

Dualism of Tourism and Agricultural Sectors in the Elasticity of Employment and Economic Growth in Banyuwangi District

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Abstract:- The aims of e study were to analyze the contribution of agricultural and tourism growth to the elasticity of employment and economic growth in Banyuwangi Regency; explain the right strategy to develop dual economic sectors in improving welfare in Banyuwangi Regency. The method used descriptive and SWOT analysis. The results showed that the growth of tourism and agriculture contributed to the absorption of labor and economic growth in Banyuwangi Regency. Strategies to improve the dualism of the tourism and agricultural sectors include the development of the agricultural sector in tourism areas becoming important for the provision of food for the population, maintaining the environment, preserving culture and increasing the welfare of farmers.

Keywords:- Dualism, Tourism, Agriculture, Elastostas, Economic Growth.

I. INTRODUCTION

Banyuwangi Regency has also experienced developments in the tourism sector and has the potential to increase regional economic growth. In 2018, there were 12.5 thousand foreign tourist visits and 45 thousand local tourist visits. The number of tourists in 2018 has increased by 515.8% from 2017. This is because the tourism sector continues to be developed to improve the economy of the community. The role of tourism in terms of institutional business units and companies whose businesses support tourism activities, both foreign and domestic tourists. Most of the added value generated in this business is the contribution of income from tourism businesses in the GRDP, which in this case is represented by the trade, hotel and restaurant subsector (PHR).

Banyuwangi Regency has also experienced developments in both sectors and has the potential to increase regional economic growth. With backward linkages, the development of the tourism sector has the potential to stimulate the development of the traditional agricultural sector, which enables rural farmers to supply their produce to meet logistical needs in the tourism industry. The fundamental relationship of tourism and agriculture is related to demand, supply and marketing. If the tourism industry is intentionally directed to use local agricultural products in meeting their needs, it will have a positive impact on the growth of the rural economy.

Besides that, in Banyuwangi, Eco-Tourism has also been developed, where one of the tourist projects is traditional agriculture which is still used by most farmers in Banyuwangi. Plowing rice fields using buffalo, farmers go to the fields by herding dozens of ducks and how to harvest rice traditionally is a tourist attraction that can be sold to foreign tourists. In addition, the Regional Government is very serious about developing the two sectors. Banyuwangi Regency has also experienced developments in both sectors and has the potential to increase regional economic growth. Besides that, in Banyuwangi, Eco-Tourism has also been developed, where one of the tourist projects is traditional agriculture which is still used by most farmers in Banyuwangi. Plowing rice fields using buffalo, farmers go to the fields by herding dozens of ducks and how to harvest rice traditionally is a tourist attraction that can be sold to foreign tourists.

The level of the tourism industry's contribution to the economy in each country varies from one another. In Hawaii-United States, the development of modern tourism has become an integral part of its economic development so that the agricultural and tourism sectors grow in a harmonious and balanced manner. According to Latzko (2004), the number of tourists visiting Hawaii had reached 7.8 million in 2004. Every one percent increase in the number of tourist visits increased 0.47 percent GDRP, 0.30 percent employment opportunities and 0.40 percent income per the population of Hawaii. Whereas in China, the development of international tourism has grown rapidly since the 1990s and has had a positive economic impact. Every one percent increase in foreign tourist visits to China increases 1.6 percent of GDP, 1.4 percent of household income and 1.0 percent of employment opportunities. During the period 1978-2001, the total expenditure of foreign tourists in China increased by an average of 19.7 percent per year (Oosterhaven and Tianhau, 2006).

Dual economy can also be interpreted as activities in the agricultural and non-agricultural sectors, formal and non-formal, village and city or other terms in accordance with the objectives of analysis and policy. One of the driving factors for tourists visiting a tourist destination is to know the specific traditions of the local community. Therefore, tourism can be seen as a modern sector and on the other hand agriculture as a traditional sector (Mangiri, 2003: 54-57). The rapid growth of tourism has proven to have a positive impact on the success of economic development. However, in many cases tourism

development has not been able to provide opportunities for the agricultural sector such as market opportunities for agricultural production, diversification incentives and quality control of agricultural products. Supposedly, dual economy development between tourism and agriculture can be carried out harmoniously and balanced. This is important to minimize the welfare gap between the people involved in the tourism sector and the farming community. Based on the description of the background, the aim of the study was to analyze the contribution of agricultural and tourism growth to the elasticity of employment in Banyuwangi Regency; analyze the contribution of agricultural and tourism growth to economic growth in Banyuwangi Regency and explain the right strategy to develop dual economic sectors in improving welfare.

II. LITERATURE REVIEW

➤ *Theory of the Development of Tourism and Agriculture*

The contribution of tourism in economic development starts from the inflow of people and money into tourist destinations (DTW). Inflows of people and money resulted in a shift in the structure of production and consumption. The shift in the structure of production and consumption in the early stages of tourism development is accompanied by labor migration between regions and or urbanization of labor from the villages towards DTW (Williams and Shaw, 1998: 34-75).

Along with the provision of capital by entrepreneurs, the growing tourism industry arouses a variety of economic activities that provide opportunities and income benefits for labor, capital owners and government revenues in the form of taxes. In a macro perspective, the role of tourism economy is reflected in its contribution to the formation of GDP or national income, namely in the trade, hotel and restaurant sector (PHR). In addition to the benefits of employment and income, tourism growth produces capital accumulation for sustainable development, (Williams and Shaw, 1998: 33; Derek, 2004: 53). Along with the growth in international tourism demand, the presence of Foreign Direct Investment (FDI) strengthens tourism and the related industrial investment structure.

Tourism has become an integral component in the strategy of economic development in developing countries since the 1960s. Tourism has great potential in an effort to obtain economic benefits in the form of foreign exchange earnings, the attractiveness of international investment, tax revenues and the opportunity to create a variety of growth. According to Mowforth and Munt (1998: 56), tourism can be seen as an export industry and as outward-oriented economic development strategies.

Tourism and agricultural development has great potential to work together in symbiotic relationships. Improving the tourism transportation system is beneficial to agriculture through increasing potential market access. Improving this infrastructure not only helps agriculture but also allows tourists to visit and see areas, farming systems and activities of farmers' communities. Tourism promotion

can generate export demand for local agricultural products and on the other hand promotion of agriculture can arouse tourist visits.

Actual linkages between tourism and agriculture are not always smooth. According to Dwyer and Forsyth (1997), the symbiosis of tourism and agriculture generally occurs in the early stages of tourism development. When entering the stage of exploitation the situation turns into conflict. The main sources of conflict in tourism and agriculture are related to the struggle for land resources, labor and other resources related to production. This is related to efforts to maximize the economic benefits of tourism by inviting as much as possible the involvement of capital and international foreign investment in order to increase market share, number of visits, length of stay and total tourist expenditure.

At the regional level, tourism and agricultural conflicts originate from competition in the use of natural resources, especially land and water. Furthermore, this conflict leads to a reduction in linkages. Development polarization in turn creates inequality in achieving prosperity between the tourism industry and rural agriculture. If this happens, tourism development fails to maintain the continuity of agricultural development.

III. RESEARCH METHODE

The population in this study is all sub-districts in Banyuwangi Regency. The use of population in this study is based on consideration of the variability in socio-economic conditions in each region; in accordance with the research objectives to be achieved, namely proving the influence of tourism and agricultural growth on the elasticity of sectoral employment opportunities and economic growth and The types and sources of the data are secondary data which can be obtained from published publications of the Central Bureau of Statistics, regencies and cities. The method of data analysis uses descriptive analysis and SWOT analysis.

IV. RESULT AND DISCUSSION

➤ *Contribution of Tourism and Agriculture in Labor Absorption and Economic Growth in Banyuwangi Regency*

Based on the data, the ranking contributes the three largest forms of tourism output at the district economic level respectively in 2014, 2015 and 2016. The rating contributes the three largest forms of agricultural output at the economic level of Banyuwangi district in 2014-2016 due to the development of tourism increase in Banyuwangi Regency. The average formation of agricultural output (52.06%) is greater than tourism (20.23%). Descriptive statistics contribute to the formation of tourism and agricultural output in Banyuwangi Regency 2010-2016. The contribution of tourism and agriculture in the formation of Banyuwangi economic output during 2010-2016. Based on these results, it was explained that the average agricultural contribution averaged 52.06% and the lowest value at 35.54% in 2010 and the highest

contribution in 2015 was 67.62%. The average tourism contribution averages 20.23% and the lowest value is 13.01% in 2010 and the highest contribution in 2015 was 26.04%.

Contribution of Tourism and Agriculture in Absorption of Labor Based on the data in Appendix 1 ranking contributes the three largest absorption of tourism labor at the district economic level in the years 2014-2016. The rating contributes the three largest forms of agricultural output at the economic level of Banyuwangi district in 2014-2016 due to increased tourism development in Banyuwangi Regency. The average formation of agricultural output (52.06%) is greater than tourism (20.23%). Descriptive statistics contribute to the absorption of tourism and agricultural labor between regencies / cities in Banyuwangi Regency 2010-2016. The contribution of tourism and agriculture in the absorption of labor in Banyuwangi Regency during 2010-2016. Based on these results it was explained that the average agricultural contribution averaged 22.18% and the lowest value at 9.75% in 2010 and the highest contribution in 2015 was 32.18%. The average tourism contribution is 37.24% and the lowest value is 4.27% in 2010 and the highest contribution in 2015 was 60.04%.

The highest tourism GRDP growth (7.46%) occurred in the economy in 2014 and the lowest growth (0.09%) occurred in 2013. While the highest tourism GDP contribution (46.35%) occurred in 2014 and the lowest contribution (15.60%) occurred in 2014. The average and standard deviation of tourism GRDP growth in the economy of districts / cities in Banyuwangi Regency throughout the period 2010-2016 are 4.15% per year and 1.70% per year. While the average and standard deviation of the contribution of tourism GRDP to the total GRDP in a row is 27.68% and 8.43%.

The highest agricultural GRDP growth (10.70%) occurred in the period of 2015 and the lowest growth (-1.82%) occurred in 2012. While the highest contribution of agricultural GDP (40.61%) occurred in 2014 and the lowest contribution (7.77%) happened in 2016.

The average and standard deviation of agricultural GRDP growth in the economy of districts / cities in Banyuwangi Regency throughout the period 2010-2016 were 4.59% per year and 2.33% per year. While the average and standard deviation of the contribution of tourism GDP to the total GRDP in a row is 26.16% and 11.05%. Tourism and agricultural employment opportunity elasticities fluctuate over time. The highest tourism employment elasticity (6.95) occurred in 2012 and the lowest (-, 66) occurred in 2011. The highest agricultural employment elasticity (5.94) occurred in the 2015 economy and the lowest (-1.76) in 2011. On average and the standard deviation of tourism employment elasticity for 2010-2016 is 0.54 and 1.75, respectively. While the average and standard deviation of agricultural employment opportunity elasticities are 0.33 and 1.40 respectively.

➤ *SWOT Analysis*

Based on the SWOT analysis, the factors that influence the success of the agricultural sector and tourism in Banyuwangi Regency are identified as follows: Identification of Internal Strategic Factors (Government Strengths and Weaknesses). Identification of internal strategic factors, including strengths, factors that become government forces include a) Agricultural sector budgets adjusted to agricultural resources; b) vast and natural areas of agricultural land; c) The existence of tourism facilities and infrastructure; d) The closeness to the access of the Bali region as a tourism barometer and e) The existence of traditional farming patterns that contain regional culture. Weaknesses include a) lack of attractive processed agricultural products; b) Limited budget allocation due to the agricultural sector; c) unpreparedness.

Identification of external strategy factors includes opportunities, factors that become opportunities, among others, the growth of agribusiness-based industries; benefits of the agricultural sector budget allocation; tourist destination with a strong image and advancement in community technology. The factors that pose a threat include transparency in regional budgets, negative impacts of global culture that are not optimal, agro-tourism competition in other regions and high levels of unemployment due to globalization.

Tourism growth evokes the economic activities of starred and non-starred hotels, restaurants, travel agencies, currency exchanges, cultural and entertainment attractions, the production of arts and crafts, trade and tour guide services. As a production unit that produces goods and services, the entire economic activity uses the excess labor available in tourist destinations. According to Lewis, the development process began and subsequently continued to take place as a result of reinvesting the profits obtained by the tourism industry sector. This activity not only resulted in developments in economic activity, gave birth to a number of new employment opportunities, increased production, but also increased productivity.

The results of this study are consistent with the theory of co-existence of tourism and agriculture which states that the tourism sector creates an important contribution in an effort to overcome the problem of the development of the number of workers and provide access to the marketing of local agricultural products. Supporting the findings of the Mitchell and Faal (2006) study and the Pubben and Vestappan (2005) study which concluded that the growth of the tourism industry in tourist destinations Gambian Africa-West created employment opportunities to absorb excess labor in the traditional agricultural sector. Tourism growth and increasing traditional agricultural productivity increase per capita income and capital accumulation for sustainable economic growth in tourist destinations. However, the findings of this study are not in line with the findings of the Dwyer and Forsyth Study (2007; 2008) which concluded that the symbiosis of tourism and agriculture only occurs in the early stages of development and when entering the exploitation phase the situation turns

into conflict. The conflict of tourism and agriculture is related to the struggle for land resources, labor and other productive resources.

The growth of tourism and agriculture together contribute to the formation of output, employment opportunities and income which indicates the creation of economic growth. Economic growth that is beneficial to human development is basically related to an increase in per capita income in a sustainable manner. If an increase in per capita income occurs evenly and equitably, it will increase broad economic growth. The process of economic growth influences the qualitative dimensions of development in many ways. According to the World Bank (2000), quality economic growth is a growth that supports the achievement of human development which in essence is to increase economic growth more evenly. The growth of tourism and agriculture contributes to economic growth. This can be interpreted that the growth of tourism and agriculture supports efforts to achieve human development in Banyuwangi Regency. Facts in Banyuwangi Regency show that tourism growth still contributes dominantly in efforts to increase economic growth in general. Giving priority to the tourism sector in Banyuwangi's economic development has attracted foreign capital to strengthen the tourism industry.

The findings of this study are in line with the view that tourism as an outward-oriented economic development strategies or as an export industry. Mowfoth and Munt (1998) and Godldwin (2000) state that tourism has great potential in efforts to obtain foreign exchange revenues, attract international investment, tax revenues and opportunities to create various growths. Woldbank (1997) states that with the provision of capital by entrepreneurs, the developing tourism industry arouses a variety of economic activities that provide opportunities and income benefits for labor, capital owners and government revenues in the form of taxes. According to Williams and Shaw (1998: 33) and Derek (2004: 53), in a macro perspective, the role of tourism economy is reflected in its contribution to the formation of GDP or national income, namely in the trade, hotel and restaurant sector (PHR). Whereas Balaz (2004: 45-50), states that along with the growth of international tourism demand, the presence of Foreign Direct Investment (FDI) strengthens tourism and related industrial investment structures.

Based on the results of the SWOT strategy analysis of strategies to improve the agricultural sector, it can be explained that in regional management it will be more focused on efforts to mobilize regional income sources that arise as a result of increased economic activity and the existence of various investment programs that have been carried out in previous periods. The existence of economic growth while maintaining the creation of a climate conducive to the development of the business world. Thus,

regional fiscal stability can be realized, especially in providing the availability of funding sources in maintaining the smooth running of regional government and improving the quality of public services. In addition to strategies aimed at implementing the agricultural sector, a strategy that is directed at the growth of the agricultural sector is also explained, including achieving self-sufficiency and sustainable self-sufficiency; increasing added value, competitiveness and exports; increasing the welfare of farmers dan optimizing Superior Sector Budgets.

According to Dwyer and Forsyth (1997), the symbiosis of tourism and agriculture generally occurs in the early stages of tourism development. When entering the stage of exploitation the situation turns into conflict. The main sources of conflict in tourism and agriculture are related to the struggle for land resources, labor and other resources related to production. Meanwhile, MacDougall's theory of foreign investment benefits explains that due to weak institutional aspects in developing countries it is difficult to achieve equitable efficiency between foreign and domestic capitalists so that the recipient country will suffer losses in the form of secular term of trade reduction. In a situation like this, if there is no serious effort to carry out effective policy reforms, uncontrolled tourism development will be a source of threat to the sustainable development of Banyuwangi Regency.

V. SUMMARY AND RECOMMENDATIONS

Based on the results of data analysis, it can be concluded as follows: a) The growth of tourism and agriculture contributes to the absorption of labor in Banyuwangi Regency: b) The growth of tourism and agriculture contributes to economic growth in Banyuwangi Regency c) Strategies to increase the dualism of the tourism and agricultural sectors Among other things, the development of the agricultural sector in tourism areas becomes important for the provision of food for the population, maintaining the environment, preserving culture and increasing the welfare of farmers, Strengthening the linkages between agriculture and tourism can be achieved through demand, supply and marketing.

Suggestions put forward in this study include the government should prioritize the development of the sector that is the basis and have fast and competitive growth, namely the agricultural sector mining and excavation, building, finance, building leasing and corporate services. The government should not ignore the development of the agricultural sector. Building agriculture with a growth mission can be achieved by implementing innovation programs, improving rural infrastructure, especially roads, transportation and irrigation, providing modern inputs and efficient agricultural services, fostering market institutions and providing incentives.

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