

# Creative Economy Development in Industrial Areas in Batang, Central Java

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## **Abstract**

*The creative economy as an evolution in the new economic era of the digital millennial society, which intensifies information and resource creativity. Creative ideas that arise from human thinking as the main factor that gives birth to a work of unique, creative creations and innovations that arise from human individual thinking. The creative economy sector is a new sector in the structure of the Indonesian economy. According to the Presidential Instruction (Inpres) of the Republic of Indonesia Number 6 of 2009 concerning the Development of the Creative Economy, that the government has supported creative economy policies through the development of the creative industry. The development of the creative industry is one of the government's efforts in advancing the economy, especially the economy in Indonesia. This is realized because the creative industry comes from the creativity and wealth of human resources owned by Indonesia. The creative economy is currently a sector that is quite helpful to the country's economy. This study used data sources obtained from interviews with several industrial area communities in Batang. The results of observations in the field show that there is no support and a minimal level of knowledge from relevant agencies regarding the creative industry. This is because there has not been a division of existing creative industry sectors based on 17 fields of creative economy.*

**Keywords:** creative, millennial, digital economy

## **A. Introduction**

Batang Regency is one of the districts that has an important and strategic role in economic growth in the northern region of Central Java. Batang Regency is on the main route connecting Jakarta-Surabaya. This position puts Batang Regency, especially the capital of its government on the economic route of the northern island of Java. The high flow of transportation and mobility on the pantura line gives the possibility of Batang Regency developing quite prospectively in all sectors.

The condition of Batang Regency is a combination of coastal, lowland and mountainous areas. This condition makes Batang Regency have enormous potential for industrial development. This can be seen from the very dominant contribution of the Industrial sector in the Gross Regional Domestic Product (GRDP) of Batang Regency. During the last 3 (three) years (2017–2019), the Industrial sector contributed more than 34% of the total GRDP of Batang Regency

Even in 2019, the Industrial sector in Batang Regency was able to absorb 23.53% of the total existing workers (Central Statistics Agency, 2019). Although it contributes greatly to the economy of Batang Regency, the growth trend of the Industrial sector during the 2017-2019 period has always decreased. The growth of the Industrial sector in Batang Regency in 2017 of 7.17% decreased to 6.33% and fell again in 2019 to 5.45%. The declining growth trend of the Industrial sector is a challenge for the local government to develop an Industrial development plan in Batang Regency. In addition to being faced with a decline in growth in the last three years, industrial development in Batang Regency is also expected to be able to answer existing strategic development issues. The open unemployment of Batang Regency still needs very serious attention where the number of open unemployed people in Batang Regency in 2019 is still quite large, namely 16,755 people. (Rahmawati & Nurwati, 2021)

The creative economy is a concept in the new economic era that intensifies information and creativity by relying on ideas and knowledge from human resources as the main production factor. This concept will usually be supported by the existence of the creative industry which is the embodiment. Over time, economic development reached the level of the creative economy after some time before, the world was faced with the concept of an information economy where information became the main thing in economic development. (Oswaldo, 2022)

The creative economy is defined as a new era of economy after the agricultural economy, industrial economy, and information economy, which intensifies information and creativity by relying on ideas and knowledge from human resources as the main production factors in its economic activity. Meanwhile, according to the Creative Economy Law Number 24 of 2019, the Creative Economy is the embodiment of added value from intellectual property sourced from human creativity based on cultural heritage, science and / or technology.

Creative Economy or can be called the Creative Industry is an industry that comes from the use of creativity, skills and talents of individuals to create welfare and jobs by producing and exploiting the creative power and creative power of the individual. In this case, the Creative industry can be interpreted as a collection of economic activities related to the creation or use of knowledge and information.

Several studies have formulated the role of creative industry in its contribution to innovation in the wider economy where inputs from the creative industry can be used as a process of innovation in other industries (Bakhshi et al., 2008). The creative industry is intended as a promising field in economic activity in developed countries because it can contribute to welfare and create jobs. Creative industry activities in developed countries usually depend on the individual creativity of each one, such as skills and talents. These factors are the main indicators to make developed Countries in producing intellectual property output compared to developing countries that are oriented towards material goods and services. Demand. the output certainly requires certain qualifications and expertise from the Individual. This is the main indicator in increasing per capita income in developed countries.(Mellita & Erlansyah, 2014)

According to Mari Elka Pangestu (in Retas magazine, 2016) published by Bekraf said that there are at least seven strategic issues that need to be faced in developing Indonesia's creative economy. These issues include improving the quality and quantity of creative human resources, access to cultural and natural capital resources to create, access to funding and capital, access to technology and infrastructure, market access and supporting ecosystem networks, and institutions. In the strategic plan of the Creative Economy Agency 2015-2019, it states that there are several factors of weakness in the development of the creative economy, including: human resources (HR), infrastructure, regulation, capital, marketing, law enforcement, and distribution. (Widiyanto, 2019)

The creative industry is able to actively contribute to the Indonesian economy and is able to be developed through strategic planning. The development of the creative economy in Indonesia can be supported by increasing the quantity and quality of creative business actors in managing and running their businesses. Human resources in developing creative industries are indispensable because they have ideas, innovations, and creativity, especially in product development (Rosmadi, 2018). On the other hand, the improvement of quality human abilities can be formed through qualified education. According to Sukirno (in Budiarti, 2014) education is a very useful investment for economic development. In addition, according to Barro (in Zhang and Kloudova, 2011) technology is one of the most important factors to improve people's living standards in the long run. Awalia et al. (2013) state that technology plays a role in the growth of the creative industry. (Widiyanto, 2019)

Seeing the role of the creative economy which has the opportunity to become the backbone of the Indonesian economy, makes this sector get attention and support from the government. The positive contribution of the existence of the creative economy to the position of the national economy has also been felt by Indonesia. The role of the creative economy for Indonesia should be able to be measured and seen based on reality and data in Batang Regency.

## **B. Discussion**

### ***1. creative economy in Indonesia***

In Wahyuningsih & Satriani, 2019 The term Creative Economy is not unfamiliar to us, but between the two has a relationship. Where these two words become the originator or solution of problems that result in the creation of tremendous economic value and new jobs through the exploration of ideas. The creative economy includes the aspect of innovating ideas into creative and innovative products. The Creative Economy emphasizes aspects of exploration and exploitation of ideas that will bring economic and social performance (innovation) (Basri 2012, 368).

In turn, the development of science and technological advances have changed the patterns of economic life of society globally in various fields such as production patterns, distribution patterns and consumption patterns. Changes in

production and distribution patterns have encouraged changes in people's needs and consumption patterns. Changes in these patterns are influenced by the creation of new products. Constantly changing economic patterns, technological innovation and scientific creativity have also shifted economic orientation, from the agricultural economy, to the industrial economy, then to the information economy and finally to the creative economy (Adha et al., 2020)

Creative economy is an economic activity driven by the creative industry that prioritizes the role of intellectual property. The creative industry itself is driven by entrepreneurs (entrepreneurs), namely people who have creative and innovative abilities (Suryana 2017, 3).

Another approach of the role of creativity is that creativity is seen as a measuring tool for social processes. Creativity can increase economic values such as income, employment opportunities, and welfare, which in turn can reduce social problems such as poverty, poverty. low education, health, inequality and other social instability. Therefore, from an economic point of view, there is a close relationship between creativity and socioeconomic development that is not specifically separated. The creative economy can create prosperity because it can create jobs and reduce unemployment, increase incomes to create equity, reduce poverty, reduce inequality and encourage renewal and utilize local raw materials. (Wahyuningsih & Satriani, 2019)

## **2. Pengelompokan Industri Kreatif**

Advertising	Creative activities related to the creation and production of advertising, including: market research, advertising communication planning, outdoor advertising, production of advertising materials, promotion, public relations campaigns, display of advertisements in print and electronic media
Architecture	creative activities related to building blueprints and production information include: garden architecture, urban planning, construction cost planning, heritage building conservation, auction documentation, etc.
Art and antique markets	creative activities related to creation and commerce, work, antique products and decorations through auctions, galleries, shops, supermarkets, and the Internet.
Craft	Creative activities related to the creation and distribution of handicraft products include craft items made of: precious stones, accessories, goldsmiths, silver, wood, glass, porcelain, fabric, marble, lime, and iron
Design	creative activities related to the creation of graphic design, interiors, products, industry, packaging, and corporate identity consulting.
Fashion Design	creative activities related to the creation of

	clothing design, footwear design and other fashion accessories design, the production of fashion clothing and its accessories, the consulting of fashion product lines, as well as the distribution of fashion products
Video, Film and Photography	creative activities related to the creation of Video production, film, and photography services, as well as the distribution of video footage, film. This includes script writing, film dubbing, cinematography, soap operas, and film exhibitions
Interactive games	creative activities related to the creation, production, and distribution of computer and video games of an entertainment, agility, and educational nature
Musik	creative activities relating to the creation, production, distribution, and retail of sound recordings, record copyright, music promotion, lyricists, songwriters or musicians, musical performances, singers, and music compositions
Performing Arts	creative activities related to undertakings related to content development, performance production, ballet performances, traditional dances, contemporary dances, drama, traditional music, theatrical music, opera, including ethnic music tours, design and manufacture of performance dress, stage layout, and lighting
Publishing & Printing	creative activities related to content writing and publishing of books, journals, newspapers, magazines, tabloids, and digital content as well as news agency activities.
Computer Services and Software	Creative activities related to information technology development including computer services, software development, system integration, system design and analysis, software architecture design, software & hardware infrastructure design, and portal design
Televisi & radio	creative activities related to the creation, production and packaging, broadcasting, and transmission of television and radio
Research and Development	creative activities that are tied to innovative ventures that offer the discovery of science and technology and the application of such knowledge to product improvement and the creation of new products, new processes, new materials, new tools, new methods, and new technologies that can meet market needs.

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## **C. Results and discussion**

### ***1. Overview of industrial development areas***

Batang County is located between 60 51' 46" and 70 11' 47" South Latitude and between 1090 40' 19" and 1100 03' 06" East Longitude. The location of Batang Regency is on the north coast of Java Island. Batang Regency stretches from the coastal area to the plateau approaching the Dieng region. Batang Regency to the west is bordered by Pekalongan Regency and City, to the south by Wonosobo Regency and Banjarnegara Regency, to the east by Kendal Regency and to the north by the Java Sea. (Bylaw, 2021)

Batang Regency is one of the districts that has an important and strategic role in economic growth in the northern region of Central Java. Batang Regency is on the main route connecting Jakarta-Surabaya. This position puts Batang Regency, especially the capital of its government on the economic route of the northern island of Java. The high flow of transportation and mobility on the pantura line gives the possibility of Batang Regency developing quite prospectively in all sectors. The condition of Batang Regency is a combination of coastal, lowland and mountainous areas. This condition makes Batang Regency have enormous potential for industrial development. This can be seen from the very dominant contribution of the Industrial sector in the Gross Regional Domestic Product (GRDP) of Batang Regency. During the last 3 (three) years (2017–2019), the Industrial sector contributed more than 34% of the total GRDP of Batang Regency (Central Statistics Agency, 2020). Even in 2019, the Industrial sector in Batang Regency was able to absorb 23.53% of the total existing workers (Central Statistics Agency, 2019).

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Industrial Development in Batang Regency is expected to not only be able to optimize the development of creative industries based on local potential. However, industrial development in Batang Regency must also be able to optimize the designated Industrial allotment area and Industrial area. In addition to the development of facilities and infrastructure supporting industrial development, the existence of an Industrial allotment area of 3,310 hectares also requires investment both from within the country and abroad. In other words, the Batang Regency Local Government must be able to invite investors not only in medium-sized industries but also large industries. (Bylaw, 2021)

## **2. Creative economy growth in Batang Regency**

Based on the action plan in regional regulation No. 3 of 2021 concerning the industrial development plan of Batang regency for 2021-2041. The action plan for 2021-2025 is *first*, providing guidance and convenience in managing business licenses and certainty of business places for the creative industry. *Second*, providing incentive support for the creative industry. *Second*, providing guidance and convenience for the management of HaKI. Then in 2026-2030, quality management assistance, standards and appropriate technology care for the creative industry will continue. (EKRAF - Disparpora Kab. Batang, n.d.)

Based on data from the creative economy catalog of Batang regency, of the seventeen creative economy sub-sectors, the sectors filled are in the fashion sub-sector and the craft sub-sector. In the fashion sub-sector, there are eight creative industries including:

1. Vellea handmade
2. Sepatu lukis
3. Rotatoli positive wear
4. Noyarania tas batik
5. Koini daily kids pants
6. Gasbilo fashion
7. Tas kulit
8. Bloom allday
9. Blangkon

Then in the craft sub-sector, there are twenty-one creative industries including:

1. Yufa craft costume mecrame
2. Teguh Abadi pengrajin wayang golek
3. Rebana Kalipucang
4. Miniatur kapal
5. Niboo wooden kitchenware
6. Naradha Kodirko boneka robot dan mainan kayu
6. Landax sukosari enterprise
7. Kertosari craft
8. Istana parcel
9. Hasta ethnic kain tenun
10. Godong handycraft
11. Eence knitting
12. Deka deko interior
13. Butrirasa
14. Belle macrame
15. Aulia nabila tazus salimah
16. Abbel Sprei lukis hand made
17. Ngatimun kerajinan kayu
18. Sigit purnomo kerajinan kayu
19. Faisal jam tangan kayu
20. B.jo Furface
21. Bejo kuwat miniatur truck

(EKRAF - Disparpora Kab. Batang, n.d.)

But the reality today, there are many other creative industries that stand in Batang Regency as well as culinary. Batang Regency has very many creative industries in the culinary field. It's just that the industry has not been listed on the creative economy catalog on the Batang Regency website.

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