

Conference Paper

Mapping of Regional Economic Potential Based on Creative Economy to Support Creation of Regional Competitiveness

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Abstract

To get out of the group of lower middle income countries, a necessity for Indonesia to develop a growth model of sustainable economic development, which means that the aspect of productivity while aspects of creativity and innovation to produce high added value. Creative economy is an ecosystem that has a relationship of interdependence between the creative value chains, not just related to the creation of economic value added, but also the creation of added value in the social, cultural and environmental; so that the creative economy can also improve the quality of life of Indonesia. There are four objectives of the study, namely: 1) determine the factors issues that may affect the achievement of strategic objectives of creative economic development in the area, 2) produce a strategy that must be implemented to achieve the strategic objectives, 3) to identify the parties or players linked to the achievement strategic objectives, and 4) produce policy recommendations that need to be made and implemented to solve the problems. Noting characteristic of the creative industrial group in the ecosystem of the creative economy, the development of creative industry cluster is more properly approached through the development model of competitiveness with the approach resourced based approach.

Based VRIO Test (Value, Rarity, Imitability, Organization) and Capability of Creative Economy is classified into a creative economy that has the advantages of transient (temporary competitive), namely economic creative music, digital application & interactive games. While the creative economy has a competitive advantage that has not been optimized (unused competitive advantage), namely: creative economy culinary and fashion. Build competitiveness could be achieved through competitive strategy: the districts of the core competencies.

The role of the creative economy in the national economy can be seen from several aspects. First, the creative economy contributes to sustainable economic growth for its creativity and ideas are a source of renewable energy. Second, the creative economy plays a role in encouraging the growth of other sectors through the provision of inputs to other sectors or the use of inputs to other sectors in its production activities. Third, the creative economy is able to produce high value added products, which are not only functional but also has the meaning thus improving quality of life. Not only contribute to the economy, the creative economy also contributes to strengthening the image and national identity, strengthening social tolerance, the reduction of social and economic inequalities that exist in society, increase the utilization of local raw materials and environmentally friendly, increasing the role of women in development and encouraged the development of creativity in general.

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1. Introduction

Global economic developments lately signaling the importance of independence and increase the competitiveness of a country in the international community, especially Indonesia will be confronted with the implementation of the ASEAN Economic Community whose implementation started on 31 December 2015. The implementation of the AEC can be interpreted as an expectation of prospects and opportunities for inter-regional economic cooperation in a wider scale, through the regional economic integration of Southeast Asia, which is characterized by the free flow: goods, services, investment, labor, and capital. It also will make ASEAN a more dynamic and competitive.

With the presence of the ASEAN Economic Community, Indonesia actually has the opportunity to take advantage of economies of scale by increasing the aggregate, as the basis for profit, by making it as a momentum to spur economic growth. For Indonesia, the ASEAN Economic Community will be an opportunity for trade barriers will tend to diminish even trade between ASEAN countries be unhindered. This will impact on the increase in exports which in turn will increase the gross domestic product of Indonesia. On the contrary, the implementation of the ASEAN Economic Community in 2015 would be able to make us as consumers, which is characterized by only into the import market. If no preparation in improving the productivity, efficiency, and competitiveness. Especially at this time Indonesia is a very large food importer. If it is not able to increase its food production independently, Indonesia will continue to trade deficit that result in the weakening of the Rupiah. High productivity reflect the high competitiveness and high competitiveness potential to generate high economic growth. To be a country with high competitiveness there must be some that must be met include infrastructure, bureaucratic quality, macroeconomic stability, and education, all of which boils down to an effort to increase economic competitiveness (<http://www.beastudiindonesia.net/old/id/pena-negarawa/637-ekonomikreatif-meningkatkan-daya-saing-indonesia-dalam-menghadapi-mea-2015>)

Creative industry challenges ahead quite heavy. Moreover, with the implementation of the ASEAN Economic Community began in 2016, the growing eases of mobility flows of goods, services and labor among countries in Southeast Asia. In fact, there are many

smaller industry players are reluctant to dig creativity on the pretext of maintaining characteristic. Because, in addition to the challenges, the implementation of the ASEAN Economic Community should be the right moment for a quantum leap and a big leap and so fast in the creative industries sector. It would need a proper collaboration between government, academia, communities, and businesses. If the vision of each sector goes, undoubtedly creative economy is not impossible to be the backbone of the national economy. There was no word crisis, because every room provides infinite economic land. Those people become independent, creative, and well trained in every competition. They not only have a high adaptive ability, but also a tough creative industry candidate. Performers not bore instantaneously, but through a long process of ups and downs just how the government sees all of this as an opportunity and the gold fields for cultivation. In the end, the opportunity was evaporated without result because of government indifference. Therefore, the government should look at the whole of competitive advantage so that the creative industry can grow, independent, and ready to compete in the local and global level [22].

The area plays an important role in the development of creative economy owned local potential must be optimized in an innovative and creative. Duplication without creative product innovation with other regions avoided because it will not have high sales value. The initial stage of a creative city determined in recognizing the potential of the city or the district. It can be a potential distinctiveness or elements that stand out and play an important role regional civilization [20].

In Indonesia, the agency that takes care of the creative economy, namely Creative Economy Agency establishes 16 development focus, including animated films and video, fashion, product design, visual communication design, interior design, architecture, application and game developers, TV and radio, visual arts, performing arts, advertising, publishing, visual arts, performing arts, advertising, publishing, music, culinary, craft and photography. Creative economy in the new era to promote them, we cannot think in the old ways. Marketing the product of the creative economy can no longer rely on conventional ways. We need to create new markets in order to allow the perpetrators to continue to be creative. In the present era, the creative economy has grown to become the fourth economic tide after the economy of agricultural production, industry and information technology. The agency wants to provide access to registration of intellectual property rights of creative economic actors. Communities and businesses are encouraged to develop entrepreneurship. The latest strategy, create a positive ecosystem for creative economic actors in order to access a broad market. In order contributions, most recently three subsectors of advertising, performing arts

TABLE 1: Creative Economy Subsector – 2014.

No.	Subsector	Contribution	Growth
1	Culinary	32.40%	4,52%
2	Fashion	28.71%	6,43%
3	Craft	14.11%	3,91%
4	Publishing	7.98%	2,55%
5	Design	3.82%	2,67%
6	Television & Radio	3.30%	6,90%
7	Architecture	2.03%	7,56%
8	Research & Development	1.80%	7,27%
9	Information Communication Technology	1.60%	8,81%
10	Photography, Video, & Film	1.35%	6,94%
11	Music	0.81%	3,32%
12	Interactive Games	0.76%	5,74%
13	Advertising	0.60%	7,56%
14	Performing Arts	0.41%	4,18%
15	Art Market	0.32%	4,54%

Sources: Ministry of Tourism and Creative Economy of Indonesia

and visual arts. Contributions of art that most actors end but the presence of art in the arena of international exhibitions during this time many governments are not detected. Performing arts contribution ranks second from the bottom. Information technology is now displacing rides performing arts. The presence of the Creative Economy Agency is required to optimize the potential of the creative economy. Creative Economy Agency should prepare infrastructure and facilities development at the same time protecting the works of the national creative industry of global actors' freedom attacking Indonesia [19].

In its strategy, Creative Economy Agency promotes community and businesses to develop a novice entrepreneur. There is also an intention to pay attention to market access and uptake of products and creative services at home and abroad. Of all pote-nis creative and economic benefits that, in the National Medium Term Development Plan (RPJMN) 2015-2019, Creative Economy Agency is driven to achieve some targets. Among other things, enhance the growth of the creative economy in gross domestic product from 7.5 percent to 12 percent; add a workforce of 12.1 million people to 13 million people; and increase the contribution of exports or gross foreign exchange earnings from 6.15 percent to 10 percent. The state must set to work in ways more

strategic to put Indonesia into major creative economic actors, not spectators; become the market leader, not just a market; became the creator of the current changes, not curled tide of change [21].

The role of the economic sectors of renewable rated more significant the backbone of Indonesia's economic growth in the future. The condition is increasingly felt in the midst of a national economic slowdown due to the current economic downturn that occurred since the beginning of the year. The national economy is facing challenges due to the influence of the global economic slowdown. In the second quarter 2015 economic growth in Indonesia is only about 4.67 percent. That suggests the slow-down in growth compared to the same period in 2014 with economic growth of 5.03 percent, was even lower than the first quarter of 2014 recorded 4.72 percent. Performance still commodity-based exports of natural resources in the first half of 2015 are also, falling to -11.86 percent compared to the prior year period due to the decline in global commodity prices. "Conditions that affirm Indonesia requires the development of renewable economic sectors to participate drive the national economy, the sector based creativity and innovation that is the creative economy (Kompas, October 23, 2015).

Indonesia will experience a demographic bonus from 2012 until 2035. It is necessary for the creation of new jobs in a very large number, especially for the young population. Efforts in the field of creative economy generally small in scale and has a different nature of business risks with businesses in other sectors and dominated by young people. Therefore, the development of creative economy can be an opportunity to create economic benefits of the demographic bonus. (RPJMN Ministry of Tourism and Creative Economy of Indonesia from 2015 to 2019).

2. Creative Economy

"Creativity" refers to the formulation of new ideas and to the application of these ideas to produce original works of art and cultural products, functional creations, scientific inventions and technological innovations. There is thus an economic aspect to creativity, observable in the way it contributes to entrepreneurship, fosters innovation, enhances productivity and promotes economic growth. The word "creativity" is associated with originality, imagination, inspiration, ingenuity and inventiveness. It is an inner characteristic of individuals to be imaginative and express ideas; associated with knowledge, these ideas are the essence of intellectual capital [29].

From the definition of creativity by UNCTAD, emerged a concept known as the creative economy. UNCTAD, the definition of the creative economy is: (1) The creative economy is an evolving concept based on creative assets potentially generating economic growth and development; (2) It can foster income generation, job creation and export earnings while promoting social inclusion, cultural diversity and human development; (3) It embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives; (4) It is a set of knowledge-based economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall economy; (5) It is a feasible development option calling for innovative multidisciplinary policy responses and interministerial action; and (6) At the heart of the creative.

Furthermore, UNCTAD defines creative industries as: (1) are the cycles of creation, production, and distribution of goods and services that use creativity and intellectual capital as primary inputs; (2) Constitute a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights; (3) comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives: are the cross-road among the artisan, services and industrial sectors; and (5) constitute a new dynamic sector in world trade.

Development of the creative economy is inseparable from the development of the local culture so that more creative culture of a country pack, then the country will be stronger identity and image that encourages economic growth. One of the key factors to develop the creative economy is how a city imposed as a center of culture and art (Howkins, 2009). Creative city is defined as a city-based creativity as a way of life in three main aspects: economy (creative economy), social (creative society), and government (creative policy). Creative People, UNCTAD call Creative Class, is a society that has a creative talent and were able to move the dynamics of economic, social and culture, especially in urban areas. Creative people include scientists, engineers, architects, designers, educators, and artists, musicians in the economy to work spawned new ideas, new technologies, and creative content. Creative people generally have a creative work ethic that upholds creativity, individualism, diversity and meritocracy.

3. VRIO Analysis

VRIO framework is part of the strategic scheme of a company. The basic strategic process that any firm goes through begins with a vision statement, and continues on

through objectives, internal & external analysis, strategic choices (both business-level and corporate-level), and strategic implementation. The firm will hope that this process results in a competitive advantage in the marketplace they operate in. VRIO stands to frame the four questions you ask about the resources or the ability to determine the competitive potential: the question of value, the question of scarcity, the question of Imitability (Ease / Difficulty to imitate), and the question of organization (ability to exploit resources or capabilities).

- Question of Values: "Is the company able to exploit opportunities or neutralize external threats with resources/capabilities?"
- The question of Rarity: "Does the control of resources/capabilities in the hands of relatively few?"
- Question of Imitability: "Is it difficult to imitate, and there will be a significant cost disadvantage of a company trying to acquire, develop, or duplicate resources/capabilities?"
- Question Organization: "Is the company organized, prepared, and able to utilize the resources / capabilities?" "Is the company organized to capture the value?" (Barney & Hesterly, 2011).

The relationship between resource heterogeneity and immobility; value, rarity, imitability, and organization; and sustained competitive advantage is summarized in Figure 1. This has been developed into a framework that can be applied in analyzing the potential of a broad range of firm resources to be sources of sustained competitive advantage. These analyses not only specify the theoretical conditions under which sustained competitive advantage might exist, they also suggest specific empirical questions that need to be addressed before the relationship between a particular firm resource and sustained competitive advantage can be understood. Questions regarding Values, Rarity, Imitability, and Organizations (VRIO) can be described within the framework as follows, to understand the profit potential of companies associated with the exploitation of resources and the capability of the company as shown in Table 2 below.

Questions regarding the exploitation by the organization apply as adjustment factor in VRIO Framework. For example, if a company has the resources and capabilities are valuable, rare and difficult to imitate, but did not manage to organize it so it does not get the full advantages, some potential advantages over normal can be lost. Approach Resource based View of the Firm look at internal resources is the most important for the company in the face of competition. There are criteria that can be used to

TABLE 2: VRIO Framework.

Is a Resources or Capabilities					
Valueable?	Rare?	Costly to imitate?	Exploited by organization?	Competitive Implication	Economic Performance
No	-	-	-	Competitive disadvantage	below normal
Yes	No	-	-	Competitive parity	Normal
Yes	Yes	No	-	Temporary competitive	above normal
Yes	Yes	Yes	No	Unused competitive advantage	above normal
Yes	Yes	Yes	Yes	Sustained competitive advantage	above normal

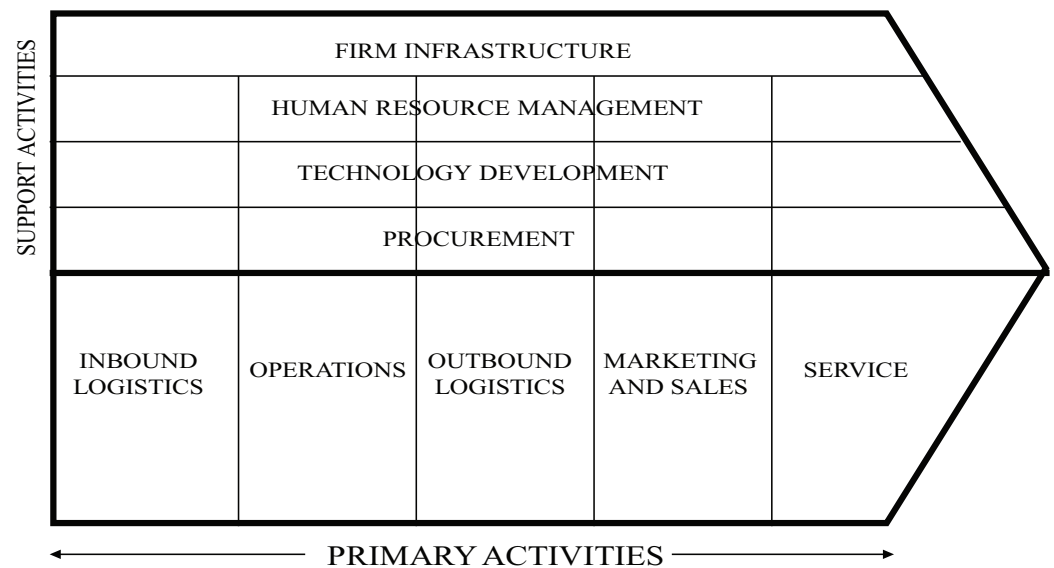
(Sources: Barney & Clark, 2007)

determine whether a resource has a competitive advantage or not. In an industry there must be a company that is superior, a leader compared to other companies when they all face the same external environment, then from there we can conclude that the internal environment-is what distinguishes one company to another company, which can make a company more superior than others. What distinguishes it is the internal environment. To define the strengths and weaknesses of course there must be criteria for comparison, something can be said to be strong if there is a weak and vice versa. Talk internal environment means discusses the resources or will be used as capital to compete. To determine and assess whether the available resources are indeed worthy of use as capital to compete can use VRIO framework, so that the organization have a basis / solid foundation to determine whether the resource as a sign of strength or weakness [30].

Internal resources such as: physical capital, namely physical infrastructure used in the company, building and building, plant, equipment, premises or geographic location, access to raw materials. Human capital, include training, experience, selection, intelligence, relationships between people, and managers as well as workers in the company. Organizational capital, including formal reporting structure of the company, the formal and informal planning, control system, a system of coordination; culture and reputation; informal relationships between groups within the company, between the company and the environment. Financial capital, including all financial resources can be used by companies to raise and implement strategies. Internal resources (firm

resources) consisting of all the assets, knowledge, organizational processes, capabilities, capabilities, competencies, attributes the company, information and other controlled company that enables companies to bring up and implement a strategy that can provide a competitive advantage and can achieve purpose. One way that can be used to identify the factors is the company's strengths and weaknesses with Value-chain approach.

Generic Value Chain



from COMPETITIVE ADVANTAGE: Creating and Sustaining Superior Performance by Michael Porter. Copyright © 1985 by Michael E. Porter.

Figure 1: Value Chain from M. Porter.

Using this analysis, each stage of production can be analyzed properly to identify what resources are owned by the company at each of these stages. Every stage of production has a financial capital; physical capital, human capital, and organizational capital are different. In other words, by using a value-chain approach, the factors strengths and weaknesses can be analyzed at the level of stages of production. The concept of competitive advantage also applies at this level of analysis. Each stage in the value chain has the financial resources, physical, individuals and organizations associated with it. Although each company can focus on the part of the value chain, companies engaged in the same part can do so in different ways so as to develop the resources and capabilities that are very different.

4. Research Method

The approach used in this study is a qualitative approach. This qualitative approach is used with the intent to explain and reveal the facts on the ground. The method used in this study is the case study method. The case study is a research approach to explore a phenomenon in context using data from various sources [31]. The case study suggests researchers conducted intensive analysis on a single unit of analysis is being investigated.

Data collection method used in this study is an in depth interview with the relevant informants and observation. Respondent is done by non-probability sampling is selecting respondents who have experience or may be regarded as an expert. The selection of respondents is done by determining the respondent intentionally (purposive sampling) with consideration of respondent have the expertise and competence in the field.

Analysis of the data used in this study is a qualitative descriptive analysis by Miles & Huberman (1994). Activities in qualitative data analysis performed interactively and continues through to the end, where the data is saturated. The size of the saturation data is characterized by not obtaining further data or new information. The three-step analysis includes analysis of: (i) data reduction, (ii) the display data, (iii) conclusion drawing/ verification. VRIO analysis was conducted to determine the potential of the creative economy can be a competitive advantage of regional competitiveness. VRIO framework reveals four key parameters for the resource-based analysis as a series of questions about the business activities of actor's creative economy that is valuable, rare, difficult to imitate and managed.

5. Mapping of Regional Economic Potential based on Creative Economy to Support Creation of Regional Competitiveness

Creative economy is an ecosystem that has a relationship of interdependence between the creative value chain; the development environment; markets and archiving. Creative economy is not only related to the creation of economic value added, but also the creation of added value in the social, cultural and environmental. Therefore, the creative economy in addition to improving the competitiveness, it can also improve the quality of life of the Indonesian nation. The creative industry is a part or sub-system of the creative economy, which consists of a core creative industry, forward

and backward linkage creative industry. Core creative industry is a creative industry is the main added value creation by leveraging the creativity of creative people. In the process of value creation, the Core creative industry requires output of other industries as input. Industries which serve as inputs for the core creative industry is referred to as backward linkage creative industry. Core output of the creative industry can also be input for other industries, which is referred to as forward linkage creative industry (RPJMN Ministry of Tourism and Creative Economy of Indonesia from 2015 to 2019).

The results of measurements of the Creative Economy Study Team of the Ministry of Tourism and Creative Economy of Indonesia on the creative industries and all sub-sectors within it. This measurement includes seven aspects, namely the creative resources, industry, finance, marketing, infrastructure and technology, as well as institutional. These measurements yield mapping model of competitiveness. From 16 sub-sectors of the creative economy, in this study were taken five subsectors that have the potential to be competitive in the ASEAN economic community.

5.1. Subsector: Culinary competitiveness

Determination culinary icon is done through a long process and involves stakeholders. The process begins with registering a wealth of culinary culture traditionally passed down to decrease until it reaches its existence in the present and the selection process through several criteria, namely raw materials readily available both inside and outside the country, known by the public nationally (popular), and there are professional actors. To analyze the culinary creative economy, in this study using the frameworks of Barney & Clark (2007), namely:

Resources and capabilities possessed by the culinary creative economy as a whole only provide the same ability to compete with competitors. However, there are some resources and capabilities that have the potential as a competitive advantage that is not used. Resources that could potentially generate a competitive advantage for the economy culinary namely primary activities and support activities with economic performance that is above normal.

The scope of the culinary sub-sector in Indonesia is divided into two main categories if, in terms of the types of products offered, namely the culinary services and culinary items. Culinary services (foodservice) in terms of aspects of the preparation and presentation, can be divided into two general categories, namely restaurants and catering services. While the culinary item in question is a processed food product or packaging, in particular the category of specialty foods. Special food products are growing at this

TABLE 3: Recapitulation Test Results VRIO Culinary Creative Economy.

Resources & Capabilities	V	R	I	O	Competitive Implication	Economic Performance
Primary Activity:						
1. Inbond Logistics: Purchasing, Inventory Holding, Material Handling	Yes	Yes	Yes	No	Unused Competitive	Above Normal
2. Operation: Product or Service	Yes	Yes	Yes	No	Unused Competitive	Above Normal
3. Outbond Logistics: Warehousing and Distribution	Yes	Yes	Yes	No	Unused Competitive	Above Normal
4. Sales and Marketing	Yes	Yes	Yes	No	Unused Competitive	Above Normal
5. Dealer and Service – Support Customer	Yes	Yes	Yes	No	Unused Competitive	Above Normal
Support Activities						
6. Human Resource Management & Development	Yes	Yes	Yes	No	Unused Competitive	Above Normal
7. Technology: Research, Development, Design	Yes	No	Yes	No	Unused Competitive	Above Normal
8. Infrastructure Activities: Planning, MIS, Legal	Yes	No	Yes	No	Unused Competitive	Above Normal

Source: Research Result

time. In general, specialty foods produced in quantity is not too large and this product has unique characteristics that require creativity in its creation. Some of the products included in this category are food products that use organic materials or raw materials typical of an area that is then packaged attractively. Local content and cultural values of an area also became a source of unique products of this type, such as souvenirs typical food of a region.

5.2. Subsector: Fashion competitiveness

Indonesian fashion industry is able to compete with other countries and especially in Muslim clothing fashion or he calls a modest fashion. This is supported by the condition of Indonesia as the country with the largest Muslim population in the world that can be the basis for developing Indonesian Muslim fashion. Fashion Muslim Indonesia has great potential to be developed both in terms of raw materials, cultural diversity, human resources and product markets. Indonesia is also rich in local knowledge is believed to be a source of inspiration for the perpetrators of fashion to create. To

Subsector: Culinary Competitiveness

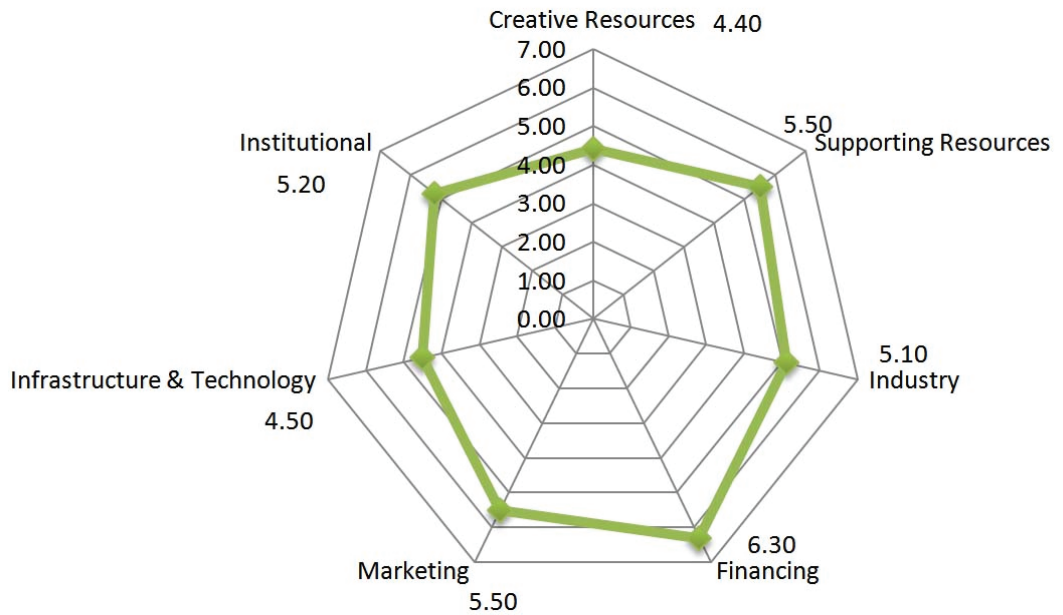


Figure 2: Culinary Industry Competitiveness. (Source: Ministry of Tourism and Creative Economy of Indonesia).

analyze the creative economy mode, in this study using a framework to think of Barney & Clark (2007), can be seen on Table 4.

Resources and capabilities possessed by the creative economy overall mode only provides the same ability to compete with competitors. However, there are some resources and capabilities that have the potential as a competitive advantage for a while and the competitive advantage that is not used. Resources that could potentially generate a competitive advantage for the creative economy mode is the field operations, sales and marketing and human resources with economic performance that is above normal.

Batik, weaving, and gloves, and all forms of handicraft Indonesia, is so localized content. So, do not ever get bored with traditional Indonesian fabrics and all forms of artistic creativity crafts Indonesian artists. The dominance of this local content is not mere euphoria. This is part of the Blue Print Fashion Creative Economy Indonesia was initiated by Indonesia Fashion Week, the Ministry of Tourism and Creative Economy, the Ministry of Industry, Ministry of Commerce, and the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia. Besides carrying local content, the blueprint also was also included, Indonesian fashion creative products also must be environmentally friendly and has a strong brand. The fashion industry is very important in the context of the development of creative industries. The potential is enormous not

TABLE 4: Recapitulation Test Results VRIO Fashion Creative Economy.

Resources & Capabilities	V	R	I	O	Competitive Implication	Economic Performance
Primary Activity:						
1. Inbond Logistics: Purchasing, Inventory Holding, Material Handling	Yes	No	No	No	Competitive parity	Normal
2. Operation: Product or Service	Yes	Yes	Yes	No	Unused Competitive	Above Normal
3. Outbond Logistics: Warehousing and Distribution	Yes	Yes	Yes	No	Unused Competitive	Above Normal
4. Sales and Marketing	Yes	Yes	Yes	No	Unused Competitive	Above Normal
5. Dealer and Service – Support Customer	yes	Yes	Yes	No	Unused Competitive	Above Normal
Support Activities						
6. Human Resource Management & Development	Yes	Yes	Yes	No	Unused Competitive	Above Normal
7. Technology: Research, Development, Design	Yes	No	No	No	Competitive parity	Normal
8. Infrastructure Activities: Planning, MIS, Legal	Yes	No	No	No	Competitive parity	Normal

Source: Research Result

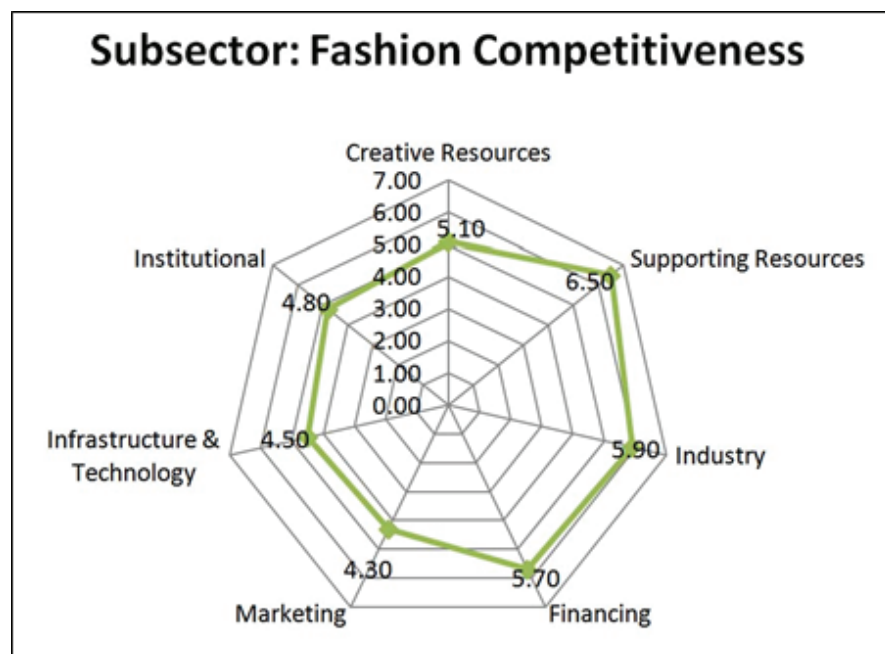


Figure 3: Fashion Industry Competitiveness. (Source: Ministry of Tourism and Creative Economy of Indonesia).

only for the domestic market, but also overseas market. "With the growing middle class group, today more and more people are willing to pay a little more for fashion products better designed, even for the brand in the country.

5.3. Subsector: Digital application competitiveness

Creative Industry sub-sector digital applications and interactive games is a creative activity related to the creation, production, and distribution of computer and video games that are fun, agility, and education. Sub interactive games sector is not dominated solely as entertainment but also as a learning tool or education. To analyze the creative economy digital applications and games, in this study using a framework to think of Barney & Clark (2007), can be seen on Table 5.

TABLE 5: Recapitulation Test Results VRIO Digital Application & Games Creative Economy.

Resources & Capabilities	V	R	I	O	Competitive Implication	Economic Performance
Primary Activity:						
1. Inbond Logistics: Purchasing, Inventory Holding, Material Handling	Yes	No	No	No	Competitive parity	Normal
2. Operation: Product or Service	Yes	Yes	Yes	No	Unused Competitive	Above Normal
3. Outbond Logistics: Warehousing and Distribution	Yes	No	No	No	Competitive parity	Normal
4. Sales and Marketing	Yes	Yes	Yes	No	Unused Competitive	Above Normal
5. Dealer and Service – Support Customer	Yes	No	No	No	Competitive parity	Normal
Support Activities						
6. Human Resource Management & Development	Yes	Yes	Yes	No	Unused Competitive	Above Normal
7. Technology: Research, Development, Design	Yes	No	No	No	Competitive parity	Normal
8. Infrastructure Activities: Planning, MIS, Legal	Yes	No	No	No	Competitive parity	Normal

Source: Research Result

Resources and capabilities possessed by the creative economy digital applications and games overall only the same ability to compete with competitors. However, there are some resources and capabilities that have the potential as a competitive advantage that is not used resource that has the potential to generate competitive advantage for

the creative economy digital applications and games that field operations, sales and marketing and human resources with economic performance is above normal.

Subsector: Digital Application & Interactive Games Competitiveness



Figure 4: Digital Application & Interactive Games Industry Competitiveness. (Source: Ministry of Tourism and Creative Economy of Indonesia).

Subsector: Music Competitiveness



Figure 5: Music Industry Competitiveness. (Source: Ministry of Tourism and Creative Economy of Indonesia).

TABLE 6: Recapitulation Test Results VRIO Music Creative Economy.

Resources & Capabilities	V	R	I	O	Competitive Implication	Economic Performance
Primary Activity:						
1. Inbond Logistics: Purchasing, Inventory Holding, Material Handling	Yes	No	No	No	Competitive parity	Normal
2. Operation: Product or Service	Yes	Yes	Yes	No	Unused Competitive	Above Normal
3. Outbond Logistics: Warehousing and Distribution	Yes	No	No	No	Competitive parity	Normal
4.Sales and Marketing	Yes	Yes	Yes	No	Unused Competitive	Above Normal
5.Dealer and Service – Support Customer	Yes	No	No	No	Competitive parity	Normal
Support Activities						
6.Human Resource Management & Development	Yes	Yes	Yes	No	Unused Competitive	Above Normal
7.Technology: Research, Development, Design	Yes	No	No	No	Competitive parity	Normal
8.Infrastructure Activities: Planning, MIS, Legal	Yes	No	No	No	Competitive parity	Normal

Source: Research Result

Digital applications and interactive games means has a media game from start to form electronic or physical, activity which means it can be done while sitting or running, to pursue the objective score or level, and the rules are the rules and mechanics of the game. After continuing on the scope of interactive games can be shared by platforms or genre that is still growing.

5.4. Subsector: Music competitiveness

The music in the context of the development of creative economy is not only a form of expression through sound, which element essentially in the form of melody, rhythm, and harmony with the elements supporting the form of ideas, nature and color of the sound, but also an output that can be enjoyed by many people and give the benefits of economic, social and cultural. Music in its development as a creative economy more emphasis on the development of the music industry which is expected to provide economic added value for actors involved in it and provides quality of life for the audience. Music industry is defined as all types of businesses and creative activities

relating to education, creation/composition, recording, promotion, distribution, sales, and performing works of musical art.

Resources and capabilities possessed by the creative economy overall music only provide the same ability to compete with competitors. However, there are some resources and capabilities that have the potential as a competitive advantage that is not used. Resources that could potentially generate a competitive advantage for the creative economy of music that field operations, sales and marketing and human resources with economic performance that is above normal.

The music industry has a fairly wide scope substance along with the development of music itself. The music industry overlaps with the performing arts that also have substance musical art, but these can be distinguished. The music industry essence is at his music, the show only as a medium for presenting musical works. While the art of music in the performing arts focus on the show, the music just as the content presented in the show. In addition, its scope covers the whole industrial music genre (genre promoted), for example: jazz, rock, metal, pop, and more. The value chain of the music industry and related industries in the value chain is supported by four main elements, namely the creation, production, commercialization, and distribution. Type of core work in the music industry can be categorized as a musician. Musicians can be defined as a play or write music. Musicians can be categorized based on their role in creating or in musical performances, including instrumentalist, singer/ vocalist, composers, arrangers, songwriters, improviser, orchestrator, and conductor.

5.5. Subsector: Film competitiveness

Film in the context of the development of creative economy in Indonesia can be viewed from two main aspects, namely in the context of the development of the film and also the development of cinema. Film is defined as follows artwork contains a variety of moving images or ideas in audiovisual form, as well as in the manufacturing process uses the rules of cinematography. To analyze the creative economy Film, in this study using a framework to think of Barney & Clark (2007), can be seen on Table 7.

Resources and capabilities possessed by the film creative economy overall only the same ability to compete with competitors. However, there are some resources and capabilities that have the potential as a competitive advantage that is not used. Resources could potentially generate a competitive advantage for the creative economy films, field operations, sales and marketing and human resources with economic performance that is above normal.

TABLE 7: Recapitulation Test Results VRIO Music Creative Economy.

Resources & Capabilities	V	R	I	O	Competitive Implication	Economic Performance
Primary Activity:						
1. Inbond Logistics: Purchasing, Inventory Holding, Material Handling	Yes	No	No	No	Competitive parity	Normal
2. Operation: Product or Service	Yes	Yes	Yes	No	Unused Competitive	Above Normal
3. Outbond Logistics: Warehousing and Distribution	Yes	No	No	No	Competitive parity	Normal
4. Sales and Marketing	Yes	Yes	Yes	No	Unused Competitive	Above Normal
5. Dealer and Service – Support Customer	Yes	No	No	No	Competitive parity	Normal
Support Activities						
6. Human Resource Management & Development	Yes	Yes	Yes	No	Unused Competitive	Above Normal
7. Technology: Research, Development, Design	Yes	No	No	No	Competitive parity	Normal
8. Infrastructure Activities: Planning, MIS, Legal	Yes	No	No	No	Competitive parity	Normal

Source: Research Result

The scope of the film can be seen from the output produced in the form of films, and also in the context of the film itself is larger than the movie. In developing the film, then the context of the development of film and cinema are two things that cannot be separated and should be encouraged in parallel with a holistic approach. While the scope of the film itself covering the entire ecosystem of infrastructure, namely (1) the basic needs / requirements of the aspects can take place, and (2) suprastructure, the value system that surrounded him, related aspects of the process of production, distribution, exhibition, audience / market, appreciation, education, and archiving films in Indonesia.

6. Conclusion

1. Based VRIO Test Capability Resources and Creative Economy is classified into a creative economy that have a temporary advantage that the creative economy of music, digital applications and interactive games, movies. While the creative

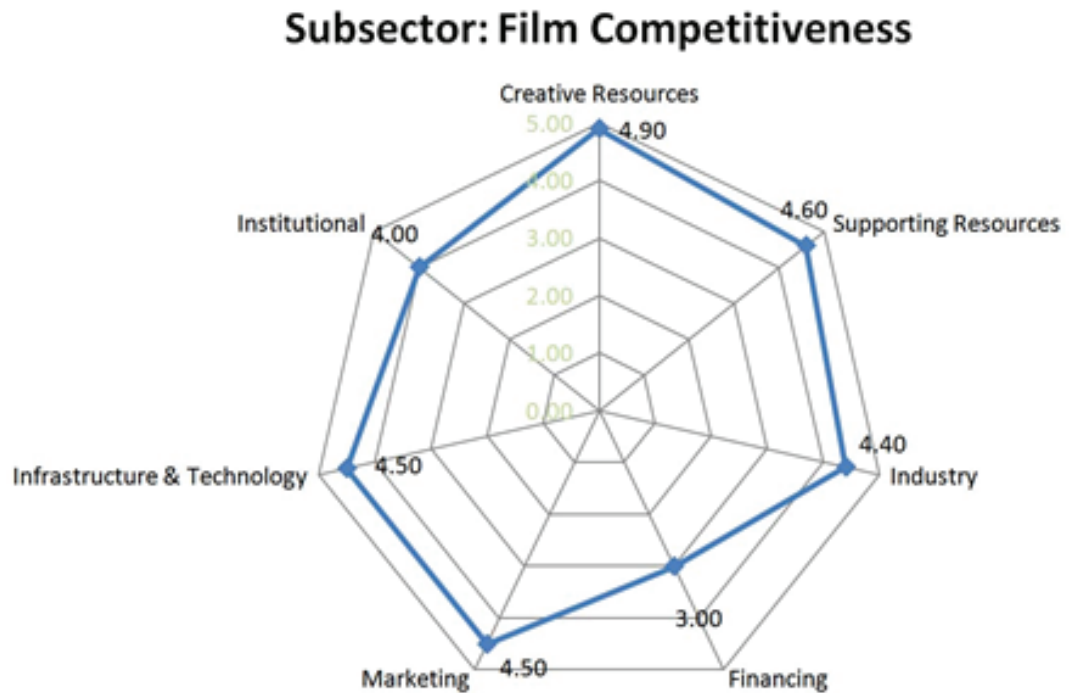


Figure 6: Film Industry Competitiveness. (Source: Ministry of Tourism and Creative Economy of Indonesia).

economy has a competitive advantage that has not been optimized, namely: creative economy culinary, fashion.

2. The role of the creative economy in the national economy can be seen from several aspects. First, the creative economy contributes to sustainable economic growth for its creativity and ideas are a source of renewable energy. Second, the creative economy plays a role in encouraging the growth of other sectors through the provision of inputs to other sectors or the use of inputs to other sectors in its production activities. Third, the creative economy is able to produce high value added products, which are not only functional but also has the meaning thus improving quality of life. Not only contribute to the economy, the creative economy also contributes to strengthening the image and national identity, strengthening social tolerance, the reduction of social and economic inequalities that exist in society, increase the utilization of local raw materials and environmentally friendly, increasing the role of women in development and encouraged the development of creativity in general.

7. Recommendation

Reform of planning, budgeting, implementation, monitoring and evaluation of the development of creative economy related ministries, namely strengthening coordination across sectors and regionally through legal products that can bind to relevant stakeholders; form a working unit which will coordinate the planning, budgeting, implementation, monitoring and evaluation of the development of creative economy in Indonesia; coordination and synergy program of activities supporting action plans that have been prepared in each ministry in order to obtain accurate information about the availability of resources in each ministry to support the development of creative economy.

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