

Economic and Social Benefits of Communities Around the Mandalika Special Economic Zone, Indonesia: A Qualitative Study

Sri Budi Cantika Yuli¹, Faiza Husnayeni Nahar², Risky Angga Pramuja³

Abstract

This study attempts to analyze the impact of Indonesian government policies on poverty alleviation through the tourism industry, particularly in the Mandalika Special Economic Zone. This research uses a case study method with a saturation technique in finding Participants. In addition, the authors carried out several stages in the analysis including data reduction, data display, triangulation, and conclusion. Nvivo software is used to analyze this research data. The findings suggest that government-supported tourism has reduced poverty to some extent while also increasing the opportunities, employability skills, and willingness of the poor to participate. However, the centralized development structure creates a gap in what is needed by the surrounding community.

Keywords: *poverty reduction, SEZ Mandalika, Indonesia.*

Introduction

One of the most important issues facing the globe in the 21st century, according to the UN's Millennium Declaration, is the reduction of poverty. In many impoverished and emerging nations, tourism is already one of the most significant sources of foreign exchange profits and employment creation. L. Zhao & Xia (2020) stated that tourism has emerged as a critical economic activity for several underdeveloped nations in their attempts to reduce poverty and increase prosperity.

The tourism-led economic growth (TLGH) concept remains the primary basis for creating countries to invest in tourism. Tourism, according to TLGH's concept, creates employment and wealth, contributes to a positive current account surplus, activates tourism-related businesses, and boosts economic activity (Rasool et al., 2021).

The global fight against poverty has a great deal of potential to benefit from ecotourism (Mnini & Ramoroka, 2020). A WTO-commissioned study found that tourism is nearly always the main driver of economic growth, foreign exchange, investment, and job creation in developing nations, particularly in the least developed countries. More specifically, rural areas are locations with severe poverty levels that require more attention (Wang et al., 2020).

The rural poor's access to possibilities inside their communities can be improved via tourism (Chirenje, 2017). Additionally, it may contribute to a decrease in rural-to-urban migration, improve employment prospects for the urban poor, and provide them with

¹ Economics and Business Department, Universitas Muhammadiyah Malang, Indonesia, cantika@umm.ac.id

² Faculty of Economics and Business, Universidad de Granada, Spain

Economics department, Universitas Muhammadiyah Yogyakarta, Indonesia, faizahusnayeni@umy.ac.id

³ Lecture Economics and Business Department, Universitas Muhammadiyah Malang, Indonesia, riskyanggapramuja@gmail.com

more money to support their rural families (Croes & Vanegas, 2008). Additionally, the talents acquired by the urban poor in the field of tourism might be used in rural areas, reversing the trend of migration (Garza-Rodriguez, 2019). Through income diversification and growth, tourism creates employment options that help the poor's vulnerability (Croes & Vanegas, 2008; Garza-Rodriguez, 2019). More money can be directed to programs aimed at reducing poverty as a result of an increase in national income (Chirenje, 2017; Wang et al., 2020). The following are cited as inherent qualities of tourism that designate it as a sector that supports the welfare of the underprivileged (Croes & Vanegas, 2008; Garza-Rodriguez, 2019).

The Indonesian government has created a tourism Special Economic Zone (SEZ) to draw in investment and hasten regional development as a step toward hastening economic growth to raise the living standards of people in impoverished areas. The government, through the Ministry of Tourism, announced the establishment of ten Special Economic Zones (SEZs) for tourism in 2016, which will serve as priority tourism destinations in Indonesia. SEZ is expected to be able to attract tourists comparable to those who visit the island of Bali, given that the island of Bali attracts 40% of all foreign tourists in Indonesia. The Indonesian government intends for each of the ten new destinations to have its distinct personality.



Figure 1. Mandalika's Masterplan

Mandalika is one of the areas targeted for ecotourism by the Ministry of Tourism and Creative Economy. Government Regulation No. 52 of 2014 page 1 to 7 established the Mandalika SEZ as a Tourism SEZ. The Mandalika SEZ, with an area of 1,035.67 ha of land and a view of the Indian Ocean, is expected to boost West Nusa Tenggara Province's tourism sector, which is quite appealing.

However, since its inception, no research has been conducted to assess the impact of the Mandalika Special Economic Zone on poverty alleviation in the surrounding area. The majority of the research focuses solely on the notion of development, the function of government, community empowerment, possibilities for culinary tourism, and visitor perceptions (Ardana et al., 2020; Estriani, 2019; Haris & Ningsih, 2020; Murianto et al., 2021; Permadi et al., 2019; Ramdani, 2020; Satrio, 2021; Suteja & Wahyuningsih, 2019; Yunarni & Haris, 2020). This paper examines tourism policy and its impact on poverty alleviation in Kuta Mandalika Village, a recently developed tourism area. The study is promising because it advances conceptual knowledge in the field, claims insight into the problem of alleviating poverty via tourism, and contributes to better absolute government planning.

Literature Review

Tourism has recently been widely proven as an efficient tool for addressing by researchers, international organizations, and developing-country governments (Chirenje, 2017; Garza-Rodriguez, 2019; Mnini & Ramoroka, 2020; Rasool et al., 2021; Wang et al., 2020; L. Zhao & Xia, 2020). In the 1990s, a human development approach was proposed to accelerate economic growth and reduce poverty as a result of the inability of the capitalist approach and the weakness of various tourism approaches that serve as a substitute for poverty alleviation (Ofori et al., 2022). Over the same period, the United Kingdom Department of International Development introduced the concept of pro-poor tourism (PPT) further into tourism literature to achieve human development goals (Harrison, 2008; Liu & Yu, 2022; Peeters, 2009). According to Wen et al. (2021); Yu et al. (2019), pro-poor tourism is a framework that aims to enhance gross benefits to the poor through tourism growth in the three pillars of sustainable development (economic, social, and environmental), guaranteeing that tourism growth economic growth and poverty reduction.

Tourism development policies, in particular, have long sought to meet the needs of the poor in tourist areas (Wulandari & Afriyanni, 2021; Xu & Sofield, 2016). In this regard, the PPT (Pro-Poor Tourism) concept focuses on increasing net income for the poor and, as a result, making the poor the focal point of any practical initiative. According to a review of the literature, tourism development in some underdeveloped areas has been able to reduce the severity of poverty and empower the poor despite many constraints (Anderson, 2015). In other words, tourism has a significant negative relationship with poverty, according to Medina-Muñoz et al. (2016); Toerien (2020). According to research conducted in Portugal, families in the tourism industry have become less likely to be poor than those in traditional businesses such as animal husbandry and agriculture (Lima, 2017).

Without a doubt, emerging economies have repeatedly tried in recent decades to increase the proportion of tourism in their economies. They believe that tourism development can be a driving force in their respective countries' economic development (Ghosh & Siddique, 2017)

Increased tourism, however, doesn't often result in a more equitable distribution of benefits. According to Scheyvens & Russell (2012), a proactive interventionist preventive approach is required to persuade governments to focus on the overall benefits of tourism development for the poor. Governments in most developing societies are eventually held accountable for their respective countries' tourism structures. They will determine whether to be passive toward the poor or to incorporate them into the tourism structure (Li et al., 2018).

Special Economic Zone

The government encourages development in all areas, but physical factors are given priority, starting with toll roads, ports, and various special economic zones (SEZ), as well as the building of village road amenities paid for with general allocation funds and other sources. Aside from several negative effects including environmental change (exploitation), pollution, and the loss of local values and culture, there are insufficient resources available, especially in the local community where the development is located. On the other hand, the government is more focused on enhancing resource quality to gain a competitive advantage through the four Nawacita (nine development priorities of Indonesia for the next five years) priority objectives. Indonesia's position, which has lagged behind other ASEAN nations in the global arena, has become even less accurate in terms of its growth strategy (İrfanoğlu, 2020).

According to the definition of development, it is a multifaceted process that entails the overall rearrangement and reorientation of the economic and social system. Development

entails dramatic adjustments to institutional structures, social structures, and administration, as well as alterations to attitudes, practices, and beliefs (Mowforth & Munt, 2015).

The presence of sufficient resources to use them is vitally necessary for physical growth. It is even hoped that the power that constructs the physical facilities is dominant with local resources so that there is a multiplier effect. Foreign workers must transfer their experience to local employees so that projects of a similar nature can be managed independently in other locations.

Dowin Kennedy (2021); M. Kelly (2021) defines community-focused development as an effort to raise the dignity of those who, due to their circumstances, are unable to break the cycle of poverty and underdevelopment. An area's development is geared toward examining the resource potential with a focus on people as actors and users. The state is anticipated to take into account this circumstance when creating the Mandalika SEZ, which is focused on tourism sectors. Government Regulation No. 52 of 2014, page 1 to 7 regarding the Mandalika Special Economic Zone strengthens its implementation. Law No. 39 of 2009 Verse 7 Article 4 Page 1 Concerning Special Economic Zones regulates SEZs generally.

In the preparation and development stages, KEK Mandalika is being managed as a state-owned entity by ITDC (Indonesia Tourism Development Corporation). This business's nature is profit-oriented in this situation. Following the Mandalika SEZ's SEZ management standards, it is required to support cooperatives, micro, small, and medium-sized businesses, and their commercial endeavors in SEZs (paragraph 3 Article 3 of Law Number 39 of 2009).

According to Heavy (2019), the ecotourism idea is more likely to benefit select large-scale business operators in the development of the Mandalika SEZ company. The Mandalika SEZ is a tourism hub that is actively managed to achieve economic growth, improve community welfare, combat poverty, reduce unemployment, preserve the environment and resources, promote culture, improve the country's reputation, foster a sense of pride in one's country, strengthen national identity and unity, and foster international friendship (Page 1 Article 4 of Law No. 10 of 2009).

Based on the latest information, areas that have the potential to be made SEZs have been identified as potential government strategic districts. As a result of the law providing space, the state government must be placed in this situation as a manager. For SOEs, Cooperatives, Private and Private, Cooperatives with the Government/Central, Provincial, and Regency/City, the above law provides opportunities related to SEZ (Page 1 Article 26 of Law No. 39 of 2009). Management will be the starting point for SEZ's business strategy; it will pay more attention to the local economy of the business owner or not, including how to maximize profits.

SEZ has several zones, namely SEZ Mandalika, which is a tourism zone. There are more prospects for tourism to benefit the local economy and further the culture and values that are prevalent in the area. When seen from an economic perspective, tourism has a multiplier effect, meaning that it offers many advantages due to its ability to move and even generate new types of economic activity. Restaurants, lodging, transportation, recreational facilities, travel services, the development of tourist destinations, the establishment of tourist attractions, and restaurants are just a few of the economic activity types that might result from the growth of the tourism industry (Nanda Sofia, S.T, 2021; Nonthapot & Wongsiri, 2019). The government makes it convenient the creation of special economic zones, notably in the tourism industry, with these numerous advantages (Page 2 Article 2 PP No 12 of 2020). These diverse amenities not only help business companies make money, but they also unquestionably help the local economy move forward sustainably.

Therefore, it can be inferred that local governments cannot transfer full management of SEZs to individuals or organizations chosen by the National SEZ Council. For communities to benefit from the establishment of SEZs, local governments must actively prepare the potential that exists in their areas, including initiatives to develop community competency. Local governments can put the Five C's Strategy into action by implementing core strategy, consequence strategy, customer strategy, control strategy, and culture strategy. These strategies are all aimed at achieving better work, reduced expenses, and a more prosperous and democratic society (Syah & Paseba, 2021). SEZs can be considered a large-scale initiative in a local government area (district/city), hence local governments must make it the focus of their public policy. Local governments must implement SEZ as a central government policy that drives the economy of the community, not just an area in the literal sense of the area in question. Long before the SEZ is suggested to the SEZ National Council, the work context, beginning with planning and involvement in benefits throughout operations, should be taken into consideration. This is crucial to achieve sustainable growth and reap advantages for the community.

Poverty Reduction in Indonesia

The term "poverty" did not become a major development agenda in Indonesia until the early 1990s. There is no specific document that discusses poverty alleviation in various development programs in Indonesia. The Sixth Five-Year Development Plan (REPELITA), is the first program to mention poverty alleviation and equitable development.

It should be noted, however, that before the crisis, the Indonesian government had implemented many poverty-relief programs. Several departments, including the Ministries of Home Affairs, Social Affairs, and Agriculture, have carried out poverty reduction projects ranging from experimental savings and loans to programs to increase the income of small farmers (Leith et.al, 2003). The Suharto government took significant steps in the 1990s that served as the inspiration for the National Program for Community Empowerment (PNPM). Poverty alleviation initiatives carried out by the Indonesian government at the end of the New Order era included the Disadvantaged Village program, Development of Underdeveloped Village Infrastructure, Urban Poverty Reduction Programme, Takesra/Kukesra, and Small Farmer/Fishermen Income Improvement Project (Suryahadi et al., 2010).

As a result of Asia's economic crisis in the 1990s, several programs were developed to combat poverty. Since the start of the crisis, the government has put in place a social protection system that combines universal subsidies with targeted assistance programs. The goal of this initiative is to keep chronically poor people from falling deeper into poverty and to lower the risk of vulnerable households. Following the crisis, the previous administration maintained several programs while attempting to reorganize highly regressive fuel subsidies and redirect budget savings to social protection and poverty alleviation programs.

Although the Indonesian government has allocated assets more efficiently in sectors critical to social protection. However, Indonesia's budget allocation for social and human development priorities remains among the lowest in Southeast Asia as a percentage of GDP. Lawmakers must choose between balancing the government's budget and investing in social programs (Suryahadi et al., 2010)

Nonetheless, regardless of production investment in poverty alleviation, the Indonesian government took an important political step by developing and launching its first major poverty eradication strategy. The Interim-Poverty Reduction Strategies Paper then formalized this strategy (I-PRSP). As a result, President Abdurahman Wahid established the Poverty Reduction Coordinating Board (BKPK).

Following the removal of Abdurahman Wahid and the appointment of Megawati Soekarnoputri as President, the BKKP was dissolved and renamed the Poverty Alleviation Committee (KPK) by Presidential Decree No. 124/2001 Page 1 to 5. This organization is headquartered in BAPPENAS and is led by the Coordinating Minister for People's Welfare (National Planning Agency). The KPK's role is to provide policy advice, prepare a Poverty Reduction Strategy Paper (PRSP), and monitor and report on poverty alleviation directly to the president. To carry out its duties, the KPK considers input from various stakeholders, including civil society. The Indonesian government completed the Interim Poverty Reduction Strategy Papers (I-PRSPs) in 2003. This I-PRSPs document is the initial poverty reduction strategy that serves as the forerunner to the full National Strategy for Poverty Reduction, or SNPK.

Research Method

The community's perspective on the impact of the Mandalika Special Economic Zone (SEZ) development and poverty reduction was studied using qualitative content analysis. Such an approach enables the identification of any significant themes and response patterns, illuminating and aiding in the explanation of observed phenomena (Sofaer, 1999). Data was gathered using the data saturation technique. Authors can more easily search for data using this method because there is no minimum limit for the number of samples that must be collected. If the information collected is complete or the Participant does not provide any new information, the researcher will end the search for Participants. A total of 16 Participants were collected to provide information related to the indicators that have been determined.

Table 1. Detail of Participants

Participant Number	Role	Interview Date
Participant 1	Villager	September 21 st 2022
Participant 2	Villager	September 21 st 2022
Participant 3	Villager	September 21 st 2022
Participant 4	Villager	September 21 st 2022
Participant 5	Business Owner	September 21 st 2022
Participant 6	Business Owner	September 22 nd 2022
Participant 7	Business Owner	September 22 nd 2022
Participant 8	Investor	September 22 nd 2022
Participant 9	Investor	September 22 nd 2022
Participant 10	Boat Rental	September 22 nd 2022
Participant 11	Hotel Worker	September 22 nd 2022
Participant 12	Tour Guide	September 22 nd 2022
Participant 13	Waiter	September 22 nd 2022
Participant 14	Village Head of Kuta Mandalika	September 23 rd 2022
Participant 15	Indonesia Tourism Development Corporation (ITDC)	September 23 rd 2022
Participant 16	Tourism Youth Group (Pokdarwis)	September 23 rd 2022

Semi-structured interviews with people who had been involved in tourism activities in the area for at least a year were used to collect data. Poor people who had risen out of poverty, village leaders, residents, and tourism actors were among those interviewed (Flick, 2014). The author employs three indicators of poverty alleviation in the tourism sector, which are as follows: (1) Measurable financial gains from the creation of business opportunities for the poor, increased poor income, and access to opportunities such as tourism-related infrastructure and services (Leonandri & Rosmadi, 2018; Steve & Daniela, 2020); (2) Poor people's skill development and training (W. Zhao & Ritchie, 2007). (3) Adoption of new supportive policies to encourage poor people to participate in tourism-related activities (Aly et al., 2021; Provia, 2017; Rasoolimanesh et al., 2018)

In-depth interviews were used to collect data. Individuals were contacted ahead of time with project details and confirmed their willingness to participate by phone or in person. Interviews are conducted by appointment at the participants' workplaces or homes. In terms of data analysis, the authors use several techniques including reduction, display, triangulation, and conclusion. The qualitative data analysis tool used in this study is Nvivo 12.

The objectives of the study were explained to the participants before the start of the interviews, and their written consent to participate in the study was obtained. They are also guaranteed that the information obtained will not be shared with anyone else. The interview lasts no more than 30 minutes and is recorded on a mobile phone. The interview process lasted for 3 days in September 2022.

Result and Discussion

After successfully collecting data in the form of voice recordings of interviews, observations, and documentation, the authors used Nvivo to analyze the collected data. The outline of the results of this study can be seen in Figure 2 below.

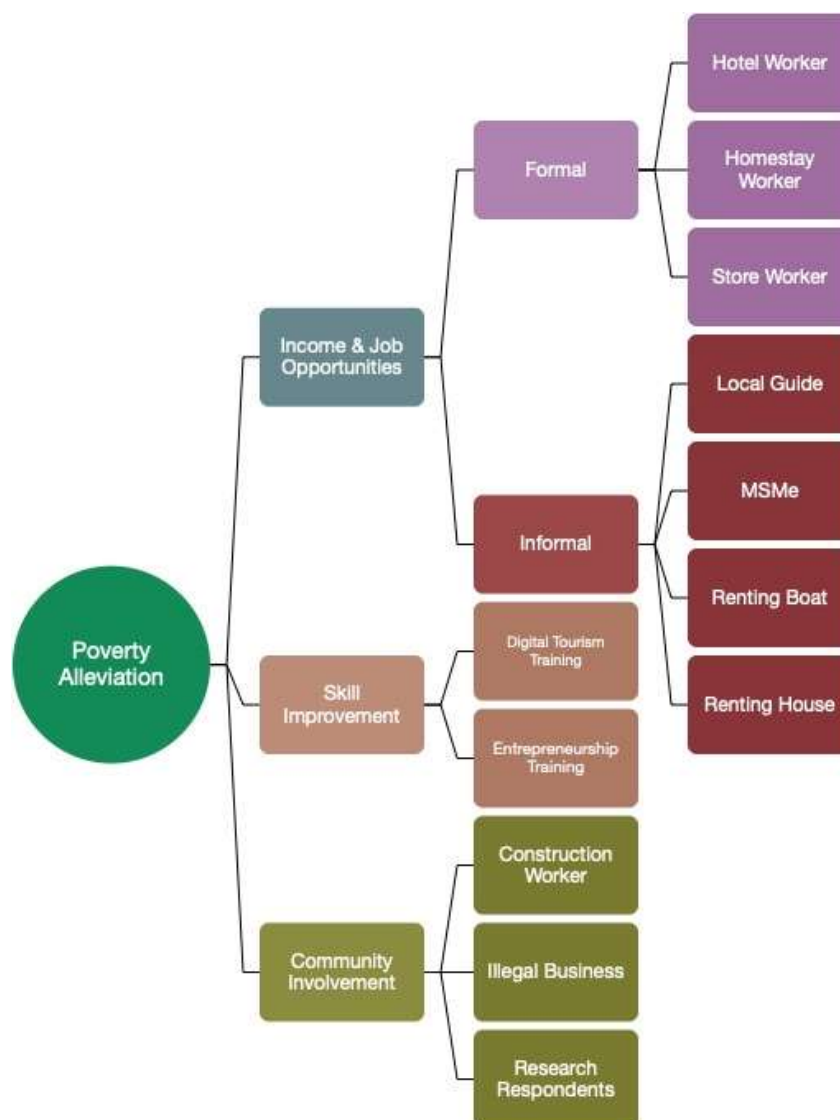


Figure 2. Mind Mapping Analysis Results

Source: Analysed Using Nvivo 12

As a step to analyze the government's role in reducing poverty, the authors assess 3 aspects including increasing income and employment opportunities, increasing community capacity, and local community involvement in Mandalika development.

Improvement in Income and Employment

Participants were invited to compare their experiences before and after tourism development in the Mandalika region to determine how tourism affects poverty reduction. Before the development of tourism, they said that poverty was caused by unproductive and difficult-to-work soil conditions. Therefore, most of the people in the Mandalika SEZ work as fishermen and breeders. Due to this unique circumstance, the neighborhood is more susceptible to not receiving necessities. In response to this, a local citizen said:

The issue of how to support oneself is a constant concern in these villages. If the sea conditions are bad, my family and I won't be able to find fish to sell (Participant 1).

In the same way that industry has shown to be an effective instrument for enhancing the quality of life of those with the lowest skill levels, villagers believe that the development of tourism has produced formal and informal employment opportunities for the local community. The town of Barabaran in Tanzania, the settlement of Wesini in Kenya, as well as Zimbabwe, all reported seeing this proof (Anderson, 2015). Tourism-related activities will also have an impact on the rise in community-provided goods and services consumption. According to el Badriati et al. (2022) research from 2022, for instance, locals who work as weavers in Sade Village, Central Lombok, make an average of 500 thousand rupiahs each day due to the growth of the tourism industry.

According to the results of the interviews, some of the less fortunate have been able to find employment in the formal tourism sector, such as in resorts, hotels, stores, and restaurants. Other communities also operate in unofficial industries like renting out private homes, boats, tour guides, and selling handmade goods.

My family's income has greatly improved. My family and I used to rely on fishing to make a living. I now rent out boats to visitors who want to travel the island and go surfing. If there are more tourists, my daily income from renting this boat can climb from 200 000 to over 1 million rupiahs (Participant 10).

The number of tourists has grown quickly since the Mandalika SEZ was built, outpacing the supply of lodging. As a result, I let my home serve as a homestay. In addition, many other people have also rented out their homes to tourists in advance of the MotoGP race beginning in 2022 (Participant 3).

The majority of the tourism-related income, in contrast, is thought to go to a small number of specific organizations, according to local communities. Tourism has also contributed to some inequality notwithstanding the general development of the poor. Because they lack the necessary abilities or information, some other locals aren't even given the chance to work in the tourism industry.

It was determined that government initiatives that indirectly aided the impoverished and through powerful community groups were to blame for the disparity that the locals felt. Additionally, it is clear that there are unequal power relationships when it comes to receiving state credit; only groups with adequate power can do so (Schilcher, 2007), and the share of the poor is essentially zero.

Only some people are eligible for government-provided training. I have never been given any information about capacity-building training. I can only currently see tourism-related activities continuing with no discernible advantages (Participant 2).

I've tried to apply for work at many establishments, including hotels and restaurants, but none of them have hired me because I lack any tourism-related expertise (Participant 4).

To confirm this statement, we interviewed the Head of Kuta Village regarding the increase in income and job opportunities in the community. The village head said that so far there has not been an even distribution of income in the community, this is indeed due to the inability of the community to compete with village communities and even other regions. Furthermore, according to the head of Kuta Mandalika Village, only a small number of organizations, such as youth organizations (Karang Taruna) and groups that promote tourism (Pokdarwis), have received any training from the government or other institutions thus far.

Originally, the Mandalika area was just a stretch of beach with an arid area that was little known by tourists. Since the ratification of the policy on special economic zones in 2014, the Mandalika Special Economic Zone has begun to contribute to many aspects of the surrounding community's lives, both formally and informally. This gradually raises the community's standard of living, as evidenced by statistical data released by the Central Lombok Statistics Agency (See Figure 3).

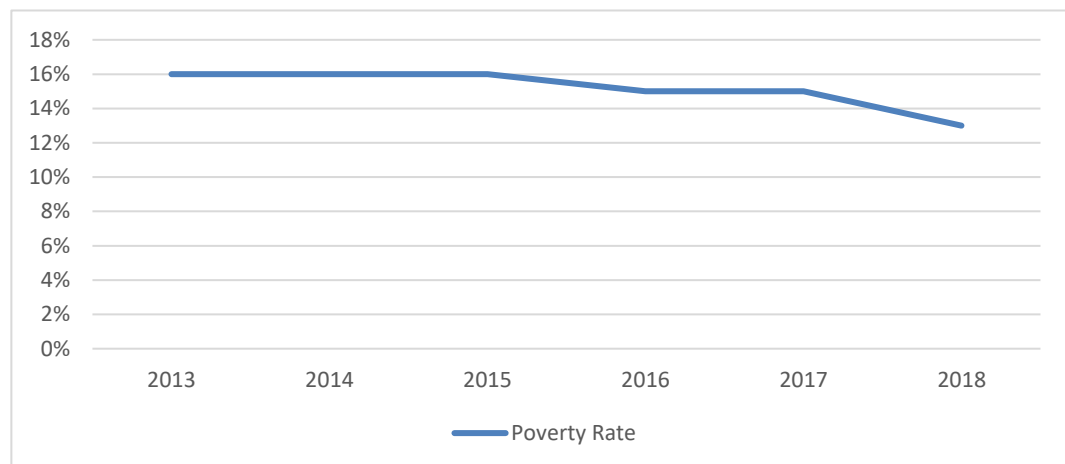


Figure 3. Poverty Rate of Central Lombok

Source: Central Lombok Statistics Agency

From 2013 to 2015, or the start of the Mandalika Special Economic Zone construction, the poverty rate in Central Lombok was 16%. However, after one year of development, the poverty rate began to fall to 15% from 2016 to 2017. In 2018, or before Covid-19, the poverty rate in Central Lombok Regency fell by 2% or 13%. This indicates that the community's economy in Central Lombok is improving.

Since the beginning of the construction of the Mandalika Special Economic Zone, the construction of accommodations and restaurants to support tourism activities has continued so it has absorbed many new workers. This is what can at least reduce the poverty rate in Central Lombok, especially in the Mandalika Special Economic Zone.

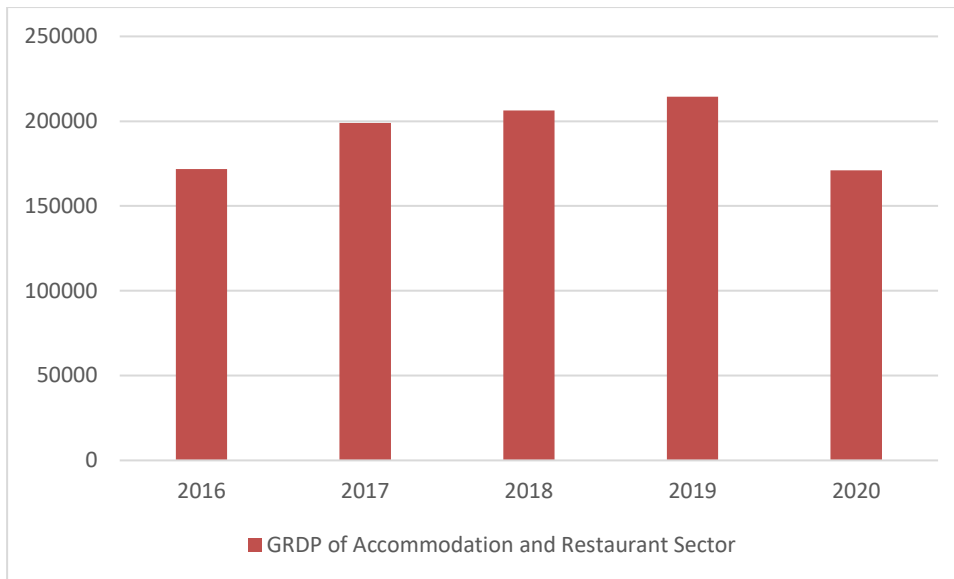


Figure 3. GRDP of Accommodation and Restaurant

Source: Central Lombok Statistics Agency

According to Figure 4, the GRDP from the accommodation and food services sector has increased in income since the Mandalika area's development. This sector contributed 178 million rupiahs in 2016 and increased to 214 million rupiahs in 2019. In 2020, there was a decrease due to the Covid-19 outbreak.

As a result, policies related to the development of the Mandalika Special Economic Zone have a more or less positive effect on the surrounding community's standard of living. Although, the government has not been able to involve more people in tourism activities in Mandalika.

Community Skill Improvement

Based on data provided by PT. Indonesia Tourism Development Corporation (ITDC), offered entrepreneurship training for the residents of the Mandalika Tourism SEZ support village in the areas of knitting, makeup & hair, and oyster mushroom cultivation. The purpose of this program is to foster an entrepreneurial attitude that will grow businesses and add jobs. Additionally, this course intends to arm participants with the knowledge and personal skills they need to prepare, think, and act like independent entrepreneurs while also increasing each participant's revenue.

As a training facilitator, this training program works in partnership with the Mataram Business Development Institute. Fun activities, group discussions, and the presentation of the discussion's findings were some of the training's tactics. To help the participants transform their thinking and become independent entrepreneurs, the Entrepreneurship Training provided them with reading material on the fundamentals of entrepreneurship. The program places a strong emphasis on group dynamics, character assessment of the individual, discipline, and marketing.

This course is a continuation of the make-up, handicraft knitting, and oyster and processed mushroom cultivation training. Communities that participate in introductory entrepreneurship training exercises will eventually partake in training in each discipline following their inclinations. A total of 105 persons from the 6 villages that support the Mandalika SEZ—Sengkol, Mertak, Kuta, Sukadana, Prabu, and Rembitan Villages—participated in this training.

Another training that has been given is about digital tourism. However, the participants were only limited to the village government. Selection of trainees involves exams and must be a member of a community organization.

I am unable to take part in the training exercises since I lack the materials and fundamental abilities like reading and writing (Participant 4).

This training frequently targets those who have the skills and resources to work in the tourism industry, as discovered by Zeng et al. (2015) as well. This was corroborated by a group of young people who underwent training, who said that the instruction was very beneficial for boosting self-capacity.

Jobs like housekeeping, front desk, pastry, etc., require specialized skills that can only be learned through training and passing competency certificate exams. Because they lack fundamental skills, tiny communities are therefore unaffected by training initiatives. Furthermore, the majority of the trainees are young persons with at least a high school diploma (Participant 5).

As a part of the youth tourism group, we have participated in several tourism-related pieces of training, including courses on entrepreneurship, digital marketing, guiding tourists, and many skill-building (Participant 16).

We have now managed the existing destinations fairly successfully as a result of the training we received. Additionally, we believe that we are much better at providing tourist services now (Participant 16).

As a result, the majority of those who did not receive training operate in the unorganized sector, renting out homes, and motorbikes, selling food and trinkets, and even working as parking guards.

According to the study's findings, the government views empowerment as a way to improve one's skills and is unconcerned with power and empowerment. Poor management can lessen the effectiveness of initiatives to combat poverty through tourism, according to research conducted in developing nations (Spenceley & Meyer, 2012; Steiner, 2006).

Community Involvement

The findings demonstrated that practically all government-funded initiatives and money for tourism development in the Mandalika Special Economic Zone (SEZ) were both direct and indirect. The actual participation of all recipients in these programs is disregarded. This form of participation is prohibited by centralized systems since top-down laws governing rural tourism are in place. As has been noted, polls frequently disregard the low class and only include members of the ruling class. According to Ashley et al. (2000); Mitchell & Ashley (2009), the poor should participate in decision-making processes if their means of subsistence are provided by tourism.

We have been told that these projects are collaborative since the beginning, but we have not played much of a role in the development process because we have been unable to compete with communities outside the Mandalika SEZ and even from other provinces. Meanwhile, we have received numerous inquiries in recent years regarding the level of satisfaction with the Mandalika SEZ's development (Participant 1).

In line with it, Participant 1 mentioned that:

ITDC is currently in charge of overseeing the development of the Mandalika SEZ. There is still a very small amount of community involvement in the process. The future development course is even unknown to me (Participant 1).

In this regard, the village head stated that,

Poverty alleviation is one of the goals of tourism development in West Nusa Tenggara, particularly in the Mandalika SEZ. However, due to limited capacity, I have not seen villagers compete in the development process. So far, being a construction worker has been a role that is frequently filled by the poor. However, I believe that development will benefit the community indirectly (Participant 15).

This was confirmed by an investor who has a villa in the hill area around Gerupuk Beach, If there is damage or I need to build something, I will simply contact local workers in the village to help me and the surrounding community (Participant 9).

Although poor people are not involved in many formal activities, they can improve their quality of life by engaging in informal tourism businesses such as selling, opening equipment rentals, and even illegally managing destinations. According to a study by Ardana et al. (2020), 74% of the community is prepared to participate in commercial activities like selling mementos, renting tools, and operating food stands. In actuality, just 7% of the population is prepared to engage in hospitality-related activities. While the rest said they were not ready to participate in tourism activities.

It can be concluded that community involvement in the development process of the Mandalika SEZ has not been maximized due to the inability of the surrounding community to compete with outside communities.

Implication

Based on the theory of multidimensional poverty, by evaluating the perceptions of the poor on the impact of tourism on poverty alleviation in the Mandalika Special Economic Zone, this article has: (1) established a systemic evaluation framework regarding the perceptions of the poor on the impact of tourism on increasing income and employment opportunities; (2) assessing the perceptions of the poor towards the role of tourism in improving their abilities, and (3) assessing the involvement of the poor in the tourism development process.

Kurien & Sen (1983) argues that rather than focusing solely on the economic component, it is important to take into account the multifaceted structure of poverty when assessing the effect of tourism on poverty reduction. Our study suggests a comprehensive evaluation methodology with four dimensions (economic level, employment opportunities, training or education, and involvement in the tourism development process). In line with the major objectives of pro-poor tourism and the idea of sustainable development, our indicator system places more emphasis on the abilities and rights of the poor (Goodwin, 2008; Scheyvens & Hughes, 2019; Yu et al., 2019; Zeng & Ryan, 2012). Additionally, the evaluation framework makes use of the notion of multidimensional poverty and can capture how tourism affects the depth and scope of poverty (Padda & Hameed, 2018), which helps develop more precise and useful poverty reduction tourist strategies.

At the individual indicator level, this study assesses the perceptions of the poor on the impact of tourism on poverty alleviation which has been confirmed in the previous literature. In particular, from an economic level perspective, tourism development can increase locals' income, providing more employment opportunities (Qin et al., 2019; Spenceley et al., 2010). Regarding training or education, our results show that the tourism industry has a positive influence on increasing the intensity of the training provided to the community, which is consistent with (Mkhize & Cele, 2017). In terms of community involvement in the development process of the Mandalika SEZ, the Indonesian Tourism Development Corporation (ITDC) and the Indonesian or regional governments involve

the community in the area's physical development process. Although most people only play a role in the informal sector.

Conclusion

The Mandalika Special Economic Zone is now running a government-sponsored initiative to reduce poverty through tourism, which is overseen by the Regional Government and the Indonesia Tourism Development Corporation (ITDC). This research attempts to evaluate the benefits generated by the construction of the Mandalika Special Economic Zone for the local community. By using three evaluation aspects including increasing income and employment opportunities, increasing capacity, and community involvement in the development process.

This study found that there was an increase in income and employment opportunities but not significant. Training provided by development organizations to build community capacity is not distributed fairly or specifically to groups that have great power in the village. Residents of the Mandalika Special Economic Zone also do not participate formally in the destination development process. In other words, most tourism-based poverty alleviation programs involve the poor involved in their implementation, but these programs are implemented top-down.

Our study suggests a comprehensive tourism impact evaluation methodology with four dimensions including economic impact and employment opportunities, providing training or education on supporting aspects of the tourism industry, and community involvement in the tourism development process.

Disclosure Statement

No potential conflict of interest was reported by the author (s)

Public Interest Statement

This study attempts to analyze the impact of Indonesian government policies on poverty alleviation through the tourism industry, particularly in the Mandalika Special Economic Zone, Lombok. In the past, local people became poor due to arid natural conditions and traditional ways of life. However, in recent years, the Indonesian government has attempted to alleviate poverty by establishing a tourism Special Economic Zone in the Mandalika area, Central Lombok. This research finds that tourism has reduced poverty to some extent while also increasing the opportunities, employability skills, and willingness of the poor to participate. However, the centralized development structure creates a gap in what is needed by the surrounding community.

About the authors

We did this research because there was a lot of news that assumed that the Mandalika Special Economic Zone had been able to improve the living standards of the local community. However, there is no clear research covering this topic. Therefore, we try to analyze the impact and what policies the government has implemented to improve the people's economy.

References

- Aly, M. N., Hamid, N., Suharno, N. E., Kholis, N., & Aroyandini, E. N. (2021). Community involvement and sustainable cave tourism development in tulungagung region. *Journal of Environmental Management and Tourism*, 12(2). [https://doi.org/10.14505//jemt.v12.2\(50\).28](https://doi.org/10.14505//jemt.v12.2(50).28)
- Anderson, W. (2015). Cultural tourism and poverty alleviation in rural Kilimanjaro, Tanzania. *Journal of Tourism and Cultural Change*, 13(3). <https://doi.org/10.1080/14766825.2014.935387>

- Ardana, I. L., Wahyunadi, Karismawan, P., Manan, A., & Mustain. (2020). Kesiapan Masyarakat Desa Sekitar Kawasan Ekonomi Khusus (KEK) Untuk Berkontribusi Dalam Pengembangan Kawasan Ekonomi Khusus (KEK) Mandalika Kabupaten Lombok Tengah. *Journal of Economics and Business*, 6(2). <https://doi.org/10.29303/ekonobis.v6i2.50>
- Ashley, C., Boyd, C., & Goodwin, H. (2000). Pro-Poor Tourism : Putting Poverty At the Heart of the Tourism Agenda. *Natural Resource Perspectives*, 51(51).
- Chirenje, L. I. (2017). Contribution of ecotourism to poverty alleviation in Nyanga, Zimbabwe. *Chinese Journal of Population Resources and Environment*, 15(2). <https://doi.org/10.1080/10042857.2017.1319172>
- Croes, R., & Vanegas, M. (2008). Cointegration and causality between tourism and poverty reduction. *Journal of Travel Research*, 47(1). <https://doi.org/10.1177/0047287507312429>
- Dowin Kennedy, E. (2021). Creating community: the process of entrepreneurial community building for civic wealth creation. *Entrepreneurship and Regional Development*, 33(9–10). <https://doi.org/10.1080/08985626.2021.1964612>
- el Badriati, B., Saleh, M., Nahar, F. H., Aprilia, T. L., & Azizurrohman, M. (2022). The work ethics of muslim woman Songket weavers in increasing family income: Sukarare tourism village, Indonesia. *Heliyon*, 8(11), e11604. <https://doi.org/10.1016/j.heliyon.2022.e11604>
- Estriani, H. N. (2019). Kawasan Ekonomi Khusus (KEK) Mandalika Dalam Implementasi Konsep Pariwisata Berbasis Ecotourism: Peluang Dan Tantangan. *MANDALA: Jurnal Hubungan Internasional*, 2(1).
- Flick, U. (2014). *An Introduction to Qualitative Research Uwe Flick Editon 5*. In SAGE Publication.
- Garza-Rodriguez, J. (2019). Tourism and poverty reduction in Mexico: An ARDL cointegration approach. *Sustainability (Switzerland)*, 11(3). <https://doi.org/10.3390/su11030845>
- Ghosh, R. N., & Siddique, M. A. B. (2017). Tourism and economic development: Case studies from the indian ocean region. In *Tourism and Economic Development: Case Studies from the Indian Ocean Region*. <https://doi.org/10.4324/9781315235981>
- Goodwin, H. (2008). Pro-poor tourism: A response. *Third World Quarterly*, 29(5). <https://doi.org/10.1080/01436590802215287>
- Haris, A., & Ningsih, N. H. I. (2020). Impact Of Tourism On Community Development And Income In Kuta Mandalika Beach Kuta Village, Pujut District, Central Lombok. *JISIP (Jurnal Ilmu Sosial Dan Pendidikan)*, 4(3). <https://doi.org/10.36312/jisip.v4i3.1225>
- Harrison, D. (2008). Pro-poor tourism: A critique. *Third World Quarterly*, 29(5). <https://doi.org/10.1080/01436590802105983>
- İrfanoğlu, E. (2020). Rethinking Indonesia's role in ASEAN: From leadership to cooptation? In *ASEAN as a Method: Re-centering Processes and Institutions in Contemporary Southeast Asian Regionalism*.
- Kurien, C. T., & Sen, A. (1983). Poverty and Famines: An Essay on Entitlement and Deprivation. *Social Scientist*, 11(8). <https://doi.org/10.2307/3517051>
- Leonandri, D., & Rosmadi, M. L. N. (2018). The Role of Tourism Village to Increase Local Community Income. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 1(4). <https://doi.org/10.33258/birci.v1i4.113>
- Li, S., Zhang, M., & Wang, X. (2018). Research on Promoting Effect of Tourism Industry Development on Tourism Poverty Alleviation in Guizhou. *Journal of Risk Analysis and Crisis Response*, 8(2). <https://doi.org/10.2991/jrarc.2018.8.2.7>
- Lima, J. (2017). Family tourism: The importance of tourism for low-income families. In *European Journal of Tourism Research (Vol. 15)*. <https://doi.org/10.54055/ejtr.v15i.269>
- Liu, Y., & Yu, J. (2022). Path dependence in pro-poor tourism. *Environment, Development and Sustainability*, 24(1). <https://doi.org/10.1007/s10668-021-01478-x>

- M. Kelly, L. (2021). A clash of values: Deep-rooted discord between empowering, participatory, community-driven development and results-focused, evidence-based evaluation. *Community Development*, 52(5). <https://doi.org/10.1080/15575330.2021.1936101>
- Medina-Muñoz, D. R., Medina-Muñoz, R. D., & Gutiérrez-Pérez, F. J. (2016). The impacts of tourism on poverty alleviation: an integrated research framework. *Journal of Sustainable Tourism*, 24(2). <https://doi.org/10.1080/09669582.2015.1049611>
- Mitchell, J., & Ashley, C. (2009). Tourism and Poverty reduction: Pathways to prosperity. In *Tourism and Poverty Reduction: Pathways to Prosperity*. <https://doi.org/10.4324/9781849774635>
- Mkhize, G., & Cele, N. (2017). The role of women in tourism in KwaZulu-Natal. *Agenda*, 31(1). <https://doi.org/10.1080/10130950.2017.1371527>
- Mnini, P., & Ramoroka, T. (2020). Challenges of Ecotourism and Poverty Alleviation in South Africa. *International Journal of Economics and Finance Studies*, 12(2). <https://doi.org/10.34109/ijefs.202012205>
- Mowforth, M., & Munt, I. (2015). Tourism and sustainability: Development, globalisation and new tourism in the Third World: Fourth edition. In *Tourism and Sustainability: Development, globalisation and new tourism in the Third World: Fourth Edition*. <https://doi.org/10.4324/9781315795348>
- Murianto, Budiarsa, M., Sunarta, I. N., Suyasa, I. M., & Fathurrahim. (2021). Community Empowerment at Gerupuk to Support Tourism Development in Mandalika. *Asia-Pacific Journal of Innovation in Hospitality and Tourism*, 10(3).
- Nanda Sofia, S.T. (2021). Economic Impacts of Development Tourism Activities in Pangururan District, Samosir Regency Indonesia. *International Journal of Architecture and Urbanism*, 5(1). <https://doi.org/10.32734/ijau.v5i1.6034>
- Nonthapot, S., & Wongsiri, A. (2019). Impacts of the tourism environment on economic activities at wat phra that Phanom, Thailand. *Journal of Environmental Management and Tourism*, 10(2). [https://doi.org/10.14505/jemt.v10.2\(34\).02](https://doi.org/10.14505/jemt.v10.2(34).02)
- Ofori, I. K., Dossou, T. A. M., & Akadiri, S. saint. (2022). Towards the quest to reduce income inequality in Africa: is there a synergy between tourism development and governance? *Current Issues in Tourism*. <https://doi.org/10.1080/13683500.2021.2021157>
- Padda, I. U. H., & Hameed, A. (2018). Estimating multidimensional poverty levels in rural Pakistan: A contribution to sustainable development policies. *Journal of Cleaner Production*, 197. <https://doi.org/10.1016/j.jclepro.2018.05.224>
- Peeters, P. (2009). Pro-Poor Tourism, Climate Change and Sustainable Development. *Tourism Recreation Research*, 34(2). <https://doi.org/10.1080/02508281.2009.11081593>
- Permadi, L. A., Darwini, S., Retnowati, W., & Wahyulina, S. (2019). Persepsi dan Preferensi Wisatawan Muslim Terhadap Sarana dan Prasarana Wisata Halal di Lombok (Studi Kasus Kawasan Ekonomi Khusus Mandalika). *Jurnal Sosial Ekonomi Dan Humaniora*, 4(2). <https://doi.org/10.29303/jseh.v4i2.14>
- Provia, K. (2017). Community Capacity Building, Local Community Involvement in Tourism Activities and Community Welfare in Uganda. In *An International Peer-reviewed Journal* (Vol. 27).
- Qin, D., Xu, H., & Chung, Y. (2019). Perceived impacts of the poverty alleviation tourism policy on the poor in China. *Journal of Hospitality and Tourism Management*, 41. <https://doi.org/10.1016/j.jhtm.2019.09.004>
- Ramdani, Z. A. (2020). Peran Pemerintah Dalam Pengembangan Kawasan Ekonomi Khusus Mandalika Provinsi Nusa Tenggara Barat. *Jurnal Planoeath*, 5(1). <https://doi.org/10.31764/jpe.v5i1.1639>
- Rasool, H., Maqbool, S., & Tarique, Md. (2021). The relationship between tourism and economic growth among BRICS countries: a panel cointegration analysis. *Future Business Journal*, 7(1). <https://doi.org/10.1186/s43093-020-00048-3>

- Rasoolimanesh, S. M., Jaafar, M., & Tangit, T. M. (2018). Community involvement in rural tourism: a case of Kinabalu National Park, Malaysia. *Anatolia*, 29(3). <https://doi.org/10.1080/13032917.2017.1412327>
- Satrio, M. A. (2021). Upaya Pemerintah Indonesia dalam Meningkatkan Pariwisata Mandalika Melalui Kerangka Branding 'Wonderful Indonesia.' *Indonesian Perspective*, 6(1). <https://doi.org/10.14710/ip.v6i1.37513>
- Scheyvens, R., & Hughes, E. (2019). Can tourism help to "end poverty in all its forms everywhere"? The challenge of tourism addressing SDG1. *Journal of Sustainable Tourism*, 27(7). <https://doi.org/10.1080/09669582.2018.1551404>
- Scheyvens, R., & Russell, M. (2012). Tourism and poverty alleviation in Fiji: Comparing the impacts of small- and large-scale tourism enterprises. *Journal of Sustainable Tourism*, 20(3). <https://doi.org/10.1080/09669582.2011.629049>
- Schilcher, D. (2007). Growth versus equity: The continuum of pro-poor tourism and neoliberal governance. *Current Issues in Tourism*, 10(2–3). <https://doi.org/10.2167/cit304.0>
- Sofaer, S. (1999). Qualitative methods: what are they and why use them? *Health Services Research*, 34(5 Pt 2).
- Spenceley, A., Habyalimana, S., Tusabe, R., & Mariza, D. (2010). Benefits to the poor from gorilla tourism in Rwanda. *Development Southern Africa*, 27(5). <https://doi.org/10.1080/0376835X.2010.522828>
- Spenceley, A., & Meyer, D. (2012). Tourism and poverty reduction: Theory and practice in less economically developed countries. In *Journal of Sustainable Tourism* (Vol. 20, Issue 3). <https://doi.org/10.1080/09669582.2012.668909>
- Steiner, C. (2006). Tourism, poverty reduction and the political economy: Egyptian perspectives on tourism's economic benefits in a semi-rentier State. *Tourism and Hospitality, Planning and Development*, 3(3). <https://doi.org/10.1080/14790530601132286>
- Steve, H., & Daniela, M. (2020). Accelerating tourism's impact on jobs. Lessons from market system analysis in seven countries. www.ilo.org/thelab
- Suryahadi, A., Yumna, A., Raya, U. R., & Marbun, D. (2010). Review of Government's Poverty Reduction Strategies, Policies, and Programs in Indonesia. Research Report, SMERU Research Institute, October.
- Suteja, I. W., & Wahyuningsih, S. (2019). Strategi Pengembangan Potensi Kuliner Lokal dalam Menunjang Kegiatan Pariwisata di Kawasan Ekonomi Khusus Mandalika Kabupaten Lombok Tengah. *Media Bina Ilmiah*, 14(2). <https://doi.org/10.33758/mbi.v14i2.300>
- Syah, S., & Paseba, J. (2021). Strategy for Improving the Quality of Public Services at PDAM Company Tirta Mangakaluku Palopo City. *Pinisi Business Administration Review*, 2(2). <https://doi.org/10.26858/pbar.v2i2.16397>
- Toerien, D. (2020). Tourism and poverty in rural South Africa: A revisit. *South African Journal of Science*, 116(1–2). <https://doi.org/10.17159/sajs.2020/6506>
- Wang, H., Zhao, Q., Bai, Y., Zhang, L., & Yu, X. (2020). Poverty and Subjective Poverty in Rural China. *Social Indicators Research*, 150(1). <https://doi.org/10.1007/s11205-020-02303-0>
- Wen, S., Cai, X., & Li, J. (2021). Pro-Poor Tourism and Local Practices: An Empirical Study of an Autonomous County in China. *SAGE Open*, 11(2). <https://doi.org/10.1177/21582440211022740>
- Wulandari, S. N., & Afriyanni, A. (2021). Tourism Development Policy and Their Impact on the Regional Economy in the Riau Islands Province. *Jurnal Bina Praja*, 13(2). <https://doi.org/10.21787/jbp.13.2021.293-305>
- Xu, H., & Sofield, T. (2016). Sustainability in Chinese development tourism policies. *Current Issues in Tourism*, 19(13). <https://doi.org/10.1080/13683500.2013.849665>
- Yu, L., Wang, G., & Marcouiller, D. W. (2019). A scientometric review of pro-poor tourism research: Visualization and analysis. *Tourism Management Perspectives*, 30. <https://doi.org/10.1016/j.tmp.2019.02.005>

- Yunarni, B. R. T., & Haris, A. (2020). Pemberdayaan Perekonomian Masyarakat Melalui Pemberdayaan Usaha Mikro Kecil Dan Menengah (UMKM) Di Kawasan Ekonomi Khusus (KEK) Mandalika Lombok. *JISIP (Jurnal Ilmu Sosial Dan Pendidikan)*, 4(3). <https://doi.org/10.36312/jisip.v4i3.1224>
- Zeng, B., & Ryan, C. (2012). Assisting the poor in China through tourism development: A review of research. In *Tourism Management* (Vol. 33, Issue 2). <https://doi.org/10.1016/j.tourman.2011.08.014>
- Zeng, B., Ryan, C., Cui, X., & Chen, H. (2015). Tourism-generated Income Distribution in a Poor Rural Community: A Case Study from Shaanxi, China. *Journal of China Tourism Research*, 11(1). <https://doi.org/10.1080/19388160.2014.953281>
- Zhao, L., & Xia, X. (2020). Tourism and poverty reduction: Empirical evidence from China. *Tourism Economics*, 26(2). <https://doi.org/10.1177/1354816619863266>
- Zhao, W., & Ritchie, J. R. B. (2007). Tourism and poverty alleviation: An integrative research framework. *Current Issues in Tourism*, 10(2–3). <https://doi.org/10.2167/cit296.0>