

## THE ROLE OF GOVERNMENT, AND PRIVATE SECTOR IN THE CREATIVE ECONOMY

### *PERAN PEMERINTAH DAN SWASTA DALAM EKONOMI KREATIF*

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#### **Abstract**

This study aims to find out 1) the role of government to the creative economy, and 2) the role of the private sector to the creative economy. The research method used in this research is literature review. As a result of this research 1) the Government has increased the capacity of creative economy actors related to business knowledge and financial management through conferences, competitions, and networks to increase the added value of products from creative economy actors; and make policies to obtain capital from the owners of capital as well as protection for creative economy actors. 2) The private sector is committed to be a mentor and invest its capital. Supply Side is an approach to the private sector by conducting discussions, consultations, or advocacy so that the private sector knows, understands and is interested in channeling its capital into the creative economy sector.

**Keywords:** Government, Private, Creative Economy

#### **Abstrak**

*Penelitian ini bertujuan untuk mengetahui 1) peran pemerintah terhadap ekonomi kreatif melalui masyarakat lokal, dan 2) peran swasta terhadap ekonomi kreatif melalui masyarakat. Metode penelitian yang digunakan pada penelitian ini adalah literature review. Hasil dari penelitian ini 1) Pemerintah melakukan peningkatan kapasitas pelaku ekonomi kreatif terkait pengetahuan bisnis dan manajemen keuangan melalui konferensi, kompetisi, dan jaringan untuk meningkatkan nilai tambah produk dari pelaku ekonomi kreatif; dan membuat kebijakan untuk mendapatkan modal dari pemilik modal serta perlindungan untuk pelaku ekonomi kreatif. 2) Swasta berkomitmen menjadi mentor dan menanamkan modalnya. Supply Side merupakan pendekatan kepada swasta dengan melakukan diskusi, konsultasi, atau advokasi agar swasta mengetahui, memahami dan tertarik untuk menyalurkan modalnya ke sektor ekonomi kreatif.*

**Kata Kunci:** Pemerintah, Swasta, Ekonomi Kreatif

## INTRODUCTION

The concept of creative economy is an economic concept in the new economic era that intensifies information and creativity by relying on ideas and knowledge of Human Resources (HR) as the main production's factor in economic activities (Sutarman, 2017). Creative economy with creative industries is currently one of the most dynamic economic drivers in the modern world. Creative industries is a part of creative economy which consist of core creative industry, forward linkage creative industry, and backward linkage creative industry. The creative economy has a broad scope because it relates to an ecosystem that has a dependent relationship between the creative value chain, natural environment, market and achieving. In addition, the creative economy is not only creating added value economically, but also socially, culturally and environmentally. Therefore, the creative economy can improve competitiveness and quality of life.

In Indonesia, the creative economy itself was officially introduced in 2008 by the Ministry of Trade of the Republic of Indonesia (Depdagri). The creative economy in Indonesia has shown strong growth from 2010 to the present and has consistently recorded positive growth in the country's GDP. This proves that the creative economy has enormous growth potential. The data on the contribution of the creative economy to GDP are presented in Table 1.

Table 1. The Contribution of The Creative Economy to GDP  
 (in trillion)

Year	GDP
2014	784,0
2015	852,0
2016	992,6
2017	990,4
2018	1.105,0
2019	1.211,0
2020	1.100,0

Source: lokadata, 2020

The increase in the contribution of the creative economy in 2014 to 2019 occurred due to changes in lifestyle, especially in the millennial generation, which in turn brought a change in consumption patterns from initially liking shopping for goods to turning to fun things. In this condition, social media plays an important role in this trend towards changing lifestyle. However, in 2020 there was a decline due to Covid-19 pandemic, this incident further strengthened the role of social media as a result of people being restricted from leaving their homes. This has proven positive for developing the creative economy, the power of social media is the one that keeps people active even at home.

Indonesia, with its richness and cultural diversity in various regions as well as a large market originating from 250 million people, certainly has a wide potential in the development of the creative economy. Cultural products such as digitizing folk songs, animated folklore with good quality, or creating fashion with elements of Indonesian culture are ways to develop the creative economy. Indonesia does not lack of talented and creative Human Resources (HR), Indonesia just lacks in adequate guidance and facilities (Efendi, 2014).

In Indonesia, there are five provinces which contributed the most to the creative economy GDP in 2016, namely DI Yogyakarta (16.12 percent), Bali (12.57 percent), West Java (11.81 percent), East Java (9.37 percent), and North Sumatra (4.77 percent). The success of DI Yogyakarta as a contributor to GDP from the creative economy occurs because in DI Yogyakarta there are more than 172 thousand creative economy actors engaged in the culinary, crafts, fashion, publishing and photography businesses. As for the creative economy actors of DI Yogyakarta, if they are grouped into their respective creative economy sub-sectors, namely the culinary sub-sector around 106 thousand businesses, about 36 thousand businesses in crafts, about 23 thousand businesses in fashion, around 3 thousand publishing businesses, and about a thousand photography businesses, plus the number digital creative industry.

The potential for the creative economy in DI Yogyakarta is huge because there are more than 524 thousand Micro, Small and Medium Enterprises (MSMEs) in DI Yogyakarta that can dominate the percentage of 98.4 percent of economic growth in DI Yogyakarta. The creative economy sub-sectors that are superior in DI Yogyakarta are 1) films, animation and video 2) handicrafts; and 3) as well as performing arts. DI Yogyakarta has a handicraft industry with 31,987 business units, 6,037 business units in fashion design, 21 business units in interactive games, and 386 business units in computer and software services. Meanwhile, the creative economy in tourism, DI. Yogyakarta has potential with around 60 tourist villages spread across DI Yogyakarta. In addition, there are 25 Production Houses, 341 dance groups and 411 drama groups.

Developing a creative economy cannot be separated from local culture because culture must be the basis for its development. In local culture there is what is called local wisdom (local genius) which becomes meaningful values, among others, translated into physical forms in the form of local creative products. Creative economy cannot be seen in an economic context only, but also in a cultural dimension. The creative ideas that emerge are cultural products, therefore cultural strategies greatly determine the direction of the development of the creative economy. Each region generally has product potential that can be raised and developed. The uniqueness or peculiarity of local products should be the core and then

added with an element of creativity with a touch of technology. It is possible for one region and another to have similar products, but each region must maintain its characteristics.

Uniformity between regions should be avoided. If this is done, the value of the uniqueness and uniqueness of the area / region will be lost because these products will be easily obtained anywhere. The creative economy must develop in accordance with the uniqueness of the local area, and this is what is combined with innovative-creative human abilities. Only then can comparative advantage be maintained and product competitiveness can be maintained. If this is successfully developed, then not only will the gross domestic product (GDP) increase but employment will also become more open so that unemployment and poverty can be gradually overcome. The creative economy itself, when combined with the cultural economy, will have a strong potential to become the core economy of a country.

DI Yogyakarta, apart from having great potential regarding the creative economy, also has great potential in the tourism sector. DI Yogyakarta is still the destination of tourist visits, both foreign and domestic tourists. In the 2014-2020 period, there was an increase in tourist visits except in 2020 to DI Yogyakarta as shown in Table 2.

Table 2. Tourist Visit to DI. Yogyakarta

Year	Number of Tourist
2014	3.346.180
2015	4.122.205
2016	4.548.574
2017	5.229.298
2018	5.689.091
2019	6.549.381
2020	1.658.988

Source: Tourism Statistic DI Yogyakarta Tourism Office, 2020

DI Yogyakarta offers a wide range of cultural diversity, this is what makes tourists both domestic and foreign interested in visiting. There are as many as seven indigenous cultures of DI Yogyakarta which are well known both at home and abroad, such as a) Batik with *ceplak*, *kawung*, *parang kusumo* and *slope motifs*; b) *Sekatenan*, an annual folk party held at the *Ngayogyakarta Hadiningrat Palace* to commemorate the birthday of the Prophet Muhammad, c) *Ramayana Ballet*, a dance and drama that is combined into one neat performance without dialogue with the *Ramayana story* and the background of the *Prambanan Temple*, d) dance arts such as *Golek Ayun-Ayun*, a dance that displays the elegance and grace of a woman, or a brave woman to a knight with a handsome and handsome appearance; e) *Karawitan art*, an art of singing that uses *gamelan* as its instrument and human voices that are in harmony with *pelog* or *slendro*, f) *Wayang Kulit* with the story of *Ramayana* and *Mahabarata*; and g) *Labuhan ceremony*, which is one of the traditional ceremonies that believe in creating peace, prosperity, and always being given safety by the Almighty. This culture is the hallmark of DI Yogyakarta, unique and antique so that those who see one of these cultural products will always be reminded of DI Yogyakarta.

This tourism potential, if strengthened by the creative economy, will have a positive impact on economic growth in DI Yogyakarta. Tourist activity attractions can be a never-ending creative idea to be developed. For example, the packaging of the DI Yogyakarta culture as souvenirs and performing arts can become a separate tourist attraction and provide added value. On the other hand, a market that absorbs creative economy products is available, namely through tourists or visiting tourists. The tourism potential of DI Yogyakarta can be developed through a creative economy that does not only involve local peoples or communities as quality resources, but also involves the government and private sector.

In developing the creative economy, good collaboration between academia, the private / business sector, and the government is needed. A close relationship, mutual support, and symbiotic mutualism between the three actors in the basis of activities and the pillars of the creative economy model will produce a creative economy that stands strong and sustainable. The theory of the Triple Helix was originally popularized by *Etzkowitz* and *Leydersdorff* as an innovation-based policy development method

where this theory reveals the importance of creating three-pole synergies, namely academics (academician), the private sector / business (businessman), and government (government) which in Indonesia is known as ABG concept.

Over the time, the participation of creative economy actors has become increasingly significant in determining the direction of future creative economy development. This is because creative economy actors are the main actors who involved in the entire production process, starting from the initial activities in determining the type of product to be produced until the product is accepted by consumers. Therefore, in addition to strengthening economic capital, it is also necessary to strengthen the social capital of creative economy actors. Social capital can be defined as the ability of the community to work together to achieve common goals, both in the form of groups and organizations. According to (Field, 2010), social capital is a relationship that occurs and is bound by trust, mutual understanding, and shared values that bind group members to make joint action possible efficiently and effective. With the existence of elements from creative economic actors who play this significant role, currently there is a paradigm shift from the original Triple Helix (academician, businessman and government) to Quadro Helix (academician, businessman, community, and government).

The creative economy in DI Yogyakarta also has challenges and obstacles that must be faced so that it needs synergy between business actors (private) and the government which functions as a catalyst. According to Harsastro (2014), the relationship between the government and the private sector is established due to development challenges that become too complex and interrelated due to a lack of financial and managerial resources.

The problem in developing the creative economy is that the creative economy actors are easily satisfied so that they do not upgrade their abilities and also there are some difficulties in accessing raw materials. Aghnia (2016) suggests that there are various kinds of problems in the development of the creative economy, including the lack of facilities, difficulty in managing capital assistance to banks, licensing and tax breaks have not been fully facilitated by the government, and there are still many creative industry actors who have not patented their products so that there are frequent cases piracy or duplication. Sidauruk (2013) states that the limited capacity of human resources and the inadequacy of government policies are factors that inhibit the development of the creative economy.

DI Yogyakarta has become a tourist destination that is considered by both domestic and foreign tourists because it is supported by the beauty of cultural and artistic and culinary destinations that DI Yogyakarta has. Tourism, which is the potential of DI Yogyakarta, needs support from the unique creative economy products and other creative economy services. Therefore, DI Yogyakarta government efforts are needed to plan incentive destination activities in order to attract tourists and develop the existing potential.

Creative tourism as a part of the creative economy is currently increasing by the intervention and involvement of related organizations. However, it is clear that local communities are hardly involved in the planning process as most of the creative tourism projects that have emerged are implemented by the private sector (Songsrem and Adarsh, 2019). According to Hermantoro (2011), tourists create and generate tourist visits, and local people take advantage of the presence of tourists by simply providing accommodation facilities, where in fact the existing accommodation facilities are private property so that after tourists leave the place of visit, it will bring losses to the local community.

Based on the foregoing, this study will aim to answer the role of the government and the private sector in the creative economy through local communities.

## **METHODOLOGY**

The research is using literature review. Literature review consist of reviews, summaries, and author's thoughts on several sources of literature (articles, books, slides, information from the internet, etc.) on the topics discussed. A good literature review must be relevant, current and adequate.

## RESEARCH RESULT

### Creative Economy in Tourism Sector

According to Wiko (2010), the creative economy is a condition in which science and technology are inputs in driving economic development and creating good economic growth. The potential of Indonesia's creative economy is quite large when viewed from the very large capital of natural resources such as wood, rattan, bamboo and so on. In addition, Indonesia also has considerable cultural capital, such as a very diverse cultural heritage to local wisdom. Then demographically, Indonesia has young people who are creative and skilled in using technology and connected to social media.

The government itself has identified the scope of the creative economy covering 14 sub-sectors, including advertising; architecture; art market; craft; design, fashion; video, film and photography; interactive games; music; performing arts (showbiz); publishing and printing; computer services and software; television and radio (broadcasting); and research and development. However, related to tourism, the developing creative economy sub-sectors include:

- 1) **Advertising.** Is a creative activity related to advertising services, namely one-way communication using a particular medium. An example is the Indonesian visit advertisement issued by the Ministry of Tourism and Creative Economy of the Republic of Indonesia which uses various media such as videos, pamphlets, banners, and social media with the aim of introducing Indonesian tourist destinations.
- 2) **Architecture.** Is a creative activity related to building design as a whole, from the macro level (town planning, urban design, landscape architecture) to the micro level (construction details). An example is the architecture of Yogyakarta International Airport, whose designs adopt many forms and traditional symbols such as gunung, lawang papat, and kawung which are obtained from the culture and local wisdom of traditional Javanese communities.
- 3) **Art Goods Market.** Is a creative activity related to the trading of original, unique, and rare items that have a high artistic and historical aesthetic value through auctions, galleries, shops, supermarkets, and the internet where commodities include music, printing, handicrafts. Examples are the Sukowati Art Market in Bali, the Gabusan Art Market in Yogyakarta, and the Triwindu Market in Solo.
- 4) **Craft.** Is a creative activity related to the creation, production, and distribution of products made or produced by craftsmen starting from the initial design to the completion of the product. Commodities include handicrafts made of precious stones, natural and artificial fibers, leather, rattan, bamboo, wood, metal (gold, silver, copper, bronze and iron), glass, porcelain, cloth, marble, clay, and chalk. Craft products are generally only produced in relatively small quantities (not mass production). An example is the pottery craft in Kasongan Yogyakarta.
- 5) **Design.** Is a creative activity related to graphic design creation, interior design, product design, industrial design, corporate identity consulting and marketing research services as well as packaging production and packaging services. An example is the packaging design for souvenir products using modified traditional products, such as bamboo woven bags, and so on.
- 6) **Fashion.** Is a creative activity related to the creation of clothing designs, footwear design, and other fashion accessories design, production of fashion clothing and accessories, consulting product lines and distribution of fashion products. An example is the use of batik or kebaya as a flight attendant's uniform on the Garuda Indonesia airline.
- 7) **Video, Film and Photography.** Is a creative activity related to the creation of video production, film, photography services, and distribution of video and film recordings. This includes script writing, film dubbing, cinematography, soap operas, and film exhibitions or festivals. An example is the making of films that take the theme of the culture and specialties of Yogyakarta, for example the short film Marak which introduces culture and tourism in the Yogyakarta Palace.
- 8) **Music.** Is a creative activity related to the creation or composition, performance, reproduction and distribution of sound recordings. An example is the use of traditional music in popular music.
- 9) **Performing Arts (showbiz).** Is a creative activity related to content development efforts, show production. For example, puppet shows, Ramayana ballet performances at Prambanan Temple,

Kecak dance performances at Uluwatu Temple, and angklung performances at Saung Angklung Mang Udjo.

The creative economy and the tourism sector are two things that synergize with each other if managed properly. The concept of tourism activities can be distributed with 3 factors, namely there must be something to see, something to do, and something to buy (Wilopo and Luchman, 2017). Something to see is related to attraction in tourist destinations, something to do related to tourist activities and something to buy related to local souvenirs that can be purchased at tourist attractions. These three components can enter the creative economy.

Pahleve et al (2018) said that there is an addition to the concept of creative economy based on tourism village activities, namely something to share because in the digital era, humans have a new hobby of sharing photos and activities carried out through cyberspace. This makes tourist destination operators develop tours that have attractive photo booths so that each visitor can take photos and share them with others through their social media.

### **The Role of the Government in the Creative Economy**

The government has an important role in a development because government acts in the implementation, monitoring, evaluation, mediation, formulation, and policy making. In this case, the government must be able to provide policies that are in accordance with the needs where policies issued by the government can be in the form of legal regulations, budgeting that provides various facilities such as funds, guarantees, tools, technology, networks, information management systems as well as education on policy-making in a development. In the explanation above, it is stated that the government plays a large role in determining the signs and rules in general. The government's most prominent role lies in decision-making and funding. To maintain the quality of the products produced, the government should also establish a clear and sustainable monitoring and evaluation pattern, especially to control the role of the private sector so that it runs naturally and does not harm the community.

According to Sulatri and Nova (2015) the main role of government in the development of the creative economy is a) as a catalyst and facilitator and advocacy that provides stimulation, challenges and encouragement, so that business ideas move to a higher level of competence. This support can be in the form of a government commitment to use its political power proportionally and by providing good public administration services in addition to financial support, incentives or protection, b) as a regulators, which produce policies related to people, industry, institutions, intermediation and resources. power and technology. The government can accelerate the development of the creative economy if the government is able to make policies that create a conducive business climate for the creative economy, c) as a consumers, investors and even entrepreneurs. The government as an investor must be able to empower state assets to be productive within the scope of the creative economy and be responsible for infrastructure investment, d) as a urban planner. Creativity will thrive with cities that have a creative climate. In order for the development of the creative economy to run well, it is necessary to create creative cities that are able to become an attractive magnets for individuals to open businesses in Indonesia.

DI Yogyakarta has great potential related to the creative economy in the tourism sector. DI Yogyakarta has the potential of  $\pm 60$  (sixty) tourist villages spread across four districts that have creations of tourist attractions, interactive activities in people's lives, and unique accommodations that are of interest to domestic and foreign tourists. In addition, there are creative industries in other cultural fields, including production houses, dance groups and drama groups.

The tour packages offered will attract more interest from tourists to visit DI Yogyakarta and will further encourage economic development through the creative economy by developing regional potentials. In addition, the development of a significant creative economy occurred in Bantul Regency with the establishment of various handicraft centers such as Kasongan, Gabusan Art Market, and also Manding Leather Crafts.

The DI Yogyakarta government facilitates the community to form a creative economy forum in the tourism sector which is spread across the districts. The forum is called "Rumangsa", Rumangsa provides a program in fostering and developing creative economy actors in the tourism sector, namely assistance to become a tourism awareness forum that can increase awareness of good tourism for the people in Yogyakarta. Rumangsa is a government effort to build a creative economy in the field of community-based tourism, because the output of Rumangsa is that the public can be more aware of the tourism potential they have, so that it is hoped that the community can further explore the potential around it to become an alternative tourist destination in Yogyakarta. In addition to non-physical facilitation, the Yogyakarta City Culture and Tourism Office also provided funds of Rp. 3,000,000 to strengthen this household institution. Rumangsa has become one of the prioritized things so that the DI Yogyakarta government has poured out a number of funds to strengthen this institution. Because it is hoped that with the active participation of the rumangsa group, there will be community initiatives to explore the creative economy in the tourism sector in their environment. After the community is aware of the tourism potential they have around them, they will form a tourist village so that it invites many tourists and has an impact on the welfare of the community.

Since formed in each sub-district, several rumangsa groups have been active in carrying out various activities such as promoting the importance of the creative economy in the tourism sector in their respective districts. Because one of the developments of this rumangsa group is forming active tourist villages and becoming an alternative tourist destination in Yogyakarta, for example, such as the Pandean tourist village which is famous for Javanese gamelan crafts made of iron, the performing arts of kethoprak and shadow puppets, and culinary delights; and Kota Gede which is famous for its silver crafts and Javanese architecture. The tourism village will greatly benefit the surrounding community, because it can increase community income so that it can improve the economic welfare of the community.

DI Yogyakarta tourism which continues to increase with the arrival of various tourists, both domestic and international, has made many creative economy craftsmen emerge to meet market demand. With a cultural and tourism background, this encourages the government to continue to evaluate every existing policy in a better direction so that it is more focused in managing and utilizing the creative economy of various sub-sectors. The policies made by the government are expected to be appropriate and right on target, so that empowerment and protection of the creative economy can run optimally.

The growth in tourist visits ultimately affects the growth of other tourism elements such as tourist villages and tourism conscious groups, which shows that currently the tourism sector is growing into one of the leading economic sectors in DI Yogyakarta as shown in Table 3.

Table 3  
Growth of Tourism Elements in DI Yogyakarta

No.	Elements	Year			
		2016	2017	2018	2019
<b>A</b>	<b>Number of Tourist Attraction</b>				
1	Nature	10	12	17	32
2	Artificial	8	13	15	42
3	Historical	14	17	17	17
<b>B</b>	<b>Number of Tourist Village</b>				
1	Advanced	24	24	25	48
2	Developing	30	30	57	39
3	Grow	31	31	50	48
4	Worth Selling	0	31	82	135

Source: Baappeda DI Yogyakarta, 2019

A support from the government is provided by carrying out empowerment programs in accordance with the plan of small businesses, protection and development as widely as possible so that small businesses can receive government assistance programs equally and can develop with the government's support for the people's economy. The empowerment carried out by the government as an

agent of reform is an effort to make changes that are planned according to the potential and target needs (Anwas, 2014).

According to Hutomo (2000), community economic empowerment is an effort to strengthen society in having production factors, strengthening distribution and marketing, strengthening in society to receive adequate wages / fees, strengthening in obtaining information, receiving community knowledge and skills, which can be done both from the aspect of society and government policy.

This is in accordance with the function of empowerment expressed by Parsons in Anwas (2014) where empowerment by the government is very important for craftsmen in gaining skills, knowledge, and mastering activities to influence the lives of others who are of concern to him, namely concerns related to empowerment for sustainability of creative industry. In accordance with the president's direction so that DI Yogyakarta can become a creative city, the Bantul Regency government continues to explore the various potentials possessed by the regions with sufficient opportunities to develop creative industries. This is shown by the holding of activities related to creative industry exhibitions and events in collaboration with BEKRAF, as well as various associations from various creative industry sub-sectors such as ADITIF, HIMKI, and APIKRI to help promote creative economy products in Yogyakarta.

Government assistance in the form of regulations and programs to continuously encourage craftsmen to be able to grow a business is something that the creative economy needs. Local governments are obliged to protect the creative economy by monitoring, evaluating and controlling the implementation of empowerment and protection programs that have been carried out so far. In addition, local governments can create a business climate that is conducive to protection through policies designed to protect business actors in order to provide a sense of security for the ongoing business process. The policies made are expected to provide appropriate benefits so that the continuity of the creative economy can be maintained.

The process of protecting the creative economy carried out by the government is in accordance with what Pusparini (2011) stated, where protection is an act or an effort to protect the community by arbitrary actions from various parties that are not in accordance with legal regulations, in order to create order and peace enabling humans to enjoy human rights. As stated by Sjafrizal (2014), namely by means of a systematic and planned effort to regulate and control the development process which includes long-term, medium-term and short-term policies.

According to Harsastro (2012), the relationship between the government and the private sector is established because the challenges of development are too complex and interrelated. Program evaluation is carried out by the government to correct mistakes in policies and programs that are not right or that are not going well. This is consistent with what Wuryandani (2013) states that inappropriate policy evaluation helps the government to be able to assess how far the policies that have been made can provide targeted benefits and to what extent the problem can be resolved.

Policies made have also used analytical techniques as expressed by Sjafrizal (2014), namely by paying attention to these elements in making policies, namely the strengths where the capabilities of the regions are also considered, the weaknesses of the regions are also considered in the policy-making process, opportunities that can be used for the progress of regional development, as well as threats that are also considered to see future conditions or problems so that they can be prevented. This is also a consideration for the government in determining the direction of policies related to empowerment and protection of the creative economy, cooperatives and small businesses. Regulations made are not only discussed by regional government leaders, but can also be realized through programs through empowerment and protection policies for the creative economy, cooperatives and small businesses.

During the Covid-19 pandemic, to improve the creative economy from the tourism sector, the DI Yogyakarta government collaborated with young filmmakers to make short films with the theme of Yogyakarta. The collaboration between the DI Yogyakarta government and filmmakers is through the DI Yogyakarta Cultural Office. Where the government provides the budget through the Yogyakarta Privileges Fund. According to Law Number 13 of 2012 concerning the Specialties of the Special Region of Yogyakarta, it consists of five elements: filling procedures, regional government institutions, culture, land, and spatial planning. Of these allocations that intersect with the creative economy in the tourism

sector are culture and spatial planning, where the cultural allocation is 76.87 percent and spatial planning is 20.90 percent. The cultural sector is allocated for making short films about Yogyakarta culture and the formation of culturally independent villages. A cultural independent village that is developed with product quality from potential based on existing local wisdom so that it becomes an advantage in the village.

The spatial plan here is to revitalize Kotabaru, Tugu Pal Putih, Malioboro and Jalan Sudirman. This revitalization provides space for the creative economy of the architectural sub-sector to design the area by providing the concept of Javanese cultural local wisdom. Revitalizing the area in order to provide comfort and a good impression for tourists when visiting and show the identity of DI Yogyakarta as a cultural city. In addition, the revitalization of Malioboro also pays attention to spatial planning to empower local people to sell creative economy handicrafts and culinary delights in Yogyakarta.

In DI Yogyakarta, the roadmap for the creative economy in the tourism sector is not clear yet. This is because at the level of government or regional apparatus organizations (OPD), the division of creative economic affairs in the tourism sector is not clear because of the variety of activities and the separation of supervisory organizations based on their main tasks and functions. This happened for example at the Industry and Trade Office, the UMKM and Cooperatives Office, the Tourism Office and the Culture Service. However, DI Yogyakarta has the capital and ecosystem that can support it to become a center for the development of the creative economy. DI Yogyakarta has the potential to continue to be developed so that it can become a center for the creative economy in Indonesia. Abundant amount of human resources, educated human resources, a lot of educational facilities, especially universities, and various creative communities in DI Yogyakarta are considered to be the driving force for the creative economy to continue to develop in DI Yogyakarta.

From the dynamics of these problems, the government should adopt a policy to adopt the creative economy development model presented by Haryanto. Haryanto (2015), creates a creative economy development model which is based on the classification of 4 elements. This model is expected to minimize weaknesses that occur in the role of government. The four models are; 1) the main element, making the issue of sustainable development the vision and goal of the creative economy development and management pattern in the tourism sector; 2) elements of creative economy products in the tourism sector, where this element is a good form of tourism is community-based tourism; 3) criteria element, this element has the pillars of environmental preservation, cultural preservation, enrichment of attractions, participation-based education, community cohesiveness, and economic empowerment of local communities; and 4) supporting elements, development and management of the creative economy in the tourism sector are fully supported by all stakeholders and shareholders, including the community, visitors, managers, universities, central government, regional governments and tourism entrepreneurs.

These elements are taken into consideration in the policy, because of the hierarchical aspects and the interrelationships among all the elements in the management model. The aspect of sustainable development can be symbolized into the vision and main objectives in the development and management of the creative economy in the tourism sector which is the most essential and cannot be negotiated. Once the vision and goals for sustainable development have been set, other elements will begin to function in relation to each other because these visions and goals can be implemented within the framework of sustainable tourism if the creative economy product of the tourism sector is community-based tourism. By running a creative economy in the community-based tourism sector, automatically all of the pillars will be realized in the community. The entire process will be able to run if all interested parties provide support in accordance with their respective functions and roles

The problem in 2020 is that tourism activities have decreased the number of visits due to the Covid-19 pandemic. The Covid-19 pandemic has halted global mobility on an unprecedented scale, causing global tourism to be severely disrupted. Various policies have been carried out by the government so that the creative economy sector in the tourism and tourism sector grows again so that people's welfare improves. Fikri (2020), said that there are three things the government must pay attention to in developing the creative economy in the tourism sector during the Covid-19 pandemic : 1) paying attention to market

segments; 2) provide awareness for the level of care and appreciation of creative economy actors in respecting local culture and wisdom; and 3) paying attention to nature conservation.

The market segment must be considered in the development of the creative economy because there are not too many tourists who are interested in tourism activities that prioritize culture and local wisdom. This is due to the long time it takes to do this tour so that expenses become more expensive so this market segment needs to be emphasized after implementing the creative economy development model carried out by Haryanto. A quality market segment will produce quality products too. Then a combination of 4 elements of the creative economy development model in the tourism sector and the three indicators is required.

Later, the Indonesian government will create a superior program to restore the creative economy in the tourism sector due to the Covid-19 pandemic. The government programs by empowering the community are: 1) differentiating programs, grants for archipelago culinary packaging designs, this program seeks to improve and develop Indonesian culinary creative actors through understanding the important function of packaging; 2) incubation program, development of craft, fashion, and culinary MSMEs, the actors will receive assistance to produce sustainable products with better quality so that they have national competitiveness; 3) acceleration program, a synergy-aligned action aimed at accelerating the growth of the creative economy in the Super Priority Destinations. Of course, this policy can be implemented if there is a clear market segment, there is a vision and goals that must be carried out, providing awareness of the importance of local wisdom to local communities and active participation of the community in protecting the environment. And there is a good synergy between government, private sector, academics and the local community.

### **The Role of the Private Sector in the Creative Economy**

The government already has a fairly clear role in the development and sustainability agenda, where the participation of the private sector is often seen in terms of its contribution to economic growth, job creation and tax payments. This must change, with the private sector taking a broader and integrated role in the development agenda.

The private sector has a very important role in driving and supporting the national economy. Yuli (2020) said, the role of the private sector includes: 1) Being a partner of the government, the government is the master and manager of the resources in Indonesia. The existence of the private sector as the government's partner in the effort to manage these resources, both natural resources and other resources capable of driving growth and development of the national economy; 2) Help increase production, distribution and national consumption activities; 3) Absorb a lot of labor to reduce the unemployment rate; 4) Increase people's purchasing power due to salary or employee income; 5) Able to meet state revenue targets through taxes paid by the private sector; 6) Helping the smooth development of the country, 8) Assisting in efforts to equalize people's income.

The private sector takes a more role in the implementation of determining what they're going to do with the community. The role of the private sector in policy implementation includes the contribution of funds through private investment which is useful to support the development and development process that will be carried out. Meanwhile, the private sector also plays a role in maintaining the results obtained from operating private investment projects. The form of facilitation will be in the form of deployment of experts and skilled human resources and also an adequate technology.

According to Daulay (2018) the role of the private sector in the creative economy is 1) Self development: developing business capacity by participating in socialization, participating in design, production workshops; 2) commercialization and financing mechanisms 3) Carrying out the locomotive-carriage system, from big entrepreneurs to small entrepreneurs. The role of the private sector in the development of the creative economy puts forward partnerships with both the government and local communities or better known as the Public Private Partnership (PPP) in helping to implement development strategies. The objectives of this partnership are as follows: 1) There is a clear regulation from the government that regulates the activities of the creative economy, where the regulation used to regulates the rights and obligations of each partner based on the principles of mutual need, mutual

strengthening and mutual benefit. In the future, the private sector will be able to enter into partnerships with patterns, including sub-contracts, franchising and general trading. 2) The private sector can form a business network that includes accommodation and advertising services to promote the results of the creative industry. 3) The private sector can provide guidance and supervision to the community in order to have good innovation.

The private sector has an obligation to contribute in creating a good creative business climate, such as facilitating local communities where culture lives and develops with innovations that will add value to that culture. In addition, the private sector can provide Corporate Social Responsibility (CSR) to local communities who can develop innovation and creativity for culture and products. Kotler and Nancy Lee (2004) explain that CSR is an important component in supporting the company's strategy to fulfill social responsibility to support the sustainability of local community businesses. Therefore, the implementation of CSR must be consistent and support the company's business activities. CSR is a way to supporting the creative industry in the middle of the limited capital and the fear of business actors to borrow funds from banking institutions. This activity will later support the development of the creative industry in Indonesia.

Government programs that support the creative economy are often questioned about their effectiveness, it is caused by the government intervention that tends to focus solely on financing business or developing personal industry capabilities without paying special attention to the operational context. The role of the private sector is expected to assist in managing and developing resources so that the creative industry can progress. As a consequence, if this is not done, the entrepreneurial environment will be filled by actors from outside the region (Grundel, 2016).

Feld (2012) emphasizes the importance of interactions between stakeholders in the creative economy and access to all types of relevant resources (talent, services, and capital). The creation of new businesses by building networks is needed (Spigel, B., 2017). To develop a creative economy, the private sectors strategy must be integrated with the creative economy development strategy that owned by the community and the government. Some of these strategies are as follows (Neumeyer, X., & Corbett, AC, 2017) 1) Empowering actors who can continue to innovate, 2) Creating an industrial roadmap to map the uniqueness between one region and another, 3) Helping the community in providing legal protection and incentives for creative industry. 4) Forming a Creative Council which becomes a bridge to provide facilities for creative industry actors.

The private sector plays a role in providing training for human resources in order to make them continue to innovate. Innovation must be considered as a process, network, and collaboration (Guerrero, M et al., 2014). The process of transfer of knowledge can occur between universities, government and the private sector that occurs in the entrepreneurial ecosystem to support the creative economy (Guerrero, M et al 2014).

For example, PT Eastern Living International, located in Bantul Regency, DI Yogyakarta Province, is a company that was founded on international demand for high quality, exotic, yet environmentally friendly handicrafts and household appliances. This private company produces handicrafts by developing new innovative designs and high quality products. This company sees considerable potential in developing the creative economy in the handicraft sector. Seeing the weakness of creative economy actors in Bantul Regency in innovating and the lack of training by the government, this company uses a work system where they work with local craftsmen to produce a highly innovative product.

The interior / drawing design undertaken by PT Eastern Living International at the request of the international market, after the consumer agrees, they will send the design drawing to the rattan business actor to make a product based on the size and image that has been made. As for the business actors in the root industry of enceng gondok and rattan, they are taken from local communities around Bantul and Sukoharjo regencies. In addition to conducting design, PT Eastern Living International also carries out the promotions by participating in exhibitions at home and abroad by introducing products from their partners (local people). So that people abroad know the quality of products from Indonesia that will be hunted to be used by them if they are going to visit Indonesia.

Hamzah Batik, which is a private company, started out as a batik shop as the times increased the number of tourists visited, this company provided a place for goods from local craftsmen to be sold to tourists. The items which placed to be sold there are goods that have the characteristics of DI Yogyakarta. To attract tourists to come to Hamzah Batik, they require all employees to wear traditional Yogyakarta clothes, namely kemben for women and sorjan for men, as well as traditional music accompaniment and the smell of incense which makes the atmosphere comfortable.

Hamzah Batik also provides a performance space to provide a space for local artists of DI Yogyakarta to perform the new ketoprak performances every Wednesday on the 3rd floor of the shop. Meanwhile, the Cabaret show is held every Friday and Saturday at the same place. When viewing the show, the audience will be given a choice of authentic DI Yogyakarta food and drink menus to introduce the culinary delights of DI Yogyakarta.

In the tourism village concept, the role of the private sector can be demonstrated in Tembi Tourism Village where the Tembi Cultural House is privately owned (foreign nationals) which is located in the Tembi Cultural Village area and provides various facilities such as the Cultural Museum, restaurants, multi-purpose rooms, and lodging. Tembi Cultural House Museum has many collections such as traditional Javanese tools, keris, spears, farming tools, batik art equipment, and gamelan. The multipurpose room at Tembi Cultural House can be used for cultural arts events, weddings, meetings, and so on. The existence of the Tembi Cultural House seems to be part of the Tembi Cultural Village where one another is complementary and strengthens each other's charms.

Tembi Cultural House itself has a tour package that collaborates with several local people. Visitors will be invited to cycle to various batik crafts places, where visitors will be taught to paint batik with the motifs that visitors want. After making batik, visitors will be invited to plant in the resident's rice fields. After that, visitors will enjoy the rice yields of the rice fields along with soybean tempeh which is the main product of the village. So that the existence of the Tembi Cultural House supports the industry owned by the local community, and also with a good network cooperation pattern. This is reinforced by the research of Setyawati (2015) which states that success in managing a tourism village lies in the network between actors, in Tembi Tourism Village it requires the participation of village communities who collaborate with village officials and managers from the private sector in Tembi Village.

The role of the private sector is to fill the weaknesses of the government by fostering local communities to participate in developing the creative economy according to market segments. The private sector after seeing the market segment must also pay attention to the vision and goals of developing the creative economy, meaning that it must look at the existing regulations in place. Providing space and understanding for creative economy actors in the tourism sector to maintain local wisdom who provided by local people and maintain the beauty of the environment. Like Hamzah Batik, it still maintains its original building in the Malioboro area, and the Tembi tourism village remains the original village without displacing the main livelihood of the community as farmers.

After the private sector understands its role, it must be integrated with the creative economy actors program. Of course, the first program on the list is that there is must have differences between one area and another; the second program is all the creative economy actors will receive assistance to produce sustainable products with better quality in order to have national competitiveness; the third program is aims to accelerate the creative economy growth in the Super Priority Destinations.

## CONCLUSION

The government increases the capacity of creative economy actors related to business knowledge and financial management through conferences, competitions, and networks to increase the added value of products from creative economy players; the government also made policies to obtain capital from capital owners and protection for creative economy actors.

The private sector is committed to be a mentor and investing their capitals. Supply Side is an approach to the private sector by conducting discussions, consultations, or advocacy so that the private sector knows, understands and interested in channeling their capital to the creative economy sector

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