

# **Analysis of the Mission Statement of the Creative Economy in Presidential Regulation of the Republic of Indonesia No. 142 of 2018 concerning the Master Plan for the Development of the National Creative Economy 2018 – 2025**

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**Abstract.** The development of creative industries is one of the government's efforts to encourage the economy, especially the Indonesian economy. This is based on the fact that the creative industry was born from the creativity and abundance of Indonesian human resources. The creative industry is now a very useful sector for the country's economy. This study uses data sources taken from several references and other documents such as laws and regulations, research, and references in the form of journals, textbooks, and various related articles. Although the creative industry can be used as an option to accelerate economic growth, it is premature when the creative economy is given the burden of being the main driver of growth.

## **I. Introduction**

The creative economy is seen as a new economic field in the economy, the presence of the creative economy is considered capable of stimulating the economy. The contribution of the creative economy to the economy is evidenced by the increasing number of companies engaged in the creative industry and the growing creative clusters. (Dronyuk et al., 2019; Perdana & Utami, 2022).

The creative economy was initiated by Landry and Bianchini's ideas in 1995 with their publication entitled *The Creative City*. The idea developed in 2000 with a more complex creative economy phase about economic commodities. The publication also emphasizes that there is a shift in focus from manufactured products to an economy that originates from creativity (Saksono, 2012). Over time, ideas and ideas can be monetized and combined with material management sourced from the surrounding environment (Howkins, 2013).

The creative economy focuses on innovation and the use of technology based on culture in each region (UNTAD 2008). Furthermore, the creative economy does not only involve creativity, but also a cultural focus which includes the creative economy, digital media involvement and heritage conservation (Perdana & Utami, 2022).

Creative products have contributed 509 billion dollars and increased sharply in 2002 to reach 209 billion dollars (UNTAD 2018). The creative industry, which is fronted by 3 main sectors, namely design, fashion and film, has contributed a lot to the world economy, especially the fashion industry has contributed 54 percent of the export of creative goods. The creative industry has contributed 7.9% to the UK's GDP, 3.1% to New Zealand's GDP and 3.3% to Australia's GDP. Meanwhile, creative industry GDP growth ranged between 5.7% in Australia and 16% in the UK.

Seeing the performance of the creative economy which shows a positive direction, the majority of countries in the world are starting to develop the creative economy and the derivative sectors in it. The basis of the creative economy is culture so that each country will implement a different creative economy based on the culture of each country.

Indonesia is one of the countries that are getting serious about their creative economy. The government issued Law Number 24 of 2019 concerning the Creative Economy and Presidential Regulation (PERPRES) concerning the Master Plan for the Development of the National Creative Economy for 2018 – 2025 as the legal umbrella for the development of the creative economy in Indonesia.

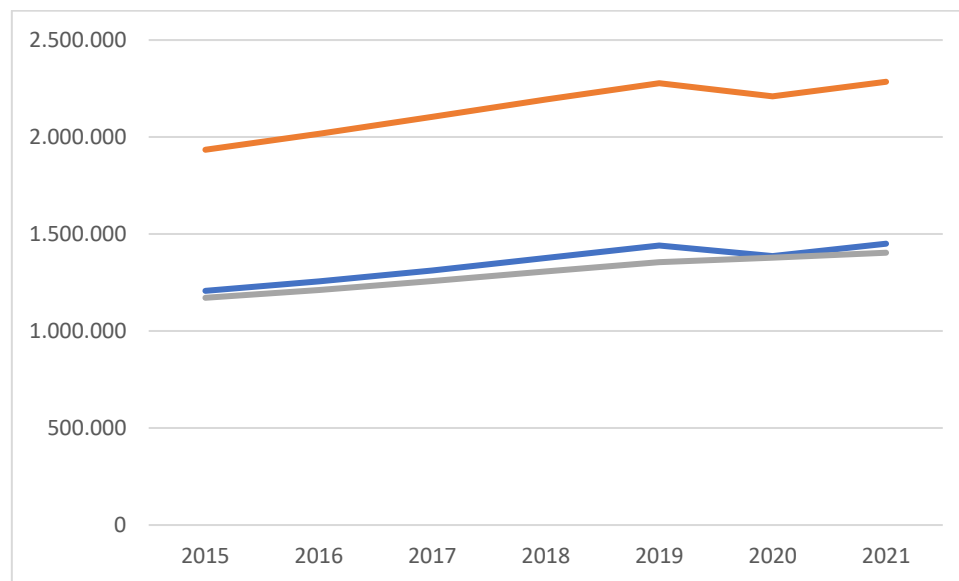
One of the highlights in the Master Plan for the Development of the National Creative Economy is the editorial use of the Vision and Mission of the Master Plan. It is clearly stated that the Vision and Mission is the Main Driver of National Economic Growth. The document also lists the development of a creative economy ecosystem which is carried out through empowering the creativity of human resources and developing a competitive creative economy.

Table 1.

Industrial Origin	2015	2016	2017	2018	2019	2020	2021
Agriculture, Forestry And Fishery	1.171.446	1.210.956	1.258.376	1.307.253	1.354.399	1.378.331	1.403.710
Mining And Quarrying	767.327	774.593	779.678	796.505	806.206	790.475	822.100
Manufacturing	1.934.533	2.016.877	2.103.466	2.193.368	2.276.668	2.209.920	2.284.822
Electricity And Gas Supply	94.895	100.010	101.551	107.109	111.437	108.826	114.861
Water Supply, Sewerage, Waste Management And Remediation Activities	7.369	7.635	7.985	8.429	9.005	9.449	9.919
Construction	879.164	925.040	987.925	1.048.083	1.108.425	1.072.335	1.102.518
Wholesale And Retail Trades, Repair Of Motor Vehicles And Motorcycles	1.207.165	1.255.761	1.311.747	1.376.879	1.440.186	1.385.747	1.450.226
Transport And Storage	348.856	374.843	406.679	435.337	463.126	393.438	406.188
Accommodation And Food Service	268.922	282.823	298.130	315.069	333.305	299.122	310.755
Information And Communication	421.770	459.208	503.421	538.763	589.536	652.063	696.460
Financial And Insurance Services	347.269	378.279	398.971	415.621	443.093	457.483	464.639
Real Estate Activities	266.980	279.501	289.569	299.648	316.901	324.259	333.283
Business Services	148.396	159.322	172.764	187.691	206.936	195.671	197.107
Public Administration And Defence; Compulsory Social Security	310.055	319.965	326.514	349.278	365.539	365.439	364.233
Education	283.020	293.888	304.811	321.134	341.350	350.265	350.655
Human Health And Social Work Activities	97.466	102.490	109.498	117.322	127.488	142.228	157.105
Other Services Activities	144.904	156.508	170.175	185.406	205.011	196.609	200.773

Gross Value Added At Basic Price	8.699.535	9.097.698	9.531.259	10.002.893	10.498.610	10.331.662	10.669.353
Taxes Less Subsidies On Products	282.982	336.916	381.669	422.959	450.545	391.392	449.516
Gross Domestic Product	8.982.517	9.434.613	9.912.928	10.425.852	10.949.155	10.723.055	11.118.869

From the data above, it can be seen that Indonesia's GDP is formed from three main subsectors, namely agriculture, forestry and fishery, manufacturing, and wholesale and retail trades. From the development of these three sectors, it can be seen that growth in time series continues to increase in proportion. The growth of Indonesia's three main sectors is shown in Graph 1.1.



Graph 1.1. Indonesia's three main sectors' GDP growth, 2015 – 2021

In the context of the creative economy, there is no data that can be used as a benchmark, especially its nature that can enter any sector, making it difficult to track how much the economic calculation of creative economic activity is. This issue becomes interesting, especially how the Rindekraf was compiled using the phrase creative economy as the main driver of national economic growth.

## II. Research Methods

This study aims to find out how Indonesia develops a creative economy that has an impact on the Indonesian economy and its contribution to the Indonesian economy, mainly related to a critical study of the Rindekraf vision which initiated the Creative Economy as the main driver of the economy. The qualitative analysis is focused on examining the Indonesian government's efforts to develop and support the creative industry. The critical study approach uses a modified prism approach to answer research problems.

This study uses a descriptive method of literature study approach. The source used to obtain information is secondary data. Some of the literature and documents used include statutory regulations, research results, and references in the form of journals, textbooks, and various related articles.

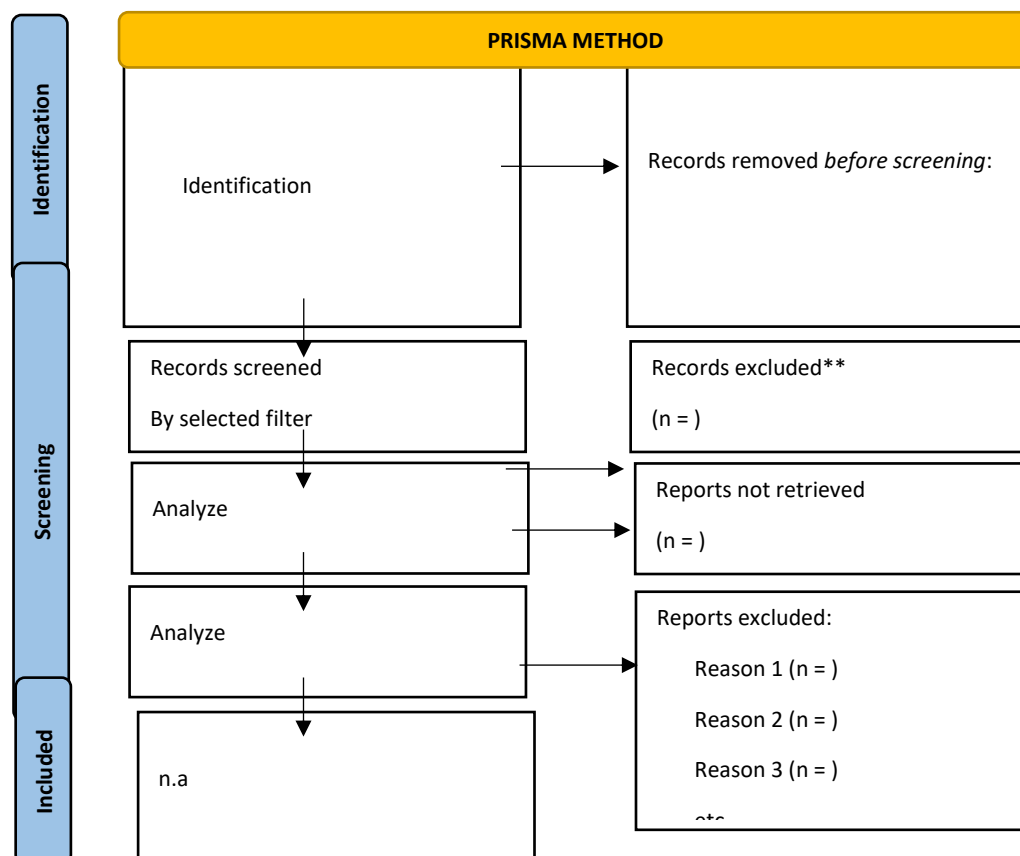


Figure 3. Prisma Method Modification

### III. Results and Discussion

The emergence of the creative economy in Indonesia began with President Susilo Bambang Yudhoyono's statement regarding the importance of developing industry in a sector that is based on the nation's crafts and creativity. Before the emergence of the Creative Economy Movement in 2006 the Indonesian Minister of Trade at that time, Dr. Mari Elka Pangestu launched the Indonesia Design Power program which aims to increase the competitiveness of domestic products in domestic and foreign markets. The program focuses on the service industry which aims to provide space for creative industry players.

In 2008, the Indonesian Cultural Products Week was held with the theme "Indonesian Cultural Potpourri for the world". At the event, a study book on mapping Indonesia's creative industries was launched. The book discusses the potential and mapping of the creative industry sector in Indonesia.

After 2008 the government continued to carry out the Movement for the Creative Industry to continue to develop, as evidenced in 2009 the SBY government held a Creative Virus Exhibition which featured all the creative sectors that had been set apart from holding the Nusa Food Exhibition which focused on the culinary sector.

The year 2009 was the year the creative economy was launched in Indonesia with the launch of the Creative Economy Program through Presidential Instruction number 6 of 2009 concerning the development of the creative economy. In that same year, the President designated 2009 as the Year of Creative Indonesia. Initially, the creative industry in Indonesia focused on 7 sectors, namely architecture, fashion, crafts, computer and software services, advertising, interactive games and research and development. (Purnomo, 2016)

Based on the results of the Creative Economy Development Convention 2009-2015, there are 14 sectors in the creative economy, including Advertising, Architecture, Art Goods Market, Crafts, Design, Fashion, Film, Video and Photography, interactive games, music, performing arts, publishing and printing, computer services & Software, Radio & Television and Research Development. Currently the creative economy sector has grown to 17 sectors with the addition of culinary, applications and crafts.

In 2010 to further develop the creative industry in the digital world, a platform that serves to provide information to the general public about the creative economy was created under the name

Indonesian Creative Economy (indonesiakreatif.net). (Purnomo, 2016). Creative economic development is also carried out in the regions by updating data on exporters and importers and creative industry players. In addition, formal education is also given creative economics courses at universities.

### **Contribution of creative economy to GDP**

South Korea and Japan are one of the Asian countries that are able to rise through the creative economy, the culture of South Korea and Japan is not only favoured by the people but also has fanatical fans around the world, especially in Indonesia. What about Indonesia, which has initiated the creative economy since 2009?

Indonesia is considered a pioneer of the world's creative industry revolution, as evidenced by the development of the creative economy in Indonesia which continues to increase significantly every year. According to data from the 2020 creative economy OPUS report, the contribution of the creative economy sub-sector to the national Gross Domestic Product (GDP) reached IDR 1,211 trillion, while according to Focus Economy Outlook 2020 data, the creative economy contributed IDR. 1.100 trillion of GDP throughout 2020. Quoting from Kompas.id this figure increased from 2017 and 2018 which was only Rp. 1000 trillion and 1.105 trillion.

The contribution of the creative economy to the economy makes Indonesia the third largest country in the world, with the contribution of the creative economy sector to GDP, the two positions previously occupied by the United States and South Korea.

Indonesia occupies the second position in terms of employment in the creative economy sector, ahead of the United States. There are 17 million Indonesian workers absorbed in the creative economy, while the United States only has 4.7 million workers. Likewise, creative economy actors reach 8 million actors. This makes Indonesia the initiator of the International Year of the World Creative Economy through UN General Resolution Number 74/198. (<https://kemenparekraf.go.id/ragam-ekonomi-kreatif/Indonesia-Menjadi-Inisiator-Tahun-Internasional-Ekonomi-Kreatif-Dunia>).

Sectors that contribute significantly to the economy are the craft sector, the culinary sector and the fashion sector. Culinary was ranked first contributing the largest gain, which was 41%, while Fashion contributed 17% and crafts 14.9%. These three sectors are the leading sectors in the creative economy, while the other sectors are supporting sectors in the creative economy sector, including films, animation, and video, music, as well as application and game development.

The top three rankings for tourism products and the creative economy that are now the favourites of tourists include nature (nature tourism), active lifestyle and culinary. In addition, 52 percent of e-commerce transactions in the ASEAN Region throughout 2020 came from Indonesia with a transaction value of more than 172 trillion or 12.2 billion. So, this shows that creative products from Indonesia have a great opportunity to go worldwide.

One important aspect in the development of creative industries is the availability of data and information. This is the basis for presenting the development of Indonesia's creative industry:

The contribution of the Creative Economy to the national economy in 2013 showed very significant figures, namely, creative economy growth of 5.76% above the national average growth, share of GDP of 7.05% and absorption or providing employment opportunities of 10,7. Statistical data obtained in 2013 shows that it is important to encourage and improve the existing creative economy and help make it more successful and improved (BPS Ekraf 2015). This shows that with the development of the creative industry in Indonesia, it can provide employment opportunities for the unemployed in Indonesia. The following is a table of the number of creative economy workers in Indonesia in 2010 – 2013:



Figure 1. The development of the creative economy industry

Table 2. Number of Creative Economy Workers in Indonesia in 2016-2019 by Creative Sector (HR)

Number	Sector	2016	2017	2018	2019
1	agricultural	41.494.941	39.328.915	38.882.134	37.212.728
2	mining	1.254.501	1.465.376	1.601.019	1.670.375
3	manufacturing	8.877.540	9.504.553	10.219.596	10.687.374
4	Electricity and gas	234.070	239.636	248.927	252.209
5	construction	5.592.897	6.339.811	6.791.662	7.309.817
6	Trade, hotel and Restaurant	17.026.974	17.880.805	17.631.338	17.554.595
7	Information and communication	5.511.812	4.971.019	4.889.962	4.533.168
8	Real estate, financial and business services	1.591.304	2.476.329	2.498.258	3.204.166
9	services	15.130.036	15.802.005	16.245.691	16.504.789
10	Creative economy	11.493.875	11.661.900	11.799.568	11.872.428
	Jumlah	108.207.949	109.670.399	110.808.154	110.801.648

Seen in the table below, the contribution of the creative industry to the national economy shows a very important figure in 201, namely the growth of the creative industry exceeds the national average growth of 5.76%, the share of GDP is 7.05%, and the absorption or supply of employment opportunities, as well as employment opportunities of 10.7. 2019 shows that it is important to support and improve existing creative industries and help develop them to be more successful and grow (BPS Ekraf 2019). This shows that with the development of the creative industry in Indonesia, it can create jobs for the unemployed in Indonesia.

Small and medium enterprises (MSMEs) in the creative industry play an important and strategic role in the national economy. However, the creative industry MSMEs still face obstacles both in funding and business development. In terms of financing, there are several MSMEs in the creative industry that

already have funding sources and permanent investors, but there is still limited funding and other MSMEs with other limitations such as talent and others.

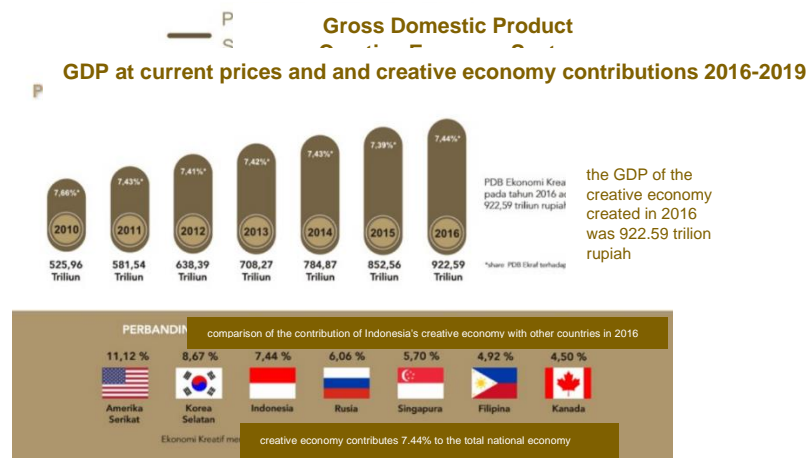


Figure 2. Gross Domestic Product Creative Economy Sector

Although it seems that the potential is high, in terms of the vision of Indonesia's creative economy which supports the creative economy as the main driver of national economic growth, it is a bit excessive. The first analysis is that until now, data regarding the exact number of digital economic growth is still not available. Apart from the absence of data, the definition of recording using the monetary unit approach is difficult, binding sector occupancy between the creative economy and other sectors is possible. Furthermore, in more detailed economic calculations, it is possible to calculate, for example, the fashion creative economy sector, recorded in the manufacturing industry, or the trading industry. The existence of a new sub-sector that continues to grow and is possible to develop makes the calculation biased.

Since 2009 the government has been actively promoting the creative economy with various exhibition events throughout the country and abroad to promote local companies and products. In the Presidential Instruction No. 6 of 2009 all government agencies are required to formulate a program for the development of the sector. In 2011 the allocation of Rp 50 billion by the Ministry of Trade for promotion and skills training abroad. State-owned banks are also directed to provide more loans to entrepreneurs in the creative field. Further steps from the government are joint development with the British Arts Council in creative areas that create clusters in the creative sub-sector to develop the potential of Indonesia's human resources. The areas developed for the creative economy cluster are Bali, Yogyakarta, Semarang, and Bandung, the role of the government is to facilitate the transition from the centre of heavy industry to a knowledge-based economy of scale.

#### IV. Conclusion

The creative industry has had a positive impact on the Indonesian economy and has prospered the stakeholders of the creative industry itself. Indonesia has the potential of natural resources that are very useful for business capital for economic-based creative industries. Creative economic is shown by Indonesian people who are very creative and can utilize their skills by creating success for their jobs and actors and creating jobs.

Although the creative industry can be used as an option to accelerate economic growth, it is premature when the creative economy is given the burden of being the main driver of growth. Creative economy positioning in empowerment is possible, only if empowerment activities are given a touch of creativity that can increase added value. Researchers realize the need for further research focused on the best creative industry sectors to provide answers to the sectors that most support the Indonesian economy.

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