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Policy Strategy in an Effort to Increase the Economic Independence of the Community of Creative Economy Actors in Ngawi Regency

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ABSTRACT

Creative economy is a new economic concept that combines information and creativity that relies on ideas and knowledge from human resources as factors of production. Ngawi Regency has abundant creative economic potential and resources. This paper aims to formulate an academic policy strategy for local governments related to the development of the creative economy in Ngawi Regency which has implications for economic independence, by identifying the problems, obstacles and challenges faced. This research uses a qualitative approach. Based on the results of this study, it was found that the obstacles to the creative economy in Ngawi Regency include: (1) Lack of marketing field capabilities; (2) Weak capital and financial accessibility; (3) Low competence of creative economy actors; (4) Weak Copyright Protection or Legality Aspects; and (5) Supporting infrastructure for production, management and information technology is still weak. To overcome these problems, concrete policy steps are needed from the Ngawi Regency Government, including by: looking for alternative financing for the creative economy, increasing the capacity of creative economic actors, helping to do marketing with an emphasis on local brands and through social media, and the most important part for the development of the creative economy is the Intellectual Property Right aspect. The combination of these steps, if carried out properly, will be able to increase the development of the creative economy in Ngawi Regency

INTRODUCTION

Countries in the world are experiencing changes in the economic phase, namely from an agriculture-based economy and now entering the creative economy phase. Including in Indonesia itself, which has a lot of potential and creative economy resources that are quite abundant. At the beginning of the introduction of the creative economy concept, what was done by the Indonesian government was through an empowerment pattern for creative economy actors, who were expected to be able to develop their businesses and achieve economic independence in the future. Empowerment itself is a participatory process that gives them the opportunity to examine the main challenges of their own development and propose activities designed to address those problems. According to (Mardikanto, Totok & Soebiato, Poerwoko, 2015), community empowerment is a people-centered human development paradigm and is a development process that encourages community initiatives rooted from below, where the community is the subject, so that it realizes and strives with its strength to solve its problems independently.

Creative economy itself is a term used in today's global economy to describe direct or indirect work in the world of creative industries. According to (Arjana, Gusti Bagus, 2016) creative economy is a new economic concept that combines information and creativity that relies on ideas and knowledge from human resources as a factor of production. Creative economy is presented by a demand to develop a knowledge-based economy, strengthening along with the increasingly complex changes in the business environment (Setyo, Hendang Rukimi., Fitria, Lisye., Zonda, 2012). In the context of this writing, those who realize the concept of creative economy are the community of creative economy actors in the Ngawi Regency area.

The Indonesian government is very concerned about the existence of the creative industry because it has contributed directly to economic growth that is increasingly significant. The contribution of the creative industry to national economic growth in 2022 can reach 7.3%. In addition, currently the number of creative economy industries is growing has reached around 2.2 million. In terms of employment, the creative economy industry is also very high, reaching around 5.4 million people. It is clear that on an international scale, the

development of the creative industry is not only the national economy that is growing, but also in terms of employment is also increasingly being created. Thus, through this creative economy, the current poverty level will continue to be reduced, development will also be more fair and equitable throughout Indonesia.

In Ngawi itself, the government through the Youth Tourism and Sports Office of Ngawi Regency in charge of the creative economy has also promoted several programs or activities to support the ecosystem and the development of the creative economy in the form of activities that have been held. Of course, the proposal of the Regional Government of Ngawi Regency in organizing these activities is an effort to develop the potential of creative economy business activities. Through activities such as provision in the form of training and education about the creative economy, creative economy business actors are expected to develop ideas well and on target.

The efforts made by the local government are a form of serious attention and at the same time as an effort to answer some problems or obstacles faced by the community in developing the creative economy business they are engaged in. A particular problem faced is the lack of competitiveness of creative economy actors in Ngawi Regency, while the general problems faced include: (1) Lack of ability and opportunity of creative economy actors in the field of marketing; (2) Lack of awareness of creative economy actors in protecting their creative results; (3) Lack of community participation in tourism development; (4) Lack of creative economy actors who have competent competence; (5) Lack of resources of creative economy actors in terms of production, management and utilization of information technology (Strategic Plan of Tourism, Youth and Sports Office of Ngawi Regency, 2021-2026).

Based on this, the author considers it important and necessary to conduct this research with the aim of formulating policy strategies academically for local governments to be able to create economic independence for creative economy actors and also maintain the ecosystem and development of creative economy businesses in Ngawi Regency, with identify problems, obstacles and challenges faced.

METHODS

The type of research used in this study is qualitative research. The use of this quantitative approach departs from the assumption that a truth is outside itself, so that the relationship between the researcher and the one under study must be kept at a distance so that it is independent. Then, this research is a descriptive type of research, namely a study by explaining the needs by describing past, present and future variables (Arikunto, Suharsini, 2016). This research was carried out starting from problems due to changes in regional policies which were originally from agriculture-based economic policies to the creative economy phase because there are many potentials and creative economic resources that are quite abundant in the regions.

Data collection techniques are the most important step in research, so the data collection techniques used are observation techniques, interview techniques, and documentation techniques. Furthermore, the data that has been collected is then analyzed. According to Bogdan as quoted by (Sugiyono, 2009) that data analysis is the process of systematically searching and compiling data obtained from interviews, field notes, and other materials, so that it can be easily understood, and the findings can be informed to others. In this study, the data was analyzed interactively, namely through several activities / activities carried out continuously by researchers, namely data reduction, data display, and conclusion drawing / verification (Miles, M B., Huberman, AM &., Saldana, J, 2014).

RESULTS AND DISCUSSION

Creative Economy Policy Setting

The term creative economy was first introduced in 2001 by John Howkins in his book entitled "*The Creative Economy*", Where the economic economy is a manifestation of efforts to seek sustainable development through creativity, competitiveness and having renewable resource reserves (Sutriyanti, 2017). Creative Economy can also be said to be a very broad concept and a lot of understanding of the creative economy. The United Nations Conference on Trade and Development (UNCTAD) provides an understanding of creative economy is an economic concept that develops based on creative assets that have the potential to generate

economic growth and development and has characteristics, including recognizing human creativity, prioritizing the role of intellectual property, moving in symbolic messages (per exchange of messages) and their meaning, as well as intellectual property potentially owned by certain individuals or groups. The main elements of the creative economy are creativity, expertise, and talents that have the potential to improve welfare through intellectual creation offerings (Suryana, 2013).

Given the importance of the existence of the creative economy, the Indonesian government has officially launched policies related to the creative economy by issuing Presidential Instruction Number 6 of 2009 against creative economy development which must be implemented by several ministries/institutions and all regional governments. Because the management of the creative economy and its potential needs to be carried out systematically, structured, and sustainably, according to the previous rules, improvements have been made to Law Number 24 of 2019 concerning Creative Economy as a manifestation of added value or optimization of intellectual wealth sourced from creative Human Ity Based on the Heritage of Culture, Science, and Technology. Through the development of the creative economy ecosystem, it will be able to provide added value to creative economy products that are highly competitive, accessible, and legally protected. As mandated in article 33 paragraph (4) of the Constitution of the Republic of Indonesia Year 1945 that "The national economy is organized based on economic democracy with the principles of togetherness, equitable efficiency, sustainability, environmental insight, independence, and by maintaining a balance of progress and national economic unity".

Since the issuance of regulations on the creative economy, the Indonesian government has played a major role in the process of growth and development of the creative economy in Indonesia, where the government's role in developing the creative economy in Indonesia is as a regulator and facilitator. Regulators are the government's role in

forming policies that aim to facilitate and protect creative industry players. Meanwhile, facilitators are the government's role in providing facilities to support the creative economy. As stated in Article 5 of Law Number 24 of 2019 concerning Creative Economy that "Every creative economy actor has the right to get support from the Government and/or Regional Government". The support provided by the Government or Regional Government includes: a) Capacity Building of Creative Economy Actors; b) Development of the creative economy Ecosystem; and c) Preparation of creative economy master plan. Therefore, with the legal basis of Law Number 24 of 2019, especially local governments, they are obliged to continue to strive to develop the creative economy in their regions through various efforts.

Economic Potential in the Creative Economy Industry in Ngawi Regency

Administratively, Ngawi Regency is divided into 19 sub-districts. The strategic economic sector in Ngawi Regency is a sector in the agribusiness and agrotourism industry which is proven to have contributed greatly the formation of the total Gross Regional Domestic Product of Ngawi Regency, which is approximately 44% (BPS Ngawi Regency, 2022). One of the missions contained in the Regional Medium-Term Development Plan of Ngawi Regency is to build a strong and equitable economy. This is to create the figure of Ngawi Regency in 2026, namely the economy of Ngawi Regency which is increasingly advanced and competitive, synergizing between business scales, based on agricultural and non-agricultural economic activities that is able to attract domestic and foreign investment, absorb a lot of labor and provide welfare for the entire community of Ngawi Regency.

Furthermore, in the elaboration of the mission in the industrial sector is to create an increase in production and quality of the creative economy industry. From 2018 to 2022, the creative economy sector in Ngawi Regency has been able to contribute an average of more than 9% to the Gross Regional Domestic Product. The creative economy has also absorbed a workforce of 5.434 people throughout 2022. In addition, the export value of the creative

economy sector of wood crafts is also quite good, reaching 120 billion Rupiah. For this reason, according to Ngawi Regent Ony Anwar, ST that the development of the creative economy is quite potential in Ngawi Regency because the creative economy has been proven to encourage economic growth because it is related to various sectors and Ngawi Regency has a lot of potential and creative human resources.

Based on data released by the Department of Tourism, Youth and Sports in 2022, Ngawi Regency has a leading industrial map in almost all sub-districts. The attention of the development of leading industries in the sub-district area in Ngawi Regency is mostly from industrial maps related to the creative economy. According to Wiwien Purwaningsih, S.Sos. as Head of the Tourism, Youth and Sports Office of Ngawi Regency explained that "The map of creative economy development in Ngawi Regency covers several sectors, including: architecture sector, interior design sector, visual communication design sector, product design sector, film, animation and video sector, photography sector, craft sector, culinary sector, music sector, fashion sector, television and radio sector, performing arts sector and fine arts sector. Meanwhile, the policy direction of creative economy development in Ngawi Regency is to facilitate all creative economy actors along the chain". With economic chain analysis, the government and stakeholders will more easily understand the conditions of each industry so that they can formulate the direction of development strategies accurately. The creative economy chain is supported by four factors, namely creation, production, distribution, and commercialization (Cemporaningsih, Esti., & Raharjana, Destha Titi., Damanik, Janianton., 2020).

The development of the creative economy in Ngawi Regency according to Ony Anwar, ST is influenced by 4 main actors, namely: (1) In terms of creative individuals, Ngawi Regency is blessed with creative individuals who are supported by diverse cultural heritage and are still preserved in the community; (2) In terms of geoculture, Ngawi Regency is quite strategic and benefits from the

position at the western end of East Java Province, which is directly related to Central Java Province so that it becomes trade traffic, where one character of Ngawi Regency and the community is friendly and open to various developments and progress; (3) Ngawi Regency has various educational institutions ranging from elementary and higher levels and there are branches of state universities that influence the creativity of the world; and finally (4) the development of the tourism sector in Ngawi Regency which strongly supports development and can be collaborated with the existence of the creative economy.

The huge potential of the creative economy in Ngawi Regency above is also inseparable from several obstacles faced. Based on the results of the questionnaire that the author gave to creative economy actors in a sample of 5 sub-districts in Ngawi Regency, there are several main obstacles, namely: (1) The lack of the ability of creative economy actors in the field of profit; (2) The lack of capital is due to creative economy actors to develop their business; (3) Low competence of creative economy actors; (4) there is no awareness from creative economy actors to protect the results of creativity through Copyright or Legality Aspects; and (5) lack of supporting facilities for production, management and information technology activities. Based on the results of the survey above, there are approximately 30% of respondents stated that marketing is the main obstacle, then there are as many as 23% of respondents stated that financial and capital aspects are the second obstacle, and other aspects such as human resources are the third obstacle and aspects of Intellectual Property Rights (IPR) or legality aspects are the fourth biggest obstacle.

Policy Strategy to Increase Economic Independence of Creative Economy Actors

Based on the identification of what are the potentials and problems faced, the author through this writing will explain what strategic policies can be carried out by the local government to improve the creative economy in Ngawi Regency which has implications for the creation of economic

independence for creative economy actors based on problems and academic studies. Of the many problems faced by creative economy actors in Ngawi Regency, according to the author, there are 4 (FoSSSur) main problems faced, namely: (a) Economic actors experience deficiencies in financial and capital aspects; (b) Economic actors experience problems in the lack of human resource competence in developing the creative economy; (c) Lack of mentoring activities in technical support in the form of marketing; and (d) Economic actors are weak in the aspect of Intellectual Property Rights (IPR).

Based on the basis of the main problems above, the author provides mapping and policy strategies to overcome the main problems faced by creative economy actors in Ngawi Regency above:

a. Accessibility Finance and Capital

Creative economy actors in Ngawi Regency are part of Small and Medium Enterprises and Small Medium Industry which in macro terms should receive financial support from the People's Business Credit financing scheme based on a Memorandum of Understanding (MoU) between the Government, Guarantee Companies, and Banks on Guarantees. However, this scheme cannot be utilized by creative economy actors as a whole because most creative economy actors are business actors classified as start-ups. This means that most creative economy actors are beginners and pioneers. As a start-up actor, of course, you have difficulties in business because you don't meet the requirements or criteria of the 5 C's required by the bank. Thus, the current regulation cannot accommodate banks to be able to channel credit to creative economy business actors.

There are other strategies to help creative economy entrepreneurs get capital assistance. According to the author, sources of financing for the creative economy can be provided by the Ngawi Regency Government through alternative financing such as financing products provided by Bank Syariah Ngawi or through capital participation. The form of financing that can be proposed as a source of capital is sharia financing products applied by Bank Syariah Ngawi in 4 (four) categories, namely: Profit sharing principle, Buying and selling, Lease principle, and

Service principle. While alternative financing in the form of capital participation, can be in the form of venture capital, crowd funds, or direct investment directly to creative economy business actors. So it is hoped that in the future creative economy actors will no longer have difficulties in the aspect of their business capital.

b. Improvement of Human Resources

Human resource factors are a central aspect in the development of the creative economy, because in the creative economy the process of creating creative ideas is vital and is the main element of the process itself. Furthermore (Marrocu, Emmanuel and Raffaele, Paci, 2012) suggest that based on the sample of countries in Europe, there are two dimensions of human resources that are important in the development of the creative economy, namely formal education and creativity, so that the development of the creative economy in a region or country needs to emphasize not only infrastructure issues but human resource development factors itself. It is evident that by developing human resources, the creative economy is the dominant factor influencing the increase in production which ultimately affects regional economic growth.

Research results (Mulyana, Sutapa, 2014) states that intellectuals also have a significant influence on innovation capabilities. Mulyana also emphasized that the government's role in the development of creative industries has not been significant. According to him, government regulations should be made more favorable to creative industry business actors, so as to support the growth of sustainable creative industries. The main role of the government is to encourage the growth of creativity and innovation for the creative industry and facilitate creative economy actors. Thus, the development of human resources needed by the creative economy is not only the domain of the government or creative economy actors, but also involves academics and the community itself.

c. Marketing Capability

The marketing aspect that has been running so far needs to be improved. The marketing program that has been facilitated by the district government through related agencies is felt to be inadequate by creative economy actors. Market expansion for creative works in the form of market penetration and diversification at home and abroad is important because it is to increase the market for the creative industries of Ngawi Regency in particular. Promotions that have often been done are more word of mouth promotion so that they rarely use leaflets (Posters, brochures) let alone use websites or other supporting facilities. So concretely creative economy actors need a concrete marketing mix, ranging from products, prices, promotions and places to be able to encourage the development of creative economy businesses. According to (Hendang Setyo Rukimi, Lisye Fitria, Fajri Zonda, 2012) explained that the product is for business actors with micro, small and medium enterprises like the creative economy, it is important to create local branding as a hallmark of the creative economy product itself. So that people are aware and start using these creative products.

Social media is also important to note, because promotion through social media has a wide reach both geographically and social class and is very cheap in marketing products or services. The important role of marketing through social media according to (Grove, Jennifer Van, 2017), that it turns out that only one in five small business actors have implemented marketing or promotion through social media, such as Facebook and LinkedIn. If marketing through social media can be done consistently, it is expected to help creative economy actors in Ngawi Regency, most of whom are beginners or start-ups with limited funds and means of marketing their creative products effectively and efficiently.

d. Protection of Intellectual Property Rights (IPR)

Creative economy is one type of economy that uses ideas/creativity/thoughts to provide added value in a good or service. Therefore, the development of the creative economy in society requires legal certainty and protection of the ideas/thoughts/creativity they produce. In running their business, creative economy actors must not just "take" the copyrighted work or design of other parties or use other people's brands to label their products. If these things are done, it will have criminal consequences for the perpetrators. In the development of the creative economy in Ngawi Regency, this has become a significant problem. Many creative economy actors in Ngawi Regency feel that the products/services they have produced are easily copied or duplicated by other economic actors. Therefore, legal protection for IPR is needed to protect creative economy actors. However, the problem that often arises is the IPR registration process which often takes a long time and requires a convoluted process.

The Ngawi Regency Government is expected to be able to provide services to the community in the form of IPR education and advocacy for creative economy actors. The form of services in the form of IPR education and advocacy, for example, is the provision of services and management and resolution of problems related to IPR. Local governments must be able to speed up the IPR registration process which was originally in a matter of years into weeks or months so that creators and designers of creative economy actors can immediately get legality for their creations or product designs. Even if possible, a ball pickup system is applied to creative economy actors for the product registration process, the result of their creation by local governments.

The Regional Government of Ngawi Regency has mapped the potential of the creative economy in its area. However, the map of developing superior industrial potential only focuses on a few fields such as: architecture and design sector, craft sector (wood craft), culinary sector, music sector, fashion sector, and tourism sector. The related to the obstacles experienced, it turns out that the Regional Government of Ngawi Regency has also formulated policies in the form of activity programs that have been listed in the Strategic Plan Document of the Ngawi Regency Tourism, Youth and Sports Office for 2021-2026, which are as follows:

Table 1. Policy and Program Activities Empowerment and Development of Ekonomi Kreatif in Ngawi Regency

Number	Policy and Program of Activities
1.	Creative Economy Ecosystem Development
	<ul style="list-style-type: none"> - Provision of marketing infrastructure for creative economy products. - Development of marketing systems through organizing exhibition events, marketing through <i>online</i> social media and <i>offline</i> marketing. - Opening of galleries in tourist attractions, strategic places and <i>makerplaces</i>. - Provision of capital assistance for creative economy actors.
2	Protection of Intellectual Property and Creativity
	<ul style="list-style-type: none"> - Socialization / FGD related to IPR for creative economy actors. - Protection of creative results in the form of intellectual property of creative economy actors. - Registration of Industrial Property Rights for creative economy actors.
3	Increased Capacity of Human Resources of Creative Economy Actors
	<ul style="list-style-type: none"> - Training, technical guidance and mentoring for creative economy actors. - Support for production technology facilities and infrastructure for creative economy actors. - Socialization and training on business standardization and professional certification for creative economy actors

Source: Strategic Plan of the Tourism, Youth and Sports Office of Ngawi Regency for 2021-2026

The implementation of the above programs or activities is an effort by the local government to develop and introduce all creative economy products produced by creative economy actors to the outside world. According to the author, the policies or programs carried out by the Local Government of Ngawi Regency through the Strategic Plan of the Tourism, Youth and Sports Office of Ngawi Regency for 2021-2026, are in accordance with the mapping and strategies that the author examines academically in an effort to overcome the main problems faced by creative economy actors in Ngawi Regency.

The author believes that this creative economy will continue to develop and will become the hope of the Indonesian economy in the future in general and especially in Ngawi Regency. The creative economic potential of Ngawi Regency in the future will remain an important alternative in increasing contributions in the economic and business fields, improving the quality of life of the community, communication media, fostering innovation and creativity, and strengthening the identity (city branding) of Ngawi Regency. Its development needs to continue to be more serious attention from the Ngawi Regency Government so that it can truly become an economic alternative in the future. The creative economic sector in Ngawi Regency has great potential to become one of the driving sectors that can capture

national and national economic opportunities. The creative economy in Ngawi Regency must continue to develop along with the development of information technology that gives birth to new forms of creativity in the form of various kinds of creativity based on local culture and science. Creative economy is not only about creating added value economically, but also creating added value socially, culturally, and environmentally.

CONCLUSION

Ngawi Regency has the potential for creative economy development. Data shows that based on the map of leading industries in Ngawi Regency, most of them have activities related to the creative economy. However, the main focus of creative economy development in Ngawi Regency is only on creative industries in certain fields and has not touched all of them. The development of the creative economy in Ngawi Regency is not only caused by the potential of the individual side but also caused by other factors. However, in its development, there are several obstacles including marketing aspects, financial and capital aspects, human resource aspects, aspects of technical or legality and supporting general infrastructure. Based on the problems facing the development of the creative economy in Ngawi Regency, it is time for the local government to move to overcome the above problems. From the problems that hinder the development of the creative economy, policy sharpening can be done on four aspects, namely financial and capital aspects, human resource aspects, intellectual engineering aspects and marketing aspects. Thus, the development of creative economy businesses needs to get great attention from both the government and the community in order to develop more competitively with other economic actors. Government policy in the future needs to be pursued more conducive to the growth and development of creative economy businesses, so as to create and increase economic independence for creative economy actors.

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