows that the flexibility of the government as a regulator is considered both as a strength and a weakness. The government has a higher authority, but regional regulation gaps provide opportunities for abuse of authority such as smuggling and bribery; hence, good public governance is essential (Holden, 2017).

Horizontal Conflict

Changes in the economic design from mining-based to natural-based tourism within the TSEZ framework can cause issues of denationalization due to the emerge of the Omnibus law. However, once again, sustainable tourism still causes horizontal conflicts. The conflicts are fundamentally due to resource constraints and cultural differences (Zeng, 2010). The potential for this conflict also occurs at Tanjung Kelayang TSEZ where there will be a gap in human capital and resources as well

as cultural gaps between indigenous communities and the immigrants. Thus, the government needs to build a harmonious society and to fairly determine lawful and balanced rules. The government must ensure that there will be no significant polarization between communities by accommodating a conducive business environment and social climate. This is really important especially since the Indonesians have not fully recovered from "polarization" after the 2019 presidential election. In this condition, the community will be easily ignited by issues such as denationalization (Zhu, 1996), unequal distribution of central-regional income and may even become a potential loss for regional income (Chiukira, 2020). The issue of denationalization can easily emerge since the Omnibus law, once again, provides a greater gap for foreign workers to have a more strategic position and to cast the opportunities of local employment aside.

In the context of the tradeoff between tin mining and TSEZ, referring to Mendoza (2016), local political partiality with (illegal) tin mining can be overcome naturally if TSEZ can provide adequate and equitable income for the community. This is possible to achieve because SEZ can reduce the gap in community welfare. People in the SEZ region in China have higher economic growth and lower-income inequality, where the poorest income increases by 40% while the richest income decreases by 10%. In the SEZ there are two interests i.e. "developmental state" and "economic liberalization". Therefore, if the spatial economy in South Korea is a form of neo-liberalism (Park, 2005), the TSEZ in Tanjung Kelayang is more likely a "developmental state" by which the economic region is developed to find out alternative income sources for the community after tin mining era and to develop a sustainable SEZ. Through TSEZ, hopefully, there would be a development spillover that will not only benefit the central government and foreign investors but also the local communities.

CONCLUSION

Tanjung Kelayang Belitung TSEZ has received positive feedback from several parties, mainly from the non-mining communities because the concept is more environmentally friendly, promises high economic growth for the region, attracts investors, and encourages sustainable tourism. However, TSEZ may have challenges in achieving investment targets, the number of tourists, and imbalanced income. Therefore, the Government needs to disseminate a clear TSEZ design so that indigenous people can prepare themselves for possible outcomes such as diversification and innovation. The government is expected to play a greater role in developing the infrastructure and supporting facilities to avoid profit-driven business. Also, the Government needs to create a developmental state to protect the interests of local and marginal groups so that an equal playing field can be realized.

ACKNOWLEDGMENT

We would like to thank the Indonesian Directorate of Research and Higher Degree for the research grant no. 257-38/UN7.6.1/PP/2020 and no. 225-130/UN7.6.1/PP/2021, also field research team from Universitas Diponegoro and Bangka Belitung University.

International Journal of Social Ecology and Sustainable Development Volume 13 • Issue 1

REFERENCES

Adam, L. (2019). Promoting the Indonesian Special Economic Zones for Tourism: Lessons from Mandalika and Tanjung Kelayang. *Economics and Finance in Indonesia*, 65(1), 33–52. doi:10.47291/efi.v65i1.609

Aggarwal, A. (2011). Promoting agglomeration economies and industrial clustering through SEZs: Evidence from India. *Journal of International Commerce*. *Economic Policy*, 2(2), 201–227.

Alkon, M. (2018). Do special economic zones induce developmental spillovers? Evidence from India's states. *World Development*, 107, 396–409. doi:10.1016/j.worlddev.2018.02.028

Aryanto, R., & Fransiska, M. (2012). The Role of Government Assistance to Generate Competitive Leadership, Commitment, Motivation, Innovation, Environment and its Impact on the Performance of TenunCual Union Industry Cluster in Bangka Belitung Province. *Procedia: Social and Behavioral Sciences*, 65, 167–172. doi:10.1016/j.sbspro.2012.11.106

Aspinall, C. (2001). Small-scale mining in Indonesia. Mining. Minerals and Sustainable Development, 79, 30.

Bagiryan, V. A., Basenko, A. M., Kudiniva, G. N., & Surzhikov, M. A. (2018). Functioning of tourist recreational special economic zones as institutional tools to include tourist clusters in the world economy. *European Research Studies Journal*, 21(2), 230–237.

Bobur, S., & Mashkhura, A. (2019). Economic essence and organizational features of free tourist zones: The case of Uzbekistan. *International Journal on Economics, Finance, and Sustainable Development*, *I*(1), 1–6.

Chiukira, L. (2020). Special Economic Zones in Developing Countries: Challenges and Opportunities for Zimbabwe. SSRN *Electronic Journal*. 10.2139/ssrn.3545662

Etzkowitz, H. (2003). Innovation in Innovation: The Triple Helix of University-Industry-Government relations. *Social Sciences Information. Information Sur les Sciences Sociales*, 1(42), 191–203. doi:10.1177/05390184030423002

Farole, T., & Akinci, G. (2011). Special Economic Zones: Progress, Emerging Challenges, and Future Directions. The World Bank. doi:10.1596/978-0-8213-8763-4

Febiyansah, P. T., Susanto, H., Thoha, M., Nadjib, M., Salim, Z., Cahyono, B. D., & Sabilla, K. (2018). The Role of Economic Infrastructure in Regional Development: Strategy to Strengthen Tourism Economic Zones' Supporting System. *Journal of Indonesian Social Sciences and Humanities*, 8(1), 75–83. doi:10.14203/jissh.v8i1.133

Ginting, B., Sembiring, R., Siregar, M., & Abduh, A. (2018). The Role of Law in Economic Development: To Develop a Special Economic Zone in Order to Build a National and Regional Economy. *Malikussaleh International Conference on Multidisciplinary Studies (MICoMS 2017)*, 1, 209–214. doi:10.1108/978-1-78756-793-1-00012

Heidhues, M. F. S. (1991). Company Island: A Note on the History of Belitung. Academic Press.

Holden, C. (2017). Graduated sovereignty and global governance gaps: Special economic zones and the illicit trade in tobacco products. *Political Geography*, *59*, 72–81. doi:10.1016/j.polgeo.2017.03.002 PMID:28674465

Indonesia, B. (2018). Kajian Ekonomi dan Keuangan Regional Provinsi Kepulauan Bangka Belitung. Academic Press.

Indonesian Ministry of Tourism. (2018). Tourism Boosts Belitung's Economy and Regional Income (Pariwisata Dongkrak Perekonomian dan PAD Belitung). CNN Indonesia. https://www.cnnindonesia.com

Ji, M., Li, M., & King, B. (2015). The Impacts of China's new free-trade zones on Hong Kong tourism. *Journal of Destination Marketing & Management*, 4(4), 203–205. doi:10.1016/j.jdmm.2015.08.001

Ketels, C. (2015). Upgrading regional competitiveness: What role for regional governments? In R. Huggins & P. Thompson (Eds.), *Handbook of Region and Competitiveness* (pp. 501–517). Edward Elgar Publishing, Inc.

Li, N., & Schumann, F. R. (2013). The One Village One Product (OVOP) Model and Economic Development on Guam. *Journal of Economics and Economic Education Research*, 14(3), 21–34.

Volume 13 • Issue 1

Lin, J. Y., & Wang, Y. (2014). China-Africa Co-operation in Structural Transformation: Ideas, Opportunities, and Finances (UNU-WIDER (ed.); 2014/046).

Mendoza, O. M. V. (2016). Preferential policies and income inequality: Evidence from Special Economic Zones and Open Cities in China. *China Economic Review*, 40, 228–240. doi:10.1016/j.chieco.2016.07.013

Newman, C., & Page, J. M. (2017). *Industrial clusters: The case for Special Economic Zones in Africa*. WIDER Working Paper.

Nofiyanti, F., Festivalia, F., & Enggriani, M. (2018). Literature For Media Tourism Promotion (Review Semiotics). *Advances in Economics, Business and Management Research (AEBMR), 52*(ICTGTD), 79–85.

Nursalikah, R. S. A. (2019). Ministry PUPR prepares Rp44 billions to manage Tanjung Kelayang (PUPR Siapkan Rp44 Miliar Tata Tanjung Kelayang). Republika. https://republika.co.id

Nurtjahya, Umroh, & Agustina. (2017). The Impact of tin mining in Bangka Belitung and its reclamation studies. *MATEC Web of Conferences*, 101, 1–6.

O'Connor, N., & Sangkyun, K. (2014). Pictures and prose: Exploring the impact of literary and film tourism. *Journal of Tourism and Cultural Change*, 12(1), 1–17. doi:10.1080/14766825.2013.862253

Park, B. G. (2005). Spatially selective liberalization and graduated sovereignty: Politics of neo-liberalism and "special economic zones" in South Korea. *Political Geography*, 24(7), 850–873. doi:10.1016/j.polgeo.2005.06.002

Prianto, E., & Husnah, H. (2009). Unconventional Tin Mining: Its Impact on Biodiversity Damage of Public Waters on Bangka Island (Penambangan Timah Inkonvensional: Dampaknya terhadap Kerusakan Biodiversitas Perairan Umum di Pulau Bangka). *BAWAL*, 2(5), 193–198.

Rahmafitria, F., Purboyo, H., & Rosyidie, A. (2019). Agglomeration in Tourism: The Case of SEZs in Regional Development Goals. *MIMBAR: Jurnal Sosial Dan Pembangunan*, 35(2), 342–351. doi:10.29313/mimbar. v35i2.4871

Reniati, R., Bidayani, E., & Khairiyansyah, K. (2019). Factors that Affect the Development of Tourism on the Belitung Island. *Advances in Engineering Research*, 167(ICoMA), 211–214.

Rosyida, I., & Sasaoka, M. (2018). Local political dynamics of coastal and marine resource governance: A case study of tin-mining at a coastal community in Indonesia. *Environmental Development*, 26(March), 12–22. doi:10.1016/j.envdev.2018.03.003

Rustidja, E. S., Purnamawati, A., & Setiawati, R. (2017). Investment Promotion for Community Economic Development of Special Economic Zone: Study of Sez Mandalika and Bitung in Indonesia. *European Journal of Economics and Business Studies*, 3(2), 138–147. doi:10.26417/ejes.v8i1.p138-147

Sharma, A., Johri, A., & Chauhan, A. (2012). FDI: An Instrument of Economic Growth & Development in Tourism Industry. *International Journal of Scientific and Research Publications*, 2(10), 1–6.

Situmorang, R., Trilaksono, T., & Japutra, A. (2019). Friend or Foe? The complex relationship between indigenous people and policymakers regarding rural tourism in Indonesia. *Journal of Hospitality and Tourism Management, 39*(March), 20–29.

Sobirov, B. (2018). The concept of the tourist economic zone: Case of Uzbekistan. *World Scientific News*, 98(98), 34–45. www.worldscientificnews.com

Sosnovskikh, S. (2016). Issues in Development of Special Economic Zones in Russia: The Case of Titanium Valley. *International Journal of Business and Management*, 4(7), 10–18.

Suprapto, S. J. (2010). Potensi, Prospek, dan Pengusahaan Timah Putih di Indonesia. Academic Press.

Tiandho, Y., Dinata, I., Sunanda, W., Gusa, R. F., & Novitasari, D. (2019). Solar energy potential in Bangka belitung islands, Indonesia. *IOP Conference Series: Earth and Environmental Science*.

Utomo, W. (2019). Tourism Special Economic Zone. National Board of SEZ. https://kppip.go.id

Wardhani, R. S., & Valeriani, D. (2016). Green Tourism Dalam Pengembangan Pariwisata Bangka Belitung. *INDOCOMPAC*, 275–286.

Downloaded: 3/2/2022 3:23:58 AM IP Address: 182.2.36.21

International Journal of Social Ecology and Sustainable Development

Volume 13 • Issue 1

Zeng, D. Z. (2010). Building Engines for Growth and Competitiveness in China: Experience with Special Economic Zones and Industrial Clusters. World Bank. doi:10.1596/978-0-8213-8432-9

Zeng, D. Z. (2015). Global Experiences with Special Economic Zones: Focus on China and Africa. Academic Press.

Zhu, J. (1996). Denationalization of Urban Physical Development: The Experiment in the Shenzhen Special Economic. *Cities*, *13*(3), 187–194. doi:10.1016/0264-2751(96)00005-4

Bulan Prabawani is a lecturer and researcher at Diponegoro University. She has obtained various research grants from the University and the Indonesian government in the field of social studies on a competitive basis. She has published papers and books in international journals in the area of, but not limited to, business sustainability.

Hartuti Purnaweni is a lecturer and researcher at Diponegoro University. She is actively involved in research and publication, also activities related to environmental study and public policy. She is also an advisor for national policy.

Kismartini Kismartini is a lecturer as well as researcher in public policy of Diponegoro University. She is active in research funded by the University and the Indonesian Ministry of Education and Culture, also as a consultant to local government, especially as a selection committee for key positions in the government bureaucracy.

Nurul Retno Hapsari is a young lecturer and researcher of UPN Veteran East Java.