

## Research Article

## Mapping Of Superior Creative Industry Potentials (Case Study of the Creative Industries of Handicraft Subsector in the East Aceh District)

Mutia Rahmah<sup>1</sup>, Abd. Jamal\*<sup>1</sup> and Chenny Seftarita<sup>1</sup><sup>1</sup>Faculty of Economics and Business, Universitas Syiah Kuala, Banda Aceh, Indonesia**Article History**

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**Abstract:** This study aims to map the potential of leading creative industries in East Aceh District, especially the handicraft sub-sector by using a qualitative approach. In this case, it does not isolate individuals or organizations into variables or hypotheses, but as a part of a whole. The data analysis technique used is descriptive (qualitative and quantitative) methods by using simple statistical formulas and SWOT analysis to determine product competitiveness strategies. The results of the study indicate that the handicraft industry subsector in East Aceh District has a strategic role in improving people's welfare and reducing unemployment. As for the leading industries in East Aceh Regency are the pandanus mat and the embroidery industry. The results also show that both industries are able to absorb labor and have high production values.

**Keywords:** Creative Industries, Labor, SWOT Matrix

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### INTRODUCTION

The creative economy plays a very important role in increasing the economic growth of urban areas in particular as well as increasing national economic development. However, it is truly unfortunate that it seems the government has not paid much attention to this sector. It appears that the government has not yet made the creative economy the basis for important state revenues such as the trade, financial and agricultural sectors. Research conducted by Florida (2012) states that it has been taken place the transformation of economic products, creative industries, and the rise of creative classes. He stated that the world economy had experienced a shift, from the manufacturing sector to an economic sector that originated from creativity.

Australia was the first country to use the term creative industry in the 1990s, but was developed rapidly by the British government in the late 1990s. Research conducted by Primorac (2006) stated that the British government specifically forms units and is responsible for the creative industries under the department of culture, media and sports. Creative industry can be interpreted as an industry that emphasizes creativity in its journey. Many definitions of creative industries, Potts (2006) defines creative economy as an industry that has authenticity in individual creativity, skills and talents that have the

potential to generate income and create employment through the exploitation of intellectual property. Meanwhile, according to Sumotarto (2010) the creative industry is a form of utilizing creativity, skills and individual talents by producing and exploiting individual creative and creative power. As well, Miles & Green (2008) defines the creative industry as an activity that comes from creativity, expertise, talent, and has the potential to provide added value through the exploitation of intellectual property owned.

Fitriana, *et al.* (2014) stated that the development of the creative industry is in need of innovative human resources and high creativity. The results of his research show that the development of the creative industries of the craft sector is able to improve the welfare of the people in Batu. Jerusalem (2009) also researched the creative industry in the field of fashion and he claimed that to develop the creative industry in the fashion sector a grand design for the development of the creative industry is needed, especially in fashion sector.

The East Aceh District has its own uniqueness. This regency has a history of the glory of Islam. There are many aspects that have great potential in this district to be developed which can encourage the regional economy. These aspects include religious tourism, culinary tourism, cultural tourism, and historical

tourism. The level of income of East Aceh District sourced from the creative economy could not be detected on the Gross Regional Domestic Product (GRDP) of East Aceh District in 2014-2018. Data from the creative industry has not yet become one of the

economic activities that can contribute significantly to the GRDP. In the implementation, small and medium industries drive creative industries dominantly. (Murniati, 2009).

**Table 1.** Role of GRDP of East Aceh District by Business Field

No.	GRDP Business Field	2014	2015	2016	2017	2018
	<i>Primary</i>	2644623	2848574	3002644	3252434	3418595
A	Agriculture, Forestry, and fishery	113145.8	123751.8	128515.7	136293.5	143802.6
B	Mining and Excavation	145784.8	156215.6	166061.9	183885.5	203858.1
	<i>Secondary</i>	7477.54	7795.35	8017.25	8220.57	8726.88
C	Processing Industry	1773.46	1917.44	2111.76	2253.49	2401.17
D	Electricity and Gas Procurement	343256.2	386303.9	416384.3	461155.8	505268.9
E	Water Supply, Waste Management, Waste	511266.3	542481.7	591017	636402	686728
F	Construction	282241.9	315317.1	355736.9	399854.7	431502.1
	<i>Tertiary</i>	46391.92	50717.39	55628.72	63878.67	71668.23
G	Wholesale and retail trade; Car and Motorcycle Repair	153251.3	163454	177737.6	190034	199761.5
H	Transportation and Warehousing	100533	119222.7	132366.4	129747.7	129177
I	Provision of Accommodation and Food and Drink	200870.6	210725.6	227261.8	253061.9	275877.6
J	Information and Communication	14725.57	15718.12	16755.95	18115.31	19637.55
K	Financial Services and Insurance	405274.4	430801.8	490298	540248.9	608993.6
L	Real Estate	91156.04	95954.97	101282.1	110882.8	120965
M	Company Service	147919.4	158190.5	175177.2	184423.1	198437.4
N	Government Administration, Defense and Mandatory Social Security	75284.78	81049.01	90210.98	93965.74	99180.52
O	Educational Service	5284976	5708190	6137208	6664857	7124581
P	Health Services and Social Activities	2644623	2848574	3002644	3252434	3418595
Q	Other Services	113145.8	123751.8	128515.7	136293.5	143802.6
	GRDP	145784.8	156215.6	166061.9	183885.5	203858.1

Source: Statistical Central Bureau of East Aceh District 2019 (data was processed)

The East Aceh District needs to identify its economic potency. The Creative industry is one of the potentials possessed. At present, there is no description of the creative industries in East Aceh District to be the basis of policymaking as well as for the decision making for the development of creative industries.

The East Aceh District only has three creative economic sectors of the 14 categories, they are culinary, fashion, and handicraft sectors.

To increase the economic potential in this regency, it is necessary to map the creative industries as dynamic sectors. Currently, there is no mapping data available about the creative industry development to be used as a basis for government policy-making and or decision-making in developing the creative economy. The objective of this research is to arrange the profiles of the creative industries of East Aceh District which have an orientation to the potential of leading industry uniqueness, integration, environmental preservation, local potential, investment opportunities, and improvement of the welfare of the local and regional communities.

Based on the background above, it is interested to conduct the research and analyze the mapping of the potential of the creative industries in East Aceh District, so that the profile of the creative industries in the region

is identified and which superior creative industries can be determined.

## RESEARCH METHODOLOGY

East Aceh District is the object of this research. The scope of this research is limited only to the problem of the creative industries. This study included a mapping of the potential of the creative industries that exist in East Aceh District. The data used in this study is the potential data of non-formal small industries in East Aceh District.

The data analysis method used in this study was qualitative and quantitative descriptive methods using simple statistical formulas and SWOT matrix analysis techniques that aim to determine the competitiveness strategy of the product. Bogdan and Taylor (in Moleong, 2002: 3) explain that the qualitative research method is a research procedure used to process descriptive data, that is, such as words, a person's speech and also the observed behavior. The qualitative research looks at objects holistically. This research is not tied to individuals or organizations entering into variables or hypotheses but sees it as part of a whole.

## DATA ANALYSIS TECHNIQUE

This study used data analysis techniques with qualitative and quantitative descriptive method data

analysis technique using simple statistical formulas and SWOT analysis. SWOT analysis is used as a determinant of a product's competitiveness strategy by describing conditions and evaluating a problem, project, and business concept based on internal factors and external factors. SWOT analysis technique used is a qualitative approach consisting of strength, weakness, opportunity, and threat.

## RESULTS AND DISCUSSION

### Research Results

The results of this study are as follows:

**Table.1** Potential Data of East Aceh District Handicraft Industry in 2018

No	Industrial Commodity	Business Unit	Investment Value (Rp.000)	Production Value (Rp.000)
1	Traditional Weaving	1	15,700	93,500
2	Embroidery	67	873,295	473,218
3	<i>Kerawang</i> bag	1	20,500	241,500
4	Woven bamboo	3	8,850	40,950
5	Woven Pandat mat	61	159,512	669,780
6	Broom handle	4	37,000	69,000
7	Art Work	1	1,350	5,250
8	Pottery	2	19,500	218,000
9	Goldsmith	6	33,270	345,300
10	Coconut fibre industry	1	600,000	1,296,000
	Total	162	1,926,977	4,302,498

Source: Department of Industry and Trade and SMEs of East Aceh District, 2018 (data processed)

It can be seen that of the total handicraft industry commodities in East Aceh District, embroidery is the most popular with 67 business units with a total workforce of 198 people. While traditional weaving, *kerawang* bags, art work and coconut fibre industry only have 1 business unit each.

### SWOT Matrix

The use of SWOT analysis in this research is as a determinant of the right strategy for the development of creative industries in East Aceh District. It is necessary to know strengths, weaknesses, opportunities and threats in the creative industries in East Aceh District. The main strategy for this research is to increase economic growth in the region through the creative industries.

Furthermore, determination of internal aspects and external aspects is also important. Internal aspects are divided into strengths and weaknesses owned by the creative industries in East Aceh District, while the external aspects are divided into opportunities and threats of this creative industry. From the results of the analysis using the SWOT analysis it is expected that the government will play a role in increasing economic growth in East Aceh District through the creative industries.

### Creative Industries in East Aceh District

From the data on the potential of the handicraft industry in East Aceh District, it is seen that there are 10 handicraft industries in East Aceh Regency, where this commodity is a combination of the potential data of small-formal industries with the potential data of small-informal industries in East Aceh District.

The following is a data of craft industry commodity in East Aceh District:

Based on the analysis of the SWOT matrix it can be shown that the performance of the creative industries in the handicraft sub-sector in East Aceh District can be determined by a combination of internal and external factors. The combination of these two factors shows the results of the SWOT analysis, which are as follows:

#### a. SO Strategy (*Strength-Opportunity*)

The first strategy is a collaboration of internal factors (Strengths) and external factors (Opportunities). This strategy is made based on the utilization of all the power it has to seize and take advantage of the maximum opportunity. The SO strategies used by the creative industries in East Aceh District are as follows:

- Conduct technical guidance on marketing strategies in the free market.
- Optimizing the use of information and communication technology, especially in marketing SMEs / UMMs.
- Making East Aceh one of the souvenir suppliers for the Province of Aceh.
- Integrate East Aceh's local ethnicity into the creation of creative industries in the handicraft industry

- Supporting creativity class activities in innovating by creating creative business training programs.

**b. ST (Strength-Threat)**

ST strategy is a collaboration of internal factors (Strengths) and external factors (Threats). In this strategy, what is used is in terms of the strength possessed by the industry to overcome all forms of external threats. The ST strategies used in the creative industries in East Aceh District are as follows:

- Improving the quality of human resources, especially in the creative industry, creative industries subsector.
- Increase the quality and quantity standards of handicraft industry products.
- Maintaining a controlled market share.
- Socialization about online marketing media.

**c. WO Strategy (Weakness-Opportunity)**

The WO strategy is a collaboration between internal factors (Weaknesses) and external factors (Opportunities). This WO strategy is applied based on utilizing existing opportunities by minimizing the weaknesses of the creative industries. The WO strategies undertaken by the creative industries in East Aceh District are as follows:

- Encouraging creative actors in the craft sector to develop their products to attract investment from within and outside the region.
- Providing organizing facilities in exhibitions / promotions inside and outside the region.
- Providing collaborative facilities with financial institutions and looking for alternative sources of business financing.
- Facilitating education and training to increase the competence of creative economy / industry players on production, management and export.

- Providing knowledge about the importance of IPR in the creative industries, especially in the handicraft industry.
- Make special budgets and programs related to the creative industries, especially in the field of crafts.
- Ensuring the availability of local raw materials.

**d. WT strategy(Weakness-Threat)**

The WT strategy is a collaboration of internal factors (Weaknesses) and external factors (Threats). This strategy is based on the existence of defensive activities and trying to avoid the possibility of external threats to reduce weaknesses in the creative industry. The WO strategies carried out by the creative industries in East Aceh District are as follows:

- Giving appreciation to the potential work of creative industries.
- Actively holding creative industry exhibitions especially for the craft products.
- Certification of creative products
- Facilitating the formation of a task force for handling product piracy complaints.
- Using local raw materials based on diversity and local wisdom.

**Statistical Analysis**

The number of employment in the creative industry sector in East Aceh District is spread in 10 categories of handicraft industries - 26 craftsmen in the traditional weaving industry, 198 craftsmen in the embroidery industry, 5 craftsmen in the *kerawang* bag industry, 8 craftsmen in the bamboo woven industry, 136 craftsmen in the pandan mat woven industry, 19 craftsmen in the broom handle industry, 1 person in the art industry, 8 craftsmen in the pottery industry, 10 craftsmen in the goldsmith industry, and 15 craftsmen in the coconut fiber industry. The embroidery industry is the industry that absorbs the most labor, with a total of 198 craftsmen.

**Table-2.** Creative Industry

No.	Creative Industry	Workforce	Production Value (Rp.000)
1	Traditional Weaving	26	93,500
2	Embroidery	198	473,218
3	<i>Kerawang</i> bag	5	241,500
4	Woven bamboo	8	40,950
5	Woven Pandan mat	136	669,780
6	Broom handle	19	69,000
7	Art Work	1	5,250
8	Pottery	8	218,000
9	Goldsmith	10	345,300
10	Coconut fibre industry	15	1,296,000
Total		576	4,302,498

Source: Department of Industry and Trade and SMEs of East Aceh District, 2018 (data processed)

The strategy implemented by the East Aceh District government has not fully reached its full

potential, due to the lack of public interest in the programs implemented by the government to improve

the creative industries. There are several strategic issues in the development of the creative industries of the creative economy board including:

- 1) Regulations related to IPR
- 2) Financial regulation for the creative industry
- 3) Collaboration between actors (intellectuals, business, community, and government) and creative people, coordination, and synergy.
- 4) The participation of creative industries in international festivals and events and also the implementation of international standard events in the country.
- 5) The diversity of creative work
- 6) Services for exporting and importing creative works
- 7) Creative work based on quality (design in terms of function and aesthetics, packaging, content, utilization of raw materials, and eco-products)
- 8) Respect for local culture and natural resources.

The Government of East Aceh District in an effort to increase competitiveness in the creative industries has implemented some strategies in several programs including business assistance programs through revolving fund programs and entrepreneurial management training for creative industry business activists. Through this entrepreneurship training program it is expected that creative industry players can

increase motivation in developing their creative industries. Nowadays, the creative industry in the handicraft sub-sector accommodates a large workforce.

In addition, the government of East Aceh District through the Ministry of Industry and Trade and SMEs has also carried out promotional activities carried out through craft product exhibitions aimed at increasing the sales of craftsmen. If the products of the creative industries are already widely known by the public, the demand for products from the creative industries will increase. That way the welfare of the creative industry players will also increase.

### 1. Relations of Labor and Production Value

Based on the Matrix below it can be concluded that the leading industries in East Aceh Regency are the pandanus mat industry and the embroidery industry. This can be seen from the results of the matrix where the three industries are in quadrant I, where in quadrant I it is seen that the industry absorbs a lot of labor and has a high production value. The pandanus woven matting industry can accommodate a workforce of 136 people with a production value of Rp.669,780,000, - while for the embroidery industry it can accommodate a workforce of 198 people with a production value of Rp.473,218,000.

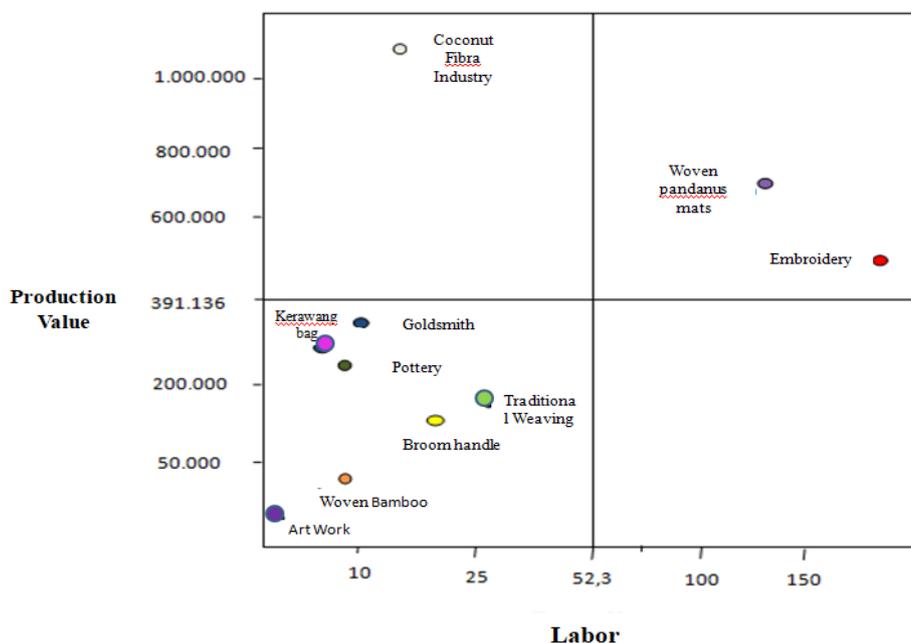


Fig.1 Matrix diagram of labor relations and the value of production of creative industries in East Aceh District

In quadrant II, coconut fibre industry was seen to absorb as many as 15 workers with a production value of 1,296,000,000. This means that the industry is experiencing a period of growth. Thus the coconut fibre industry needs a growth strategy through horizontal integration, which is an activity to expand this industry by increasing production.

Whereas in Quadrant III there are 7 creative industries, namely the traditional weaving industry, the kerawang bag industry, the bamboo woven industry, the broom handle industry, the art industry, the pottery industry, and the goldsmith industry. In quadrant III, it can be seen that in this group, only a small number of workers are absorbed and the production value is also

below average. This requires further attention so that the industries in quadrant III can become better in the future.

From the results of the matrix above, it can be concluded that the leading industries in East Aceh Regency are the pandanus woven matting and embroidery.

**2. Relations of Labor and Investment Value**

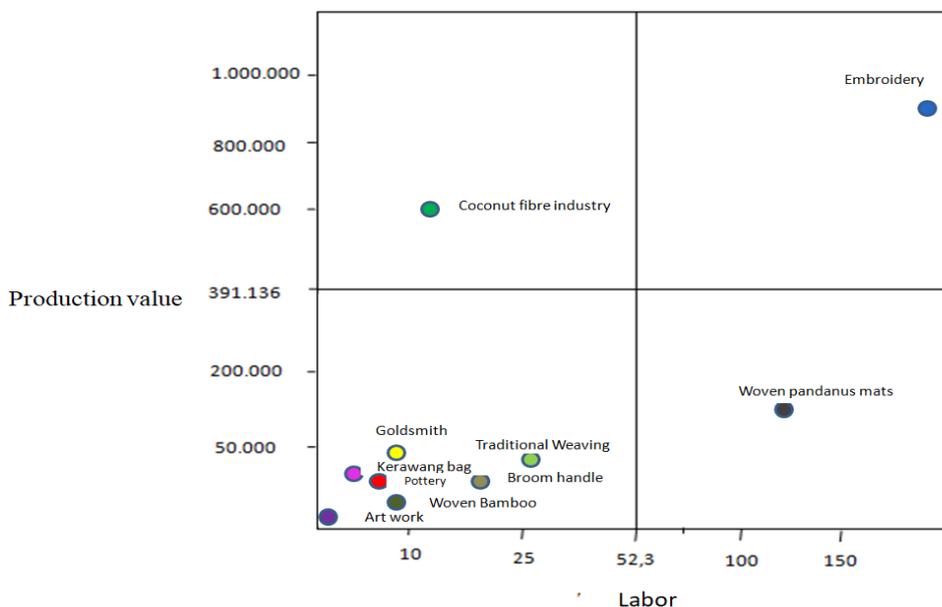
Based on the above matrix, it can be seen that the embroidery industry is in quadrant I, meaning that this industry is able to absorb a lot of labor with high production values. In other words embroidery is an industry that needs to be considered by the government for further development, so that in the future, East Aceh District makes the embroidery industry become a leading industry.

In quadrant II, it is seen that the coconut fiber industry is only able to absorb as many as 15 people with a production value of Rp.600,000,000. This means that the coconut fiber industry needs more attention from the government so that in the future the government is able to provide guidance and training to the community so that they have the ability to be able to work in this industry.

Whereas in Quadrant III there are 7 creative industries, namely the traditional weaving industry, the *kerrawang* bag industry, the bamboo woven industry, the broom handle industry, the art industry, the pottery industry, and the goldsmith industry. In quadrant III, it is seen that in these industries, there are still a few workers absorbed and the investment value is also below average. This means that further handling is needed so that in the future the industries in quadrant III can be even better.

While from quadrant IV there is only one industry, namely the pandanus woven matting industry. This industry is able to absorb as many as 136 people with an investment of Rp.159,512,000. This industry has been categorized as an industry that is feasible to be developed because it is able to absorb many workers with a small investment value. If the government is able to provide greater investment for this industry, more workers can be absorbed.

From the results of the matrix of labor relations with the value of production above, it can be concluded that the leading industry in East Aceh District is the embroidery industry.



**Fig.2** Matrix diagram of Relations of Labor and Investment Value of creative industries in East Aceh District

**RELATIONS OF PRODUCTION VALUE AND INVESTMENT VALUE**

Based on the matrix of the relationship between investment value and production value above, it can be concluded that the leading industries in East Aceh Regency are the coconut fiber mat and the embroidery industry. This can be seen from the results of the matrix where the two industries are in quadrant I.

In quadrant II there is the pandanus woven matting industry. This industry has an investment value of Rp.159.512.000, - with a production value of Rp.669.780.000. This means that the industry is experiencing a period of growth. Thus the coconut fibre industry needs a growth strategy through horizontal integration, which is an activity to expand this industry with increased production.

Whereas in Quadrant III, there are 7 creative industries, including the traditional weaving industry, the *kerawang* bag industry, the bamboo woven industry, the broom handle industry, the art industry, the pottery industry, and the goldsmith industry. In quadrant III, it can be seen that in this industry the investment value and production value are still below average. This means that further handling is needed so that the

industries in quadrant III can be better developed in the future.

From the results of the matrix of the relationship of investment value and production value above, it can be concluded that the coconut fiber and the embroidery are the leading industries in East Aceh District.

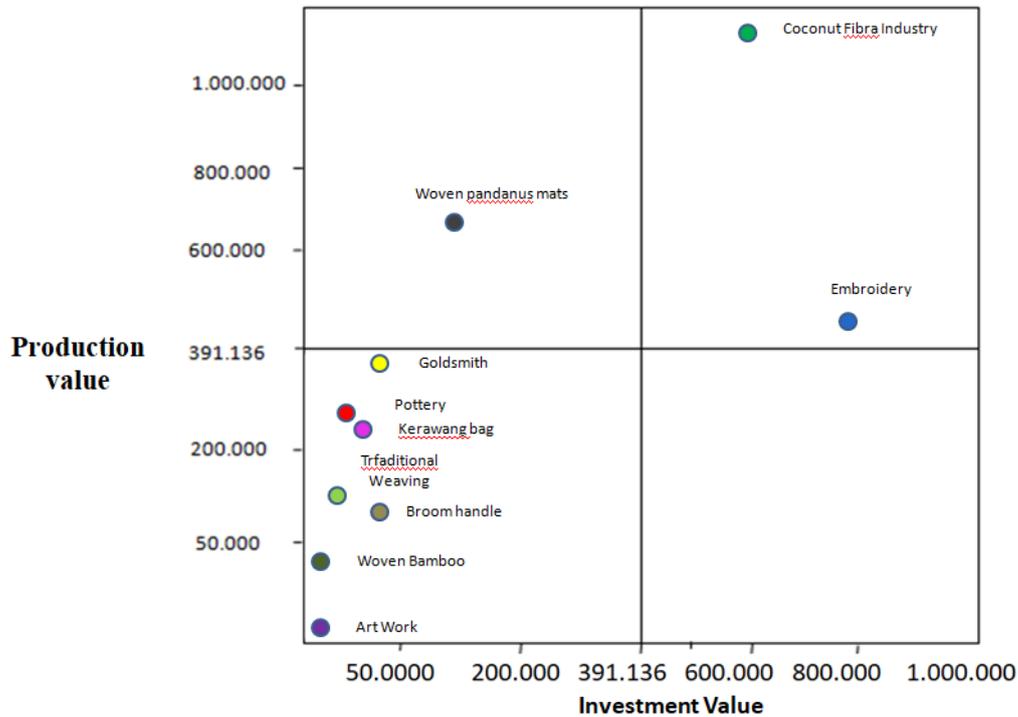


Fig.3 Matrix diagram Relations of Production Value and Investment Value of creative industries in East Aceh District

## CONCLUSION

This study found that:

1. East Aceh District has a different creative industry development in each of its sub-districts. The types of handicraft industries occupied by craftsmen consist of the Aceh woven industry, the embroidery industry, the pandanus mat industry, the *kerawang* bag industry, the bamboo woven industry, the broom handle industry, the pottery industry, the goldsmith industry, and the art industry.
2. The number of employment in the creative industry sector in East Aceh Regency is spread in 10 categories of handicraft industries. 26 craftsmen in the traditional weaving industry, 198 craftsmen in the embroidery industry, 5 craftsmen in the *kerawang* bag industry, 8 craftsmen in the bamboo woven industry, 136 people craftsmen in the pandan mat woven industry, 19 craftsmen in the broom handle industry, 1 craftsman in the art industry, 8 craftsmen in the pottery industry, 10 craftsmen in the goldsmith industry, and 15 craftsmen in the coconut fiber industry. The embroidery industry is the one that holds the most labor, with a total of 198 craftsmen. It can be

concluded that the creative industry in East Aceh District which has the potential to be developed is the embroidery.

3. The Government of East Aceh District in an effort to increase competitiveness in the creative industries has implemented several strategies in several programs including revolving fund programs and business assistance through entrepreneurship management training to creative industry business activists. Through this entrepreneurship training program it is expected that creative industry players can increase motivation in developing their creative industries. During this creative industry, the handicraft industry sub-sector has absorbed a lot of labor.
4. Pandanus woven matting and embroidery industry are the leading industries as seen from the matrix of relations of labor and production value. Whereas if seen from the matrix of relations and investment value, the leading industry is embroidery. Furthermore, from the matrix of relations of investment value and production value, the leading industries are the coconut fiber and embroidery.

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