

# Analysis Of Readiness For Special Economic Areas Maritime Industry Sector (Study Of Case Of Lamongan District)

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## ABSTRACT

Some efforts have been made to develop the economic potential in the region by implementing Special Economic Zones which have been regulated in Law No. 39 of 2009 concerning Special Economic Zones. One of the areas included in the criteria in the Special Economic Zone is the Lamongan Regency because Lamongan Regency itself has good maritime potential and is also included in the requirements for special economic zones and even Lamongan Regency itself proposed by the East Java Provincial Government after the birth of the Law. Special Economic Zone Issues for 2009. This research was conducted by using a type of qualitative descriptive research and analyzing qualitative data about the Regional Readiness of Lamongan Regency in the Framework of the Establishment of a Special Economic Sector in the Maritime Industry Sector. In this study, the theory used is the theory of special economic zones, the acceleration of local economic development. The results of this study are that some aspects have been fulfilled even though some are still being sought and then completed. Some of these aspects are. First, the land readiness that has been available for 500 hectares of land is by the RTRW that has been established by the Regional Government. Second is the readiness of infrastructure; in this case, there are several aspects, namely land transportation network, electricity network, a telecommunications network, seaport, raw water source. Besides that, the readiness of Human Resources (HR) has been running several programs to print qualified human resources in the field of maritime industry. **Keywords: Readiness, Special Economic Zones, Maritime Industry.**

## ABSTRAK

Beberapa upaya yang dilakukan untuk mengembangkan potensi ekonomi di daerah adalah dengan menerapkan Kawasan Ekonomi Khusus yang sudah di atur dalam Undang-Undang No 39 Tahun 2009 Tentang Kawasan Ekonomi Khusus. Salah satu Daerah yang masuk dalam kriteria yang ada dalam Kawasan Ekonomi Khusus adalah Daerah Kabupaten Lamongan, karena Kabupaten Lamongan sendiri mempunyai potensi kemaritiman yang cukup baik dan juga masuk dalam kriteria Kawasan Ekonomi khusus dan juga Kabupaten Lamongan sendiri diusulkan oleh Pemerintah Provinsi Jawa Timur pasca lahirnya Undang-Undang Kawasan Ekonomi Khusus Tahun 2009. Penelitian ini dilakukan dengan menggunakan jenis penelitian deskriptif kualitatif dan menganalisis data kualitatif tentang Kesiapan Daerah Kabupaten Lamongan Dalam Rangka Pembentukan Kawasan Ekonomi Khusus Sektor Industri maritim. Dalam penelitian ini teori yang digunakan yaitu teori tentang Kawasan ekonomi khusus, percepatan pembangunan ekonomi lokal. Hasil dari penelitian ini adalah bahwa beberapa aspek sudah terpenuhi meskipun ada yang masih diupayakan dan kemudian dituntaskan. Beberapa aspek itu adalah pertama, kesiapan lahan yang sudah tersedia 500 hektar lahan itu sudah

Sesuai dengan RTRW yang telah ditetapkan oleh Pemerintah Daerah. Kedua adalah kesiapan infrastruktur dalam hal ini ada beberapa aspek yaitu jaringan transportasi darat, jaringan kelistrikan, jaringan telekomunikasi, pelabuhan laut, sumber air baku. Disamping itu kesiapan Sumber Daya Manusia (SDM) sudah berjalan beberapa program untuk mencetak SDM yang berkompeten dalam bidang industri maritim.

**Kata kunci:** *Kesiapan, Kawasan Ekonomi Khusus, Industri Maritim.*

## INTRODUCTION

Indonesia is an archipelagic country stretching from Sabang to Merauke with more than 17,503 islands large and small, as the Indonesian archipelagic state has vast water areas where one-third of Indonesia's territorial waters. Indonesia has great potential in the field of maritime considering Indonesia is in the equator between the two continents of Asia and the continent of Australia, flanked by two Pacific Oceans and the Indian Ocean and Southeast Asian countries. This geographic, demographic and natural resource potential in the territorial waters should be used as well as possible by the Indonesian government for the welfare of the Indonesian people.

Besides, we still cannot use Indonesia's geographical location. The 1982 International Law on the Law of the Sea (UNCLOS) has established three Indonesian Archipelago Sea Grooves (ALKI) as shipping and flight routes by foreign ships or aircraft. The three ALKIs are passed by 45% of the total value of world trade, reaching around 1,500 US dollars. Unfortunately, we have not taken advantage of this critical geographical position. We do not yet have transit ports for international commercial vessels that have passed by in the 3 ALKI ([Kamaluddin 2002](#)).

The Indonesian government still strives to exploit its existing potential including making policies on Special Economic Zones (SEZs) or Special Economic Zones (SEZs). Special economic zones are geographical areas that have special financial regulations that are more liberal than the economic rules that apply in a country. The Special Economic Zone itself is an area which is geographically and jurisdictionally a free trade area, including the ease and duty-free facilities for the import of capital goods for commodity raw materials as export and is opened as widely as possible. SEZs have more specific types of areas covering Free Trade Zones (FTZ), Regional Export Handling - Export Processing Zones (EPZ), Daerah Bebas - Free Zones (Fz), Industrial Estates - Industrial Estates (IE), Free Ports - Free Ports, and so on.

The development of special economic zones began with Law no.25 of 2007 concerning investment which has mentioned the Special Economic Zone (SEZ) in

Chapter XIV in article 31. SEZs have been rolled out long before the existence of Law No. 25 of 2007. This can be seen on June 25, 2006, President Susilo Bambang Yudhoyono signed a cooperation agreement to form an exclusive economic zone (SEZ) with Singaporean prime minister Lee Hsien Loong at Turi Beach Resort. So before the SEZ arrangement, actually the embryo of the SEZ formation had been carried out by the Indonesian government with the Singapore government. So Law 25/2007 is only one of its justifications or legalities.

Decision making in a country's government in establishing a region as an SEZ is based on the advantages possessed by the part which generally have:

1. 1. Geographical advantages, the location of an area that is very close to neighboring countries/borders and world trade routes with various specificities (Export Orientation, Import Substitution, and so on).
2. Natural resources, specific natural resources are the main attraction in determining an area to be SEZ. Indonesia as a country that has many precious natural resources needs to create KEK clusters in various regions so that each part has its economic center in the context of SEZs.

Law No. 39 of 2009 itself states that the functions of special economic zones are developed through the preparation of areas that have geoeconomic and geostrategic advantages and serve to accommodate industrial activities, exporters, imports, and other economic activities that have high economic value and international competitiveness. In the form of special economic zones consisting of one or several zones:

- a. Export processing.
- b. Logistics.
- c. Industry.
- d. Technology development.
- e. Tourism.
- f. Energy, and
- g. Another economy.

Whereas the criteria or location that can be proposed to become an exclusive economic zone must meet the requirements (UU nomor 39 Tahun 2009 Tentang Kawasan Ekonomi Khusus):

- a. By the regional spatial plan and does not have the potential to disrupt protected areas.
- b. The relevant provincial/district/ city government supports SEZ.

- c. Located in a position close to the international trade route or close to global shipping lines in Indonesia or situated in the area of potential and superior resources
- d. Having clear boundaries.

In line with Law No. 39 of 2009, one of the government's vision and mission for the 2014-2019 period is to realize Indonesia as the world's maritime axis, as Indonesia's marine potential is undoubtedly both its geographical potential and geo-economic potential, some economic policies launched by the government are wrong the other set some areas in the area to be used as special economic zones in the maritime industry sector, of course, those areas that have marine potential that meet the criteria.

The mandate of the 1945 Constitution which affirms Indonesia as an archipelago that prioritizes the role of the region in mobilizing the economic potential that exists in the areas, moreover in the Regional Autonomy era the regional government is required to take more initiative in economic development which will affect the welfare of the community, because SEZ itself is one of the models for accelerating regional growth.

Until now the government continues to expand individual economic zone policies, the central government itself has established twelve special economic zones, namely Sei Mangke, TanjungApi-Api, TanjungKelayang, TanjungLesung, Mandalika, MalaiBatuta Trans Kalimantan, Palu, Bitung, Morotai, Sorong, Arun Lhokseumawe, and Galang Batang. The twelve regions have been determined through procedures and stages that have been listed in Law No. 39 of 2009.

Lamongan Regency, East Java, has the potential to grow into an exclusive economic zone in the maritime industry. Its position along the northern coast (pantura) of Java with a coastline reaching 47 km and a depth of 12 meters is a natural advantage for this area. Besides, Lamongan has a geographical advantage because of its location not far from the city of Surabaya, the capital of East Java. The closeness to the capital city of East Java facilitated the distribution of goods and services from Lamongan to other regions outside East Java, even access to foreign countries was quite wide open. So do not be surprised, if for the past 7 years, since 2004, there have been 21 companies operating along the coast with a total investment value of Rp. 12,738 trillion. These companies include the shipyard industry, port management services, fish processing industry, oil, and gas industry, animal feed industry, fertilizer industry, sugar industry, and marine tourism industry.

One area that has potential is the Lamongan District, there are various considerations for being Lamongan Regency as a Special Economic Zone, the potential that can be developed is the potential of the maritime industry because of its location along the north coast which directly faces the Java sea and also has deep enough to dock a large tonnage ship, and has a geographical advantage, because of its location not so far from the city of Surabaya. This consideration that made President Susilo Bambang Yudhoyono appoint Lamongan Regency as one of the seven Special Economic Zones in Indonesia. In response to the appointment as a Special Economic Zone, the District Head of Masfuk said that planning and preparation were needed so that this Special Economic Zone was immediately realized. As a form of strengthening the appointment as the Special Economic Zone, the Regent of Masfuk ordered officials and staff to carry out bureaucratic reform. Meanwhile, in the musrenbang there were 1,359 projects, both physical and non-physical, with budgeted funds of Rp. 390,448,287,000 for 2007. Over time, after the enactment of Law No. 39 of 2009 concerning Special Economic Zones which regulated the proposed procedure, the East Java Province proposed Lamongan Regency as a Special Economic Zone in the maritime industry sector with various considerations available, and the District Government supported even this proposal Lamongan is committed to continuing development in the framework of preparing Lamongan Regency as a Special Economic Zone in the maritime industry sector.

As explained above, Lamongan Regency has promising potential to be used as an exclusive economic zone in the maritime industry sector, of course, the role of regional government is also vital, considering so many things that must be prepared in the future to realize Lamongan to become a sector-specific economic zone maritime industry

## **LITERATURE REVIEW**

### **Special Economic Zone**

Various efforts have been made by the Indonesian government to spur national economic growth in order to achieve the welfare of the Indonesian people, several policies were launched to overcome this, one of which is a model for creating a conducive environment for investment, trade and export activities aimed at strengthening economic growth is to create an exclusive economic zone (SEZ). The inspiration for the formation of SEZs aimed at supporting the pace of economic growth came from the success story of the unique formation of the industrial zone in Europe in the 1950s after World War II ([Montgomery and Rondinelli 1995](#)).

To accelerate the achievement of national economic development, it is necessary to increase investment through the preparation of areas that have geoeconomic and geostrategic advantages. The city is prepared to maximize industrial activities, exports, imports and other economic activities that have high economic value. SEZ development aims to accelerate regional development and as a breakthrough model for developing areas for economic growth, including industry, tourism, and trade to increase employment.

Some define the Special Economic Zones, one of which is Mashami Ishida, who argues that the Special Economic Zone is a particular geographical area with economic laws that are more liberal than the commercial law of a country. Whereas according to Wei Ge, from a broad perspective, Special Economic Zones can be characterized in general, as geographic areas in the territory of a country where certain types of activities are promoted by a set of policy instruments that are not generally applicable to all states. Institutionally, the existence of Special Economic Zones reflects the fact that the host government carries out economic policies in such a way that differentiates the way economic activities are carried out in specific geographical regions within the country.

Special Economic Zone itself is a region that is geographically jurisdictional in an area where free trade, including the ease and duty-free facilities for the import of capital goods for export commodities, is opened breadth and Special Economic Zone itself is a region that is geographically jurisdictional in an area where free trade, including the ease and duty-free facilities for the import of capital goods for export commodities, is opened breadth.

#### **Legal Basis Of Formation SEZ**

The birth of the term Special Economic Zone in Indonesia along with the delivery of Law No. 25 of 2007 concerning investment has mentioned Special Economic Zones (SEZs) in Chapter XIV in article 31. Even the actual SEZs have been rolled out long before Law No. 25 of 2007. This can be seen on 25 June 2006, President Susilo Bambang Yudhoyono, signed a cooperation agreement to establish a Special Economic Zone with Singaporean Prime Minister Lee Hsien Loong. So before the SEZ arrangement, actually the origin of the formation of SEZs had been carried out by the Indonesian government with the Singapore government. So Law No. 25 of 2007 is one of its justifications or legalities. As time went on, the regulations on SEZs also had their laws, and the stipulation of Laws on SEZs was finally realized in the form of Law No. 39 of 2009 concerning Special Economic Zones, and then derivative regulations were born.

Following are the basic rules for the establishment of Special Economic Zones:

- a. Law No.39 of 2009 concerning Special Economic Zones.
- b. Government Regulation No.2 of 2011, concerning the Implementation of Special Economic Zones.
- c. Government Regulation No.100 of 2012, about Amendments to Government Regulation No.2 of 2011, concerning the Implementation of Special Economic Zones.
- d. Government 2015 relating to Facilities and Facilities in Special Economic Zones.
- e. Presidential Regulation No.33 of 2010, concerning the National Council and the Special Economic Zone Zone Council.

### **Objectives And Benefits SEZ**

In general, six things are the goals in the formation of SEZs in Indonesia: a. Increased investment Through KEK the amount of investment will increase, and in line with this, development in the Indonesian region will increase. b. Employment Through SEZs, the number of workers in Indonesia will be absorbed through companies established to carry out these investment activities. c. Foreign exchange earnings as a result of increased exports With the increase in the number or total investment in Indonesia, the right amount of foreign exchange as an increase in exports will be a source of large amounts of state revenue that will benefit the recipient of capital. d. Increase the competitive advantage of export products The positive impact that will be felt through the establishment of SEZs is the increasing competitive advantage of export products through the use of industrial products in investment activities. e. Increase utilization of local resources, services, and capital for increased investment Through the establishment of SEZs, and local funds will also experience an increase which includes sources of raw materials that are close and easy to reach and excellent services for investors. f. Encouraging the improvement of the quality of human resources (HR) through technology transfer.<sup>1</sup>

The benefit of the formation of SEZs that can be felt is the transfer of technology which results in a rapid exchange of information for investors and capital receiving countries that are easily prepared to prepare regions with unique potential to be made SEZs as well as international market demand which is currently needed by the international community in investment while the benefits of KEK formation are: a – providing opportunities for increased investment through topical preparation that has excellent and is ready to accommodate export, import, and economic activities that have high economic

value. b. Increase foreign exchange activities for the country through international trade. c. Increase employment opportunities, tourism, and investment (investment). The preparation of areas that have geoeconomic and geostrategic advantages and capacity to accommodate export, import, and other economic activities that have commercial value high and international competitiveness. From the explanation above, it can be said that the formation of SEZs in Indonesia has been regulated in such a way based on the SEZ Law that it has proven the commitment of the Indonesian government in terms of establishing SEZs.

### **SEZ as a Model for accelerating local Economic Development**

SEZ development aims to stimulate local economic development because, with the growth and development of an SEZ in the region, other economic growth will always be followed by moving and excited. In an SEZ development infrastructure development must also be needed, so that this SEZ runs optimally. And the targets of the SEZ itself also accelerate regional development through the development of new economic growth centers to balance between regions and realize a breakthrough model for developing the area for economic growth, including industry, tourism, and trade to create jobs.

### **The Concept of Local Economic Development**

Local economic development (PEL) is an economic development process where endogeneous stakeholders (government, the private sector, and society) play an active role in managing local resources to create jobs and provide stimulus to economic growth and their region. The principle of its application is the cooperation of stakeholders which will significantly determine the sustainability of local economic development ([Blakely and Leigh 2013](#)). Based on the focus of its application, the objectives of LED include a. Establish a partnership network between economic actors to utilize local potential by increasing market capacity at the local, regional and global levels. b. Strengthening the capacity of local institutions (government, the private sector, and society) in LED management. c. Collaboration between actors, public, business and organization. d. Collectively it will encourage comfortable conditions in economic growth and employment. While the target to be achieved is the growth and development of the community's business and the increase of people's income so that the gap between rural and urban communities is reduced and supports poverty alleviation policies. In the



process of implementing LED planning and implementation using the principles of economic, partnership and institutional approaches ([Syakur 2013](#)).

1. Economic principles

- a. Start with market needs.
- b. Focusing on existing clusters and commercial activities, whose production is sold to the outside (industrial base) and the multiplier effect in the region is strong.
- c. Connect small scale producers with suppliers to export companies.

2. The principle of partnership

- a. There are responsibilities from each stakeholder (government, the private sector, and community) as actor developers and managers of the local economy.
- b. - Each stakeholder (government, the private sector, and community) plays an active role in working together.
- c. Partnerships rely on local resources, not outside or foreign assistance.
- d. Initiatives are driven by buyers, markets, and demand, not production or supply.

3. Institutional principles

- a. Dialogue facilities between stakeholders (government, the private sector, and community) to generate ideas and initiatives.
- b. Mobilization of local resources to support the proposed action.
- c. Institutional development is based on the needs of ongoing economic activities.

These three principles can be used as a strategy for approaches and planning processes to develop the local economy carried out based on participation and partnership in the framework of institutional development. Participation in a government context is defined as an organized forum to facilitate communication between government and society and stakeholders and various groups with interest in handling problems or making decisions. Participation and partnership between actors in LED are closely related to the principles of openness, empowerment, efficiency, and good governance.

Thus, in the success of local economic development can be seen from several indicators ([Ely Supriyadi 2007](#)):

- a. Expansion of opportunities for small communities in employment and business opportunities.
- b. Development for the city to increase income.
- c. The empowerment of micro and small business institutions in the production and marketing process.

- d. Institutional empowerment of partnership networks between government, the private sector, and local communities.

### **SEZ as an Effort to Develop Local Economies**

Various efforts to accelerate local economic development have been carried out by the government, one of which is through the SEZ, because with the growth and development of SEZs in an area, it will always be followed by the growth of perekonomian in the surrounding area, so that other economic sectors will move and be excited. According to the national council of special economic zones to accelerate the achievement of national economic development, an increase in investment is needed through the preparation of areas that have economic and geostrategic advantages. The city is prepared to maximize industrial activities, exports, imports and other economic activities that have high economic value. SEZ development aims to accelerate regional development as a model for local development breakthroughs and as a breakthrough model for regional development for economic growth, including industry, tourism, and trade to increase employment. While some of the target points for the development of special economic zones related to the development of local economies are: a. Optimization of industrial activities, exports, imports, and other economic activities that have high economic value. b. Accelerate regional development through the development of new commercial growth centers for the balance of local development. c. Realizing a breakthrough model for developing regions for economic growth, including industry, tourism, and trade to create jobs. If we look at the goals of SEZ formation, it can be seen that SEZs are a form of national policy that does not leave aspects of locality or usefulness for local economic development and can be felt by the local community.

### **Relations Between the Central Government and Local Governments in the Management of SEZ**

In the viewpoint of the relationship between the central government and the regional government can be seen from the existence of relations in the administration of government. The decentralization policy is intended to provide authority to the regions to regulate and manage their households in the bond of the Unitary State of the Republic of Indonesia (NKRI). That the final responsibility of administering government affairs that are delegated to the regions is the responsibility of the National (central) government because the ultimate externality (impact) on the implementation of such cases will be the

responsibility of the state. The role of the center in the framework of regional autonomy will be mostly to determine macro policies, carry out supervision, monitoring, evaluation, control, and empowerment (capacity building) so that regions can carry out their autonomy optimally. While the role of the parts will be more at the level of implementation of independence. In implementing its independence, the area has the authority to make regional policies. The policies taken by the regions are within the autonomy limits that are handed over to them and must not conflict with the higher laws and regulations, namely the norms, standards, and procedures determined by the center.

In Law Number 23 the Year 2014 concerning regional government, the relationship model used is identical or the same as the previous Law regarding the definition of local government. In deconcentration theory, it is meant to be a de-neutralization in the realm of staffing but is positively legal in this Act, not wanting it. Where deconcentration in this Law is very broad not only in staffing but general government affairs, namely the cases of the president are also included ([Abdullah 2016](#)).

In the context of SEZ management, we can see that the roles of the central government and regional governments have been regulated in Law No. 39 of 2009 concerning special economic zones, essentially the division of the part of the central government and local governments with the establishment of national councils and local councils. National committees, for example, in Presidential Regulation No. 33 of 2010, Article 4-17 that the coordinating minister chairs members /federal council personnel for the economy and consisting of ministers/leaders of institutions who at least handle government affairs in the area of fostering regional government, finance, industry , public works, trade, transportation, labor, national development planning, and investment coordination. While the governor chairs the local council personnel, vice chairman (regent/mayor) and members (elements of the provincial government who handle government affairs in the fields of taxation, customs, defense, and immigration and local government elements that feel economic issues and regional development planning in the provincial government and district / city government. In general, if you look at the above explanation, the national council is an element of the central government, and the regional board is an element of the local government (province /city/district) and if it refers to the applicable legislation, one of the tasks of the national council is to establish policies in general, assessment, recommendations, and monitor and evaluate the sustainability of SEZs. Whereas the regional board has the responsibility of being responsible to the national council, the local council must apply the principles of coordination, integration, and

synchronization with the national council. This means that the relationship between the central government and the regional government will run well if each element can carry out their respective duties and the tugging of authority will not occur because in terms of SEZ management it has been regulated in the applicable legislation.

## **METHOD**

The research method is a method and procedure that is very systematic and organized to investigate a particular problem to obtain information and can be used as a solution to the problem. In this study the researchers used a qualitative method in which qualitative methods were interpreted by miles and followed a source from a comprehensive and firmly based description, as well as containing local processes, or following and understanding chronologically, assessing causality within the scope of the political mind, and obtain useful explanations. Qualitative research is research that intends to understand the phenomenon of what is experienced by the subject of study such as behavior, perception, motivation, action, and others, holistically, and by way of descriptions in the form of words and language, in a unique natural context and by utilizing various scientific methods.

This study uses a type of descriptive research. According to Sanapiah Faisal descriptive research is an exploration and classification of a phenomenon or social reality by describing several variables relating to the problem and the unit under study. Descriptive aims to provide a systematic, factual, accurate description of the facts that have occurred and which have not happened regarding the life of a group of social individuals, an object, a particular population and an event that occurred.

This study uses data collection techniques with observation, interviews, and documentation. Direct observation or direct observation is a way of retrieving data using the eye without any standard tools for this purpose. The meeting is one of the techniques used in data collection, namely by giving questions directly to the respondent, then the results of the meeting will be recorded by the researcher. Documentation is a technique of researchers by collecting data or documents that record past events.

## **RESULT AND DISCUSSION**

### **The Preparation Process of the Lamongan Regency Becomes an SEZ in the Maritime Industry Sector**

By proposing Lamongan Regency to become the Special Economic Zone of the Maritime Industry Sector, what must be done by the Regional Government is to prepare

several aspects to meet the needs in the Special Economic Zone of the maritime industry sector. With the existence of a marine industrial area, there will be a process to fulfill the aspects that must be prepared. Some elements that must be made are first the availability of land for Special Economic Zones, both the availability and guarantee of infrastructure to support Special Economic Zones consisting of land transportation networks, electricity networks, telecommunications networks, seaports, and raw water sources, Third Human Resources readiness (HR) maritime industry employment.

By carrying out the preparatory process above, it can be said that there is a commitment from the local government to fulfill the needs in the framework of the establishment of a Special Economic Zone because these aspects are aspects that must be fulfilled to be subsequently established as Special Economic Zones and will also support existing industrial activities.

#### **Availability of Land for Location of SEZ**

One form of the region being prepared as a Special Economic Zone is the availability of land to become a special area in a particular sector, in the context of Special Economic Zones, of course there are specific considerations or conditions to be included in the criteria for Special Economic Zones in accordance with Law No. 39 of 2009 Special Economic Zone CHAPTER II Part Three Article 4 states that land must be in accordance with the Regional Spatial Plan and does not have the potential to disrupt protected areas and the location must be in a position close to international trade routes or close to international shipping routes in Indonesia or located in potential areas superior resources. Some of the points above are the location criteria needed for Special Economic Zones.

With the availability of land by what is needed, the Special Economic Zone policy will be quickly operated, and later industrial activities will run well, especially as the area is close to trading routes which will be more effective and efficient in distributing goods both domestic and domestic distribution. Abroad. And what must be observed also is that the land that has been provided for an area is land that does not have the potential to disrupt protected areas, because indeed a protected area is one of the critical assets that must be preserved by the state before the researcher will explain about the land provided for Special Economic Zones.

If you look at the location of Lamongan Regency, you can say that it is quite potential to be a Special Economic Zone in the maritime industry sector because it directly borders the Java Sea, which is one of the densest shipping lanes in Indonesia. Also, Lamongan Regency can be said to be quite close to the capital city of East Java Province,

namely the City of Surabaya and that is one of the considerations of Lamongan Regency to become a Special Economic Zone in the maritime industry sector. Counting there are two sub-districts directly adjacent to the Java Sea, namely the Paciran sub-district on the east side which borders Gresik Regency and on the west side is Brondong District which borders on Tuban Regency. These two sub-districts are the spearheads of the maritime industry in Lamongan Regency. With the land already prepared and referring to the RTRW, then the problem of determining the location of Special Economic Zones has met with clarity and remains to carry out other conditions that must be prepared to ensure the continuation of the Special Economic Zone policy, although we must be able to examine aspects others that will later become a separate obstacle in the process towards the establishment of Special Economic Zones. These aspects consist of: first, the location does not disturb the protected area; the second is the distance between the site and the settlement; the three issues are land acquisition. These three aspects must also be looked at because indeed this concerns the lives of the surrounding people who also cannot be ignored in their rights, especially agrarian issues which in some places become quite serious problems, so the government and related parties must be able to address wisely the various problems that exist.

Based on the results of interviews with the Lamongan Regency government, in this case, the Malang District Bappeda, there were quite serious obstacles faced in the framework of the establishment of the Economic Zone, namely the problem of land acquisition which still had not yet come to light. And what's even more interesting is the land acquisition because investors have not been able to complete the land acquisition. Because this land is a vital thing and is a valid condition in Special Economic Zones. We can conclude a little that in terms of land clearing it turns out that it is still incomplete, even though the location planning is mature enough but it cannot be a full handle, it takes many ways to solve the problem. And also the involvement of local governments must also be maximal, not only waiting for direction from the center and related private parties but also must have initiatives, especially in terms of land acquisition to move so that this Special Economic Zone can be quickly realized.

#### **Availibilityand Guarantee of Infrastructure to Support SEZ**

In industrial estates, of course, must be supported by the existence of adequate infrastructure, so that the process of running the industry runs well and that will undoubtedly be more effective and efficient in the production of problems to cut down substantial production costs. In the Special Economic Zone Context that is divided into

activities. Some of the infrastructure needed in industrial estates is the first land transportation network, both energy and electricity networks, the three telecommunication networks, the four seaports, the five raw water sources. With the availability of adequate infrastructure, the industrial estate will run well. The land transportation network for industrial activities has an essential function, primarily to facilitate the mobility and accessibility of logistics goods and human movement which can be in the form of a railroad network. The road network for industrial activities must take into account the capacity and number of vehicles going through the road so that it can be anticipated from the start the possibility of road damage and congestion. This is important to consider because it expects the impact of transportation problems caused by industrial activities.

With the availability of land transportation networks, industrial activities in the Special Economic Zones will be more effective. And this is an essential factor in the preparation of Special Economic Zones before they are established and operated. Some things that must be seen are how the condition of the road and access to the industrial area because this is a priority in the land transportation network and this will also determine the infrastructure in terms of land transportation networks that are fulfilled or not fulfilled. Based on the results of interviews with Ms. Zulaikhah in the economic field of Bappeda, the Lamongan Regency Government has made efforts to fulfill the land transportation network infrastructure in the form of road and bridge improvements. Such efforts continue to be encouraged by relevant parties to satisfy the requirements of Lamongan Regency as a Special Economic Zone and also the flow of transportation can run smoothly. However, some obstacles must be resolved, namely the problem of narrowing of the road around the location of industrial estates, which is caused by the presence of dense villages that existed long before the establishment of industrial estates. The alternative that can be done by the parties concerned is to continue to increase the widening of existing roads in dense villages, so that the flow of traffic can run smoothly, but widening the road must be able to be handled wisely by prioritizing the interests of the community in general and not seizing the rights obtained by the city. Based on interviews with Mr. Budiyanto in the Regional Infrastructure of Bappeda which is still being carried out in the form of road repairs, bridge repairs, and road widening. This effort will later produce results with the establishment of Special Economic Zones in the maritime industry sector in Lamongan Regency, and also the community at large can feel the benefits. In its efforts, of course, there are obstacles encountered in the construction of this problem in the form of narrowing of roads around the site because of the existence of densely populated villages, this problem is expected to

be resolved, but the solution must be done wisely without having to displace the rights of the surrounding community.

Meanwhile, the availability of electricity networks is an essential requirement for industrial activities because the production process of industrial activities is in dire need of energy sourced from electricity to operate production equipment. In this case, the electricity service standard for industrial activities is not the same as domestic activities, where the need for stability in the supply of power and voltage. Industrial activities generally require a large amount of electrical energy, so it is necessary to pay attention to the electricity supply, both from state electricity companies, and those provided by companies in industrial estates.

In the context of Special Economic Zones, the maritime industry sector needs enough electricity to support industrial activities, and what must be considered is the capacity required for industrial activities must be large capacity because later the Special Economic Zone will continue to be developed. Based on the interview with Mr. Budiyanto in the area of infrastructure in the Bappeda, Lamongan Regency, it can be seen that in terms of the availability of electricity which will later be used to support industrial activities it is already quite large with a capacity of 23 MW, with evidence that the current industrial activities are running and some companies rarely encounter electricity problems. Even so, there must be a real guarantee in increasing electricity flow capacity because later in the Special Economic Zone the maritime industry sector will continue to be developed and there will be the possibility of new industries to be built.

In addition to transportation and electricity, the Special Economic Zone in the maritime industry sector also requires some infrastructure, one of the support that must be fulfilled is telecommunications networks, because industrial activities will not be separated from business aspects related to marketing and business development, so telecommunications networks such as telephone and internet are needed the basis for industrial activities to carry out their activities. In telephone telecommunications networks for example, requires such as towers consisting of several telecommunications companies must meet the standards, what's more in the current context the majority of people use data packet systems from various telecommunications companies, as well as internet telecommunication networks which when widely used by several institutions or offices to facilitate access to data searches.

In the context of Lamongan Regency, it can be said that the need for telecommunication networks in terms of the number of towers that have been built in the existing Paciran sub-district is owned by a cellular operator or a data package-based company. Based on the results of interviews with the Lamongan Regency Bappeda, it can



be seen that there are problems with telecommunication network problems, there are even some complaints from the community related to the rare signal, and also there are only two telecommunications companies that have quite good signs. This telecommunication network should be made one of the priorities to fulfill telecommunication network needs, considering that several industries have already operated and also so that people can use telecommunications networks with sound signals.

Also, infrastructure needs in the form of ports are an absolute necessity, especially for the delivery of raw materials / auxiliary materials and marketing of products, which are regionally oriented and abroad (export/import). Industrial activities desperately need a port as a logistical gateway for goods. Moreover, in the Special Economic Zone, the maritime industry sector, where the industry is more active in the maritime industry or the sense that industrial activities will be more engaged in the marine sector, so the need for port infrastructure will be critical and soon resolved. In Lamongan Regency itself, seven ports of various types have been established in Lamongan, from these ports two of them are public ports, namely the open port of old sedayu and shorebased Lamongan free port, then there is one brondong fishing port, three ports for self-interest (PUKS). Namely PT. Lintech Duta Pratama, PT. DOK Shipping, and PT. Lamongan Marine Industry. As well as one ASDP ferry port that serves two routes, namely paciran-bawean and paciran-galonggongsulawesi. Of the existing ports that have been built in Lamongan, there are only two ports that have the status of public ports, while the others are ports for their purposes which means they are used by one company, fishing port, and the other is ASDP port for crossing. If so, then the potential to become a port for Special Economic Zone infrastructure in the maritime industry sector is the public port of old age, ASDP Port, and shorebased lamongan port. Based on the results of the study it was found that the port which would later be used as an infrastructure to support industrial activities in the Special Economic Zone was the port of Lamongan Shorebased and ASDP, because only this port functioned as a container port and loading and unloading of goods, besides its matching function, relative distance close to the Special Economic Zone is very close, even the port location right in front of the Special Economic Zone location.

In addition to calculating facilities and infrastructure such as ports, telecommunications networks, electricity, and land transportation, industrial estates should consider the existence of rivers as a source of raw water and industrial wastewater disposal sites that have environmental quality standards. Besides that, the ideal distance should also be taken into account in the environment of the watershed (DAS), so that industrial activities can balance using the river for industrial activities but also do not cause adverse

impacts on the watershed environment. The raw water source must have sufficient water discharge to serve industrial activities. Based on the results of the study it was found that in the aspect of the availability of raw water sources in fulfilling the current industrial activities, it was quite minimal, due to the lack of rivers around the area, there were only a few small rivers which were estimated to be unable to meet industrial needs and problems with disposal waste, and even diving, some industries that have already run it uses water from the ground/drill water. Seeing the existing issues, means that in terms of the availability of raw water sources and the lack of rivers is still not fulfilled, and what is a common concern is the fear of conflicts over water and waste problems will arise in the community, because the issue of water resources and waste is often occurring in several industrial target areas, and it is expected that the government and related parties can find a good solution so that the running of this industrial activity can run smoothly and be able to address these issues wisely without causing conflict with the surrounding community.

#### **The readiness of Human Resources for Maritime Industry Employment**

By becoming the target of the Special Economic Zone in the maritime industry sector, of course, the regional government must also prepare workers who are engaged in the maritime industry. Because later this maritime industry will need many truly competent workers, both experts, technical personnel, and production personnel. So from that, the local government needs to design a strategy that contains the preparation of workers, especially in the maritime industry. In the framework of establishing the Special Economic Zone in the maritime industry sector, which is one of the factors of success in industrial activities is the existence of Human Resources (HR) in this regard the maritime industry work, because if this aspect is fulfilled, the benefit of many parties will be felt by many parties, both parties from companies or investors because production will run properly and will also be handled by the local community, because the local community will be readily accepted for employment in the maritime industry. The regional government has a vital role in preparing the workforce, especially the priority target is the local community, which has the right to get a decent job because the current problems that often occur in the country of Indonesia and that makes the unemployment rate high. Several efforts have been made by the local government of Lamongan Regency, such as the establishment of a Work Training Center (BLK) built by the Disnakertrans of Lamongan Regency, and this is a form of commitment from the Regional Government to prepare the competent workforce in the maritime industry.

Based on the results of interviews with ms. laylatul masruroh in the field of industrial relations at the Lamongan District Office of Manpower and Transmigration was inaugurated in 2017 and is currently underway. There are seven departments in the BLK, seven of which are sewing, automotive motorbikes, electric welding techniques, processing of fish processing, car mechanics, cooling techniques, and cosmetology. Of the majors, there is only one department that is technically related to the maritime industry, namely electric welding techniques, because this department is the basic technique of making ship components, one type of maritime sector that will be developed in the Special Economic Zone of the maritime industry sector. With the implementation of this BLK, the community will find it easier to develop themselves by participating in the training provided by the Regional Government. So from that easy access to practice will be more valuable and will attract the public in general, especially the training held at BLK is free or free of charge. So from that, it was hoped that the community would be more enthusiastic about taking part in practice at the BLK.

But on the other hand, there are two obstacles which then hamper the program that has been planned. The first obstacle is the problem of the lack of instructors for training, and the second is the budget which is still quite a minimum budget for BLK so that it affects several programs that are not running due to budgetary factors. With the existence of several constraints above, the government should be more responsive in responding to the problem, because if things like this will be allowed, then it will make the programs that have been proclaimed will be hampered. Some efforts have also been made by Disnakertarns to prepare the competent workforce in the field of maritime industry, one of the shots that continue to be made is to encourage the Vocational Schools in Lamongan Regency to cooperate with the maritime industry because the industry offers cooperation and that becomes the facilitator is the Manpower Office.

Based on the results of interviews with Erwin, in the field of job market fair (JMF), the Department of Manpower and Transmigration in Lamongan Regency, it can be seen that there is a serious effort from the Manpower and Transmigration Office to prepare the maritime industry workforce, moreover the cooperation benefits from the initiative of companies by opening classes and offering vocational schools in Lamongan Regency, these benefits can be utilized as best as possible by working together more. And for now, there are several Vocational Schools that have proposed cooperation, such as PP Vocational School SunanDrajat and SMK 2 Lamongan.

Based on the results of the study it was found that there were efforts made by the related parties to prepare Human Resources who would be ready to face the flow of labor in the maritime industry. Even though there are still many obstacles faced and must be resolved so that the programs that have been discussed can be immediately addressed, and also the need for support from the regional government both materially and in favor of ideas.

### **The consequence of the District of Lamongan Being an SEZ in the Maritime Industry Sector**

When a region has a Special Economic Zone, of course, some values must be accepted by the Regional Government by pursuing several things to deal with the Special Economic Zone. Because the Special Economic Zone will need the role of local governments to offset the dynamics and mobility of the Special Economic Zones which will involve many parties, not only the government, but the private sector will also be included in the implementation of activities within the Special Economic Zone.

Also, innovations are also needed to continue to develop the regional economy so that it can be nationally and internationally competitive and the impact will later be enjoyed by the regions with increasing local original income (PAD) which will then be included in the regional treasury. And what needs to be considered is the fate of the surrounding communities who feel the direct impact of industrial activities in the Special Economic Zones, specifically the economic impact that can be termed as micro, small and medium enterprises (MSMEs) which have the most significant number of Indonesia, because it can be carried out by individuals on a small scale.

#### **Harmonization of Regional Regulations**

The need for alignment of Regional Regulations in the face of Special Economic Zones is an equally important aspect because if local regulations do not show harmony in the sense that there is no alignment with other regional regulations or with rules from the center, there will be overlapping regulations. And this will have an impact on the delay in activities within the Special Economic Zone. Therefore, the need to synchronize this Regional Regulation must continue.

#### **Synergy Between Related Institutions**

In the process of planning and construction of Special Economic Zones, the role of several regional government institutions is needed to carry out the duties and functions of government institutions by their respective portions. These tasks and services are carried

out to meet the needs of the Special Economic Zone to operate with what has been planned. Of course, there are not only one or two institutions involved, but many government institutions are required in Special Economic Zones. The point is that if there are many regional government institutions involved, the synergy of Government Institutions is needed which will synergize and work together in carrying out activities in the Special Economic Zone if this is not done, the communication miss will occur between institutions and will hamper operations in Special Economic Zone. One-stop licensing service One of the targets of the Special Economic Zone is to increase investment, and in this case, of course, there must be an immediate effort to make it easier for investors to invest their capital into Special Economic Zones. Ease of licensing, investors will easily and quickly invest their money, which is why investors will be interested in spending their capital into the Special Economic Zone. Also, it is also an advantage with the implementation of this one-roof licensing service that is very active, efficient and transparent service. This needs to be done by the Regional Government so that other investors can invest their capital in the Special Economic Zone and that will facilitate industrial activities.

#### **Economic Development**

The Special Economic Zone is a form of economic development which is one of the export-oriented activities, and this export-import activity will undoubtedly be quite beneficial for the local economy which has superior commodities and can compete. Therefore economic development must continue to be developed along with the development of Special Economic Zones. Moreover, the area has excellent products that were previously able to compete with superior products from other regions. In Lamongan Regency itself has many superior products that are export-oriented, some of the superior products are fisheries products, both terrestrial and marine fisheries, and agricultural products, these two excellent products are superior because the majority of the population in Lamongan Regency are farmers and fishermen, even from fishery products Lamongan Regency is the largest in East Java. Therefore, the existence of a Special Economic Zone will be quite helpful in developing the economy, especially in increasing the competitiveness of these exports. This advantage must also be utilized by the Regional Government to continue to boost the production of these two products, with this, innovation is needed to make economic development work well, because the role of this Regional Government has a function as a pioneer and facilitator for related parties, This cooperation may be an effort to develop the economy, and also the synergy between government institutions must run properly.

The impact caused by the existence of a Special Economic Zone for the community is an economic impact which will be used by the surrounding community to supplement their income. One of the things that can be utilized is by creating or developing Micro, Small and Medium Enterprises (MSMEs).

There are 7 (seven) business profile sectors of Micro, Small and Medium Enterprises (MSMEs), namely 1. Trade sector, 2. Processing industry sector, 3. The agriculture sector, 4. Plantation sector, five livestock, 6. Fisheries sector, and 7 Service sector (profile of the Business of Micro, Small and Medium Enterprises, Bank Indonesia (2015). Moreover, based on Law Number 39 of 2009 concerning Special Economic Zones Article 3, it is explained that in Special Economic Zones (SEZs) locations must be provided for Micro, Small and Medium Enterprises (MSMEs), both as business actors and as supporters of activities located in special economic zones (SEZ).

With the existence of space for Micro, Small and Medium Enterprises in the Special Economic Zone, this hope can be used as well as possible by the surrounding community. Business forms can also be used as MSMEs because the Special Economic Zone in Lamongan Regency is an industrial sector, so one business that can be developed is a business in the trade sector and service sector because in the industry there are various needs for workers inside Special Economic Zone.

However, MSMEs that will be utilized by the community also need the role of the Regional Government to help develop existing MSMEs, especially in terms of licensing, capital assistance and also economic-based community empowerment, because this role is often needed in building MSMEs.

## **CONCLUSION**

In this study, which is an indicator of the Regional Readiness of Lamongan Regency in the Framework of the Establishment of Special Economic Zones viewed from several aspects, namely aspects of land availability, infrastructure aspects which consist of the first land transportation network, the two electricity networks, the three telecommunications networks, the four seaport networks and the five raw water sources, and also aspects of the readiness of maritime human resources (HR). These three aspects will determine whether the Special Economic Zone of the maritime industry sector is ready or not. Based on the research, it can be seen that the Lamongan Regency government has been trying to prepare several aspects that must be met, but there are still many obstacles both technical and non-technical often found in its steps to fulfill the real

preparation aspects. With the many constraints that exist, it can be said that the preparation to meet the needs of the Special Economic Zone is still not optimal. Therefore it is necessary to have supervision and evaluation so that the development can proceed appropriately. Some efforts that have been made by the Regional Government should also be appreciated even though they did not escape the obstacles, such initiatives such as the availability of land prepared for Special Economic Zones and have been adjusted to the Regional Spatial Plan (RTRW) which was indeed made for maritime industry land, but there are still obstacles in terms of land acquisition. This shows that in terms of land preparation there is always something to be done.

Like the land aspect, in the issue of infrastructure availability, efforts have also been made to meet or support the needs of special economic zones. However, there are still many obstacles faced by the regional government. Some of these infrastructures are land transportation networks, although they have tried to build bridges and road widening, some things still become obstacles such as narrowing of roads due to the existence of dense villages, this is also what should be solved wisely. Next is the electricity network infrastructure that is a source of electricity in the industry, in terms of electricity networks, it can be said that currently enough to meet existing industrial needs, but there must be a commitment to increase electricity because in the Special Economic Zone industries will develop new. Next is the telecommunication network that is still not good, in a signal, even there are only two telecommunications companies that can be felt well, so the need for additional towers must continue to be sought to fulfill a good telecommunications network. As for the seaport, near the prepared land that already exists and has been operating, it means that in the aspect of the port it has been fulfilled. Unlike the availability of raw water sources, in the land, there is still no natural water source such as the lack of rivers, and this is also a big task that must be fulfilled.

In terms of the preparation of human resources (HR) in the maritime industry, based on existing data that efforts to print qualified human resources in the field of marine industry have been carried out by holding several programs, and of course these programs also adjust the needs of the maritime industry. Some of the programs have already been running, and some of them are still facing obstacles, these constraints make the program not work correctly.

With the many obstacles that exist, it is essential that the Regional Government and related parties continue to seek or seek wise solutions in meeting the needs of the Special Economic Zone in the maritime industry sector. And also what must be considered is the consequence of the existence of Special Economic Zones related to the administration

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of the government, the development of the local economy and Business, Micro, Small and Medium Enterprises (MSMEs). This means that with the existence of Special Economic Zones the Regional Government must think about these three things.

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