

Characterization Of Creative Industries: Challenges And Opportunities

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Abstract: The creative industry is a very potential industrial sector, especially in today's technological developments that require people to use existing technology to hone and enhance their creativity. Creative agents themselves are activities that begin with the use of creativity, skills, and talents to create prosperity and employment through the creation and utilization of existing resources. The purpose of this study is to map the characterization of the creative industries in Jember Regency and their potential based on the functional management functions of the industry creative is an activity that focuses on creation and innovation. The creative industry in this region has considerable potential, can be seen through the many creative industries that exist in the Regency of Indonesia. Optimizing the potential of creative industries in this region still requires various efforts so that existing creative industry products can become go global. It is suggested that the development of the creative industry is management, the inability to keep up with technological developments, so that some of the existing creative industries are not optimal.

Index Terms: Creative Industry, creativity,.

1 INTRODUCTION

Based on the the 2017 Creative Economy Agency Performance Report, the creative industry sector was appointed to the ministry level because it has strategic value for Indonesia. This value is a significant contribution, the creation of a positive business climate, raising the image and identity of the nation, using renewable resources, encouraging innovation, and providing positive social impacts (Bekraf, 2017). Creative industries are very important for Indonesia and the world because of their rapid development. According to the latest UNESCO and UNDP research, not only has a large impact on income, job creation, and the value of exports, creative industries also contribute significantly to prosperity and sustainable development (Bekraf, 2017). The concept of creative industry according to the Ministry of Tourism and Creative Industries is an industry that originates from the use of creativity, skills and individual talents to create prosperity and employment by generating and empowering the individual's creative and creative power. Problems in the development of the creative industry are management, the inability to keep up with technological developments, causing some of the existing creative industries to be less than optimal. This research focuses on business management in the creative industry sector. The scope of the study covers aspects of marketing, operations, human resources, finance, entrepreneurship and strategic management that are oriented to business development and business value added in the field of creative industries. Strategic issues in the development of creative industries include:

(1) Availability of professional and competitive creative people (creative people); (2) Availability of quality, diverse and competitive natural resources; and resources that can be accessed easily; (3) Creative industries that are competitive, growing and diverse; (4) Availability of suitable, accessible and competitive financing; (5) Market expansion for creative work; (6) Availability of appropriate and competitive infrastructure and technology; and (7) Institutions that support the development of creative industries.

2 LITERATURE REVIEW

Indonesia's creative economic statistics in 2016 state that from 2010 to 2015, the amount of creative economy GDP has increased by an average of 10.14% each year, which is from IDR 525.96 trillion to IDR 852.24 trillion. This value contributes to the national economy ranging from 7.38% to 7.66%, which is dominated by three sub-sectors, namely culinary with 41.69%, fashion 18.15%, and craft 15.70%. Significant growth of the creative industry sector is certainly a driver so that it can be integrated into Indonesia's national economic system. Data shows that the creative industry's contribution to GDP is 7.44 percent or Rp. 922.58 trillion (Bekraf, 2018). The contribution of the GDP of the creative industry with rapid growth rates according to sub-sectors was the visual communication design sub-sector (10.28%), music (7.26%), video animation (6.68%) and architecture (6.62%). The export value of the creative industry reached IDR 81.4 trillion and contributed 9.13 percent to the total value of national exports with employment reaching 5.4 million workers. Data from the Creative Economy Agency (2018) shows and ranks 7th out of the 10 main business fields that exist. The creative economy sub-sector that contributed the most was culinary and fashion with a value of Rp 209 trillion (32.5 percent) and Rp 182 trillion (28.3 percent) respectively. This figure has increased by 10.7% compared to 2017. Furthermore for 2018, the growth of the creative industry is targeted to increase by 10% and is expected to be the top three contributors to the Gross Domestic Product (GDP).

2.1 The Concept of Creative Industries

In Indonesia, the creative industry began to be talked about a lot by various audiences. The creative industry is an inseparable part of the term popular with the creative economy. the creative industry is more of a practical

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embodiment or implementation of the concept of a creative economy. So, it can be said that the creative economy is a concept, while the creative industry is the activity of the concept. Statistical data shows that the contribution of the creative industry to Indonesia's Gross Domestic Product in the period of 2015 was 4.38 percent of the total National GDP with a value of 852 trillion rupiah. The GDP contribution of the creative economy with rapid growth rates according to sub-sectors was the visual communication design sub-sector (10.28%), music (7.26%), video animation (6.68%) and architecture (6.62%). The export value of the creative industry reached 81.4 trillion rupiah and contributed 9.13 percent to the total value of national exports. Creative Industry can be interpreted as a collection of economic activities related to the creation or use of knowledge and information. The creative industry is also known by another name in the Culture Industry (especially in Europe) or also the Creative Economy. The Indonesian Ministry of Trade states that the creative industry is an industry that originates from the use of creativity, skills and individual talents to create prosperity and employment by generating and exploiting the individual's creative and creative power. The concept according to the Ministry of Commerce of the Republic of Indonesia as stated in the book *Creative Industry Development Towards a Creative Economic Vision 2025*, there are 14 sub-sectors of Indonesia's creative industry. According to UNESCO the creative industry is a producing and service activity related to creativity, architecture and advertising. According to Howkins (2006) what is meant by creative industries is economic activity in a society that spends most of its time producing ideas, not just doing routine and repetitive things. The definition of Creative Industry in Indonesia as written in the 2009-2015 National Creative Economy Development Blueprint is "Industry originating from the use of creativity, skills and individual talents to create prosperity and employment through the creation and utilization of the individual's creative and creative power." It can be concluded that Creative Industry is an economic activity that includes industry with the creativity of human resources as the main asset to create economic added value.

2.2 Contribution of the Creative Economy in the Indonesian Economy

Creative economy is very important for Indonesia and the world because of its rapid development. According to the latest UNESCO and UNDP research, not only has a large impact on income, job creation, and export value, the creative economy also contributes significantly to prosperity and sustainable development (Bekraf, 2016). The concept of creative economy according to the Ministry of Tourism and Creative Economy is an industry that originates from the utilization of creativity, skills and individual talents to create prosperity and employment by generating and empowering the individual's creative and creative power. The creative industry is a new sector appointed by the government to be managed up to the ministry level. Based on the 2016 Creative Economy Agency Performance Report, the creative industry sector was appointed to the ministry level because it has strategic value for Indonesia. This value is a significant contribution, the creation of a positive business climate, raising the image and identity of the nation, using renewable resources, encouraging innovation, and providing positive social impacts (Bekraf, 2016). The contribution of the creative industry to Indonesia's GDP reached Rp 642 trillion, or 7 percent of the national

figure. The creative economy sub-sector that contributed the most was culinary and fashion with a value of Rp 209 trillion (32.5 percent) and Rp 182 trillion (28.3 percent) respectively. This figure has increased by 10.7% compared to 2015. Furthermore for 2017, the growth of the creative industry is targeted to increase by 10% and is expected to be the top three contributors to the Gross Domestic Product (GDP). The important role of the creative industry according to Bekraf (2016) is that there are several, namely:

- a. The creative industry sector provides significant economic contributions such as increased employment, increased exports, and its contribution to GDP.
- b. Creating a positive business climate that has an impact on other sectors.
- c. Based on renewable resources, such as science and increased creativity. Fourth, creating innovation and creativity which is a nation's competitive advantage. Fifth, it can provide positive social impacts such as improving the quality of life and social tolerance.

The GDP contribution of the creative economy with rapid growth rates according to sub-sectors was the visual communication design sub-sector (10.28%), music (7.26%), video animation (6.68%) and architecture (6.62%). The export value of the creative industry reached IDR 81.4 trillion and contributed 9.13 percent to the total value of national exports with employment reaching 5.4 million workers. Data from the Creative Economy Agency (2016) shows that currently the GDP of creative SMEs is ranked 7th out of the 10 main business fields that exist. Significant growth of the creative industry sector is certainly a driver so that it can be integrated into Indonesia's national economic system. The provisional figures for the 2016 creative economy (BPS, 2016 creative economic statistics) state that this sector has reached 7.38 percent of the total national economy.

2.3 The Potential of Micro Business in Creative Economy

The many potentials of small and medium enterprises (SMEs) in Kabupaten Jember, it is necessary to classify or map SMEs based on fourteen classifications of creative industries that have been determined by the Ministry of Trade of the Republic of Indonesia. The mapping is expected to be a government policy to improve the competitiveness of the creative industry can be more directed and sustainable in accordance with the advantages / distinctiveness possessed. Research conducted by Indahsari (2010) that one of the ways is by the regional superior priority model that can be done by knowing the mainstay products of the region. The reason why it is important and needs to be done is mapping the sub-sector and determining the core competencies of the creative industry, this is because the creative industry sector has a significant economic contribution to the Indonesian economy, can create a positive business climate, strengthen the nation's image and identity, support the use of renewable resources, is the center of the creation of innovation and the formation of creativity and has a positive social impact. The selection of the seeded sub-sector can also be intended as giving priority to system innovation in the creative industry in maintaining knowledge, engineering and technology, and culture to create creative industries through increasing dynamics and improving regional development policies (Cunningham, 2014).

3 METHODS

3.1 Research Location and Research Time

This research was conducted in the area of Jember Regency. This study began in August to October 2018. Data collected through questionnaires and questions to respondents / speakers. This study also uses secondary data taken indirectly in the form of reports or studies from the relevant agencies or agencies and the literature relevant to this study.

3.2 Population and Samples

The population in this study were creative industries in Jember Regency. The research method uses surveys with depth interviews and questionnaire assistance. This method is feasible because there is no complete database related to business people in the creative industry. Three creative industry sectors were chosen, namely culinary, fashion and crafts with the consideration that the three sectors were the leading sectors in the Jember district

4 RESULT

4.1 Mapping of the Creative Industry of Jember Regency

The potential of the creative industry is based on data obtained from the Jember Regency Cooperative and UMKM Office, there are 10 superior SME products that fall into the category of creative industries. The data shows that in Jember Regency there are many potential creative industries, various products from the results of the creative industries include: typical food, handicrafts, batik, embroidery and so on. Each product of the creative industry is still potential to be developed. Creative industries need the role of government policy. Besides the government, the role of several other actors is also needed. So, there are three main actors in the development of the creative industry, namely: (1) the government; (2) business; and (3) scholars. Harmonization and integration of these three actors will be a very big force in the acceleration of the development of the creative industry. Graph 5.2 shows that the production potential of the creative industry sub-sector in Jember Regency is very large and has a significant increase compared to the previous year. Likewise, the investment value of the creative industry sector in Kabupaten Jember has enormous potential and requires handling from the Regional Government and related agencies so that this potential can continue to grow.

4.2 Creative Industry Management Aspects

For the craft industry, the obstacles faced to be able to grow and develop include: limited capital, human resources related to lack of expertise and skills, the use of technology that is still simple, a management system, and limited marketing area. The constraints on the development of the handicraft industry besides capital, raw materials and marketing, are the limited ability of human resources in mastering management and technology, resulting in low product efficiency and competitiveness. The creative craft industry in terms of handicraft design is also still very limited given the limited resources (human, capital, material, machinery, and methods). The quality is quite good considering that each production is done by hand (handmade), but the quality is still not standardized and there is still insufficient production supervision. There are several problems related to the

management and empowerment of employees. Judging from the facilities and infrastructure supporting operational activities, most industrial industries do not have conducive and safe workshops or workshops (makeshift buildings and facilities, employees do not use safe and standard work equipment, poor air circulation) so employees cannot work safely, comfortably which of course will have an impact on the quality of their work and the quality of the final product produced. Managerial aspects are based on findings in the field, in general, each UKM has a good process. They already have a clear organizational structure that describes what specifications and responsibilities each employee must have in the structure to support business processes. However, for the creative industry sector, the creation of processes in SMEs has not fully encouraged employees to have high creativity.

CONCLUSION

In general, the performance of SMEs in the creative industry sector is quite good. They carry out business activities that can continue to increase their profits, have the name of a product or brand that is increasingly recognized and already has CSR programs (empowering local resources for example by employing local residents, using local raw materials, working with local business partners, provide assistance as donors for various activities such as assistance for natural disaster programs. SME owners also generally carry out their business activities by referring to business ethics that are generally accepted in Indonesia, for example by following all existing labor regulations and heeding business norms that apply in society.

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