

## **The Policy of Creative Economy and Development in Sumenep**

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***Abstract:** New design or innovation (innovation) can be defined as the process and results of the development of the use and mobilization of knowledge, skills (including technological use skills) and experience to create or improve new products (goods and services), processes, or systems, which provide value meaningful or significant (especially economically and socially in a particular society and culture). Innovation as an object also has a meaning as a new practice available for the application of an application or the application of results, generally in a commercial and consumption context. Usually, different levels of novelty can be distinguished, depending on the context: an innovation can be new to a company (or agent / actor), new to the market, or a country or region, or new to a macro. Meanwhile, innovation as an activity is a process of making reforms, which is identified with the commercialization of a copyright work. Sumenep has a huge potential to develop a variety of potential business products, culture and ideas created by the people in Sumenep. This is in accordance with the strategy and policy direction in the context of developing new business potential through the development of the small, medium and creative industrial sector, with the identification of 16 creative economy sub-sectors.*

***Keywords:** creative economy, political economy, public policy, regional development*

### **1. Introduction**

The development of the Creative Economy in Indonesia was systematically started with Presidential Instruction Number 6 of 2009 concerning Creative Economy Development, which succeeded in formulating a Master Plan for the Development of Indonesia's Creative Economy for 2009-2025 by the Ministry of Trade of the Republic of Indonesia. Creative Economy is an economic activity that makes creativity the main asset in creating added value to the economy (DCMS, 2001).

Sumenep has a very large potential to develop business in the diversity of potential products, culture and ideas created by the people in Sumenep. This is in accordance with the strategy and policy direction in the context of developing new business potential through the development of the small, medium and creative industrial sector, with the identification of 16 creative economy sub-sectors, among

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others: architecture; design interior; visual communication design; product design; film, animation and video; photography; craft; culinary; music; fashion; application and game development; publishing; advertising; television and radio; performing Arts; art.

Economic development in Sumenep has resulted in a fairly high increase in economic growth and income (PDRB) per capita. National economic development in various sectors requires active participation in economic life so that decision making is mainly carried out independently by the community. (Putri & Sufaidi, 2019) The National Long-Term Development Plan (RPJP) which affirms that regional development is directed at spurring equitable development and its results in the context of improving the welfare of the people, promoting initiative and active participation of the community to increase the optimal and integrated utilization of regional potential in filling real, dynamic autonomy, harmonious and responsible.

The economic growth of Sumenep has not had an impact on the equal distribution of community welfare. Low welfare distribution can be seen from the high poverty rate in Sumenep. The poverty rate in Sumenep is always higher than the average poverty rate of districts / cities in East Java. In 2017 it was 19.62% above the poverty rate in East Java which in 2017 was 11.77%. The reduction in poverty in Sumenep each year decreased by 2%.(Pemerintah Kabupaten Sumenep, 2018)

Stagnant economic growth and high poverty rates in Sumenep need to find alternative solutions. One alternative effort to overcome this problem is by adopting and developing the creative economy in Sumenep which has been initiated by the central government through Presidential Instruction Number 6 of 2009 concerning Creative Economy Development and its implementation has been formulated by the Ministry of Trade of the Republic of Indonesia. (Departemen Perdagangan RI, 2018) Creative Economy through the creation of a creative economy development master plan for 2009-2025. Creativity is the main asset in facing global challenges. Creative economy forms always appear with distinctive added value, create their own markets, and succeed in absorbing labor and economic income.(Fahmi, McCann, & Kost) The Ministry of Trade of the Republic of Indonesia took advantage of this momentum by

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compiling a 2009-2025 Creative Economy Development Plan. (Departemen Perdagangan RI, 2018) . This research examine about what is the direction of the political economy policy that is suitable for developing the creative economy in Sumenep.

## 2. Research Method

This research is a descriptive-qualitative research with an exploratory approach, emphasizing the in-depth study of phenomena to be able to build conclusions on the subject under study.

The data sources used are primary data and secondary data. Primary data were obtained from the creative economy actors of Sumenep and several places that became centers or local value bases, and secondary data in this study were taken from critical literature studies (literature review).

## 3. Results and Discussion

### 3.1 Political Policy for Creative Economy Development in Sumenep

Creative economy is an economic activity in which ideas and creativity are input and output (Florida, 2002). In addition, the creative economy is often associated with the notion of industry. However, there are differences in understanding between industry and creative industry (Howkins, 2001) . The difference lies in the creative industry, which is an industry that relies on skills, talents and creativity that have the potential to increase welfare (Markusen, Wassall, DeNatale, & Cohen, 2008) . The Ministry of Trade of the Republic of Indonesia defines creative industry as an industry that comes from the use of individual skills, creativity and talents in creating welfare and employment. An industry focused on empowering individual creativity and creativity. From the results of macroeconomic research and qualitative research on the conditions of economic actors, both from SMEs, IKM or individual businesses, it can be concluded through the following points:

1. Sumenep has the potential for creative economy in all creative economy sub-sectors (16 sub-sectors) to be able to increase economic growth which has been stagnating for the last several years. There are four sub-sectors categorized as

Superior, namely, culinary, fashion, product design, and fine arts., two sub-sectors of the creative economy are categorized as Potential namely architecture and crafts, five sub-sectors in the Regency are in the Prospective category namely interior design, animated films and videos, applications and games, music, as well as television and radio and the five sub-sectors that are underdeveloped, namely photography, advertising, publishing, graphic design, and performing arts.

2. In terms of quality and cultural heritage, Sumenep has a variety of creative economies in the art or craft sub-sector, namely keris, furniture, handicraft accessories made from agricultural and marine products, in the Architecture subsector, namely historical relics in the form of mosques, royal palaces, traditional traditional houses , graves, etc. In the fashion subsector, namely batik.
3. The problem of developing the creative economy in Sumenep is divided into two domains, namely internal and external.
  - a. Internal problems: Readiness of creative human resources, high business risk, inadequate eco-infrastructure, lack of appreciation for local creativity, limited capital for business expansion, technology utilization is not optimal, including cooperation with universities and research institutions, collaboration between creative economy sectors is not optimal and is still a little creative economy actors who have IPR
  - b. External Problems: Changes in Market and Consumer Behavior, Lack of Branding, Low Access to Capital, Lack of distribution channel connectivity and IPR access
4. From the external and internal problems associated with the strengths and opportunities of creative economy actors in Sumenep, the following strategies can be formulated
  - a. Strategy (SO): Making clustering, data on potential and creative actors through the website, Increasing cross-cooperation, OPD for development, ecraft products, initiating regional creative economy institutions, promoting studies and improving packaging forms,

- b. Strategy (ST) Facilitating online marketing, Facilitating IPR for actors, enkras, Strengthening Access to Capital, venture fund schemes and grants, Facilitating the development of enkras product innovation and Strengthening branding
- c. Strategy (WO): giving awards for enkras actors, improving the quality of human resources for creative management in a sustainable manner, strengthening the distribution of Creative Economy products marketing, improving enkras packaging quality, making internet access hotspots, and creating networks among enkras actors
- d. Strategy (WT): Skills training for enkras actors, and socialization of plagiarism and IPR

From the problems faced in the development of the creative economy above, the hard work of the central and local governments as coordinators, regulators and facilitators is absolutely necessary (Tremblay, 2011) . The government and local governments must work together to reach an agreement to make a breakthrough as a meaningful solution for creative economy actors. A breakthrough is a strategic step, because in the creative economy development process, especially in the regions, there is a systemic relationship and interdependence (Waitt & Gibson, 2009). There are 10 efforts that need attention. To develop the creative economy in Sumenep. The ten efforts are as follows:

1. To improve the quality of creative and innovative Human Resources (HR).
2. Increasing innovation and creativity characterized by local excellence with global competitiveness.
3. Stipulation of regulations / policies accompanied by law enforcement efforts.
4. Incentives for the development of creative economy products.
5. Market support and regulatory patterns (export-import).
6. Strengthening environmentally friendly technologies and methods.
7. Develop the availability of local materials and optimize their use.
8. Increased confidence in the banking sector, capital institutions and the business world.

9. There is accessibility and connectivity (network). Tenth, encouraging people who are appreciative and support intellectual property (IPR). Especially for that effort
10. The government is obliged to raise public awareness, so that they increasingly appreciate, recognize, and even explore the various potential creative assets that are owned and exist within the community itself.

### *3.2 Development of the Creative Economy of Sumenep*

The creative economy in Sumenep has not shown the significance of significant development, even though natural resources, human resources and other resources have potential that can be excelled (Vlassis & Beukelaer, 2018) . Therefore, several recommendations are needed, including:

1. The Sumenep Government should have a separate institution that specifically handles and manages the potential of the creative economy in the form of an association which includes a collection of creative people.
2. The government facilitates and mediates the formation of creative economy forums that involve the government, universities, banks, hotel associations, product and service-based creative industry players and creative economy observers.
3. The government and creative economy forums. Associations are well planned, carry out educational-based exhibitions and discussions through seminars, workshops and other discussion forums. This will be a momentum for creative economy actors in developing their business.

Creative HR or the Community of Creative people is the main force for the development of the creative economy in Sumenep. In the development of the creative economy, it is very dependent on human capital. The creative economy requires creative human resources, capable of generating various ideas and translating them into unique goods and services of high value. The production process may follow the principles of industrial economy, but the initial idea process is the creativity of human resources. In an effort to increase the quantity and quality of creative people, there is a main strategy in the Creative Economy Development Pattern in Sumenep. In this

development pattern, the roles of each of the components involved need strong synergy to compile a creative economy master plan as follows:

1. The role of academics / tertiary institutions is needed in research and development programs for products produced by creative communities in Sumenep.
2. The role of a businessman or entrepreneurship is to provide market information and become a place to provide creative ideas that can be used by many creative people.
3. The government's role is the provision of infrastructure and technology suitable for the creative economy.

The relationship pattern of the creative economy development actors in Sumenep can be illustrated as shown in the following figure.

#### **4. Conclusion**

Product innovation can be defined as the process and results of developing the use and mobilization of knowledge, skills (including applied technological skills) and experience to create or improve products (remaking of goods and services), processes, and new systems, which produce value or appreciation. which is new.

Remake of a product as an object also has the meaning of a new work of a product that actually already has an existence but has added functions and uses. Usually, different levels of novelty can be distinguished, depending on the context: an innovation can be new to a company (or agent / actor), new to market share and consumers, or a country or region, or new globally. Meanwhile, inventions as an activity are the process of creating new designs, often identified with the commercialization of an invention.

Economic development in Sumenep has resulted in a fairly high increase in economic growth and income (PDRB) per capita. National economic development in various sectors requires active participation in economic life so that decision making is mainly carried out independently by the community. The National Long-Term Development Plan (RPJP) which emphasizes that regional development is targeted to

increase equitable development and its results in an effort to improve the welfare of its citizens, mobilize the active participation and awareness of the community to increase the utilization of regional potential effectively and efficiently in filling real, dynamic autonomy , harmonious and responsible.

Sumenep has a huge potential to develop various potential products, culture and ideas created by the people in Sumenep. This is in accordance with the strategy and policy direction in the context of developing new business potential through the development of the small, medium and creative industrial sector, with the identification of 16 creative economy sub-sectors, among others: architecture; design interior; visual communication design, product design; film, animation and video; photography; craft; culinary; music; fashion; application and game development; publishing; advertising; television and radio; performing Arts; art.

The Activity of Preparing Community Economic Development Plans in Sumenep, East Java Province, shows that the majority of IKM and SME are still developing their products traditionally. The majority of SME and IKM products are still regular even though they have provided a role as a labor absorber. The creative economy activities that are being pursued could be more directed at the culinary, fashion, craft and product design sectors.

The weakness experienced by the majority of SMEs and IKM is that knowledge and training are not maximized regarding business development based on the creative economy. The Sumenep Government through the Industry Service, Cooperative Office and Tourism Office provides provisions and knowledge related to how to develop conventional and regular businesses but not yet at the level of developing the creativity of business actors.

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