

STRATEGY FOR CREATIVE ECONOMIC DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN PEMALANG DISTRICT

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Abstract. The aim of the Creative Economy Development Strategy for Micro, Small and Medium Enterprises (MSMEs) in Pemalang District is to identify the potential of 15 sub-sectors of the creative industry and various factors that are components in the development of the creative economy and determine the strategy for developing creative industries in Pemalang District. Therefore collaboration between various actors who play a role in the creative economy, namely intellectuals, business, community and government becomes absolute and is a basic prerequisite. In addition, the collaboration will play a role in realizing the driving factors that can drive the creative economy to reach the target of 15 sub-sectors of the creative industry, namely Advertising, Publishing and Printing, TV and Radio, Film, Video and Photography, Music, Performing Arts, Architecture, Design, Fashion, Crafts, Art Goods Market, Interactive Games, Computer Services and Software, Research and Development and culinary. The number of creative industry actors in Pemalang district is 6,764 businesses, so the minimum sample size is 98.54 households. By considering reducing tolerance for sampling errors, the sample used in this study was 150 creative industry entrepreneurs. The potential of the creative industries in Pemalang district is quite large, with more than 6,479 businesses or MSMEs engaged in this industry. Of the 15 sub-sectors of the creative industry, 12 of them have been identified and are developing quite well in Pemalang District. While the 3 sub-sectors including advertising, printing and publishing and the market for art goods are still not in demand by the public. The results of evaluation of internal factors show that the weakness factor possessed by creative business actors is greater than the strength factor, which is indicated by a score difference of 0.02. While the results of evaluating external factors show that the opportunities possessed by creative entrepreneurs in Pemalang District are greater compared to the challenges faced by those indicated by a score difference of 0.36. The appropriate strategy for the development of creative industries in Pemalang District is through product development that promotes creativity and innovation and creates efficiency and effectiveness of production, distribution and commercialization in order to increase the competitive and comparative advantage of creative industries in Pemalang district.

Keywords: Creative Economy, Creative Industry Subsector, SWOT, Creative Industry Strategy

1. INTRODUCTION

Creative economy is essentially an economic activity that prioritizes thinking creativity. The creative thinking manifestation itself is very diverse, such as thinking about new ways, new models, new products and so on which are basically processes to transform ideas into added value.

The government is aware that a creative economy that focuses on the creation of goods and services that rely on expertise, talent and creativity as intellectual property is the hope for the Indonesian economy to rise, compete and gain excellence in the global economy. For Indonesia the development of a creative economy is also considered to accelerate development, build economic independence,

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equitable development by providing opportunities for regions to explore, regulate and manage their resources.

For Pematang district, the development of the creative economy cannot be separated from the existence of creative industries in the regions which are an integral part of the concept of developing a creative economy. This is based on the fact that the creative industries in Pematang district mostly touch the entrepreneurs of micro, small and medium enterprises (MSMEs) and are believed to be able to answer the problems of unemployment, poverty, and low industrial competitiveness in Pematang district.

The development of creative economy in Pematang district not only emphasizes the development of creative industry groups but also the development of a variety of factors that have a significant role in the creative economy, namely human resources, raw materials based on natural resources, technology, institutions and financial institutions that are components in development creative economy.

For this reason, collaboration between various actors who play a role in the creative economy, namely intellectuals, business and government becomes absolute and is a basic prerequisite. Without collaboration between these elements, the development of the creative economy is feared to run out of harmony, efficiently and overlap. In addition, the collaboration above will play a role in realizing the driving factors that can drive the creative economy to reach the target of 15 sub-sectors of the creative industry, namely Advertising, Publishing and Printing, TV and Radio, Film, Video and Photography, Music, Performing Arts, Architecture, Design, Fashion, Crafts, Art Goods Market, Interactive Games, Computer Services and Software, Research and Development and culinary.

The lack of optimal development of the creative economy in Pematang District is inseparable from various obstacles faced both internally and externally which can support the process of creating value in the creative industry. For this reason, there is a need for sustainable planning that can optimize all creative economic potential in Pematang District in order to realize Indonesia's 2025 creative economic vision of "Nation of Indonesia that has quality of life and creative in the eyes of the world" while also realizing the vision of the long-term planning of Pematang District "Pematang District that is Advanced, Independent and Prosperous".

2. PROBLEM

The problems of the Creative Economic Development Strategy for Micro, Small and Medium Enterprises (UMKM) in Pematang District are as follows: How to identify the potential of the 15 sub-sectors of the creative industry and various factors that are components in the development of creative economy and determine the strategies for developing creative industries in Pematang District.

3. LITERATURE REVIEW

3.1. Creative Economic Development Model

The creative economic development model is like a building that will strengthen the economy of a region with a foundation, pillars and roof as elements of the building. The foundation of the creative economy is human resources (people) which is the most important element in the creative economy. For that the development of a competitive creative economy must be based on the development of skilled, trained and empowered human resources to develop knowledge and creativity. In the

creative economy development model there are 5 pillars that need to be strengthened so that the creative industry can continue to grow and develop. The five creative economic pillars can be described as follows:

3.1.1. Industry

Industry is part of community activities related to the production, distribution, exchange and consumption of products or services. This industrial pillar is incorporated into the creative economy development model based on an approach that states that creativity cannot be counted, while what can be counted is creative products. Creative products are the result of creativity multiplied by transactions. This indicates a factor of creation and originalization that has the potential of capital and / or produced in such a way as to be commercialized.

3.1.2. Technology

Technology can be defined as an entity both material and non-material, which is the application of creation of mental or physical processes to achieve certain values. In other words, technology is not only a machine or a tool that is tangible, but this technology includes a collection of techniques or methods, or activities that shape and change culture. This technology will be an enabler to realize individual creativity in real work.

3.1.3. Resources

The resources intended here are the inputs needed in the process of creating added value, in addition to the ideas or creativity possessed by human resources which are the foundation of this creative industry. Resources include natural resources and the availability of land which are input support in the creative industry.

3.1.4. Institution

Institutions in the development of creative economy can be defined as social order which includes habits, norms, customs, rules, and applicable laws. This social order can be informal, such as a system of values, customs or norms or formal in the form of legislation.

3.1.5. Financial Intermediary

Financial intermediation institutions are institutions that play a role in channeling funding to industry players in need, both in the form of capital / equity and loans / credit. Financial intermediation institutions are one of the important elements to bridge the financial needs of actors in the creative industry.

The building of the creative industry is overshadowed by the relationship between Intellectuals, Business and Government which are the main actors for creativity, ideas, science and technology that are vital for the growth of the creative industry. The complete description is as follows:

a) Intellectuals (Scholars)

In the context of the creative industry, scholars include humanists, artists, scholars, educators in educational institutions, pioneers in the community, hermitage, cultural and artistic workshops, individuals or study groups and researchers, writers and other figures in the arts, culture (values, philosophy) and science related to the development of creative industries. Scholars have a very large capacity in strengthening the formal and informal bases of innovation, and have the ability

to ripen concepts of innovation and also have the capacity to disseminate information with international networks.

b) Business

From the view point of economy, business (also called a company) is an organizational entity that is legally recognized, and deliberately created to provide goods in the form of products or services to consumers. Businesses are generally owned by the private sector and are formed to generate profits and increase the prosperity of their owners. The owner or business operator aims to obtain financial benefits as a result of his work and the challenges of the risks faced. Business is also equipped with protection to prevent competitors from competing with the business. Such protection can be in the form of patents, copyrights, trademarks and designs.

c) Government

The government is the central government and regional government related to the development of the creative economy, both in substance and administrative linkages. Synergy between the central and regional governments is needed to be able to achieve the goals of the creative industry. This is because the development of the creative economy is not only industrial development, but also includes the development of ideology, politics, social and culture.

The involvement of the government in the development of the creative economy is motivated by a number of things, including:

- 1) Market failure
- 2) Mobilization and resource allocation
- 3) Psychological impact and impact on attitude / behavior
- 4) Equitable development in innovation.

4. METHODOLOGY

By referring to the 2025 Indonesian Creative Economic Development Plan, the study of the potential of the creative economy of MSMEs in Pemalang District is expected to map the potential of 14 sub-sectors of the creative industry and one culinary creative sub-sector. Mapping also includes various factors that are components in the development of the creative economy in Pemalang District. The results of the potential mapping are the basis of analysis to find out how much the creative industry is trying to create added value. And then from the analysis results can be determined the priority of increasing the competitiveness of creative industries in Pemalang District. In the end the results of this study can be used as input / recommendations to the government in developing the creative economy in Pemalang District.

4.1. Data Collection Process

The data collection process is an activity of identifying and collecting data related to the conditions and potential of the 15 sub-sectors of the creative industry. From this data collection process the value chain of the creative industry will be mapped from pre to post production.

4.2. Analysis Process

The analysis process is an activity to process data into information that can be used to analyze the creation of value added activities in the 15 sub-sectors of the creative industry as an ingredient in determining the priority of increasing the competitiveness of creative industries in Pemalang District.

4.3. Policy formulation and creative economic development strategy

Policy formulation and creative economic development strategies are scenarios based on regional priorities and capabilities in realizing economic competitiveness in Pemalang District.

4.4 Data Collection Method

Data collection in the study of the potential of the Creative Economy of MSMEs in Pemalang District was carried out by the method of literature study, observation and survey.

4.5 Sample

The method used in determining the sample size of this creative industry is the purposive sampling method. With the number of creative industries in Pemalang District amounting to 6,764 businesses (source: Office of Cooperatives, SMEs, Industry and Trade and Bappeda) then with the Slovin formula the minimum sample size is 98.54 households. By considering reducing tolerance for sampling errors, the sample used in the study of the potential of Creative Economy of MSMEs in Pemalang District is 150 creative industry entrepreneurs. Samples were taken randomly and proportionally while taking into account the representation of samples in each sub-sector of the creative industry in Pemalang District as in the table below.

Table 1

Proportion of Sample Withdrawal

No	Creative Industry Subsectors	Number of Business Actors	Number of Samples
1	Advertising	0	0
2	Architecture	5	2
3	Art Goods Market	0	0
4	Craft	1.591	30
5	Design	132	2
6	Fashion	1.989	40
7	Video, Film dan Photography	13	2
8	Interactive Game	8	2
9	Music	282	2

10	Performing Arts	279	10
11	Publishing and Printing	0	0
12	Computer Services and Software	22	3
13	Television and Radio	9	2
14	Research and development	42	2
15	Culinary	2.392	55
	Total	6.764	150

Source: Data Analysis

5. DISCUSSION

5.1. Classification of the Creative Industry Subsector

The creative industry sub-sector classification includes 14 (fourteen) subsectors, namely:

5.1.1 Advertising, creative activities related to advertising services include the process of creation, production and distribution of advertisements produced.

5.1.2 Architecture, creative activities related to building design services, planning of construction costs, conservation of heritage buildings, good overall construction supervision from macro level to micro level.

5.1.3 Art goods market, creative activities related to the trade of original, unique and rare goods and have a high artistic aesthetic through auctions, galleries, shops, supermarkets and the internet such as musical instruments, printing, crafts, automobile, film, visual arts and Paint.

5.1.4 Crafts, creative activities related to the creation, production, distribution of products produced by craftsmen starting from the initial design to the completion of the product.

5.1.5 Design, creative activities related to graphic design creation, interior design, product design, industrial design, and packaging production and packaging services.

5.1.6. Fashion, creative activities related to the design of clothing, footwear and other fashion accessories, the production of fashion clothing and other accessories and the distribution of fashion products.

5.1.7. Videos, Film and Photography, creative activities related to the creation of video, film and photography services including script writing, film dubbing, cinematography, soap operas and film exhibitions.

5.1.8. Interactive games, creative activities related to the process of creation, production and distribution of computer games and videos.

5.1.9. Music, creative activities related to the creation / composition, performance, reproduction and distribution of sound recordings.

5.1.10. Performing arts, creative activities related to the development of content, the production of contemporary performances (eg drama, traditional music, theater music, opera, ethnic music tours), design and manufacture of fashion shows, stage arrangements and lighting arrangements.

5.1.11. Publishing and printing, creative activities related to publishing content and publishing books, journals, newspapers, magazines, tabloids and digital content and the activities of news agencies and news seekers.

5.1.12. Computer services and software, creative activities related to the development of information technology including computer services, data processing, database development, software development, system integration, system design and analysis.

5.1.13. Television and radio, creative activities related to the creation, production and packaging of television programs, broadcasting, and the transmission of television and radio program content.

5.1.14. Research and development, creative activities related to innovation efforts that offer scientific and technological discoveries to improve products and the creation of new products, new processes, new materials, new methods, and new technologies that meet market needs.

In addition to the 14 sub-sectors of the creative industry mentioned above, it is also necessary to add the culinary subsector. This creative activity is new, which has the potential to be included in the creative industry sector. This creative activity is motivated by the fact that Indonesia has a unique cultural heritage of food products, which is basically a source of comparative advantage for Indonesia.

5.2. Potential of Creative Industries

The potential of the creative industries in Pematang District is quite large, with more than 6,944 businesses or MSMEs engaged in this industry. Of the 15 sub-sectors of the creative industry, 12 of them have developed quite well. While 3 sub-sectors including advertising, printing and publishing and the art market are still not well developed.

The creative industries subsector which has grown quite rapidly marked by the number of business actors engaged in this industry is the craft subsector involving 1,591 business actors, the fashion sub-sector involving 1,898 business actors and culinary sub-sectors involving 2,392 business actors. Taman Subdistrict is the sub-district with the highest number of creative business actors compared to other sub-districts, which is equal to 802 business actors. While Warungpring subdistrict is a sub-district with the smallest number of creative business actors, namely only involving 222 business actors.

Meanwhile the most sub-districts with the creative industry sub-sector are in Pematang District with 13 sub-sectors of the creative industry and Taman District with 12 types of sub-sectors of the creative industry.

5.3 Analysis of the Environment of the Creative Industry

The success of the creative economic development strategy is strongly influenced by the consistency with the environmental conditions of companies in the creative industry. In the sense that the strategy must take advantage of existing or expected opportunities and minimize the impact of major threats. The strategy must also be realistic in terms of the company's internal capabilities, in other words the use of opportunities must be based not only on the opportunity itself but also on the company's internal strength.

SWOT analysis is a systematic way to identify these factors and strategies that describe the best fit between the company's internal strengths and weaknesses and the opportunities and threats that exist in the environment. The SWOT analysis begins by looking at strategic factors based on interviews with the creative industry sub-sector business actors that will be used as a basis for analysis.

5.4 Evaluation of Internal Factors

The analysis of internal environmental factors is intended to understand the strengths and weaknesses of creative industry entrepreneurs by calculating weights, ratings and scores. Giving weight and rating calculation can be seen in the attachment.

The evaluation results of internal factors show that the biggest strength factor of the creative industry in Pemalang District is the potential of raw materials with a score of 0.66. The potential of raw materials in Pemalang District is indeed quite large which is widely used by creative industries such as crafts and culinary. The ease of obtaining raw materials is the main force for businesses to produce products at lower costs. The partnership that has been formed between several centers obtained a score of 0.56, also became the main force for businesses in the center to facilitate activities in the procurement of raw materials, marketing and capital.

From the weakness factor, low technology mastery is the dominant weakness faced by creative business actors with a score of 0.61. The low level of education of entrepreneurs and age is a limiting factor for being able to adopt rapidly developing technology. Weak technology management has caused access to market information to be limited and innovation has not developed. These two factors are also the main weakness factors with the score for limited access to market information is 0.58 and the score for low innovation is 0.55.

Table 2

Internal Factor Evaluation (IFE) Matrix

Internal Strategy Factors	Weight	Rating	Score
Strength Factor			
Availability of Labor	0,13	2,44	0,33
Job Skills	0,21	2,67	0,55
Simple technology	0,19	2,22	0,43
The Partnership Formed Pattern	0,24	2,33	0,56
Potential of Raw Materials	0,23	2,89	0,66
Total	1,00		2,52

Weakness Factors			
Low Product Quality	0,22	2,33	0,52
Low Technology Mastery	0,23	2,67	0,61
Lack of R & D Support	0,12	2,44	0,29
Low innovation	0,21	2,67	0,55
Access to Limited Market Information	0,23	2,56	0,58
Total	1,00		2,54

5.5 Evaluation of External Factors

Analysis of external environmental factors is intended to develop a list of opportunities that business people can use in the creative industry and a list of threats that must be avoided. As with internal environmental factors, external factors are reflected in the form of an external strategy factor matrix by calculating weights, ratings and scores which calculations can also be seen in the appendix.

The evaluation results of external factors show that the development of centers and clusters is the biggest opportunity in the development of creative industries in Pemalang District with a score of 0.65. The existence of a cluster is expected to be able to report a strong value chain among creative entrepreneurs. Meanwhile, another big opportunity is the existence of a communication and information infrastructure with a score of 0.62. The ease of communicating and obtaining information is believed to be able to bring creative business actors to be able to expand the market and know the development of consumer tastes and adopt several technological developments for production efficiency.

The evaluation of the challenge factors shows that inflation is a major challenge in the development of the creative economy in Pemalang District with a score of 0.58. As it is known that inflation is closely related to rising prices which can reduce people's purchasing power. In some mass-produced creative products such as crafts, fashion and culinary, a decrease in people's purchasing power can reduce the sales turnover of their products. Factors of technological development with a score of 0.53 also become a considerable challenge in the development of the creative economy. The use of more modern equipment and methods is believed to be able to create efficient production that is better than the use of traditional technology. While creative business actors in Pemalang District whose creative activities are not dominant activities will face challenges related to the quality and price of competing products.

Table 3

External Factor Evaluation (EFE) Matrix

External Strategy Factors	Weight	Rating	Score
Opportunity Factors			
Better economic conditions	0,21	2,22	0,47
Easy to reach Communication and Information Infrastructure	0,23	2,67	0,62
Government Support	0,14	2,33	0,34

Global Marketing	0,18	2,44	0,43
Establishment of centers / clusters	0,23	2,78	0,65
Total	1,00		2,51
Challenge Factor			
Competitor products	0,11	1,78	0,19
Changes in consumer tastes	0,16	2,11	0,34
Technological development	0,25	2,11	0,53
Inflation	0,24	2,44	0,58
Global competition	0,24	2,11	0,52
Total	1,00		2,16

5.6 Determination of the Position of the Creative Industry

Based on the evaluation of internal and external factors, it will be known the position of the creative industry at this time and then it will be easier to provide alternative formulation strategies that will be applied.

The results of evaluation of internal factors show that the weakness factor possessed by creative business actors is greater than the strength factor, which is indicated by a score difference of 0.02. While the results of evaluating external factors show that the opportunities possessed by creative entrepreneurs in Pematang District are greater compared to the challenges faced by those indicated by a score difference of 0.36.

The above fact shows that the current condition of the creative industry in Pematang District based on the SWOT analysis diagram is in quadrant 3 position which means that the creative industries in Pematang District have many opportunities that can be utilized in overcoming their weaknesses. In the position of the creative industry in the 3rd quadrant, the focus of the strategy for developing the creative industry in Pematang District is how to minimize internal problems so that we can seize better opportunities. The strategy that must be implemented in this condition is to support the strategy of turning around.

5.7 Creative Economic Development Strategy

This strategy is developed to create scientific space, consensus space and innovation space by strengthening the five pillars of creative economic development, namely industry, technology, resources, institutions and financial intermediary through synergy and collaboration of the main actors developing creative economics, namely academics, business and government.

The strategies for developing the creative economy in Pematang District include the development of creative human resources, industrial structure development, technology development, resource development, development and improvement of the role of institutions and the development and enhancement of the role of financial institutions.

6. CONCLUSION

The potential of the creative industries in Pematang District is quite large, with more than 6,479 businesses or MSMEs engaged in this industry. Of the 15 sub-sectors of the creative industry, 12 of them have been identified and are developing quite well in Pematang District. While the 3 sub-sectors including advertising, printing and publishing and the market for art goods have not yet been cultivated by the community.

The strategy and policy for developing creative economy in Pematang District is a strategy derived from the results of the analysis of the performance of the creative industry value chain economics and the analysis of the creative industry environment. The focus of strategy is product development that promotes creativity and innovation and creates efficiency and effectiveness of production, distribution and commercialization in order to increase the competitive and comparative advantage of creative industries in Pematang District.

7. MANAGERIAL IMPLICATIONS

Based on the analysis of the development of creative industries in Pematang District, several things that can be recommended are as follows:

7.1 In the context of sustainable development, the development of creative industries needs to be encouraged by linking businesses and creating added value from industries that utilize output or other business waste.

7.2. To create collective efficiency, collaboration and partnerships between business actors are needed in the development of cluster-based creative industries, so that relationships can be integrated between industries. This can also streamline the assistance provided by the government and financial institutions.

7.3 The government needs to support the holding of cultural events on a regular basis, which collaborates the richness of cultural arts, economic and social activities with various types of creative industries related simultaneously such as culinary culture, crafts, performing arts, music, fashion, photography, painting exhibitions and goods markets antique and others.

7.4. Develop promotion centers such as SME Center as a culinary center as well as a promotion and sale of creative industry products such as crafts, fashion products such as apparel, bags, shoes, and accessories, graphic design, and so on.

7.5. The government should provide a legal law, in the form of a policy that expresses partiality on the development of the creative economy in Pematang District, which among others can be stated in the Medium Term Development Plan or related Regional Work Unit Work Plan

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