

Analysis of the Socio-Economic Impact of MSMEs on the Community of the Pulau Merah Beach Tourism Area, Banyuwangi Regency

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ABSTRACT

This study aims to analyze the social and economic impacts of Micro, Small, and Medium Enterprises (MSMEs) on the local community in the Pulau Merah Beach tourism area, Banyuwangi Regency. A descriptive qualitative approach was employed, with data collected through in-depth interviews, observations, and documentation. Informants were selected using purposive sampling and consisted of 21 participants, including 10 MSME owners, 4 key informants (village government officials and tourism managers), 5 domestic tourists, and 2 international tourists. The study was conducted from February to June 2026. Data were analyzed using the Miles and Huberman interactive model through data reduction, data display, and conclusion drawing.

The findings show that the presence of MSMEs has both positive and negative social and economic impacts. Social impacts include improved social interaction, cooperation, solidarity, and entrepreneurial mindset. Economically, MSMEs were perceived to support the household economic conditions of the informants through additional income, employment opportunities, business diversification, and increased local economic activities. Negative impacts include increased business competition, unequal distribution of economic benefits, and income fluctuations influenced by tourist arrivals. This study is limited to the Pulau Merah Beach tourism area and uses a qualitative approach; therefore, the findings cannot be generalized to other tourism destinations. Overall, MSMEs contribute to the social and economic conditions perceived by the local community while supporting sustainable tourism development.

Keywords: *Micro, Small, and Medium Enterprises (MSMEs), socio-economic impact, tourism, Pulau Merah Beach, Banyuwangi.*