

Developing Creative Fashion Industry in Central Java Province

by 120871 2023

Submission date: 03-Jan-2023 11:25AM (UTC+0700)

Submission ID: 1988111531

File name: Jurnal_Media_Trend.pdf (1.01M)

Word count: 4362

Character count: 25541

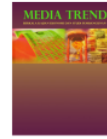


MediaTrend 17 (2) 2022 p. 402-411

Media Trend

Berkala Kajian Ekonomi dan Studi Pembangunan

<http://journal.trunojoyo.ac.id/mediatrend>



Developing Creative Fashion Industry in Central Java Province

Agus Budi Santosa^{1*}, Agung Nusantara², Sri Nawatmi³

^{1,3} Stikubank University, ² University of Muhammadiyah Semarang

Article Information

Article of History:
Received October 2022
Approved October 2022
Published December
2022

ABSTRACT

The advantage of the fashion industry are contributing to creating a workforce and creating high values of various commodities. The growth of the industrial sector becomes the mainstay of local government to increase Indonesia's economy as one of the most dominant economic sectors. This article will analyze strategies and policies to develop the fashion industry with SWOT analysis. The research results showed the strengths aspects, like supportive local sources, cultural wealth, and available facilities and infrastructures. The supporting of opportunity aspects is the open chances of domestic and foreign markets and government concern and support. Developing human resources competencies, developing promotion as well as fashion product marketing, and cost aspects were conducted to develop the creative industry.

Keywords: Fashion Creative Industry, Local Culture, SWOT, Human Resources Competency, Promotion.

JEL Classification Code: F36, F14, Z22

Author correspondence:
E-mail: agusbudi@edu.unisbank.ac.id

DOI: <http://dx.doi.org/10.21107/mediatrend.v17i1.17101>

INTRODUCTION

The creative industry sector is believed will lead other sectors of an economy to increase and later develop the economy (Nina Nurani, 2012). The creative industry sector has a higher and more beneficial term of trade than other sectors' products. This is a result of various varieties of creative industry sectors that can give high marginal benefits to the users. The supremacy of the creative industry sector can create higher additional value (value-added) for various commodities (Rochmad Bayu Utomo dan Made Heny Urmila Dewi, 2021). The higher the contribution of the creative industry sector, the more advanced the economic development of a country.

Three creative industry sectors with big contributions towards GDP, namely: culinary sub-sector at 41,40%, fashion sub-sector at 18,01%, and craft sub-sector at 15,40%. The creative industry has promising 19,9 billion USD export value or 13,7% from national export (www.kemenparekraf.go.id). The big three export destinations are the USA at 30%, Swiss at 11%, and Japan at 7%. The declaration and government support for the creative industry influence significantly and widely Indonesia's Economy (Destina Paningrum, 2021). The growth of the creative industry sector becomes a Central Java pillar in increasing regional economics. The creative industry which includes textile, garment, and fashion contributes 8,41% of Central Java's economic growth today. Furthermore, the creative industry export is in the first place above furniture, reaching 40% of Central Java's total export. The number increases each year, and thus it becomes an indicator that the fashion industry keeps growing in Central Java. It could be seen from the number of human resources uptake in Central Java by 405.031 people in 2020.

Several countries in the world believe that the creative industries provide

significant economic contributions. There are many studies held to see the growth and contributions of creative industry sectors to the economy in the world. Indonesia has also seen a potential industrial sector to be developed as Indonesian creativity is equal to other countries' (Saksono, H. 2012).

John Howkins, the author of "Creative Economy, How People Make Money from Ideas", introduced the term Creative industry. According to Howkins, the Creative Industry is the economic activity where ideas become the input and output. The essence of creativity means the original idea that can be protected by Intellectual Property Rights. The examples are a singer, movie actor, songwriter, or micro-biology researcher who researches eminent paddy that is never invented before (Anggraeni, 2008).

Richard Florida (2002) the author of "The Rise of Creative Class" and "Cities and the Creative Class", introduced the creative industry and creative class in society. According to Florida "All human being is creative, either he is a glasses worker or a teenager in a small alley making hip hop music. The difference is in the class because there are individuals who specifically work in a creative field and get economic benefit from the activities. Places and cities that can create the fastest new innovative products will be the winner of the competition (Anggraeni, 2008).

According to Valentine Siagian (2020) in Economy and Indonesia Business, a creative economy is a creative process, production activity, and goods and service distribution, which process requires creativity and intellectual ability. Creative industry definition from Government vision is Industries that count on individual creativity, skills, and talent to increase the life level and create a workforce through idea creation and Intellectual Property Rights exploitation. The development of creative industry potency in the creative economy sector will be an important

alternative in increasing contribution to the economy and business, increasing society life quality, developing innovation and creativity, and increasing regional identity in the future (Pahlevi, A. S, 2017). Those Creative economy aspects become important value after Regional Autonomy is applied. In Regional Autonomy, regions need to compete positively. Therefore, each region should gain attention, influence, market, business & investment destination, tourists, residents, talents, and events to bring investment.

The Regional Autonomy application demands creativity to obtain Region Own Source Revenue and an effort in marketing a region by city branding. City branding requires each region to create a specific image of society by representing city characters. The aim of representing the city/region is usually related to creative local industry in that region. So far, the local character is the one to differentiate one region from another (Rochani, A, 2017).

Some aspects need to be determined to support the creative fashion industry. The supporting aspects are finance, education, innovation, mediator, and marketing. Finance is a tool to help creative fashion industry entrepreneurs to ensure capital/investment. Education is an aspect to help the creative fashion industry to learn and obtain talented and skilled resources. Education and training provider helps to acknowledge and respond to creative fashion industry needs. Innovation helps the creative fashion industry to identify and use processes and innovative technology. The mediator helps creative fashion industry producers to get more acknowledgment about how to work in a mediator system in high-value trading. At the same time, it gives more authority to government and trading companies to acknowledge and realize creative fashion industry value and thus able to create global-quality products and increase market knowledge, including proper marketing

strategies such as segmenting, targeting, and positioning. (Haerisma, 2018).

The development of an industry, in this case the creative fashion industry, must also be linked to the development of an area. The development of an area includes the supra urban environment or outside it, so that the development of an area is the process of formulating and implementing what is the goal of development on a supra urban scale. There are 4 (four) basic objectives of regional development optimal utilization of natural resources through local economic development based on basic economic activities occurring in an area, reducing disparities between regions (regional imbalances), oriented to sustainable development (sustainable development), maintaining and increasing the rate of economic growth. However, these four objectives cannot be achieved in one area due to existing limitations. Therefore, they generally focus on goals, in other words, to avoid conflicts of interest. In general, regional development can be divided into three parts.

Centralized Approach, establishment of growth areas characterized by rural development by developing a modern industrial sector which is generally capital intensive. From the development of this particular point, it is hoped that progress can be spread throughout rural areas. Territorial Decentralization, the bottom-up planning paradigm forms a closed area so that the potential of rural resources does not flow to the city which is considered a "parasite" that absorbs the potential of rural areas. Areas developed with this paradigm are directed not to be loosely connected, so they are expected to develop independently based on their own strengths (self sufficiency). Functional Integration, an approach that seeks to bridge between centralized and decentralized thinking in the concept of regional development. The assumption taken is that an area is a network system of

various spaces/places (spatial), which are interrelated and suggest the establishment of a tiered and interconnected central system to spread progress throughout the region.

The strategy is essentially a development in the main sector or selected in a particular location, will lead to progress in all parts of the region. The above understanding is that this approach is different from the balanced growth approach. This approach is too ideal, because it aims to develop various sectors simultaneously. Regarding regional development and general problems that occur in developing countries, it turns out that regional growth cannot be left to market mechanisms, as in Neo Classical economic theory. This is due to the fact that the market mechanism cannot solve problems in regional development, such as the problem of poverty and inequality between regions. The assumption that the results of development can drip automatically through the development sector, namely through the modern sector or through space to the undeveloped sector, other geographical locations and the poor is not entirely true.

The results of development turned out to be more concentrated in a small group of people associated with the modern sector which is generally found in big cities. As a result, inequalities between groups, between regions, and between villages and cities, are becoming wider; unemployment and underemployment are increasingly widespread, and the problem of poverty is not resolved and poverty is increasing. Based on the above facts which show the failure of the concept of economic growth, a regional development concept is needed that emphasizes the aspect of equitable development rather than economic growth related to the poverty problem faced. Therefore, to help people who are considered poor or areas that are called unprofitable, wisdom is

needed.

The development of the potential of the fashion creative industry in the creative economy sector in the future will remain an important alternative in increasing contributions in the economic and business fields, improving people's quality of life, image formation, communication tools, fostering innovation and creativity, and strengthening the identity of a region. These aspects of the creative economy are considered to be very important when regional autonomy has been implemented. The change in the system to decentralization has caused each region to need to compete positively with other regions in gaining attention, influence, markets, business & investment destinations, tourists and residents' residences, talented people (talents), implementation of activities (events) to bring in investments that can encourage economic development.

Dellia Mila Vernia (2015) said he creative industry has a role as the fashion field into potential industry and featured contributor to GDP for Indonesia and also as an employer. Barriers facing them in terms of human resources and technology. Strategy for business development among others, to develop human resources and strengthen a strong and competent production with better technology. Benefits include internet creates for the customer base and product and market analysis. The role of government regulations that could make them a conducive business environment and facilitate the creation of a local trend.

Alvien Septian Haerisma (2018) explains the creative economy development policy, namely the development of economic activities based on individual creativity, skills and talents to create individual creativity and creativity that has economic value and influences the welfare of society. The results of the study concluded that the existence of a

creative economy based on the Trusmi Cirebon batik industry was quite helpful for the level of community welfare. Sri Eko Puji Rahayu (2011) one subsector of the creative industry is the fashion sector, namely creative businesses related to the design of clothing, footwear, accessories, production of clothing and accessories, as well as consulting and distribution of fashion products. The potential of the creative industry in the fashion sector must be developed because this creative industry can provide a significant economic contribution, in addition to being a large source of foreign exchange, and creating a positive business climate, as well as building the nation's image and identity.

The stipulation of regional autonomy requires regional creativity in an effort to increase Regional Original Income (PAD) and one of the efforts to promote the region is through city branding activities. City branding activities require each region to compete to create a certain image in the minds of the wider community in representing the regional character. In the aim of representing regions in Indonesia, this has been consciously or not always connected with the activities of the regional local creative industries. This is because something local has been able to differentiate one region from another. Regional imagery in relation to creative industries in Indonesia has so far been focused on cities such as Jakarta, Bandung, Jogjakarta, and Bali. The four cities/regions are known as cities that utilize aspects of the creative industry as regional attractions that are able to compete with cities in the world.

To support the development of the creative industry in the fashion sector, several supporting aspects must be established. The financial aspect serves to help creative industry entrepreneurs in the fashion sector to ensure capital. The education and skills aspect serves to assist the creative industry in the

fashion sector in learning and obtaining skilled and trained resources. Education and training providers are expected to better know and respond to the needs of the creative industry in the fashion sector. The innovation aspect serves to assist the creative industry in the fashion sector in identifying and using innovative technological processes. At the same time, connecting universities with the creative industry in the fashion sector to establish cooperation in the discovery, development, and distribution of innovative products. The intermediary aspect serves to help creative industry producers in the fashion sector to better know how to work in the intermediary system in trade. At the same time, it gives the government and trade companies the authority to know and realize the value of the creative industry in the fashion sector. The marketing aspect serves to help the creative industry in the fashion sector to be more professional and able to produce quality products for the global market and increase knowledge about the market and to be able to implement appropriate marketing strategies consisting of segmenting, targeting, and positioning.

The advantage of cluster policy is that it emphasizes the microeconomic component of economic development, as well as the spatial and social aspects of economic development. In addition, the cluster policy uses effective instruments to encourage regional development, which can be seen from the increase in employment, increasing the competitiveness of the regional production system, income growth, and others. Another advantage of economic clustering is the active role of public authorities in identifying clusters, maintaining cluster initiatives, encouraging their development and monitoring the effectiveness of the clustering process.

METHODOLOGY

This research used SWOT analysis as the research method. SWOT is a

strategic planning method to evaluate the strengths, weaknesses, opportunities, and threats of a business (Rangkuti, Freddy. 2008). SWOT analysis process includes determining specific goals from business speculation and identifying supporting and against internal and external factors to reach the goals. The application of SWOT is conducted by analyzing and sorting things that influence four factors and applying them to the SWOT matrix picture. The first step is identifying owned strengths before taking advantage of available opportunities. The second step is solving weaknesses that potentially disturb advantages from existing opportunities. The third step is optimizing strengths against threads. The last step is dealing with weaknesses that become real threads and new threads.

SWOT analysis has the advantage that it can be used to plan strategies and

analyze a problem. In addition, the use of SWOT analysis analysis is due to the fact that it has several advantages, namely (1) Facilitating the Mapping of Important Factors so that you know and map important factors both internal and external to make plans or strategies. (2) Predicting Various Problems that Might Arise by knowing the potential triggers of problems from a SWOT analysis which can be in the form of deficiencies or threats (3) Knowing the Company's Position in business competition (4) Using the right SWOT analysis can make it easier to determine strategies for developing a business (5) In accordance with its function which is used for strategic planning and problem solving purposes, SWOT analysis can make it easier to make important decisions during business

RESULT AND DISCUSSION

Table 1.
SWOT Analysis of Creative Fashion Industry in Central Java

Strengths	Weaknesses
<ul style="list-style-type: none"> • Supporting local sources • The basic cultural wealth/regional ethnic. • Available production facilities and infrastructure. • Sizable human resources in Central Java. • The strategic location of Central Java. • A lot of creative industry clusters in Central Java that potentially developed. 	<ul style="list-style-type: none"> • A lot of creative industries have limited access to the financial institution. • Nonoptimal facilities and alertness of Intellectual Property Rights for creative industry products. • People who work in creative industries have limited knowledge of dealing with the business license. • Lack of expertise and human resources in the design field in the creative industry. • Nonoptimal cooperation between cross-sectoral and stakeholders.
Opportunities	Threats
<ul style="list-style-type: none"> • Potential domestic and foreign markets. • Central Java's government supports towards creative industry. • Central Java Province has strong positioning in the creative industry. • Existing commitment and support from the business world and finance institutions to develop the creative industry. 	<ul style="list-style-type: none"> • Increased competition of creative industry products with other provinces. • Higher customer demand as a result of quickly changing taste. • The economic situation, worker fees, and higher production costs trigger high capital costs. • The entrance of cheap foreign creative products.

In carrying out the innovation strategy, it is necessary to carry out the process of creating added value, ideas and creativity owned by human resources as an element of creative industry development. The utilization of available natural resources is carried out optimally while still paying attention to local wisdom. Local wisdom is a cultural wealth that grows and develops in society, as well as positive human behavior in dealing with nature and the surrounding environment which originates from religious values, local customs or culture, which are built naturally within a community to adapt to the environment surrounding. The regional government of Central Java Province is responsible for developing, utilizing and promoting cultural heritage based on local wisdom and providing protection for the rights of local communities.

This strategy aims to overcome weaknesses by taking advantage of opportunities. Some of the resulting strategies are increasing promotion through print and electronic media for the development of a wider marketing network. Utilizing banking services to develop the quality and quantity of production. Increase consumer satisfaction by improving product quality.

In terms of the strategy to deal with threats is to take advantage of the strengths they have. Some of these strategies, namely the availability of adequate raw materials can help overcome problems, increase consumer satisfaction by developing products that are fashionable so that the level of product satisfaction increases. On the element of human style resources, the provincial government needs to conduct training and develop insight into fashion industry products

Creative fashion industry development strategy referred to SWOT analysis above. Thus, it was expected creative industry would grow efficiently and

productively, have strong competitiveness, and become independent and modern. Strategy is a continuous and adaptive response to external opportunities and threats as well as internal strengths and weaknesses that can affect the organization. Furthermore, strategies should also be able to take opportunities and excel challenges in the future. Therefore, creative industry development in Central java used these strategies:

1. Developing economic democracy based on national resources potential, focusing on the market mechanism, and having strong competitiveness.
2. Increasing creative industry contribution to other industrial sectors and national macroeconomics, expanding business opportunities and employment opportunities and enhancing social welfare equally.
3. Creating strong and equal creative industry structures and developing regions that have already had creative industry and growing regions that haven't got any.
4. Increasing varieties, volume, and export value of creative industry products to enhance national export value contributions. Some creative industry subsectors that can be developed are ready-to-wear clothes, handbags, belts, accessories (tie, scarf, gloves, hat, hairpin), sunglasses, headgear, and leather-based products.
5. Increasing creative industry contributions and roles in the industrial sector and national economy and becoming the national economy backbone. Central Java has several regions that have already had the potential to develop a creative industry. The province government needs to work on it.
6. Creating conservation and development of art and culture based on local and national ethnic cultures. The potential in each region should be developed and preserved.

Some supportive aspects are

needed to improve the creative fashion industry development success. The finance aspect helps fashion and creative industry entrepreneurs to ensure capital. Education and skill aspects help the creative fashion industry in learning and obtaining skilled and trained sources. Education and training providers are expected to acknowledge and respond to creative fashion industry needs. The innovation aspect helps the creative fashion industry in identifying and utilizing innovative processes and technology. At the same time, it helps connect universities and the creative fashion industry in creating relations for innovative products invention, development, and distribution. The mediator aspect helps the creative fashion industry to get more acknowledgment about how to work in a mediator system in high-value trading. At the same time, it gives authority to the government and trading PR to acknowledge and realize the value of the creative fashion industry that can increase goods and services deliveries. The market aspect helps the creative fashion industry to be more professional and create high-quality products for the global market. Furthermore, it helps increase market knowledge and apply precise market strategies such as segmenting, targeting, and positioning.

The outline of the action plan in designing the creative industry in the fashion sector is intended to face the challenges that must be faced now and in the future. The list of existing actions is part of the initial process of developing the creative industry in the fashion sector which will be carried out collaboratively by the stakeholders. In this study, the responsible stakeholders are Central Java Province, the business world, and academia, as well as other organizations that care about the creative industry in the fashion sector. The government of Central Java Province has planned an action plan to support creative fashion industry development strategies that have been created. The action

plan included: (1) Human Resources Development: organizing training in design technique, entrepreneurship, marketing, and production; conducting internship for trained human resources in the business world; facilitating creative industry cluster development, (2) Promotion and Marketing Development: organizing and participating in regional and national-scale exhibitions; facilitating creative industry market expansion through regional, national, and international cooperation; increasing creative industry products export by increasing marketing and distribution; conducting creative industry-intensive promotion through electronic and online media, (3) Business Climate Development : Giving guidance and convenience in making business license, Giving guidance and convenience in creating Intellectual Property Rights through socialization for the creative industry, Providing convenience facilities of raw materials supply for the creative industry, Conducting Central Java's featured creative fashion industry potential product mapping, (4) Business Institution Development: Facilitating the development and strengthening of joint enterprise groups for small industries, Increasing cooperation with education institutions, the business world, and practitioners for creative industry empowerment to make the products acceptable, Facilitating access to finance institutions

CONCLUSION

The creative industry in Central Java is a potential industry by observing workforce uptake indicators and creative industry sector development. The creative industry SWOT analysis concluded: (1) Strength: supportive local sources, cultural wealth/regional ethnic, and available facilities and infrastructures. (2) Weaknesses: capital problem, nonoptimal facilities and alertness of Intellectual Property Rights for creative industry products, and limited knowledge of dealing

with the business license. (3) Opportunities: the open chances of domestic and foreign markets, government concern and support, and Central Java's strong position in the middle market segment for apparel. (4) Threats: increased competition for creative industry products, both among regencies within Central Java and other provinces, higher customer demand, and high capital cost. Therefore, the creative industry development is conducted through developing human resources competencies, developing promotion and fashion product marketing, and developing cost aspects.

REFERENCE

- Alvien Septian Haerisma, 2018, Pengembangan Ekonomi Kreatif Bidang Fashion Melalui Bauran Pemasaran, Al-Amwal, Volume 10, No. 1
- Anggraini, Nenny, 2008. "Industri Kreatif", Jurnal ekonomi Desember 2008 Volume XIII No. 3
- Dellia Mila Vernia, 2015, Pengembangan Bisnis Industri Kreatif Bidang Fesyen Dengan Pendekatan Ekspor Untuk Memperkuat Perekonomian Nasional, Journal of Applied Business and Economics Volume 2 Nomor 2
- Destina Paningrum, 2021, Potensi Pengembangan Investasi Berbasis Ekonomi Kreatif Pada Era New Normal di Kota Surakarta, Ekonomi Bisnis Dan Kewirausahaan, Vol. X, No. 2
- Diva, G. 2009. Mengembangkan UKM Melalui Pemberdayaan Peran Pemerintah Daerah. Jakarta: Bakrie School Managemen
- Dj Julius, Horas, dkk. 2019. Tinjauan Dan Analisis Ekonomi Terhadap Industri Kreatif di Indonesia. Yogyakarta: Diandra Kreatif.
- Febriyanti Nur Izzati et al., 2020, Analisis Pemetaan Industri Kreatif Sektor Kerajinan Sebagai Strategi Pengembangan Ekonomi Kabupaten Pemalang, Jurnal Riset Terapan Akuntansi, Vol.4
- Firdausy, Carunia Mulya. 2018. Strategi Pengembangan Ekonomi Kreatif di Indonesia. Jakarta: Yayasan Pustaka Obor Indonesia
- Nina Nurani, 2012, Intellectual Property Right) Protection Over The Merchandise Works Of Creative Industry To Improve Indonesia Economic Development, International Journal of Research in Management Issue2, Vol. 2
- Pahlevi, A. S., 2017. Gagasan Tentang Pengembangan Ekonomi Kreatif Nasional (Studi Pada Potensi, Peluang, Dan Tantangan Ekonomi Kreatif Di Kota Malang). Seminar Nasional Seni dan Desain, hlm 185-188.
- Panjaitan, Nurmala K, Fachry Noviar Singka, et al, 2014. Usaha Dan Pengembangan Industri Kecil Berbasis Komunitas Lokal. Manajemen IKM, Vol. 9, No.02
- Pusparini, H. 2011. "Strategi Pengembangan Industri Kreatif Di Sumatra Barat". Pasca Sarjana Universitas Andalas Padang.
- Rangkuti, Freddy. 2008. Analisa SWOT Teknik Membedah Kasus Bisnis. Jakarta : PT.Gramedia Pustaka Utama.
- Richard, Florida, 2002, The Rise Of Creative Class, Basic New York
- Rochani, A. 2017, Creative Industry Development Strategy In Realizing A Smart City. Prosiding Seminar Nasional Inovasi Dalam Pengembangan SmartCity.
- Rochmad Bayu Utomo dan Made Heny Urmila Dewi, 2021, The Role Of Government, And Private Sector In The Creative Economy, JRAMB, Volume7 No 1, Mei 2021
- Saksono, H., 2012, Ekonomi kreatif:

- Talenta baru pemicu daya saing daerah. *Jurnal Bina Praja: Journal of Home Affairs Governance*, 4(2), 93–104.
- Siagian, S.P. 2003. *Administrasi Pembangunan*. Jakarta: Bumi Aksara
- Siagian, Valentine, et. al. 2020. *Ekonomi dan bisnis Indonesia*. Medan: Yayasan Kita Menulis.
- Sri Eko Puji Rahayu, 2011, *Potensi Industri Kreatif Bidang Fashion Sebagai Sumber Devisa Negara*, Seminar Nasional 2011 “Wonderful Indonesia” Jurusan PTBB FT UNY
- Suryana. 2013. *Ekonomi Kreatif, Ekonomi Baru: Mengubah Ide dan Menciptakan Peluang*. Jagakarsa, Jakarta Selatan: Penerbit Salemba Empat
- www.kemenparekraf.go.id

Developing Creative Fashion Industry in Central Java Province

ORIGINALITY REPORT

13%

SIMILARITY INDEX

13%

INTERNET SOURCES

3%

PUBLICATIONS

2%

STUDENT PAPERS

MATCH ALL SOURCES (ONLY SELECTED SOURCE PRINTED)

4%

★ core.ac.uk

Internet Source

Exclude quotes On

Exclude matches < 1%

Exclude bibliography On