

The Characteristics Of Creative Industries In Banda Aceh, Indonesia: An Overview

Khairul Aswadi¹, Elidar², Amiruddin³, Ishak Hasan⁴, Martahadi Mardhani⁵

¹)Department of Economics Education, Faculty of Teacher Training and Education, Universitas Serambi Mekkah, Jl. Tgk. Imum Lueng Bata, Banda Aceh,

*Email Korespondensi: khairulaswadi@serambimekkah.ac.id

Abstract: *This paper provides an overview of the current situation of the characteristics of the creative industries in Banda Aceh, Indonesia. To illustrate the situation, we used a dataset in 2016 from the official publication of the Indonesian Agency for Creative Economy (BEKRAF). Based on the results of the analysis, we conclude that the majority of creative industries do not have legal status, internet media, business networks while managing their businesses. Therefore, we recommend that stakeholders, especially the government, universities, and entrepreneurs, develop it so that they can create jobs and increase regional income through local taxes.*

Keywords: *Creative Business, Creative Economy, Creative Entrepreneurs, Creative Industries*

The creative industry is one of the essential industries that can sustain the economy in each country. The Indonesian Agency for Creative Economy and Statistics Indonesia (BEKRAF/BPS, 2016) stated that the creative industry was recorded to be able to contribute to the national economic growth of 852 trillion rupiahs (7.38%) in 2015. This sector also absorbed 15.9 million workers (13.90%) and contributed to the export value of 19.4 billion US dollars (12.88%). The contribution of creative industries is still small, but this business is potential and essential to be developed in all regions.

To develop the creative industry, BEKRAF/BPS (2016) has also mapped and released the results of a survey conducted in 99 cities in Indonesia. Banda Aceh is one of the cities included in the survey. In developing countries, such as Indonesia, creative industries are mostly found in urban areas (Fahmi, McCann, & Koster, 2017) and underpin the national economy (Zuhdi, 2012).

The development was carried out to realize the resilience of innovation from the nation's work industry in which there are ideas and ideas to become a society with a high quality of life. Hidayat & Asmara (2017) states that the creative industries and innovations

are interrelated with each other in supporting national economic growth in Indonesia. This paper provides an overview of the current situation about the characteristics of the creative industries in Banda Aceh.

LITERATURE REVIEW

Creative Economy and Creative Industries

UNCTAD/UNDP (2008) in the Creativity Economy Report states that in an economic context, creativity shows a formulation of new ideas and applies these ideas to produce jobs derived from cultural arts products, functional creations, scientific discovery, and application of technology. According to UNCTAD/UNDP (2008), the creative economy is an integrative part of innovative knowledge, creative culture, and the use of technology. The Ministry of Trade (Departemen Perdagangan, 2008b) defines the creative economy as an effort to sustainable economic development through creativity with an economic climate that is competitive and has reserves of renewable resources. Furthermore, creative industries are part of creative economic activities. According to UNCTAD/UNDP (2013), the creative industry is a term applied to a broad sector of production, including goods and services by industry and cultural innovation, including R&D and software development.

Furthermore, (Departemen Perdagangan, 2008a) states that the creative industry is derived from the individual creativity, skills, and talents to create prosperity and employment by producing and empowering individual creativity. Besides, the creative industry encompasses a variety of creative activities from an artistic and cultural heritage that contribute to the original work and its protection through various intellectual property rights of each actor (WIPO, 2017).

Creative Business

Creative business is a type of business that develops the industry through the use of individual creativity, skills, and talents to produce a creative product. Bujor & Avasilcai (2016) states that creative entrepreneurs are the types of entrepreneurs who care about the creation and exploitation of creative or intellectual capital.

While managing a business, creative entrepreneurs also experience many challenges, especially related to their entrepreneurial competencies. Studies for Estonia, Latvia, Finland,

and Sweden show that the weaknesses of creative entrepreneurs are mainly in entrepreneurial competencies (Küttim, Arvola, & Venesaar, 2011). Enhancing their entrepreneurial skills is needed.

In this case, efforts to increase their entrepreneurial capacity through education and training can provide new experiences (e.g., Aswadi et al., 2018; Küttim et al., 2011; and Mardhani & Syahputra, 2017). However, a study conducted by Setiadi & Aryanto (2014) shows that the factor characteristics strongly influence the stimulation of workers' creativity, and their creative behavior differs between individuals. Therefore, capacity building for creative workers requires a different method.

RESULTS AND DISCUSSION

Characteristics of Creative Entrepreneurs

To observe the existence of creative entrepreneurs from a variety of characteristics, one of which is by gender. The characteristics of entrepreneurs in the creative industries by gender in Figure 1. It shows that the majority of entrepreneurs in the creative industry sector are men. Where the percentage of male entrepreneurs is higher than female entrepreneurs, reaching 50.48 percent compared to female entrepreneurs, which is only 49.52 percent. However, the proportion of women entrepreneurs almost matched the number of men entrepreneurs. The findings show that the level of participation or interest of women in the development of creative industries is relatively high.

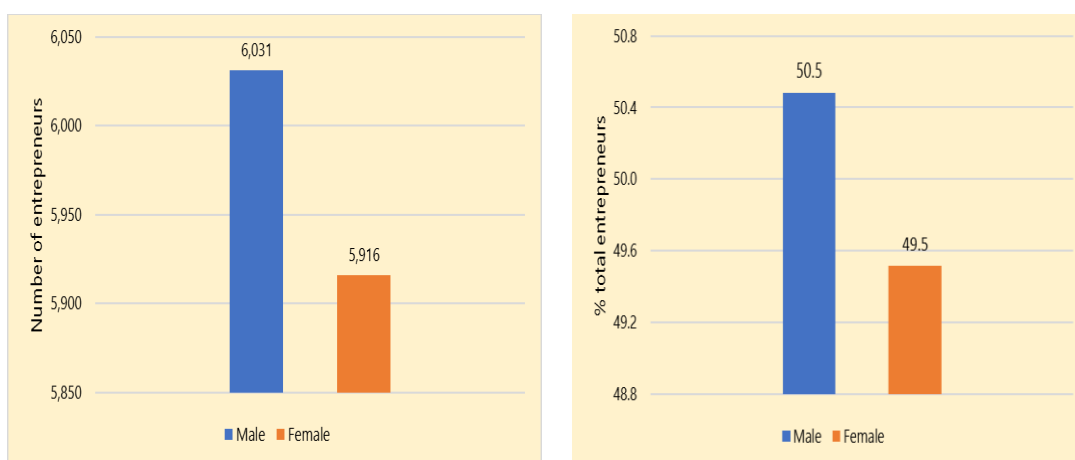


Figure 1. Creative Entrepreneurs by Gender

Source: BEKRAF, 2019

Characteristics of Creative Industries

Based on the legal status, the creative industry in Banda Aceh consists of Limited co., CV, special permission, state-owned, and other business. The proportion of creative industries, according to the status of legal entity in Banda Aceh shown in Figure 2.

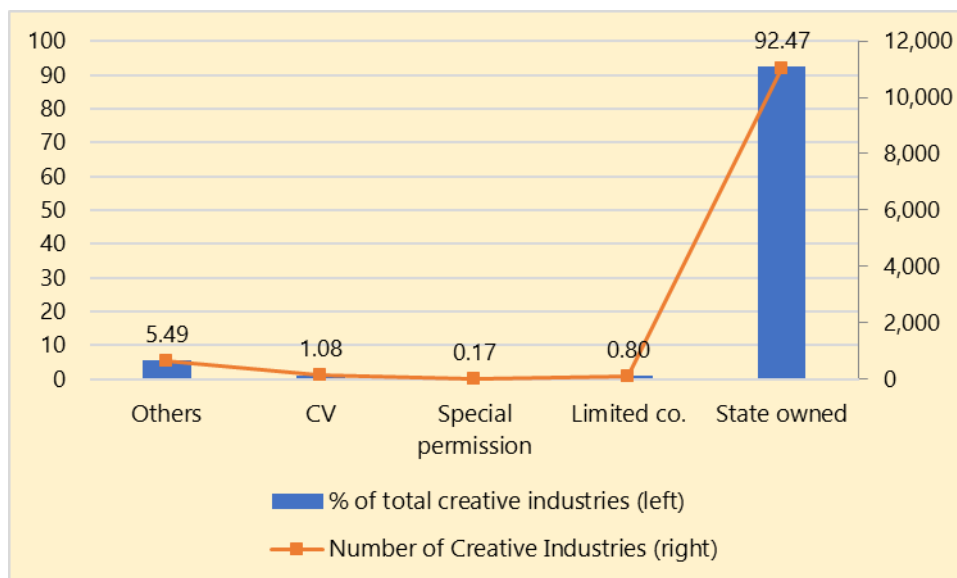


Figure 2. Creative Industries by Legal Business Entity

Source: BEKRAF, 2019

Based on Figure 2, most creative industry businesses do not yet have legal entity status. The proportion of creative industries that are state-owned is fantastic, which is 92.47 percent. While the rest, each in the form of other legal entities (5.49%), CV (1.08%), Limited co. (0.8%), and special permission as much as 0.17 percent. This shows that the interest of creative entrepreneurs to take care of the legal status of business entities is still very little so that socialization from the government is needed to disseminate the importance of legality of business entities in order to improve business competitiveness.

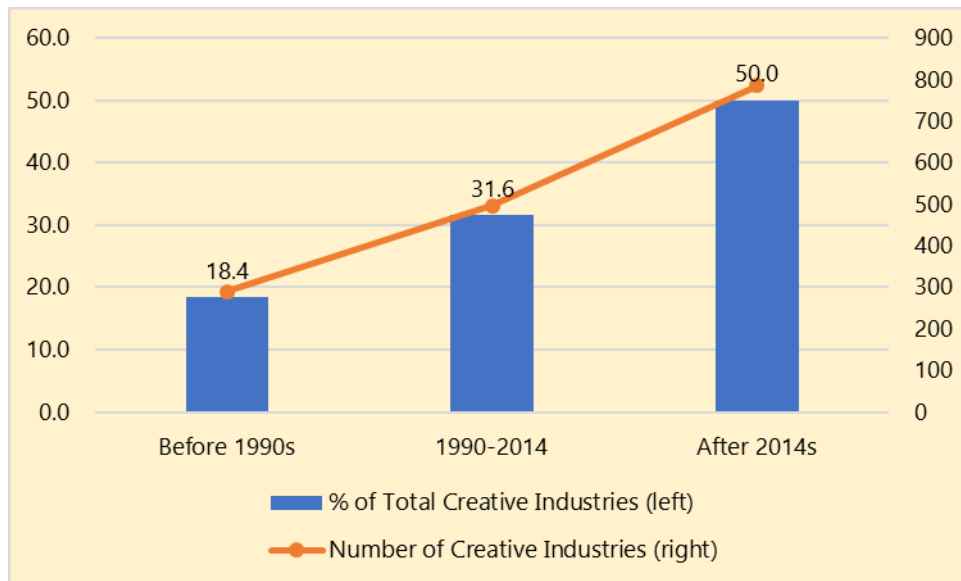


Figure 3. Creative Industries by Start-up Year

Source: BEKRAF, 2019

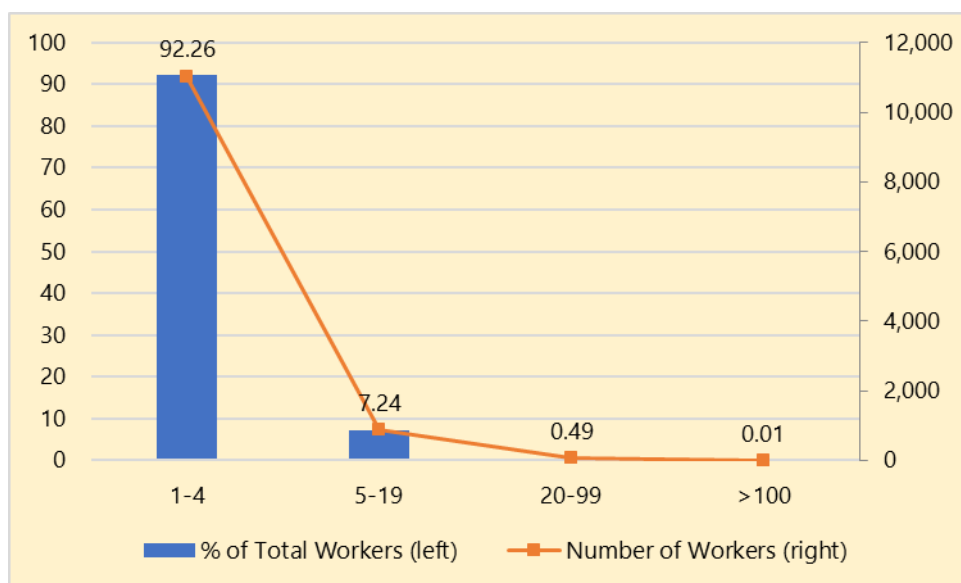


Figure 4. Creative Industries by Number of Workers

Source: BEKRAF, 2019

If based on the year of establishment, the proportion of creative businesses in Banda Aceh is shown in Figure 3. The development of the number of creative industry enterprises is higher after 2014, which is 50 percent from before 1990 and between 1990-2014. This shows the growth of real public interest in developing the creative industry sector.

Related to the classification of creative businesses based on the number of workers can be observed in Figure 4. The creative industries are dominated by businesses whose

workforce is between 1-4 people (92.26%). Also, others for businesses with a total workforce of 5-19 people (7.24%), 20-99 people (0.49%), and more than 100 people (0.01%). Most of the businesses in the creative industries are still small businesses.

Based on business networks, the creative industries shown in Figure 5. The majority of creative economic businesses, namely 97.82 percent, do not have business networks or in other words, a single business network. While the other 2.18 percent already has a business network (non-single business network). In other words, most of these businesses still managed individually.

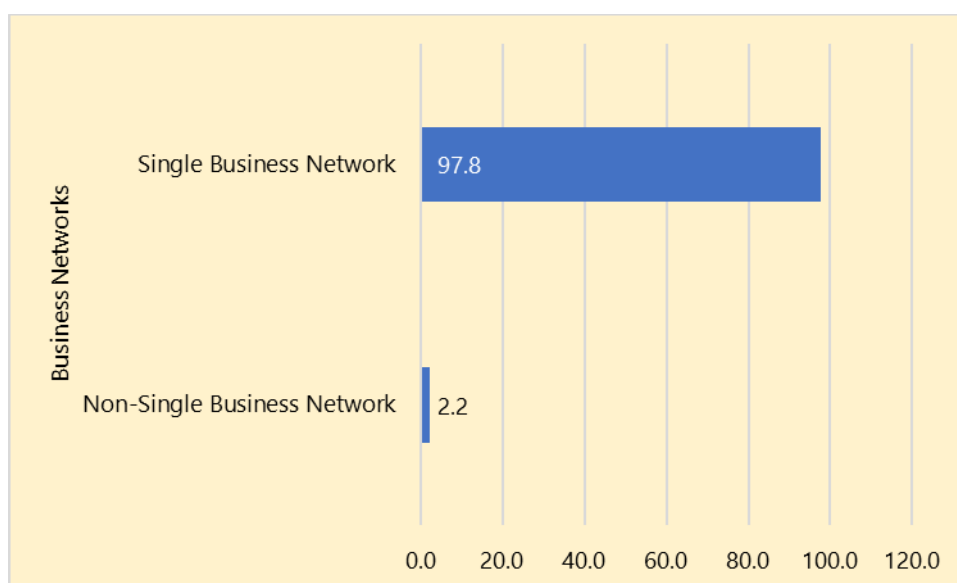


Figure 5. Creative Industries by Business Networks

Source: BEKRAF, 2019

Creative industries based on the use of internet media show in Figure 6. Where it appears there are still few creative economic businesses that use internet media to promote their products.

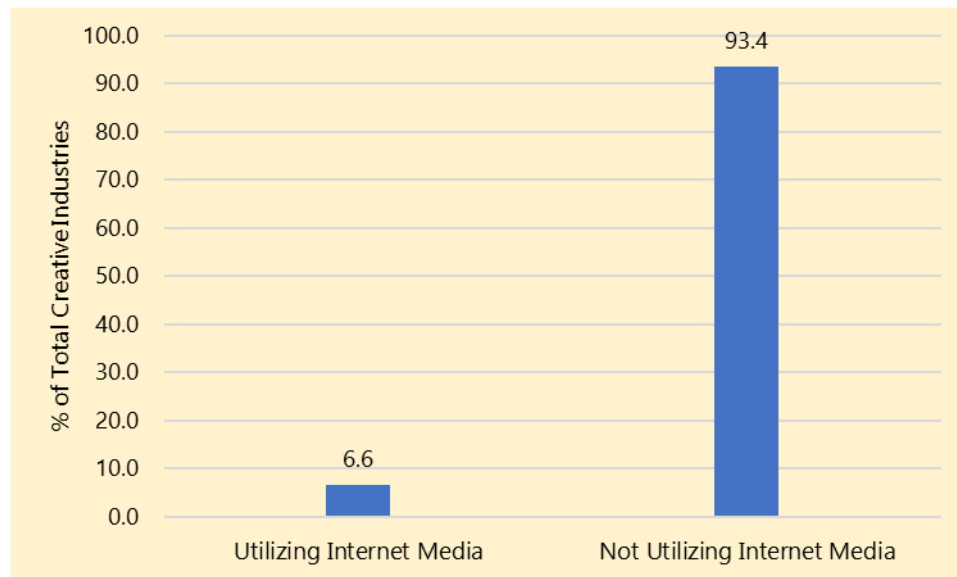


Figure 6. Creative Industries by Utilization Internet Media

Source: BEKRAF, 2019

The use of internet media in creative industry businesses is still relatively low at 6.58 percent, while 93.42 percent of creative industry businesses do not utilize internet media. This means that there are still many entrepreneurs in this sector who have not been able to utilize information technology to manage their business professionally.

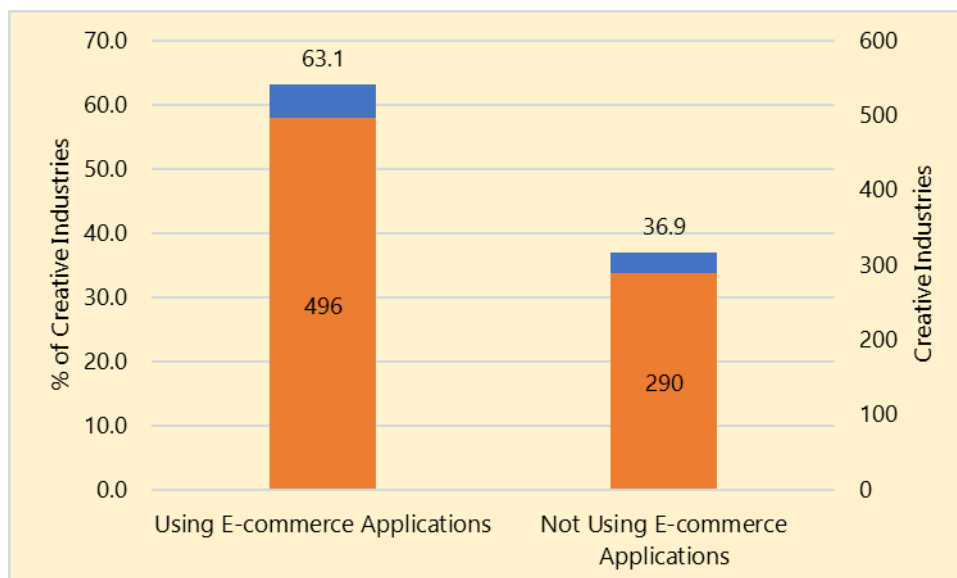


Figure 7. Creative Industries by using e-commerce applications

Source: BEKRAF, 2019

The classification of creative industries based on the application of e-commerce can be observed in Figure 7. Most creative industries have applied e-commerce to manage their businesses. The percentage of businesses that have implemented e-commerce is 63.10 percent. Another 36.9 percent did not implement e-commerce applications. In general, the proportion of creative industries that have implemented e-commerce is already relatively high.

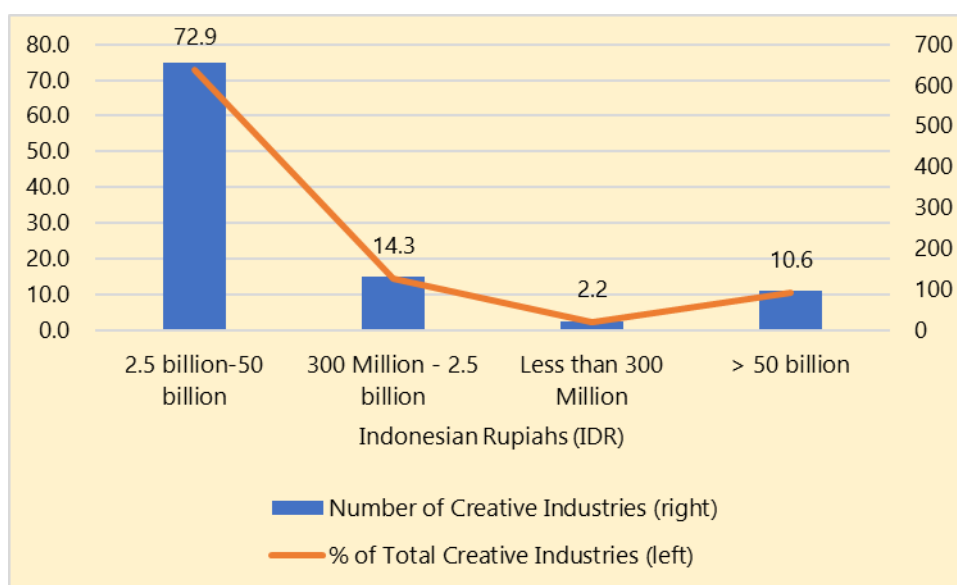


Figure 8. Creative Industries by Turnover

Source: BEKRAF, 2019

The characteristics of the creative industries based on business turnover that we discussed in this last section (Figure 8). Based on business turnover, the majority of creative businesses based on business turnover are businesses whose turnover ranges between 2.5-50 billion rupiahs (72.89%). While other business turnover categories to the creative industries with a turnover of between 300 million and 2.5 billion rupiahs (14.33%), more than 50 billion rupiahs (10.56%), and less than 300 million rupiahs (2.22%).

CONCLUSIONS AND SUGGESTIONS

Considering the results of the discussion above, based on the characteristics of the creative industry entrepreneurs, the majority of entrepreneurs are men. If, based on the

characteristics of the creative industries, from several characteristics, namely the status of a legal entity, the year of business establishment, the number of workers, business networks, the use of internet media, the application of e-commerce, and turnover.

The most of creative industries did not legal status, (2) has grown significantly after 2014, (3) dominated by small businesses with a workers of 1-4 people, (4) most creative industries do not have business networks (single business networks), (5) the use of internet media is still relatively low; (6) most have implemented e-commerce; and (7) the majority of creative industry have a revenue of around 2.5-50 billion rupiahs.

Based on these conclusions, then for the development of creative industries that can accommodate a large workforce, it is necessary to involve the government, universities, and the business world. Besides, it also needs to encourage the creative industry to have the status of a legal entity, for that where access to information for entrepreneurs is needed. Furthermore, it is also necessary to increase the capacity of creative industry entrepreneurs to utilize internet media, implement e-commerce, and build business networks in creative industries.

ACKNOWLEDGMENT

This paper is part of collaborative inter-university research funded by DRPM Ristekdikti for the 2019 fiscal year.

REFERENCES

- Aswadi, K., Mutia, R., Elidar, E., & Mardhani, M. (2018). Gerakan OVOP di Kota Banda Aceh: Identifikasi Potensi Produk Industri Kreatif sebagai Produk Unggulan Gampong. *Jurnal Manajemen Dan Keuangan*, 7(2), 199–207. <https://doi.org/10.33059/jmk.v7i2.916>
- BEKRAF/BPS. (2016). *Data Statistik dan Hasil Survei Ekonomi Kreatif*. Jakarta: BEKRAF dan BPS.
- Bujor, A., & Avasilcai, S. (2016). The Creative Entrepreneur: A Framework of Analysis. *Procedia - Social and Behavioral Sciences*, 221, 21–28. <https://doi.org/10.1016/j.sbspro.2016.05.086>
- Departemen Perdagangan. (2008a). *Pengembangan Ekonomi Kreatif 2009-2015*. Jakarta: Departemen Perdagangan Republik Indonesia.
- Departemen Perdagangan. (2008b). *Pengembangan industri kreatif menuju visi ekonomi kreatif Indonesia 2025: Rencana Pengembangan 14 Subsektor Industri Kreatif 2009-*

2015. Jakarta: Departemen Perdagangan.

- Fahmi, F. Z., McCann, P., & Koster, S. (2017). Creative economy policy in developing countries: The case of Indonesia. *Urban Studies*, *54*(6), 1367–1384. <https://doi.org/10.1177/0042098015620529>
- Hidayat, A. R. R. T., & Asmara, A. Y. (2017). Creative industry in supporting economy growth in Indonesia: Perspective of regional innovation system. In *IOP Conference Series: Earth and Environmental Science* (Vol. 70, pp. 1–10). <https://doi.org/10.1088/1755-1315/70/1/012031>
- Küttim, M., Arvola, K., & Venesaar, U. (2011). Development of creative entrepreneurship: Opinion of managers from Estonia, Latvia, Finland and Sweden. *Business: Theory and Practice*, *12*(4), 369–378. <https://doi.org/10.3846/btp.2011.38>
- Mardhani, M., & Syahputra, R. (2017). Strategi Pengembangan Industri Kreatif Subsektor Kerajinan dalam Menghadapi Persaingan pada Era Asean Economic Community di Kota Langsa. *Jurnal Serambi Ekonomi Dan Bisnis*, *4*(1), 9–14.
- Setiadi, N. J., & Aryanto, R. (2014). Creativity-relevant personal characteristics among Indonesian creative workers. *Journal The Winners : Economics, Business, Management, and Information System Journal*, *15*(2), 140–149. <https://doi.org/10.21512/tw.v15i2.627>
- UNCTAD/UNDP. (2008). *Creative Economy Report 2008. The Challenge of Assessing the Creative Economy: towards Informed Policy-making*. Geneva and New York: UNDP and UNESCO.
- UNCTAD/UNDP. (2013). *Creative Economy Report 2013 Special Edition: Widening Local Development Pathways*. New York and Paris: UNDP and UNESCO.
- WIPO. (2017). *How to make a living in the creative industries*. Geneva: World Intellectual Property Organization.
- Zuhdi, U. (2012). Analyzing the Influence of Creative Industry Sector to the National Economic Structural Changes by Decomposition Analysis: The Case of Indonesia. *Procedia - Social and Behavioral Sciences*, *65*, 980–985. <https://doi.org/10.1016/j.sbspro.2012.11.230>