

# The Utilization of Uste Balela Beach Tourism in Increasing the Income of MSME Actors in Balela Village

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## Abstract

This study aims to analyze the role of Uste Balela Beach tourism in increasing the income of local business actors (MSMEs) in Balela Village, Larantuka District, East Flores Regency. East Flores is an area rich in natural, cultural, and tourism potential that, if managed properly, can significantly improve community welfare. Using a qualitative descriptive method with an ecological approach, this research explores the relationship between tourism development and the socio-economic growth of the local community. Data were collected through field observations, interviews, and documentation during the research period from August to October 2025. The results show that the development of Uste Balela Beach has brought substantial economic benefits to local entrepreneurs, especially through the establishment of small businesses such as kiosks, mini fuel stations, food stalls, and recreational services. The increase in visitors to Uste Balela Beach has created new business opportunities, expanded employment, and improved community income levels. Furthermore, the study reveals that cultural preservation efforts and active community participation in maintaining the beach's cleanliness and authenticity contribute to sustaining tourism growth. Entrepreneurs employ various strategies to enhance income, including adding new products and expanding business operations. The findings conclude that tourism development at Uste Balela Beach plays a vital role not only in improving the income of local MSMEs but also in fostering sustainable regional economic development through collaboration between the government, community, and business actors.

**Keywords:** *Tourism Development, Uste Balela Beach, MSME Income, Community Empowerment.*

## 1. Introduction

East Flores Regency is one of the regions that is very rich in natural resources, cultural diversity, tourism, flora, fauna, art, and archaeological heritage. If properly managed, these potentials can provide great benefits for the community. Areas blessed with beautiful natural resources are expected to generate significant profits as a source of income for entrepreneurs in the tourism sector. Tourism-related businesses are currently one of the most promising potentials in East Flores Regency. If well developed, they can bring economic benefits through foreign exchange income for the region while also encouraging the protection of the local community's physical and socio-cultural environment, as these are assets that can be promoted to tourists and must therefore be preserved and optimally managed.

The tourism sector also plays an important role in advancing a region by attracting tourists to visit, thereby making the area better known to the wider public. The tourism sector should be managed by experts, as they can explore the potential of tourist attractions and improve their quality to generate greater profits and income.

Tourism is a sector capable of driving rapid community economic growth by providing employment opportunities and increasing income. This growth contributes to regional development and transformation. Tourism has been developing rapidly in many regencies, including East Flores, and serves as a key asset for economic enhancement.

East Flores has designated tourism as a leading sector because it has proven capable of boosting economic growth. Regional economic development not only aims to encourage economic growth but also to ensure quality growth by strengthening the real sector, expanding job opportunities, reducing disparities, and alleviating poverty (Darmaputra, 2010).

East Flores Regency offers many attractive natural tourist destinations. One of them is Uste Balela Beach, located in Balela Village, Larantuka District, East Flores Regency. Uste Balela Beach is approximately 1 km from downtown Larantuka, making it a strategic location. Balela Village's development does not intend to change what already exists but rather to explore the natural potential by utilizing local elements as tourism product attributes within the tourism activity chain. The village also aims to meet and serve tourists' needs, both in terms of attraction and supporting facilities (East Flores Tourism Office).

Visitors to Uste Balela Beach can enjoy the beautiful scenery, supported by enthusiastic local residents and managers who aim to make Uste Beach one of the most appealing tourist destinations in East Flores Regency. Its natural beauty and friendly people are among its main assets. The charm of Uste Balela Beach, with its unique icon "Larantuka Nagi Tua Tepi Pante", offers a calming natural landscape and has become a popular tourism spot, creating opportunities for MSME (Micro, Small, and Medium Enterprises) actors. These opportunities enable the community to engage in various economic activities such as providing banana boats, small boats, kiosks, motorcycle workshops, mini fuel stations, and food stalls (wartek) offering various foods and drinks like fresh coconut ice and other local menus that attract visitors to relax and enjoy the beach.

The growth of economic activities around Uste Balela Beach has a positive impact on increasing the income of MSME entrepreneurs, especially those in Balela Village. With rising economic income, the livelihoods of the people in Balela Village will improve, encouraging them to compete and establish new businesses around the beach area.

## 2. Literature Review

### **Tourist Attraction: Beach Tourism**

A tourist attraction is one of the essential components of the tourism industry and one of the main reasons visitors travel something to see. A tourist attraction represents a manifestation of human creativity, lifestyle, art, culture, and national history, as well as natural conditions that possess the appeal to be visited. According to the Decree of the Department of Tourism, Post, and Telecommunications No. KM98/PW.102/MPPT-87, a tourist attraction is a place or natural condition with tourism resources that have been developed and managed to attract tourists.

To become an appealing tourist destination, a region must develop three key aspects: something to see, meaning there must be unique attractions that distinguish it from other places; something to buy, referring to items or souvenirs that visitors can purchase, supported by shopping facilities providing local crafts and souvenirs; and something to do, meaning activities that visitors can engage in, allowing them to enjoy their stay. Therefore, a good and attractive tourist destination should not only have natural beauty but also unique features and adequate facilities for visitors' enjoyment.

Entrepreneurs and local communities view tourism as an opportunity to establish businesses offering goods and services that meet visitors' demands. This business activity contributes to increasing community income and reducing unemployment. The Regional Regulation of East Flores Regency No. 2 of 2013 concerning the Master Plan for Tourism Development 2013–2023 states that tourism is one of the key sectors to be developed in a structured, integrated, and sustainable manner by involving all community components to improve regional revenue and public welfare.

Tourism encompasses activities, services, and products resulting from the tourism industry that create travel experiences for tourists. Tourist attractions are potentials that drive

tourists to visit a destination. These attractions can be classified into natural tourism, cultural tourism, and special interest tourism. Such attractions must be professionally designed, developed, and managed to draw visitors.

According to Maryani (1991:11), a tourist destination must fulfill certain development requirements, such as providing accommodations whether star-rated or non-star hotels to accommodate visitors during their stay.

The tourism sector plays a vital role in creating job opportunities. As one of the industries contributing significantly to a country's or region's progress, tourism increases foreign exchange earnings and national income. Moreover, it enhances the economy, employment, and socio-cultural development. Balanced economic growth can be achieved through the proper development of the tourism industry. Tourism requires not only hospitality facilities like hotels, restaurants, and travel agencies but also supporting infrastructure such as roads, bridges, terminals, and airports. Hence, tourism can significantly contribute to regional economic growth if managed properly, especially when supported by accessible transportation.

Natural wealth and beauty such as flora and fauna, mountains, and beaches are major tourism attractions. These resources must be preserved as they are essential assets for tourism development. Tourists value authenticity, encouraging local communities to maintain and protect their unique natural and cultural heritage. Tourism contributes greatly to both national and regional development, particularly in the economic sector, by providing income sources and job opportunities.

The growing number of visitors to Uste Balela Beach, for instance, creates opportunities for local entrepreneurs to provide goods and services needed by tourists. This demand boosts local business income and stimulates economic growth. Therefore, it is crucial for local entrepreneurs to optimize their human resources to participate in tourism activities, as tourism is closely linked to community interaction. Consequently, tourism development at Uste Balela Beach should be accompanied by improvements in community welfare through increased income and living standards. Given the business potential of this tourist area, further research is needed to assess its economic contribution to local entrepreneurs (MSMEs) utilizing the beach tourism site.

### **Entrepreneurs' Income**

Income refers to all receipts, either in cash or goods, received from others or from one's own production activities, valued in monetary terms (Suroto, 2000). According to Sukirno (2002), income can be measured in three ways: the expenditure method, the production method, and the income method. Broadly, income can be classified into three categories (Suparmoko in Artaman, 2015): salaries and wages, income from self-employment, and income from other sources.

### **Community Income Improvement**

Community income refers to the money received by individuals, companies, or organizations in the form of wages, salaries, rent, interest, commissions, or profits. It serves as a key indicator of a region's economic condition. According to N. Gregory Mankiw, community income includes personal income, which is the income received by households and non-corporate businesses. Per capita income refers to the average income of a country's population over a specific period, typically one year, calculated by dividing the national income by the population. It is often used as a measure of prosperity and development; the higher the per capita income, the more prosperous the nation.

### **Business Actors in Tourism**

Tourism-related enterprises can take the form of small, medium, or large businesses that support the tourism industry. Based on their products and services, these businesses can be categorized as service providers, facility operators, and attraction managers.

### 3. Research Methods

The research design is a plan regarding how to systematically and purposefully collect, manage, and analyze data so that the research can be carried out efficiently and effectively in accordance with its objectives (Moh. Pabundu Tika, 2005: 12). This study is a qualitative descriptive research. According to Moh. Pabundu Tika (2005: 4), descriptive research focuses on revealing a problem or situation as it is, such as the role of Uste Balela Beach as a tourist attraction in increasing the income of local business actors. The framework of the research's conceptual scheme for developing a leading tourism object reveals existing facts, although sometimes interpretations or analyses are also provided. Basically, this research uses qualitative analysis. Qualitative analysis refers to the analysis of data expressed in the form of sentences or descriptions. Qualitative data play a role in descriptively explaining a problem (Moh. Pabundu Tika, 2005: 43).

The approach used in this study is an ecological approach, employing the human activity environment theme of analysis. This analysis emphasizes the performance of various forms of human activities in relation to tourism development. The geographical concepts applied in this study include the concepts of location, distance, and accessibility. The research was conducted at Uste Balela Beach, Balela Subdistrict, Larantuka District, East Flores Regency, East Nusa Tenggara Province. The research took place from August to October 2025. This study is categorized as field research. Field research refers to research conducted directly in the field or at the research site. Ultimately, the data obtained from the field are analyzed, as the research process involves gathering data related to existing problems at the research site. The preparation of this proposal utilizes both primary and secondary data.

The research instruments serve as tools required in the research process. This qualitative research employs several instruments such as interview guidelines, observation guidelines, an audio recorder, a camera, and a video camera. The implementation technique is conducted formally, involving direct engagement in community life so as not to overtly display the nature of research activities. The interview guide consists of a list of questions. Data collection can be carried out in various settings, from multiple sources, and through different methods. Data collection is one of the initial steps that a researcher must undertake in a study. Essentially, research is the process of collecting actual data objectively.

### 4. Result and Discussion

#### **The Role of Uste Balela Beach Tourism Object in Increasing the Income of Small and Medium Enterprises (SMEs)**

The role of tourism objects contributes significantly to balanced economic growth, which occurs as a result of well-developed tourism industries. This does not only include companies that provide accommodations (hotels), food and beverages (bars and restaurants), tour planning, travel agencies, craft industries, and skilled labor, but also requires supporting economic infrastructure such as roads, bridges, terminals, ports, and airports. Based on this view, it can be said that the tourism industry plays an important role in regional economic growth when it is managed properly.

The development of a tourist destination can bring positive impacts to local entrepreneurs, such as increasing business income and expanding employment opportunities. The increase in business income comes from the spending of tourists during their visits, including expenses for food and beverages, souvenirs, fuel, and other needs. Therefore, the development of tourism objects encourages growth in other development sectors.

Trading activities are among the most common economic activities carried out by people to meet their daily needs. Such activities usually increase when there are crowds, as seen in the Uste Balela Beach tourism area. Since the establishment of Uste Beach, many visitors have come for recreation, indirectly creating significant benefits for SMEs in Balela Village.

Most field studies show that the development of beach tourism areas in a region can generate positive effects, such as increasing the income of SMEs, boosting foreign exchange earnings, creating job opportunities, and increasing government revenue through taxes and profits from state-owned enterprises. Thus, the existence of beach tourism objects can be fully utilized in line with the goals of enhancing business opportunities and income.

According to Mr. IP, "The Uste Balela Beach tourism object is a program aimed at increasing the income of SMEs in Balela Village, Larantuka District, East Flores Regency. Business income is a shared responsibility, including that of the government, to meet the needs of the people, especially since many residents are still unemployed and depend mostly on farming and fishing."

From this explanation, it can be concluded that the Uste Balela Beach tourism object aims to improve the income of SMEs as part of a collective responsibility to promote prosperity and community welfare. Similarly, Mr. SM stated, "The Uste Balela Beach tourism object provides great benefits in increasing the income of SMEs. This can be seen from the significant rise in sales among business owners during holidays and weekends. The existence of Uste Balela Beach helps boost their earnings."

Based on these statements, it is clear that Uste Balela Beach plays an important role in improving SME income. This is because the beach is managed by the local community, allowing them to benefit directly from tourism activities. Facilities and infrastructure such as kiosks, mini gas stations, workshops, and other businesses are types of enterprises run by residents of Balela Village. The more popular Uste Balela Beach becomes and the more visitors it attracts, the higher the income earned by local SMEs. Consequently, this increase in income positively affects the economic needs of entrepreneurs in Balela Village, Lewolema District, East Flores Regency.

In an interview, Mr. VS said, "If this tourism site is managed better, I plan to expand my business and open more services that tourists may need." Similarly, Mr. BR stated, "If Uste Balela Beach tourism is better managed, it will have a great impact on encouraging other community members to start new businesses and reduce unemployment."

According to James Spillane's theory, tourism development leads to increased income for business actors and broader employment opportunities for the local community. This aligns with the findings from interviews with entrepreneurs in Balela Village.

Based on these findings, it can be concluded that the development of Uste Balela Beach tourism has led to higher income for local entrepreneurs and expanded job opportunities for the residents of Balela Village, Larantuka District, East Flores Regency.

### **The Role of Culture**

The development of tourist destinations has an impact on the environment. Indonesia possesses a wide variety of customs, arts, and historical heritage, which not only serve as attractions for tourists but also as key assets in developing beach tourism sites. Therefore, the management of the Uste Balela Beach tourism area strives to ensure that these main assets are preserved, maintained, and further developed. The richness and beauty of nature such as flora and fauna, marine parks, beaches, and so on are major tourist attractions. These attractions must continue to be protected and conserved because they represent the nation's capital for developing the tourism sector. Tourists always appreciate authenticity and uniqueness. This, in turn, motivates local communities to preserve and maintain the distinctive and authentic aspects of their tourist attractions to be presented to visitors.

Based on an interview with a government representative from Balela Village, he stated that "the community's participation in the tourism area cannot be doubted, as people are very enthusiastic in cleaning the Uste Balela Beach area, organizing it neatly, and continuously maintaining and preserving the beach tourism site."

This was also confirmed by local business owners in Balela Village, who said, "As business actors, we always participate in maintaining the Uste Balela Beach tourism area and regularly clean

our business surroundings to attract tourists' attention. We believe that by keeping our business areas clean and healthy, tourists will be eager to visit and buy from us."

Based on this analysis, it can be concluded that the existence of the Uste Balela Beach tourism site has encouraged the community and local business owners to preserve and protect the environment as well as the natural beauty such as the sunset view and other scenic attractions that draw tourists to take photos with stunning and captivating backgrounds. Among the three roles of tourism economic, social, and cultural the cultural role has already shown a positive impact on business owners and the surrounding community of Uste Balela Beach.

## **Business Strategies to Increase Income**

### **Adding Products or Services**

One of the strategies to increase income is by adding high-quality products or services for customers. Expanding the range of products or services is an effective way to boost revenue. However, before deciding to add new products or services, entrepreneurs should first identify which ones are most preferred or in high demand among their customers, ensuring that the additions will sell well. Based on an interview conducted with one of the business owners at Uste Balela Beach, Mr. ML stated that "if there are more business competitors, I will add more products to my business." Similarly, Mr. YS said, "if competition increases in the future, I will introduce new products and improve customer service by maintaining good communication with buyers." Based on the analysis above, it can be concluded that one of the strategies business owners use to increase their income is by adding new products and improving customer service.

### **Business Expansion**

The second way to increase income is by expanding existing businesses to minimize the risk of failure. For example, a business owner may start with providing banana boats, small boats, kiosks, and later expand to establish a mini gas station (POM mini). From there, they can develop other related businesses such as culinary stalls, cafés, or travel agencies. Based on an interview with Mr. SL, a business owner, he said, "if the government manages Uste Beach tourism well, I will build a sales hut (lopo) at the tourist site." Similarly, Mr. B stated, "with the existence of Uste Beach tourism, the income from my mini gas station has increased, and from that income, I was able to build a kiosk business that is now operating." Based on the analysis above, it can be concluded that one of the strategies used by business owners to increase their income is by expanding their business. By doing so, entrepreneurs can increase their overall earnings.

## **Discussion of Research Findings**

Uste Balela Beach is rich in natural resources, consisting of the sea, sunlight, and land, which, if managed properly, can bring significant benefits to the surrounding community. Areas blessed with such exotic natural resources are expected to contribute greatly to income generation. One way to achieve this is by turning these natural resources into tourist attractions. The Uste Balela Beach tourist site plays an important role in national development by contributing to foreign exchange earnings, creating more job opportunities, and increasing community income. Field data show that the existence of the Uste Balela Beach tourism site has greatly contributed to improving the income of local residents. This can be observed from the number of business owners operating in Latantuka Subdistrict, East Flores Regency. With the existence of this tourist attraction, entrepreneurs can identify various opportunities to increase their income, such as providing visitor facilities and infrastructure, setting up food and beverage stalls, operating mini gas stations, and selling woven fabrics and other local products. These businesses help improve the local economy. Moreover, entrepreneurs can also provide employment opportunities for unemployed residents. With good cooperation between the local government, the community, and especially business

owners, the management of Uste Balela Beach tourism will run more smoothly, thereby increasing the income of local entrepreneurs.

## 5. Conclusion

The existence of the Uste Balela Beach tourist attraction has made a significant contribution to local entrepreneurs in Balela Village. This tourist destination has become one of the key sources of employment opportunities for local business owners and has directly helped increase their income. Previously, these entrepreneurs relied only on buyers from the local community, but now they benefit from the influx of tourists from various regions visiting Uste Balela Beach.

The strategies that entrepreneurs should implement to increase their income include: selling products that reflect the local wisdom of Uste Balela Beach, providing friendly service to visiting tourists, and expanding their businesses to offer various products and services that meet visitors' needs, encouraging them to stay longer and relax.

Moreover, the success of Uste Balela Beach as a tourist attraction is supported by strong collaboration between the Balela Village Government and the local community in managing and maintaining the site.

## 6. Suggestion

Based on the results of this study, several suggestions can be proposed to optimize the role of Uste Balela Beach tourism in increasing the income of local business actors (MSMEs). The local government should improve tourism management through structured planning, professional handling, and effective promotional efforts that highlight the uniqueness of Uste Balela Beach. Empowerment and capacity building for local entrepreneurs are also essential, especially in product innovation, customer service, and digital marketing, so they can compete and adapt to changing tourism demands. Infrastructure development such as access roads, sanitation, waste management, and public facilities needs to be prioritized to enhance visitor comfort and satisfaction. In addition, integrating local culture and traditional products into tourism activities should be encouraged to strengthen the identity of East Flores and provide added economic value. Efforts to maintain environmental sustainability must also be continuously carried out through community participation, environmental awareness campaigns, and the application of eco-friendly business practices. Moreover, effective collaboration between the government, private sector, and local communities is crucial to ensure that the economic benefits of tourism are equitably distributed. Finally, continuous research and evaluation are recommended to monitor the long-term economic, social, and environmental impacts of tourism development, so that Uste Balela Beach can continue to grow as a sustainable tourism destination that supports regional development and community welfare.

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