

## Informal Sector Income Increase Strategy in Papuma Beach Wisata Area, Jember District Based On Social Economy and Innovation

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### Abstract

The purpose of this study is to analyze the in-depth problems faced by the informal sector in the Papuma Beach tourism area, as well as to develop a strategy for increasing income based on socio-economic and innovation. The focus of this research is the informal sector located in the tourist area of Papuma Beach in Jember Regency. This research uses a mixed method approach, which is a combination of quantitative descriptive methods. The quantitative method used is the SWOT analysis. Problems faced by the informal sector at Papuma Beach. The merchandise offered is less varied from time to time. Only a small proportion of traders always innovate so that their merchandise is liked by consumers. Capital problems are also still an obstacle to developing a business. During the Covid 19 pandemic Papuma Beach was closed for eight months. Traders cannot sell, they survive by selling at home with a modest turnover. The strategy of the informal sector to obtain capital loans from banks is through a simple accounting process in order to make financial reports a major requirement. It is very important for the informal sector to make simple but periodic innovations so that customers do not get bored and their sales increase

**Keyword:** Strategy, Income, Informal Sector, Innovation

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### I. Introduction

The Informal Sector in the Papuma Beach Tourism Area is a business actor whose motive is to seek profit by distributing goods directly to end consumers or offering services directly to consumers. The Informal Sector in the Papuma Beach Tourism Area is one of the informal sector businesses that have proven to be more resilient to the economic crisis than medium-scale and large-scale businesses. Currently, tourism is being promoted in these places, especially those based on nature tourism. The charming nature tourism on Papuma Beach and the informal sector of the local community collaborate and synergize and complement and strengthen each other. The informal sector can run well if it is supported by attractive, comfortable, clean and attractive tourist attractions for taking selfies. Such natural tourism-based tourism environment will bring many visitors as well as bring fortune to the informal sector. The informal sector as a business unit faces increasingly fierce competition in the era of intense information and technology (IT) developments. Continuous innovation in terms of product quality, marketing and management is a necessity for them. In connection with this, it is felt necessary to view the problem of informal sector entrepreneurs in a more essential context, namely as a problem of improving the standard of living, this is also in line with the goal of national development, namely increasing the standard of living of the community fairly and equitably. The purpose of this study is to analyze the in-depth problems faced by the informal sector in the Papuma Beach tourist area, as well as to develop strategies for increasing income based on socio-economic and innovation.

### II. Literature Review

According to Tajuddin Noer Efendi (2007), White (2006), "The informal sector can be used as a safety valve", in creating jobs and alleviating unemployment and poverty in Indonesia. From this mindset, it can be understood that the informal sector is both a job and a livelihood. The informal sector is proven to exist in conditions of economic crisis. This is due to the flexible nature of the business and easy to adapt to difficult conditions.

Papuma Beach Nature Tourism as a forum for the community to develop natural potential into calculated tourism in order to gain insight into the environment, increase experiences on how to protect and preserve nature, provide special satisfaction to tourists, and make natural tourism services as community empowerment to provide opportunities to them to be more independent in managing nature-based tourism and

indigenous cultures in the region. According to Nugroho (2015) natural tourism services can be seen as providing benefits for Indonesia and other developing countries.

The development of tourism (including nature tourism) can have an impact on the upstream and downstream industries, and can open up vast job opportunities in both the formal and informal sectors. Nature tourism is the most appropriate strategy in reducing damage to natural resources and biodiversity while improving the socio-economic conditions of the community (Alikodra 2011).

In simple terms, natural tourism is defined as sustainable tourism, and in order to be sustainable, nature tourism must meet 3 criteria, namely, 1) supporting funding for protection and management of natural resources, 2) economic benefits for residents living around tourist sites, and 3) encourage conservation efforts among residents, through economic benefits as an effort to increase socio-economy for the surrounding community. through sustainable nature tourism must be in line with conservation efforts of the area.

Generally, beach tourism places have not been optimal in their promotional activities. Art attractions based on local culture and local wisdom and annual events that are able to attract tourists need to be carried out and scheduled continuously to attract visiting tourists (Isti Fadah et.al, 2019). The merchandise and services offered at the beach are generally very limited, that's all there is no significant additional innovation. It is important to carry out continuous guidance and socialization on the preservation of beach tourism so that its beauty can be enjoyed down to the children and grandchildren and more attractive to visit as well as the income of the informal sector in that place can be increased.

The progress and development of information technology is currently so great and very fast. This has an impact on the business sector, especially the impact on increasingly fierce competition. The facts show that innovation in business is a necessity, continuous innovation will lead to excellence in business and the next impact is business sustainability.

### **III. Materials And Methods**

This research is more focused on socio-economic studies and innovations from the income of the informal sector, an in-depth study of the fundamental problems faced by the Informal Sector in the Papuma Beach tourist area and the formulation of effective strategies for increasing the income of the informal sector in the tourist area of Papuma Beach in Jember Regency.

The focus of this research is the informal sector located in the tourist area of Papuma Beach in Jember Regency. The informal sector in the Papuma beach tourism area includes sellers of cilok, tofu, quail eggs, crackers, degan ice, meatballs, t-shirts and negligee, sweet rujak, as well as grilled fish, grilled prawns, grilled squid.

This study uses a quantitative descriptive method, namely a SWOT analysis, which is focused on examining in depth the problems faced by the informal sector and alternative strategic models to improve performance and income at Papuma Beach. The SWOT analysis is preceded by an internal environmental diagnosis analysis (strength and weakness analysis) then followed by a diagnosis of the external environment (opportunities and threats) (Setiyo Adi & Isti Fadah 2018, Asrid et al 2018)

### **IV. Results**

Other types of work found around Papuma Beach attractions are MSMEs such as street vendors and food and beverage stalls along the coast. The number of street vendors decreases from Monday to Friday but will increase during peak tourist visits, such as on Saturdays and Sundays, school holidays or during red dates or national holidays. Most of the informal sector in the Papuma Beach Tourism Area sells food and drinks. Several types of food and drinks offered to visitors are young coconut, pop noodles, meatballs, coffee, grilled fish, grilled prawns, grilled squid, cilok, crackers and quail eggs and sweet rujak. There are new things offered at Papuma Beach, namely clothes in the form of t-shirts, negligee and children's clothes.

Other jobs that we can find around Papuma Beach tourism, namely fishermen who look for fish in the sea and also divers who look for lobsters are often found in the Papuma beach sea. Bathroom service providers are also often found on Papuma Beach to serve visitors who bring their families to do activities on the beach.

Papuma Beach is located in the south of Jember City, one of the cities in East Java Province which is on the route Bromo, Ijen, and Bali. Papuma Beach is located approximately 37 km to the south of Jember City, or approximately 235 km from Surabaya City. The name Papuma itself is formed as an acronym for Pasir Putih and Malikan. The word "Tanjung" was added in front of it, to describe the position of the beach jutting out into the sea to the southwest of the area. Apart from the beach, the forest on the other side is also the main attraction of this tourist attraction.

The beach with an area of 25 hectares offers many advantages. Call it a stretch of white sand with a circular headland along the 1.5 km, rows of green hills with lush trees surrounding the beach. Tanjung Papuma Beach, is one of the 16 leading tourist objects promoted by Perum Perhutani Unit II, East Java. The natural beauty that is owned by Papuma is still original, not yet surrounded by many sturdy buildings of concrete.

During the research period, the Covid 19 Pandemic occurred which was never expected by anyone. The Covid 19 virus originated in Wuhan China at the end of 2019 and then this virus has quickly spread throughout the world, including Indonesia. Currently the Covid 19 Pandemic is still not over. As a result of the outbreak in the form of the Covid 19 pandemic, this Papuma Beach tourist spot was closed since March 23, 2020 and only reopened on October 23, 2020. This pandemic disaster devastated the world economy including Indonesia. The informal sector on Papuma Beach is also heavily affected by Covid 19, they cannot sell because for 8 months Papuma Beach has been closed. The next impact is that they get income. To survive, they have to make breakthroughs, one of which is they innovate by selling in their own homes. This effort is quite helpful for survival even though it is less than optimal.

The natural beauty of Papuma Beach does not need to be doubted, the stretch of white sand, fishing boats lined up neatly, the trees on the edge of the beach make visitors feel cool, this is what managed to attract the attention of the East Java Provincial Government, so that it won 1st place in the 2007 East Java Tourism Award Competition Type of Tourism Object The Most Popular Nature in East Java. (Jember Regency Tourism Office, 2009)

For local tourists, Tanjung Papurna is like a 'paradise'. In addition to presenting a variety of soothing panoramas, this small land jutting into the sea on the south coast of East Java also houses a variety of flora and fauna typical of tropical. Anyone who has visited this sloping white sandy beach never gets bored of enjoying it. Its geographic conditions are stable, even making the beauty of the tourist area can be enjoyed in any weather, either in the dry season or when the rainy season arrives.



## V. Discussion

### SWOT analysis

SWOT analysis is carried out by first analyzing internal conditions in the form of strengths and weaknesses. The next step is to analyze external conditions in the form of opportunities and threats.

#### Strength

1. There are quite a lot of visitors to Papuma Beach, especially on holidays, as well as at the week end, namely Saturdays and Sundays.
2. Many visitors need food and drinks as well as snacks to meet the needs of visitors to eat and drink.
3. MSMEs at Papuma Beach offer a variety of foods and drinks with good quality and quite hygienic.
4. Papuma Beach has shady trees so the air is cool enough so that umkm traders feel comfortable and it is easier to trade.
5. Papuma Beach has the charm of exotic beach beauty and has been awarded the best beach in East Java Province.
6. The location of Papuma Beach is not too far from the heart of Jember, which is about 1 hour away, making visitors who are generally families at
7. Papuma Beach has an extraordinary and abundant marine wealth such as lobster and squid, making it easier for people selling grilled fish, grilled lobster and grilled squid to get the raw material.
8. Papuma Beach is equipped with a viewing booth for the Tinggil and the location for self-photos which are instagramable as well as bathroom and prayer facilities so that visitors feel very comfortable on the beach.
9. Papuma Beach is equipped with a pendulum which is very close to the shoreline so it is very instagramable

#### Weakness

1. The location of Papuma Beach is behind a hill and the road is up and down with a sharp slope so that not all vehicles can arrive safely.
2. Papuma Beach is only equipped with a home stay but it is less representative and not many visitors use these facilities.
3. The location of Papuma Beach which is in a protected forest area makes visitors afraid to spend the night.
4. There are no interesting events that can attract even more visitors.
5. The merchandise offered varies less from time to time.

6. Only a small proportion of traders always innovate so that their merchandise is liked by consumers.
7. There is no mode of public transportation that is able to bring visitors from downtown Jember directly to Papuma Beach.
8. During the Covid 19 pandemic Papuma Beach was closed for eight months. Traders cannot sell, they survive by selling at home with a modest turnover.
9. Capital problems are still an obstacle to developing a business.

### Opportunity

1. Papuma Beach with its exotic charm and long coastline and a large parking area can accommodate large numbers of visitors.
2. The population of Kabupaten Jember which is quite large needs a place to do refreshing with family during holidays and at the week end
3. Visitors really like the grilled fish, grilled shrimp and grilled lobster which have a unique taste.
4. Food and Beverages sold by traders tastes delicious and is liked by visitors.
5. The distance that is not too far from the city center of Jember makes it very easy for visitors to reach Papuma Beach.

### Threat

1. The existence of other beach tourism in Jember Regency such as Watu Ulo beach, Paseban Beach, Rowo Cangak Beach, Payangan Beach, Teluk Love Beach are the main competitors of Papuma Beach.
2. The condition of the Covid 19 pandemic was a serious blow to the tourism sector, including Papuma beach tourism, which caused Papuma beach to be empty of visitors and even locked down to break the chain of spreading Covid 1
3. The condition of Covid 19 has also killed the income of MSMEs on Papuma Beach and they even closed their businesses for a while.
4. Rumors circulating that there will be big waves on the South Coast of Java Island also cause visitors to be afraid to go to the beach.
5. The large number of new traders who entered Papuma Beach resulted in increasingly fierce competition.



After the SWOT analysis is carried out, the next step is to formulate a strategy to increase the income of the informal sector in the Papuma Beach tourist area.

### SW strategy

1. It is necessary to plan for road repair and widening efforts so that visitor vehicles can more easily reach Papuma Beach, especially for large tourist buses.
2. The government and the management of Papuma Beach need to hold events that showcase local culture to attract people to visit.
3. Papuma Beach needs to add and complete interesting and instagramable self-photo spots.
4. It needs a massive and continuous promotional effort through social media to increase the number of visits.
5. MSMEs need to think about creativity and innovation as well as diversification efforts in order to be able to satisfy consumers, namely visitors.
6. The informal sector needs to carry out a simple accounting process in order to produce financial reports which are the main requirements for obtaining capital loans from banks.
7. The informal sector needs to make simple but periodic innovations so that customers don't get bored and sales increase

### OT strategy

1. The condition of the Covid 19 pandemic has severely hit MSME businesses, however they must remain enthusiastic, continue to innovate and continue to pay attention to health protocols such as always wearing

masks, washing hands frequently and maintaining distance in carrying out their activities or what is known as the slogan "Remember your message about 3M, wash hands with soap, put on a mask and keep a distance)

2. Papuma Beach managers need to carry out massive and continuous promotions through social media such as Instagram, Facebook, and WhatsApp to attract more visitors, both family and millennial visitors. This effort is needed because around Papuma Beach there are many beautiful beaches such as Cemara Beach, Payangan Beach and Teluk Love Beach.

3. The conditions for the Covid 19 pandemic must be able to be predicted

4. It is necessary to convey correct and accurate information about the safety of traveling on Papuma Beach to ward off hoax news about the threat of high waves and tsunamis on the south coast including Papuma Beach.

5. The informal sector has the opportunity to develop its business considering that visitors have shown a significant increase since the reopening of Papuma Beach since 23 October 2020.

6. The informal sector needs to pay attention to mothers' messages to protect 3M (wearing masks, washing hands and maintaining distance) to reduce the spread of Covid 19, which has yet to subside.

### **VI. Conclusion**

Problems faced by the informal sector at Papuma Beach. The merchandise offered is less varied from time to time. Only a small proportion of traders always innovate so that their merchandise is liked by consumers. Capital problems are also still an obstacle to developing a business. During the Covid 19 pandemic Papuma Beach was closed for eight months. Traders cannot sell, they survive by selling at home with a modest turnover.

The strategy of the informal sector to obtain capital loans from banks is through a simple accounting process in order to make financial reports a major requirement. It is very important for the informal sector to make simple but periodic innovations so that customers do not get bored and their sales increase. The informal sector has the opportunity to develop its business, considering that visitors have shown a significant increase since the reopening of Papuma Beach since 23 October 2020. The informal sector is strongly encouraged to pay attention to mother's message, namely guarding 3M (wearing masks, washing hands and maintaining distance) to reduce the spread of Covid. 19 which is still not completely abated.

The informal sector needs to always maintain the quality of food made both in terms of cleanliness and taste so that consumers feel satisfied and always make repeat purchases. The government needs to provide support for the informal sector on Papuma Beach. Support can be in the form of simple management assistance or capital assistance.

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