

Conference

Depok City Creative Economy Development Strategy During the Covid-19 Pandemic

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Abstract. This article examined the dynamics of the Depok City Government's strategy to strengthen the creative economy sector in a sustainable manner during the Covid-19 pandemic. Qualitative research methods were used to explore field data, using the data analysis techniques proposed by Miles, Huberman and Saldana. The location studied was Depok City, a hinterland for the capital Jakarta, and the study took place in July 2020 – February 2021. The results revealed that the Depok City Government responded to the Covid-19 pandemic through collaborative synergies with other related agencies and established a digital network for traditional markets that accommodated the ongoing creative economy sector development program. According to the results, the strategy of sustainable creative economic development focused on crisis management leadership, especially observation, direction, coordination and accuracy of deliberative decision making. Also, the effectiveness of the development strategy was supported by synergies of cooperation between creative economy sector stakeholders. The implications of changing the creative economy development strategy were the development of collaborations and risk sharing as well as the continuity of digital platform management for marketing and developing creative economy businesses in Depok City during the pandemic.

Keywords: strategy, creative economy, collaboration, digital platform

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1. Introduction

Regional development is one of the government's efforts to prosper the people of the region. Improving the quality of community life as one of the goals of regional development, so that regional development is inclusive. Firdausy and Lestari refers to ADB's findings that for regional development aimed at poverty alleviation, it uses two strategic pillars, first, the pillar of poor-poor sustainable economic growth which is strengthened by the second pillar, the inclusive growth strategy (2). For now, the regional development strategy is included as a framework for regional development programs, including for the development of urban areas, including Depok City.

The industrial revolution 4.0 towards 5.0 which coincides with mental reform and the covid-19 outbreak that is now facing the Depok City Government. The complexity

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of the change in the strategic environment of the City of Depok raises the problem of the economic development strategy of the government of the City of Depok. For this reason, since 2011 the Depok City Government has been highlighted the development of the creative economy. MSMEs were in fact a business unit that is quite resilient in crisis situations, both during the experience of the 1998 economic crisis and the crisis during the Covid-19 pandemic.

The capability of the Depok City Government in utilizing the existence of the creative economy is one indicator of the quality of the bureaucracy in maximizing the economic potential of its region in increasing Regional Original Income (PAD) and also for the welfare of the community, including business actors. Capability is a key element because it is related to the ability of an institution (government) in responding to environmental conditions, especially to deal with environmental changes. Teece stated that⁽⁹⁾ the capability of an institution can determine what it is capable of doing and how it can provide effective and progressive change.

Dynamic governance is a framework that can be used by the Depok City government in managing creative economic development when facing environmental changes due to the COVID-19 pandemic. Therefore, the Depok City Government needs a management breakthrough to overcome environmental changes. Robbins and Coulter stated that⁽⁷⁾ the management function is to manage resources in the face of environmental changes. Various efforts have been made by the Depok City government to support the development of the creative economy during the covid-19 pandemic. The mission carried out by the Depok City Government for 2021-2026 also has a direction to boost the Depok City economy, including the creative economy sector. Amelia stated¹ that the missions of Depok City Government contained in the regional medium-term development plan (RPJMD) 2021-2026 program, among others, first relate to reducing poverty, unemployment and increasing people's purchasing power. Second, encourage the improvement of workforce skills that can create new entrepreneurs with new markets based on local potential. Third, relates to opening up market opportunities for products based on technology and information. Fourth, it aims to improve the quality of micro, small, medium enterprises and cooperatives, as well as increase the role of the creative economy and trade in strengthening the economic growth of the Depok City area.

1.1. Research Methods

Qualitative research methods were used to explore field data, with data analysis techniques Miles, Huberman, and Saldana (4). Therefore, when data is carried out, data on

the process of changing the strategy of the Depok City Government in developing the creative economy sector, were collected and combined with the results of observations of Depok City's creative economic activities, marketing activities and documentation of Depok City Government coordination meetings. There were 12 key informants, who were interviewed, i.e 7 Depok City officers, 2 Depok City senators, and 3 economy creativepreneurs. Qualitative sampling method was carried out by purposive sampling method, from 5 key informants then developed into snowball sampling, in order to obtain 12 key informants. Next, the interactive data analysis technique was carried out by referring to the interactive data analysis model by Miles, Huberman and Saldana(4). As for this, in the initial stage of interactive data analysis, data was collected, then field data findings were grouped into primary data and secondary data. The next stage was the data condensation stage where primary data from the results of creative economy development strategy of Depok City during the covid-19 pandemic's in-depth interviews were made into a transcript then were coded. The data condensation stage also included the reduction of data on the development of the creative economy of Depok City so as to obtain relevant findings of the creative economy development strategy of Depok City. Interactive data analysis can be seen as the primary data was elaborated and juxtaposed with secondary data in the form of online publications of creative economic development activities carried out by the Depok city government, written reports of Depok City creative economic activities during the covid-19 outbreak, then observational data field. The shift strategy can be captured in observation of the Depok City traditional market strategy initiated by the Depok City Government, which since then it has been based on a digital platform. The next data analysis stage was the data display stage in which the results of field data processing which have been juxtaposed with the updated data and secondary data, were presented in the form of graphs and tables. Tables and graphs of research findings were also obtained from the data management process through the NVivo R1 tools. Major themes that emerged from the creative economy development strategy of Depok City, were internal and external training, the use of digital platforms and funding strategies. The final stage was drawing the conclusion that the creative economy development shift strategy of Depok City was related with the support of information technology for the creative economic development processes of Depok City during the covid-19 outbreak.

Then, for assisting the management of research data, NVivo R1 tools are used. The locus is in Depok City. The city of Depok, which supports the capital city of Jakarta, is closely related to the growth of its territory as a result of the spill over of the growth center of Jakarta. The research focus is on the dynamics of changing strategies for

creative economic development. The research took place on July 2020 until February 2021.

2. Results and Discussion

There are many ways that local governments use when dealing with environmental conflicts due to the force majeure conditions of the Covid-19 outbreak.

Current condition of the Depok City Government responded to the dynamics of the Covid-19 outbreak through collaborative synergies with other related agencies and established a digital network for traditional markets that accommodates the ongoing creative economy sector development program. If analyzed, the strategy carried out by the Depok City government for the development of the creative economy sector during the Covid-19 pandemic is an evolutionary mode (Robbins and Coulter, 2018). An evolutionary strategy taken by the Depok City Government because it is more flexible to environmental changes and more flexible if it has to be changed. The results of the research found the forms of this strategy, including: (1) an appeal to civil servants in the Depok City area to buy local products from the creative economy sector¹; (2) creative economy marketing using digital platforms, through android applications for online traditional markets and online stall sites; (3) the fashion and garment sub-sectors, which are included in the two major creative economy sectors, are directed to make large quantities of health masks to meet the service needs of the Depok City Covid-19 Task Force for the Acceleration of Handling for the people of Depok City; (4) providing space and assistance for the information technology-based application business sector so that it continues to develop during the Covid-19 pandemic and (5) restaurant tax incentives and the creative economy during the pandemic and other strategies. Conduct to strategy point 3 above, the government, through an interviewed with Mr J as Head of the Development Division of the Depok City Development Planning Agency on 27th July, 2020 stated that:

“.. a number of activities had to be postponed due to the pandemic. In addition, a number of budgets directed for economic development and creative industries were diverted to handling health related to the Covid-19 pandemic.”

Apart from several strategies rolled out by the Depok City government, there were some negative externalities that have emerged. Some negative externalities in terms of Depok City economy creative sector, several obstacles arise. These obstacles were in the form of (a) making online marketing difficult to provide supporting resources, (b) saturation of the online market, due to server and other technical disturbances that do

not satisfy consumers and users of online traditional market applications, (c) the increasing resources need for online market able managers, so did the able people of sector creative economy who capable running for information technology; (d) price competition for creative economy products that is not conducive, where quality creative economy products will face market demand for product quality criteria that are demanded to be good but at low prices in the market; (e) there is no regulation (and no creative economy institutions) that specifically regulates the creative economy market and the sustainable development of the creative economy sector in Depok City. For the point of (c) above, was conveyed by Mr. Y as Section Head of the Depok City Investment and One Stop Integrated Service, on 4th October, 2021 stated that:

“...right now which was related to the transition of marketing strategy to online. On the one hand, it makes it easier for business actors in the marketing process, but on the other hand it reduces physical employment.”

The strategies above that have been carried out by the Depok City government were a form of dynamic capability of think again within the dynamic governance framework as referred to the dynamic capability model of Neo and Chen(5). However, the results of the study have not clearly found the Depok City Government's efforts to review and analyze actual performance data and understanding public feedback from strategic choices implemented during the COVID-19 pandemic, as stated by Neo and Chen about(5) the processes in running “think again” as one of the dynamic capability.

Although several strategies carried out by the Depok City government have been related to changes in the direction of core competence attached to these strategic choices. Jones stated (3) the core competence of the organization to achieve competitive advantage. Purwanto stated(6) that core competence is a skill and ability in creating valuable activities that will be able to bring the organization to excellence in efficiency, quality, innovation or responsibility to consumers. Core competence is something that is dynamic, meaning that the organization can develop new competencies to maintain its competitive advantage. This can also be seen from the change in core competence in the development of the creative economy sector in Depok City from a face to face certification activity to a dominant information technology-based business.

Then, other challenges and obstacles of Depok City creative economy sector were the absence of legislation as stated above, then a satisfactory pricing policy for creative economy-preneurs. This is related to point (d) regarding the price of creative economy products in the city of Depok, Mr. AS from Senator of Commission B of the Depok City Council said this:

“The challenge for the creative industry is in the form of price, because it must be adjusted to the raw materials and duration of manufacture because there are competitors from abroad, for example in the field of craft, namely knitting. However, local and imported products differ in quality. In addition, there is a need for creativity, because of the large number of(other foreign country) goods that enter. In addition, in the field of fashion, if the design is good, suddenly in Tanah Abang there are already many goods so that they are sold in bulk at low prices. In the fashion world, there is no copyright regarding the design, but if the brand already has a copyright.”

In the other hand, these research confirmed the significance of collaboration between similar and related elements of creative industry development in Depok City. These were stated by Mrs. E as the Head of Section and Promotion of Foreign Trade of the Depok City Department of Industry and Trade, in an interviewed on 19th August 2020:

“... the planning also includes the promotion design, as well as the implementation of the promotion involving the Depok City government and the university as a consultant including exhibitions on a local, national and international scale. Before any promotional activities are carried out, there is e-commerce training which made on knowledge of how to promote on digital and physical platforms, or we call online and offline. The e-commerce training is a collaboration between the Depok City Government and the Pancasila University, as we know...”

Before the Covid-19 pandemic hit Depok City, creative economic development was included in a well-built strategy design, using an integrated planning system and consulting assistance from universities. An interview with Mrs. N as Section Head in the Office of Trade and Industry of Depok City, on 15th October 2020, stated:

“... the preparation and planning strategy also includes training and coaching creative industry players, the formation of industrial center clusters and training on processed local products...purpose of the various trainings was to achieve economic independence, trade and industry”.

The flexibility of creative economy business actors is also an important point that supports the Depok City government’s strategy to maintain the sustainability of the creative economy sector during the Covid-19 pandemic. This flexibility is dominantly owned by creative economy businesses in the field of online applications, start-up businesses and others based on information technology, e.g “flip” and “i-Grow”. As a solution to the obstacles faced during the pandemic, Mr. AS as Director of “i-Grow” said that the i-Grow business being carried out was the use of technology. Then, in interviewed 17th October 2020 Mr AS said that:

“Before and after the pandemic, our solution is currently intensifying the use of information technology to verify farmers, so because we are a technology company, this technology can be a solution to speed up processes that were previously manual, now we are still in the process of building some automation to be able to verify and validate, from the farmers that we will finance.”

Then from the government, what was done as a solution to obstacles during the pandemic was the involvement of business actors in handling the pandemic. Depok City Government and creative economy-preneurs involvement was carried out while still benefiting creative economy-preneurs, for example maximizing the ability of creative business actors in producing masks and hand sanitizers. Then, Depok City government agencies were required to buy masks from products made by creative economy-entrepreneurs in the Depok City area. Another solution was through tax reductions for creative economy-preneurs. Mr. J as Head of the Development Division of the Depok City Development Planning Agency in an interview 10th February 2021 said:

”In the current pandemic conditions, we also reduce their tax burden, we cut it, we delay it, we can pay it in installments, so there is a lot that is offered. Especially the creative economy restaurant tax, the restaurant tax in Depok actually grew in the extraordinary pandemic conditions there so many people who wanted to pay restaurant taxes... I was also surprised to get the report but the fact is that running online is just not as busy as normal conditions but he still goes our way postpone if you want to be taken care of”

So, this study revealed that the change in evolutionary strategy carried out by the Depok city government was a careful and pragmatic step but took into account the sustainable development of the creative economy. Cautious and pragmatic steps related to the development budget spending strategy that were originally for the creative economy sector were diverted to deal with the pandemic. From the results of the study, broadly speaking, the change in strategy can be seen in Table 1 below.

TABLE 1: Shift Strategy of the Creative Economy Sector Development

| No | Criteria | Before Covid-19 Outbreak | After Covid-19 Outbreak |
|----|-----------------------------|---|---|
| 1 | Core Competence | Face-to-face business certification | Information technology-based business activities and training |
| 2 | Pasar | Conventional | Digital platform |
| 3 | Financial and fiscal policy | Budget for development program No tax reduction | Transfer of budget for the covid-19 disaster management program Tax reduction |

Source: obtained from primary data (2021)

The results of the research analysis found a strategy change process model in the form of a process model as follows (Figure 1):

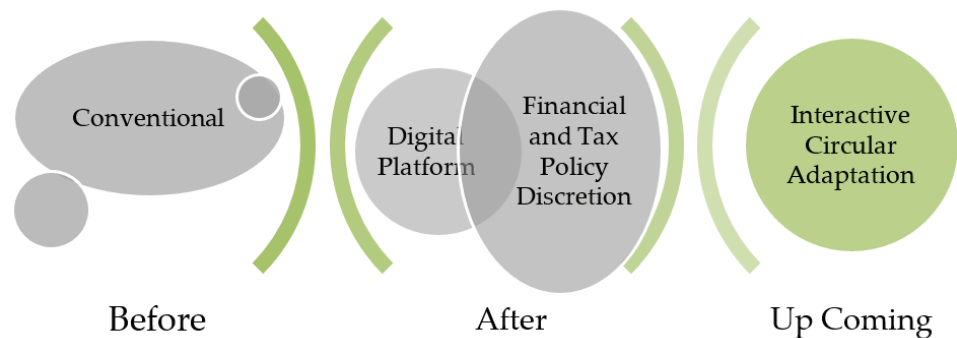


Figure 1: Creative Economy Development Strategy Shift Process Model. (Source: obtained from primary data (2021)).

Hence, the findings of the model above illustrate that the creative economy development strategy is carried out in several stages of the process, namely the first stage before entering the initial state of the Covid-19 pandemic, then the second stage, during the Covid-19 pandemic and the third stage in the form of a stage leading to the conditions that will occur come. In the first phase, prior to the onset of the Covid-19 pandemic until the beginning of the Covid-19 pandemic, the Depok City Government was still coordinating between units regarding the initial handling of the Covid-19 pandemic, and reconciling the condition of human resources and management in dealing with unprecedented pandemic cases. Moreover, Depok City as one of the first cities in Indonesia to have confirmed cases of the Covid-19 pandemic. In the second stage, the Depok City Government has conducted intensive inter-unit coordination and has been accommodated by the Depok City Regional Development Planning Agency. Several strategic options were taken by deliberation between units, changes in strategy to prioritize the implementation of programs to increase the competitiveness of the creative economy sector based on information technology and use digital platforms, especially for marketing creative economy products and training creative economy business actors. In addition, it also provides space and support for the development of online application businesses, start-ups and online games. In terms of local government administration strategy, the Depok City Government exercises discretion in financial policies and local taxes. The policy discretion, among others, is to divert funds from the Depok City Government's activity program, which is impossible to implement during the Covid-19 pandemic, to programs that support the handling of the Covid-19 outbreak, as well as implementing creative economic development activities that were still ongoing can be implemented through online and other forms of digital platforms.

So, in the creative economy development strategy was chosen and implemented by the Depok City Government, it was related to maintaining the continuity of Depok City development, including the development of the creative economy sector. Jones stated(4) that the concept of sustainability refers to practices that can be maintained over a very long period of time with the support of tools or structures on the ground. So, the organizational practices that are not broken during organizational processes. Furthermore, Jones stated(4) that sustainable management emphasizes the preservation of the characteristics of the organization's identity in the environmental movement, thus encouraging the alignment of organizational processes with the natural environment. Therefore, the choice of the Depok City Government's strategy characteristic to continue to carry out creative economic development with the characteristics of the creative economy of Depok City through new breakthroughs based on information technology, is a sustainable development strategy.

The organizational strategy used by the Depok City Government is a combination of innovation strategy and cost minimization. Innovation strategy as an option to change from the previously conventional program and policy implementation mechanism strategy to a digital platform-based mechanism. Robbins and Judge stated(8) that the cost minimization strategy is carried out to save costs or cost cutting for expenses.

The strategy starts from developing human resources for creative economy sector business actors to marketing strategies that are directed at digital platforms. The characteristics of Depok City's identity are marked by a place for the growth and development of start-up businesses, online games, and other service businesses based on information technology. The choice of strategy can be done carefully. So, the strategy chosen by the Depok City Government can be said to be a sustainable development strategy, based on empirical evidence, including: (a) prioritizing the health security and welfare of the Depok creative economy business actors, including the Depok community in general and government officials. Depok City which is involved in the process of implementing the creative economy development of Depok City; (b) carry out steps to use digital platforms for all stages of creative economy development activities, starting from upstream, in the form of developing entrepreneurial human resources in the creative economy sector, to the downstream part, marketing products from the creative economy sector. This is done without causing damage or pollution to the natural environment of Depok City and; (3) forming collaborations between Depok City Government units and involving creative economic entrepreneurs to tackle public problems in the form of providing medical equipment and devices needed by the community during the Covid-19 pandemic.

In the third stage, for the upcoming events, Depok City Government must effort to review and synergize between institutions are carried out as an iterative and interactive adaptation between stakeholder institutions, both between the relevant Depok City government institutions and also the government and Depok City citizens in an accessible, transparent and democratic policy channel.

So, the strategy chosen by the Depok City Government can be said to be a sustainable development strategy, based on empirical evidence, including: (a) prioritizing the health security and welfare of the Depok creative economy business actors, including the Depok community in general and government officials. Depok City which is involved in the process of implementing the creative economy development of Depok City; (b) carry out steps to use digital platforms for all stages of creative economy development activities, starting from upstream, in the form of developing entrepreneurial human resources in the creative economy sector, to the downstream part, marketing products from the creative economy sector. This is done without causing damage or pollution to the natural environment of Depok City and; (3) establishing collaborations between Depok City Government units and involving creative economic entrepreneurs to tackle public problems in the form of providing medical equipment and devices needed by the community during the COVID-19 pandemic outbreak.

The structure of the Depok City Government inter-unit team that collaborates in planning as well as in the implementation of creative economic development as well as countermeasures tasks is in the form of a circular structure as referred to Robbins and Judge(8). Robbins and Judge stated(8)that the circular structure positions executives in the center, spreading their vision outward in a circular form grouped by function (from managers, then specialists, then workers). The hierarchy begins with top management positions at the heart of the organization, with the vision spreading outward. The form of circular structure is suitable for creative entrepreneurs. The characteristic of structure of the Depok City Government task force that was formed to carry out crisis management or disaster management is an organic structure, which is flexible for decision making, coordination and cooperation in public services. The structure of the Depok City Government task force that was formed to carry out crisis management or disaster management is an organic structure. Robbins and Judge pointed that(8) the organic structure is flexible for decision making, coordination and cooperation in public services..

Therefore, in the third stage, for future activities, adaptation of the regulations and administrative arrangements of the Depok City Government in the development of the creative economy, which is accompanied by government tasks to support the handling

of the Covid-19 pandemic, can maintain the structure of the task force between Depok City Government units by circular structure which has interactive way between the involved Depok City Government units and creative economy stakeholders, including the public. This is to facilitate coordination and unity of movement in accordance for disaster management and development planning responses that have been carried out in collaboration between Depok City creative economy stakeholders.

3. Conclusion

Some of strategic steps were made in an effort to develop the creative economy in Depok City during the Covid-19 pandemic. These strategic steps include diverting several program plans and activities carefully and pragmatically related to the Covid-19 pandemic and implementing digital platform penetration for creative economy development activities and programs. The characteristic of strategic choices relate to the strategy for developing the creative economy sector based on information technology and discretionary financial and fiscal policies. The nature of Depok City Government creative economy development strategic during covid-19 outbreak was sustainable development strategy.

Hence, the type of Depok City government organizational strategy was a combination of innovation strategy and cost minimization to implement disaster management in the midst of the Covid-19 pandemic crisis, at the same time the Depok City government collaborates with its stakeholders to still be able to carry out Depok City creative economic development according to current environmental conditions.

The recommendations from these research suggested that the “think again” processes as a part of the dynamic capability of the Depok City government to ensure that the development of the creative economy sector, should carried out optimally, even during the covid-19 outbreak. Especially in the process of analyzing and reviewing the actual creative economy development performance and understanding public feedback on the conditions that occur, in addition to reviewing whether the strategies, policies, programs carried out to deal with pandemic conditions have been effective or not. This is certainly useful when redesigning strategies, policies, programs that can answer the scope of creative economy development needs in part or in whole in the present and future.

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