Local Economic Development Status Mapping (LED) in Srigonco Village, Malang Regency

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Abstract. Local Economic Development (LED) revitalization aims to change the views of the Central Government, Regional Governments, Non-Governmental Organizations, and the community so that Local Economic Development (LED) becomes an economic instrument based on local resources to improve the welfare of local communities in sustainable activities. This research aims to provide accurate information for the Regional Government of Srigonco, East Java. Used to create Local Economic Development (LED) action plans for sustainability, in the short, medium, and long term. This research method is descriptive analysis. The analytical method used is Rapid Assessment Techniques for Local Economic Development (RALED). The outputs of this study include the identification of local economic development factors, LED status, and recommended LEDs in Srigonco Village. This LED research location is in Srigonco, following the LED framework of East Java Province based on the development of business clusters in the Local Economic Development (LED) sector. The research object of LED status is Srigonco Regency, while the respondents are local government, local traders, and the general public related to Local Economic Development (LED) in Srigonco Village. Based on the results of this research from RALED, it can be concluded that Srigonco Regency included in the good category seen from the six aspects of LED dimensions, Target Group Dimensions, Location Factors, Synergy and Policy Focus, Sustainable Development, Governance Systems, and Management Processes. The results of the analysis show that the government in this case prepares all facilities and policies in favor of improving the welfare of the community. Governance that is dominated by the younger generation provides new enthusiasm and innovation in various matters, especially sustainable development. However, the synergy between various institutions is the main focus for future improvements, because this is also related to the implementation management process of each policy issued. The new village government is dominated by the younger generation, which is a distinct advantage for the sustainability of Srigonco village in the future.

Keywords: Local Economic Development · Community · RALED · Innovation

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1 Introduction

Tourism is a sector which predictable to make a substantial influence to maintain economic constancy and raise the community’s awareness [1]. Therefore, [2] stated that tourism development necessities to be sustained and improved by using tourism resources and the potential to become an economic and non-economic strength that can be relied on to back up the national economy. Nowadays, tourism is a strategic role in economic development in numerous countries. Numerous nations remain to take tourism potential extremely and create tourism as a prominent sector in foreign exchange incomes, poverty alleviation, job creation, living standards, improving revenue, and stimulating other production factors [3]. Thus, numerous industries have occurred that affect expanding the economy in a tourism space, such as hotels, restaurants, travel agencies, art shops, the handicraft industry, and countless other secondary facilities [4].

[5] claimed Indonesia’s tourism improvement carries on to improve and is a crucial issue in upholding the economy. This development is due to Indonesian tourism having such massive promising tourism that it can attract investors to invest and develop the available tourism [6]. Particularly, tourism is not only available in large regions but also small regions like a rural areas. Unavoidably, it is applied at the local/regional level, for instance, in Srigonco village.

Moreover, based on UU No 6 Tahun 2016 about Villages, this regulation contains several policies for the development of rural areas. Hence, the Village Law is an effort by the central government to strengthen the role of village governments in carrying out development in rural areas by maximizing their potential or resources. Therefore, villages have full authority to carry out the strategic development plan according to their capability. Therefore, Srigonco is trying to improve its tourism potential to lift community welfare.

Srigonco is located in the southern part of Malang Regency that has promising tourism. Furthermore, their village is part of JLS (Jalan Lintas Selatan-South Java Causeway) program, which gives them a big opportunity to have hub access. These advantages could lead to the improvement of the local community.

The existence of Srigonco Village which is located in the south of Malang Regency is one of the areas that have very promising potential in the tourism sector [7]. Excellence is currently one of the fastest-growing industries. It can be said that almost all regions are trying to improve through the tourism sector. Tourism is an important industry to be developed because the activities carried out in the ecosystem have an impact on various economic sectors in society. The tourism sector can be utilized to encourage economic change and open up local economic development, and employment opportunities, increase incomes, and improve the quality of life of local communities [8].

2 Literature Review

2.1 Role of Tourism in Economic Development

According to [9], Local Economic Development is a participatory process that encourages and provides avenues for local stakeholders to increase local competitiveness to create decent jobs and create sustainable economic activities. [10] defines Local Economic Development as a participatory process that encourages partnerships between the
private sector, communities, and stakeholders in certain areas to carry out joint development by utilizing local resources to create jobs and stimulate economic activity. The ILO also describes two principles in Local Economic Development, the first is participatory to promote social cohesion, initiating local awareness, consensus building, institutional partnerships, and networks to ensure sustainable growth. While second, Local Economic Development must utilize available local resources by prioritizing common interests.

Local Economic Development is a concrete step taken as an effort to create job opportunities and encourage economic activity at the local level to improve people’s living standards. [11] define Local Economic Development as a process in which the community, local government, and the private sector work together to improve the local economy and employment opportunities to promote a better standard of living. Meanwhile, [12] states that the development of Local Economic Development can be seen from the realization of local initiatives to drive the progress of sustainable local economic development.

[13] defines Local Economic Development as a process in which communities, businesses, and non-governmental organizations work together to create better conditions to promote economic growth and employment at the local level and to improve the quality of life. The better for all. [14] define Local Economic Development as a process in which partnerships between local government, community-based groups, and the private sector are formed to manage existing local resources to create jobs and stimulate the local economy. Local Economic Development emphasizes local activities using human resources, institutions, and local assets.

Based on some descriptions of the definition of Local Economic Development, it can be concluded that Local Economic Development is an effort to optimize local resources by involving all local stakeholders, both government, private, non-governmental organizations, and the public sector to create jobs, creating sustainable economic activities. Sustainable, and able to explore the potential of the local economy that is productive and competitive.

Regarding Local Economic Development, Meyer-Stamer [15] describes six aspects of Local Economic Development, namely: (1) Local Economic Development target group; (2) location factor; (3) Synergy; (4) sustainable development that looks at the economic, ecological, and social aspects; (5) Governance consists of partnerships with the public and private sectors, streamlining regulations in the public sector and organizational development; (6) Management, Local Economic Development is based on an iterative process with diagnostic and planning foundations, implementation, and monitoring and evaluation. Of these six aspects, of course, it becomes a measure of Local Economic Development or the implementation of Local Economic Development.

3 Method

The Synergy Research on Local Economic Development Components was carried out using a qualitative approach with an explanatory type of research. [16] states that generally, qualitative research is inductive, but some researchers conduct qualitative research to test theories so that qualitative research is possible to be deductive and there is no reason why qualitative research cannot be used to test specified theories. Before data
collection. This is in line with the opinion of [17]. According to [18], there are four types of qualitative research according to the role of theory in it, namely: (1) using theory as a hypothesis; (2) using theory as a general guide for research (3) using theory as the end point of research and applying the research process inductively, and (4) not using theory explicitly.

In this study, the theory of Local Economic Development is used as a guide to important themes in collecting data and analyzing the achievements and synergistic factors of Local Economic Development. The theme is not binding because it can be added according to field findings.

This research was conducted in Srigonco Village, Bantur District, Malang Regency. This area is creating a development concept, namely Development based on Local Economic Development in advancing its tourism potential areas.

The data collected in this study of the Synergism of Local Economic Development Components are primary data. Primary data was obtained through direct observation of the field (field research). Field research was conducted through in-depth interviews with informants, simple observations, and Focus Group Discussions (FGD).

Indicators in the dimensions of the Target Group include (1) the Srigonco Village Community can take advantage of the results of tourism potential on the south coast of Malang Regency, (2) It is easier for the community to set up a business in the south coast of Malang Regency, (3) Most of the sellers on the Balekambang beach are residents of Srigonco village, Malang Regency, (4) Srigonco villagers feel that they are an important part of South Malang tourism development, (5) Srigonco village people feel helped by government policies in developing South Malang tourism, (6) The government always provides programs that can invite tourists to come to tourism in South Malang, (7) The local government provides Economic Development Training related to the efforts that the community does to improve the welfare of people who have businesses, (8) Srigonco village people tend to find it difficult to sell in the coastal tourist area of South Malang.

4 Results and Discussion

4.1 Target Group Dimension

From the results of the RALED analysis, the index value or the status of Local Economic Development in the dimensions of the Target Group is 76.88, which is a very good category. These conditions indicate that the dimensions of the target group are in good condition, but can still be improved to a higher category. These results are validated with a Monte Carlo value of 60.19 with a difference of 16.69. The results of the Monte Carlo analysis serve to show the effect of error or the impact of scoring errors is relatively small (Creswell & Garrett, 2008). The condition of the village located in the southernmost area of Malang Regency makes Srigonco Village less able to get up-to-date information on the development of urban progress. This makes the role of the younger generation to be important in contributing to village development in the future.

These factors can be overcome based on the results of factor analysis or leverage attributes to see which sensitive attributes have an influence and can be intervened to improve the status of the Target Group dimension. The lever factor on the dimensions of the Target Group is following the order of priority, namely by continuing to provide policy
alignments to the Srigonco village community through programs that attract tourists to come to the South coast. In addition to this, with the hope of high tourist visitors, the local community will get priority in setting up a business on the south coast [19]. So to improve the status of the dimensions of the Target Group for the better, it is necessary to intervene and improve these factors.

4.2 Location Factor Dimension

The results of the Index or the status of the Local Economic Development Dimension of the Location Factor is 50.21, which is a very good category. Location Factor dimension is in very good condition, although this is still very possible to be improved. These results are validated with a Monte Carlo value of 49.76 with a difference of 0.45. When viewed from demographic factors, the location of Srigonco Village from the center of Malang City is 50 km. This distance is usually covered in 2 h. Supported by good infrastructure, of course, it will increasingly be able to attract tourists to come to tourist areas in Srigonco Village. According to [20] Tourism development is largely determined by how much potential supply and demand are. The supply potential illustrates how much attractiveness a tourist attraction has in a Tourist Destination Area. Meanwhile, potential demand illustrates how many potential tourists come from the Tourist Origin Area.

The lever factor on the Location Factor dimension is following the order of priority, namely by increasing the more supportive road infrastructure [21]. In addition to this, Srigonco Village has good tourism potential compared to the surrounding area. So to improve the status of the Location Factor dimension for the better, it is necessary to intervene and improve these three factors.

4.3 Dimension of Synergy and Policy Focus

Index value of the Synergy and Policy Focus dimension is 51.02 and this is in a good category. The results of the RALED analysis show that the index value or status of Local Economic Development with the dimensions of the Synergy Factor and Policy Focus is 51.02, which is a good category. It can be interpreted that these results indicate the Synergy Factor and Policy Focus in a depressed and not yet maximized condition. These results are validated with a Monte Carlo value of 50.68 with a difference of 0.34.

Efforts to synergize between institutions are considered very necessary in establishing a certain goal and for the common good [22]. The village government has an important role in village economic development, therefore there is a need for synergy between the government and youth, and village communities to accelerate the development of a strong and independent village economy for the welfare of its people [23].

From the results of the analysis of factors or leverage attributes to see the sensitive attributes that have an influence and can be intervened to improve the status of the Synergy and Policy Focus dimensions. The effort is that the community feels the need to be involved to build tourism in the village of Srigonco, Malang Regency. In the tourism development plan, an idea and program are needed that can involve village communities to accelerate local economic development by building and developing village tourism sites.
4.4 Dimension of Sustainable Development

While the value of the Sustainable Development dimension index is 82.17 and is in the very good category. The RALED analysis obtained the index value or the status of Local Economic Development for the Sustainable Development dimension of 82.17, which is a very good category. These conditions indicate that the dimensions of the target group are in good condition, but can still be improved to a higher category. These results are validated with a Monte Carlo value of 49 with a difference of 33.17. Referring to the Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration Number 13 of 2020 concerning Priorities for the Use of Village Funds in 2021, there are at least 18 development goals and targets through the Village SDGs, namely: Villages without poverty, Villages without hunger, Healthy and prosperous villages, Quality village education, Gender equality Village, Village with clean water and sanitation, Village with clean and renewable energy, Village jobs and economic growth, Village innovation and infrastructure, Village without inequality, Sustainable village residential area, Environmentally conscious village consumption, and production, Village control and climate change, village marine ecosystem, village land ecosystem, peaceful and just village, partnership for village development, dynamic village institutions, and adaptive village culture [24].

Efforts to achieve village SDGs in the situation and conditions of the COVID-19 Pandemic are not easy, therefore, the use of 2021 village funds is prioritized to finance activities that support the achievement of village SDGs related to national economic recovery activities, national priority programs, and adaptation of new village habits [25].

Concerning the levers of the Sustainable Development dimension, according to its priorities, the community is obliged to maintain the sustainability of the surrounding nature. So to improve the status of the dimensions of Sustainable Development for the better, it is necessary to intervene and improve on these factors. Sustainable Villages, apart from integrating environmental sustainability, and economic and socio-cultural improvements, can also become attractive village tourism objects for tourists [26]. Villages that apply this concept can be categorized as environmentally friendly villages [27]. The local and foreign tourists not only enjoy the village area, but they also get education about nature conservation. Starting from how to manage nature in an environmentally friendly manner, preserving the arts and traditions of rural communities, utilizing local resources to improve the family economy, and aspects of social values in the community [28].

The arrival of tourists to the ecovillage in a sustainable village will bring in income for the residents [29]. Village communities, including women such as housewives, can be the spearhead in community empowerment in Sustainable Villages [30]. The business of providing traditional food and drink places and souvenir stalls with various local arts and cultural products and other small and medium businesses such as the business of making selfie locations, and so on can support the local economy. By doing so, it can increase the productivity of the local community, as well as implement a green economy properly.
4.5 Dimension of Governance

Since Indonesia began its independence, village development has been the focus of the government’s attention [31]. However, village development strategies have often changed from time to time [32]. The change in strategy is intended to find a village development strategy that is considered the most effective for a certain period. In village development, governance management is needed that can also support the realization of a goal. When viewed from the value of the governance dimension index, which is 99.99 and is included in the very good category. From the results of the RALED analysis, the index value or the status of Local Economic Development in the Governance dimension is 99.99, which is a very good category. These conditions indicate that the dimensions of the target group are in good condition, but can still be improved to a higher category. These results are validated with a Monte Carlo value of 96.20 with a difference of 3.79. The results of the Monte Carlo analysis serve to show the effect of error or the impact of scoring errors is relatively small [33].

The results of the analysis of factors or leverage attribute to see the sensitive attributes that have an influence and can be intervened to improve the status of the Governance dimension. The lever factor in the governance dimension is following its priorities, namely the government program in favor of the welfare of the Srigonco village community, Malang Regency.

4.6 Management Process Dimension

The value of the Management Process dimension index is 49.98 and is in a good category. From the results of the RALED analysis, the index value or the status of Local Economic Development in the Management Process dimension is 49.98, which is a good category. These conditions indicate that the dimensions of the target group are in good condition, but can still be improved to a higher category. These results are validated with a Monte Carlo value of 49.75 with a difference of 0.23. The implementation of the Indonesian government within the framework of a unitary state, between the central government and local governments in its implementation, cannot be separated from the use of the principles of governance in the regions [34] concerning Regional Government which in principle regulates the implementation of regional government and prioritizes the implementation of the principle of decentralization.

To improve the dimensions of the management process following its priorities, there is a special team that oversees tourism in Srigonco Village. So to improve the status of the Management Process dimension for the better, it is necessary to intervene and improve on these factors. Interventions can be in the form of structuring village government institutions that are filled by the younger generation to provide innovation and a new spirit for the Srigonco Village government in the long term [35].

4.7 Local Economic Development Table

Based on the Results of the RALED Analysis on the Six Dimensions of Local Economic Development, the Status Index Values for Each Dimension Are as Detailed in Table 1.
Table 1. Dimensional Index of Local Economic Development

<table>
<thead>
<tr>
<th>No</th>
<th>Dimensions</th>
<th>Index Value</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Target Group</td>
<td>76.88</td>
<td>Very good</td>
</tr>
<tr>
<td>2</td>
<td>Location Factor</td>
<td>50.21</td>
<td>Good</td>
</tr>
<tr>
<td>3</td>
<td>Synergy and Policy Focus</td>
<td>51.02</td>
<td>Good</td>
</tr>
<tr>
<td>4</td>
<td>Sustainable Development</td>
<td>82.17</td>
<td>Very good</td>
</tr>
<tr>
<td>5</td>
<td>Governance</td>
<td>99.99</td>
<td>Very good</td>
</tr>
<tr>
<td>6</td>
<td>Process Management</td>
<td>49.98</td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: Authors, 2022

After knowing the status index of the six dimensions of Local Economic Development from the results of the RALED analysis (Table 1), it can be concluded that of the six dimensions of Local Economic Development, one dimension is in very good condition, four dimensions are in good condition, and one dimension is still poor. Dimensions are in very good condition, namely the dimensions of target group factors, sustainable development, and governance. Dimensions in good condition, namely the dimensions of location factors, synergy and policy focus, and management processes.

References


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