

Creative Industries in Supporting Indonesia's Economic Growth in Innovation Perspective

Rodhiah Husin^{1*}, Nur Hidayah¹ and Toto Mujio Mukmin²

¹Department of Economics and Business, Tarumanagara University, Jakarta, Indonesia

²Department of Art and Science, Tarumanagara University, Jakarta, Indonesia

Abstract

Creative industry has become a driving force economic growth so, it is very important to map each of the creative sectors towards the growth and progress of the region. Here introduced that economic growth depends on new ideas. This concept the industrial-based economy and has shifted from an industrial economy (manufacturing) to a creative economy (intellectuals as a major asset). This research aims to provide an overview of economic growth in South Tangerang from a creative and innovative perspective. The creative sector businessman researched by convenience sampling. Data collection was carried out by observation, interview, documentation and literature study. The results of the study show that the creative industries and innovations are interconnected with each other in the conceptual level and support of various parties. It was ultimately intended to support national economic growth in South Tangerang.

Keywords: Creative • Industry • Economic • Growth

Introduction

The Creative Industry is one of the most influential economic sources in the world in the era of 2000. Introduced by where economic growth depends on creative and innovative ideas [1]. The answer to this concept relates to industrial-based economics and has shifted from industrial (manufacturing) economics to creative economy (intellectuals as a major asset). Meanwhile, creative industries play an important role in the economic growth of a country. Broader creative ideas for the creative industries and other sectors can be part of a wider production process contributed to the importance of creative industries not only limited to economic values, but also as key carriers of cultural traditions, moral values, world views, ideological assumptions and ideas [2,3]. In line with this in the UN Report, 2013 found that: Creative economy is the main ingredient for job creation, innovation and trade contribute to social inclusion, cultural diversity and environmental sustainability [4]. The importance of the creative economy become the concern of various parties, because it needs to be well organized, fostered and continuously developed for the stakeholders and the surrounding community.

In Indonesia has seriously paid attention to the creative industries sector, since Joko Widodo became President of the Republic of Indonesia, the creative economy has developed more by forming a creative economic body (Bekraf). Now, the creative economy is one of the new economic sources promoted by the Government of Indonesia where the creative economy sector is owned by every province of Indonesia, including Banten province.

Here states that the creative economy has a very important role in boosting the economy, has the opportunity to increase economic growth public welfare, opening new jobs and reducing unemployment. For this reason, this research is focused on the profile of the creative economy in the city of South Tangerang which includes the handicraft sector. For this reason, the problem that is further examined is: How to description of the creative and innovative industries sector craft in the South Tangerang Banten province Indonesia [5].

***Address for Correspondence:** Rodhiah Husin, Department of Economics and Business, Tarumanagara University, Jakarta, Indonesia; E-mail: rodhiah@fe.untar.ac.id

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Literature Review and Theoretical Framework

United Kingdom (United Kingdom, 2011 at UNCTAD, 2010) defines "Creative industries" as industries that require creativity, skills and talents, with wealth potential and job creation through the exploitation of intellectual property. Provides a definition of employment from creative industries as areas of social and economic activity established in - or closely allied with intellectual or artistic intellectuals, innovation and originality/conservation, teaching and celebrating cultural heritage, as well as language and which have the ability to offer jobs and generate income for original creators and also for others involved in education and training, production, distribution, documentation and support for creative products or cultural experiences, either in a non-profit capacity or for commercial gain. The concept of creative economy has emerged as a means of focusing attention on the role of creativity as a force in contemporary economic life, which states that economic and cultural development are not separate but can be part of a larger development process. Not only in developed countries, this concept can currently be applied in developing countries. This policy is part of the offering of economic policy and provides new economic opportunities in these countries to encourage and accelerate economic growth in emerging regions with high growth equal to economic growth in developed countries.

In many studies, the terms creativity and innovation are often exchanged. Even though creativity and innovation have different meanings. Basically, creativity is the ability to create or present something new whether a new solution to a problem, a new method or device, or an object of new artistic form. While innovation is defined as adding something new to an existing product or process. Creativity is the starting point for innovation or innovation is the inculcation of creative inspiration [6]. Creativity, in other words, is the process through which new ideas are generated, while innovation is the process through which they are implemented [7].

Empirical Findings

Survey and methodology

This research was carried out through a survey of the creative industries in the handicraft sector in southern Tangerang. Data collection uses direct observation in the field and literature review. To complete this research. Direct observation through interviews and data collection in the field, while literature reviews are data derived from the results of research/studies, books,

scientific journals and articles, actions, and document support. This research was conducted throughout 2019 in three cities in southern Tangerang, Banten Province. representing creative cities in Indonesia. To understand this study easily, we propose an analytical framework that is combined from several concepts of creativity, innovation, regional innovation systems, economics and policy (Figure 1). Practically in Indonesia, the creative sector is closed to the innovation sector which both support the national economy in different ways. Although, both of them provide new strategies to increase people's income, to expand employment opportunities, open access, and increase added value. In the end, the creative economy and innovation in certain areas aim to improve human welfare, not only to satisfy academic interests. Of course, the regional innovation system must be bound by the creative economy SMEs craft initiated by the local community and local government [8,9].

Growth of the national creative industry in banten province

The creative economy sector is owned by every province of Indonesia. Including Banten province where the province has 4 cities and 4 districts. Administratively, Banten Province consists of 4 Regencies and 4 Cities. The following below is the list of 4 Regencies and 4 Cities in Banten Province along with the Capital and its area (Table 1).

From the results of preliminary observations conducted during the Harkopnas exhibition at ICE BSD in 2017, shows a diverse range of creative products owned and can be developed in Banten province, including: handicraft made from bamboo, plait, snake skin, batik, clothing, and others. This condition is the reason for choosing the research locations in the Banten region, which is South Tangerang (Figure 2).

Creative industries in south tangerang

Profile south tangerang city: South Tangerang city is one of the buffer capital and has the closest distance from the Capital City of Jakarta, which is 25 km. As one of the buffer of the Capital City, South Tangerang has a very rapid development with very high urbanization. There were 50,210 urban population recorded from 2015 to 2016, with a population growth rate of 4.24%, (BPS, 2016). The high level of development also occurred in the business and creative industries. As many as 20,671 SMEs in 2015 were registered in South Tangerang City, where Serpong sub-district had the highest number of SMEs, namely 5,222 (Cooperation Service & Micro Small and Medium Enterprises, 2016). The development is expected to encourage the development of the surrounding area

Resources and potential of south tangerang city: South Tangerang City has all kinds of potentials and opportunities that can be developed. Including Micro, Small and Medium Enterprises (SMEs) is a business that is widely spread in Indonesia. In South Tangerang City, there are about five types

of SMEs or handicraft industries which include 165 units of wood crafts, 28 units of woven, 1 unit of pottery, 293 units of fabric and 164 units of food. In addition, there are 7 factory units in one industrial area (data from the South Tangerang City Office of Cooperatives and SMEs). The existence of this Micro Small and Medium Enterprises has the potential to increase economic growth in 2013 in the City of South Tangerang. In 2012, data from the Central Statistics Agency (BPS) recorded that the rate of economic growth in South Tangerang City reached 8.7%. With an economic growth rate that is above the average value of the national economic growth rate (6%), this city with a smart, modern, and religious motto is able to increase MSME growth for the better. And can also encourage the expansion of small and medium businesses in the ASEAN region.

The role of government and stakeholders: The local government had issued a policy, namely giving away land certificates and Intellectual Property Rights (IPR) brands to 50 SMEs in the City of South Tangerang. This policy is very helpful for SMEs to get easy access to business capital or business credit from banks. Sustainability policies are needed so that the program does not stop in the middle of the road. Given the undeveloped potential of SMES, business management and administration as well as continuity of supply of raw materials.

The involvement of stakeholders and forums of business actors is needed to enhance the development of MSMEs. In addition, the exhibition of product results can increase sales levels by 15%-20% as felt by some SMEs when marketing their products in a series of exhibitions such as at HARKOPDA, displaying a variety of creative products in the local area.

Together with the strong leadership power as well as a driver for the movement of creativity, product readiness, supported by the readiness of basic material inventory, all factors are based on good and healthy management; this certainly can be expected to be the basis for being developed and developing.

Support for the development of SMEs can increase economic growth,

Table 1. Banten Province Region.

Number	Regency / City	Capital City	Broadness
1	Lebak Regency	Rangkasbitung	3.426,56 km ²
2	Pandeglang Regency	Pandeglang	2.746,89 km ²
3	Serang Regency	Ciruas	1.734,28 km ²
4	Tangerang Regency	Tigaraksa	1.011,86 km ²
5	Cilegon City	Cilegon	175,5 km ²
6	Serang City	Serang	266,71 km ²
7	Tangerang City	Tangerang	153,93 km ²
8	Tangerang Selatan City	Tangerang Selatan	147,19 km ²

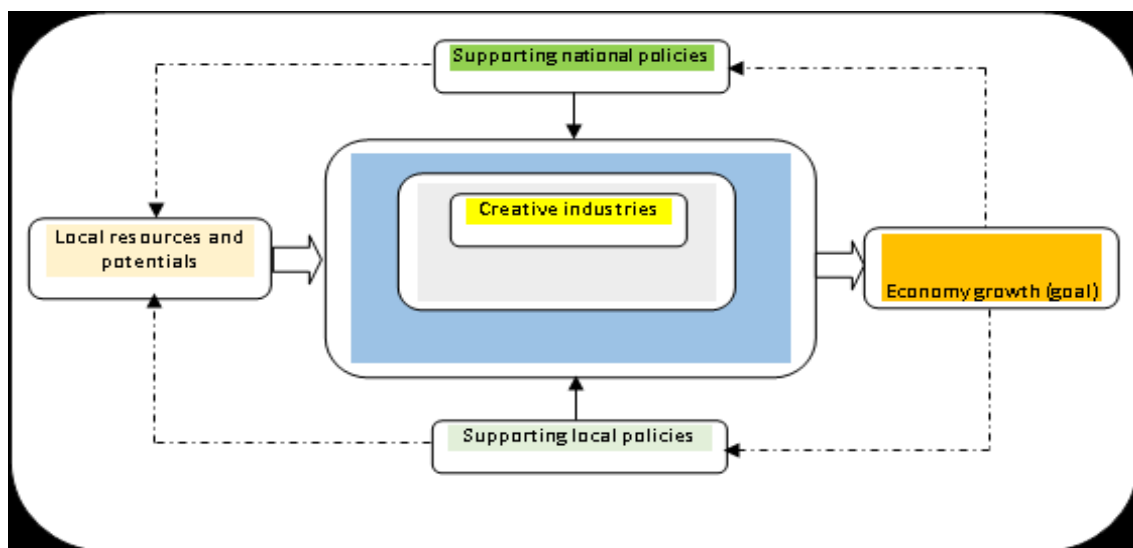


Figure 1. Analytical framework for creative industries in the perspective of regional innovation systems.

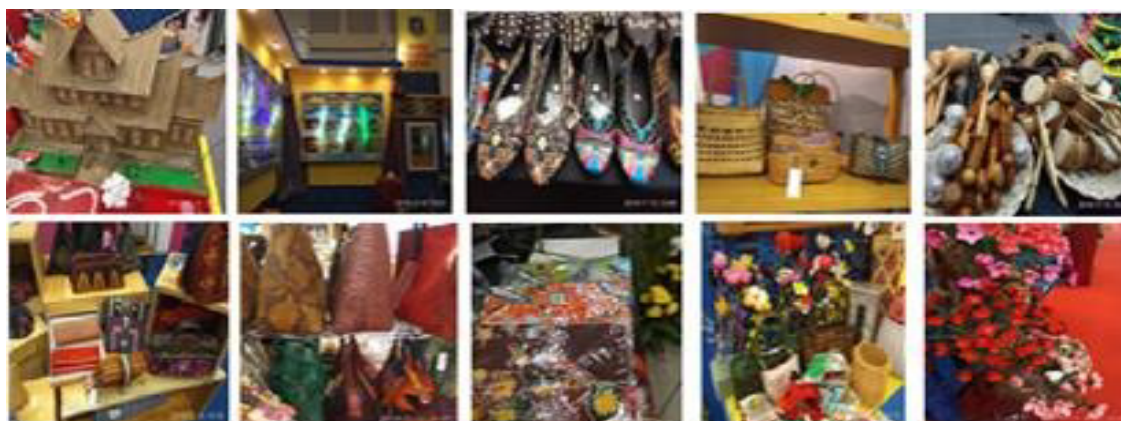


Figure 2. Banten creative industry potential.

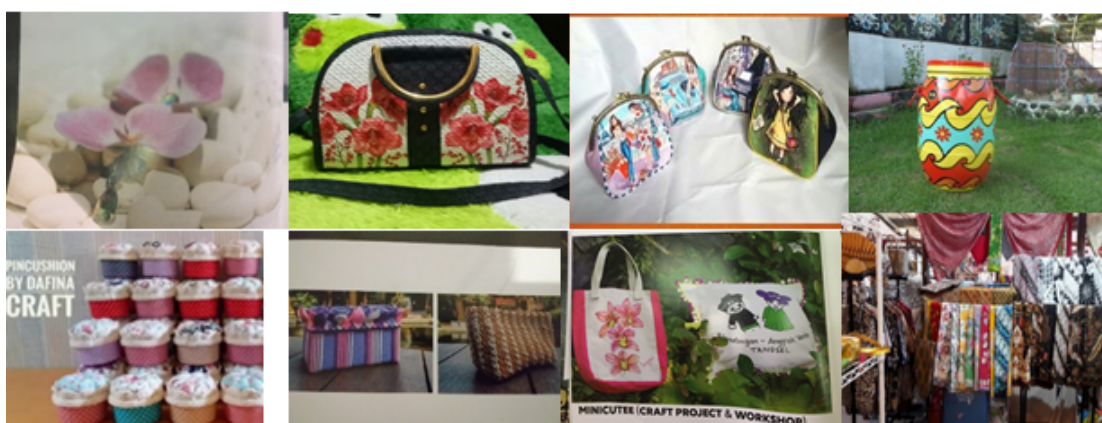


Figure 3. Product creative SMEs.

Table 2. Distribution of SME in South Tangerang Region.

Number	Region	SMEs Total
1	North Serpong	3275 SME
2	Pondok Aren	4680 SME
3	East Ciputat	2990 SME
4	Ciputat	3303 SME
5	Serpong	5222 SME
6	Pamulang	3058 SME
7	Setu	1253 SME

foster employment, can develop a people's economy and ultimately can prosper the community in various areas in the City of South Tangerang

Creative product in south tangerang: Based on the total number of SMEs from the creative industries in South Tangerang, with each South Tangerang area (Table 2).

Based on the aspects of entrepreneurship including the name of the company, the business owner's owner , the types of products produced are:Batik crafts, Cika Cika Handmade, Naomi Handmade (Figure 3).

Tas Widjan & Dottir, TongKu Furniture, Dafina Craft, Rattan Market, Konveksi Tas Shahibuna,

Kayana Creative, CMORE, Bundhie Home Craft, Art'inis Craft by Intan, For example ,The picture of these product are:

Creative economic contribution in banten province in Indonesia: Although Banten Province has a very diverse creative industries. Such as: Bamboo handicraft, woven, snake skin, batik, food and others. This potential has not been fully observed and touched by Banten Provincial Government. BPS Data (February 2017) shows the open unemployment rate of Banten

Province reaches 7.75% (higher from national figures 5.33%). Means the role of the creative economy is not optimal in overcoming unemployment.

According to a survey of the Creative Economy Agency in 2017, there are several leading sectors of the Creative Industry in Indonesia, namely in the Culinary, Fashion, Craft sub-sector. While there are 4 subsectors that are developing rapidly, namely in the field of Visual Communication Design, Music, Animation/Video, and Architecture. In addition, based on statistical data of the South Tangerang City UKM, the Culinary, Fashion, and Services sectors are the fields with the highest development, namely the number of SMEs (Cooperation Service & Micro Small and Medium Enterprises, 2016).

Results and Discussion

The creative economy has begun as a major component of economic growth, employment, and innovation in developed countries. At the conceptual stage, creativity and innovation are completely covered to increase people's income through a new creative economic strategy in an area. Recently, this concept is emulated in developing countries through creative city policies that offer new economic sources of opportunities to jump into the high-growth fields that are emerging in the world economy. It is worth pointing out that the regional innovation system is the right approach to answer how some creative cities operate in the region. In Indonesia, many local governments have initiated creative cities using regional innovation systems to run the creative economy as a recent sustainable program.

The development of Creative Industry in South Tangerang is quite rapid. This condition can be seen from almost every location in South Tangerang have creative products. (North Serpong, Pondok aren, Ciputar Timur, Ciputat, serpong, Pamulang and Setu). Creative products in some of these regions continue to grow and develop. For this reason, it requires facilities to accommodate the activities and programs to improve Creative Industry

products in South Tangerang City. With the development and plans of Smart City, South Tangerang has developed a lot towards digital to adapt the lifestyle of urban communities. One of them is the establishment of Digital SME Village in Keranggan Village to accommodate the development of Digital SME, and there will still be 6 more developed Digital SME Village. Therefore, there is a need for a place or facility that can not only accommodate training activities, as well as digitally manufacture products (prototypes), but also as a place to bring together Creative Industry actors, namely producers, with investors. Domestic and foreign investors so that they can accommodate the development of Creative Industries in the City of South Tangerang. These needs can be accommodated with the existence of Digital Creative as it has been running in DKI Jakarta, and Bandung. Based on the Special Creative Economy Survey by the Creative Economy Agency in 2017, the creative economy that has been running in Indonesia has contributed 7.38% to the total economy nationally, higher than global economic growth which is estimated to only reach 2.4%. Creative Industry Players in each City are also increasing, one of them is in South Tangerang City.

Through creative products produced from entrepreneurs/creative industries in South Tangerang is traditional handicraft, which is one of the medium-sized handicraft businesses (UKM) engaged in the handicraft sector based on natural raw materials found in Indonesia. The reason for the establishment of this handicraft business is to improve the economy of residents in the surrounding environment. There are several craftsmen who do by utilizing unused goods into unique products and goods that can have high sales value. The entrepreneurial activities vary, starting from local-based craftsmanship, namely cotton, striated, batik, knitting, leather, shells, banana midribs, stones become household items such as batik, bad covers, blankets, bags, clothes, brooches, flowers, tissue boxes, chairs, lamp stamps, furniture, leather bags, leather jackets, key chains, and the other. For products produced are inseparable from the role of employees. Both the use of employee labor, ranging from full day employees and full time employees. Together, they have developed creative products in the South Tangerang area.

Conclusion

Exports from Creative Industries in Indonesia have also contributed 6.60% to non-oil and gas exports from 2014-2015, where Banten province occupies the 3rd highest exporter position of 15.66% or equivalent to US \$ 3,003 Billion. The growth of creative products in South Tangerang is spread in several regions: North Serpong, Pondok Aren, Ciputar Timur, Ciputat,

Serpong, Pamulang and Setu. The business names of the handicraft sub-sectors as samples are: Momade Craft, Wid's Handcraft, Setu Batik House, Betawi Ondel-ondel, Batik Datik, Vintage, Ladifa Collection, Wooden Batik, Tongku Furniture, Lanterns, Shells, Leather Jackets, Embroidery Batik bag, Naomi Handmade, IS'B Craft, creative Cayana, Mini Cutee, Decoupage, Deco painting, Cika-Cika Handmade. Creative products produced vary from local handicrafts made from cotton, striated, batik, knitting, leather, shells, banana fronds, stones into household items such as batik, bad cover, blanket, bag, clothes, brooches, flowers, tissue holders, chairs, light stamps, furniture, leather bags, leather jackets, key chains, and others. The contribution from creative sector to the economic development of the South Tangerang area is no doubt so in its development it needs to get the attention of various parties, such as investors, the government, and banking.

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