

Development of a Creative Economy Model as an Alternative in Poverty Alleviation

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ABSTRACT

This study aims to build a creative economic model to be applied in poverty alleviation. This model is built based on four stages, namely the determination of creative economic vision, problem identification, application of the Triple Helix concept and Identification of performance indicators. This model is supported by People, the five main pillars (industry, technology, resources, institutions, financial intermediary institutions), and is organized by three main actors, namely intellectuals (creative oriented and entrepreneurship curriculum, press freedom and academic, innovative research multidisciplinary, educational and training institutions, research and development institutions), business elements (entrepreneurship, business coaching & mentoring, financing schemes, marketing and business matching, creative communities), and government (incentives, awards for creative people and conservation, a conducive business climate, educational direction).

Keywords: Poverty, Creative Economy and The Triple Helix

BACKGROUND

Poverty is a problem faced by every country. Poverty has a very broad impact on various aspects of people's lives and disrupts the economic growth of a region. Subsidies become an important slogan for countries that adhere to the welfare state system. The assumption that subsidies act as tangible evidence of the government's responsibility in the welfare of its people. Without realizing the provision of subsidies, such as providing direct cash assistance to the community has resulted in the emergence of a lazy attitude some people to try, lack of motivation to move and a sense of indulgence. The community is given assistance without conditions for repayment which has an impact on indulgence and the attitude of waiting for similar assistance at the next opportunity. It's easy for people to get help so they feel like trying and struggling with hard work to fade.

Starting in 2015 the Indonesian government has provided village financial assistance and each village can obtain Rp. 1 billion per year. If the village does not have a pattern and attitude of independence in managing these funds, it will have an impact on the increasing number of people who depend on government assistance. Therefore, in order to anticipate these impacts, there needs to be a

creative economic model design. The design is used as a guide for the community to manage village assistance funds that can add value. Creative economic design can be a guide for people to produce creative products that can be traded widely. Thus, it will increase business opportunities and ultimately will increase income and community welfare.

Theoretical Study

Basic Concept of Creative Economy

Howkins (2001)¹ first introduced the term creative economy in his book *The Creative Economy: How People Make Money from Ideas*. Creative economy is a concept in a new economic era that intensifies information and creativity by relying on ideas and knowledge from human resources as the main factors of production. This concept will usually be supported by the existence of a creative industry that becomes its embodiment. Over time, economic development reached the level of the creative economy after some time before, the world was faced with the concept of information economy in which information became the main thing in economic development. The creative economy cannot be separated from the creative industry.

Broadly speaking, the creative industry is divided into two, namely (1) creative products directly to customers, such as film, music, games, media and performances, (2) Creative Services to other industries, such as design, advertising, architecture and others. (Simatupang, 2012). There are 4 components of the creative industry (intellectual capital), namely technology, business, art and culture.

The creative economic benefits include (1) economic contribution, such as increasing Gross Domestic Product, creating jobs and increasing exports, (2) Social impacts, such as improving quality of life, equal distribution of welfare, and increasing social tolerance, (3) The emergence of innovation and creativity, for example the emergence of ideas and ideas and the creation of value, (4) renewable resources, for example knowledge-based businesses, green community, (5) the creation of a business climate, for example the creation of business fields, impacting the development of other sectors, impacting marketing efforts, (6) The development of national image and identity, such as increasing tourism, national icons, building culture, cultural heritage and local values.

Creative Economy Model

There are several models of creative economic development, one of which is the Triple Helix approach introduced by Etzkowitz and Leydersdorff (2000)². This model emphasizes the role and close relationship between three actors, namely government, industry and universities (academics) or known ABG. Universities (academics) can become innovation leaders in a knowledge-based economy, while NIS (National Innovation System) emphasizes the importance of the role of companies in innovation. Regulating ABG relations in Triple Helix is the result of communication and expectations at the network level². The relationship that appears in the Triple Helix, generally starts from problem solving efforts and produces strategies when facing problems in innovation, not determined by a particular pattern. Through this interaction process, there will be changes in actors and the roles they play². Thus, the triple helix pattern of innovation is dynamic as time changes.

This model was later developed by Pangestu (2008)³. He explained that the success of developing creative industries must be supported by (1) People (people) as

the main foundation of individuals or creative human resources. Then it must be supported by (2) the five main pillars, namely (1) industry (a collection of companies engaged in creative economy), (2) technology (Enabler to realize individual creativity in the form of real work), (3) resources (Input other than individual creativity and knowledge needed in creative processes, such as natural resources and land, (4) institutions (social order such as norms, values, and laws, including industry associations, professional associations and other creative communities, and (5) financial intermediary institutions (financial intermediary institution). Furthermore, it must be accommodated by (3) Three main umbrella (actors), namely (1) intellectual circles (Creative and Entrepreneurship-oriented curriculum, press freedom and academic, multidisciplinary innovative research, education and training institutions, research and development institutions), (2) elements of business (Entrepreneurship, business coaching & mentoring, financing schemes, marketing and business matching, creative community) and (3) government tah (incentives, appreciation of creative and conservation people, conducive business climate, educational direction).

Strategies for Creative Economy Development

The creative economic development strategy as presented by Simatupang (2012) consists of several stages, namely (1) Identification of the problem, is an activity to identify the problem of what is being faced and the gaps that occur. (2) The maturation of the creative industry is the activity of awareness and understanding of the need for a creative economy, commitment to capacity building and empowerment in the capitalization of creativity. (3) creating creative economic ecosystems such as creative products, creative businesses and creative people.

Concept of Creative Economy Development

The concept of creative economic development as stated by Simatupang (2012) explains that it is fitting that the creative economy must be a joint and comprehensive effort from various levels with the ultimate goal of the creative economy able to penetrate the international market. The creative economy at the city level must be supported by adequate capacity and resources as well as creative or inter-city products. The creative economy at the city level must be able to penetrate the provincial level and so on in stages.

Creative economy is a business activity that must always innovate, through business and innovation, entrepreneurial talents will grow. Entrepreneurs can develop creative workers and trained creative communities. Creative workers consist of skilled individuals, while creative communities can be in the form of developing creative markets.

Empowerment of the Creative Economy

For the sustainability of creative economic development, it is necessary to empower the creative economic activities. The creative economy empowerment model needs to take several steps, namely (1) preparing talented people (2) developing talent search mechanisms, (3) developing mechanisms for the development of creative workers, and (4) developing mechanisms for developing creative entrepreneurs.

Poverty

Poverty can be absolute poverty or relative poverty. Poverty can also be interpreted narrowly or broadly. But the point is that poverty is an unsatisfactory condition or an undesirable condition that has indicators that cause powerlessness. According to Bapenas (2002)⁴ as quoted by Yudhoyono and Harniati (2004) poverty is a situation or condition experienced by a person or group of people who are unable to carry out their lives to a level considered humane.

The main factor of poverty in Indonesia according to BPS (2004)⁵ in Sahdan (2005)⁶ are: (1) limited adequacy and quality of food; (2) limited access and low quality of health services; (3) limited access and low education services; (4) limited employment and business opportunities; (5) weak protection of business assets, and wage differences; (6) limited housing and sanitation services; (7) limited access to clean water; (8) lack of certainty of ownership and ownership of land; (9) deteriorating environmental conditions and natural resources, as well as limited public access to natural resources; (10) weak guarantee of security; (11) weak participation; (12) the size of the population burden caused by the size of the family burden; (13) poor governance causes inefficiency and ineffectiveness in public services, widespread corruption and low social security for the community.

One of the roles of government in alleviating poverty is in 2002 the government formed the KPK

(poverty reduction committee) with Presidential Decree No. 124 of 2002 in the form of reducing poverty by: (1) Increasing the income of the poor so that the poor have opportunities, management capabilities and protection to obtain better results, in various economic, socio-cultural, political, legal and security activities; (2) Reducing the expenditure of the poor in accessing basic needs such as health, education, health, and infrastructure that facilitate and support socio-economic activities.

The government in tackling poverty in Indonesia holds a BLT program. The BLT program is one of the Oil Fuel Subsidy Reduction Compensation Programs (PKPS-BBM). The program is intended by the government to help the poor after an increase in fuel prices which results in an increase in living costs. Residents belonging to poor families are considered eligible to receive Rp. 1.2 million in cash per family per year (Rp. 100,000 per month) and Subsidies were first used in England in the 10-11 century under the rule of King Charles II. However, subsidies only developed or expanded in the 20th century. From now on subsidy programs have become a method commonly used by the government in its financial budget⁷. According to Dartanto (2006)⁷ some of the basic principles in the application of subsidies include:

A useful assistance provided by the government to groups or individuals who are usually in the form of cash payments or tax deductions.

Given with the intention to reduce some of the burden and focus on the benefits or benefits for the community.

Subsidies obtained from taxes. So, the tax money collected by the government will return to the people through the provision of subsidies.

Research Methods

This research is a library research which is the collection of data and information in the form of scientific references or theories related to the concept of creative economy which aims to create a creative economic model. The method used is a qualitative method.

Research Results

Creative Economy Model

The Creative Economy Model of Lhokseumawe

City basically consists of 4 stages, namely the stage of determining the creative economic vision, (2) Problem Identification, (3) Application of the Triple Helix

Concept (4) Identification of performance indicators. This model is shown in Figure 1.

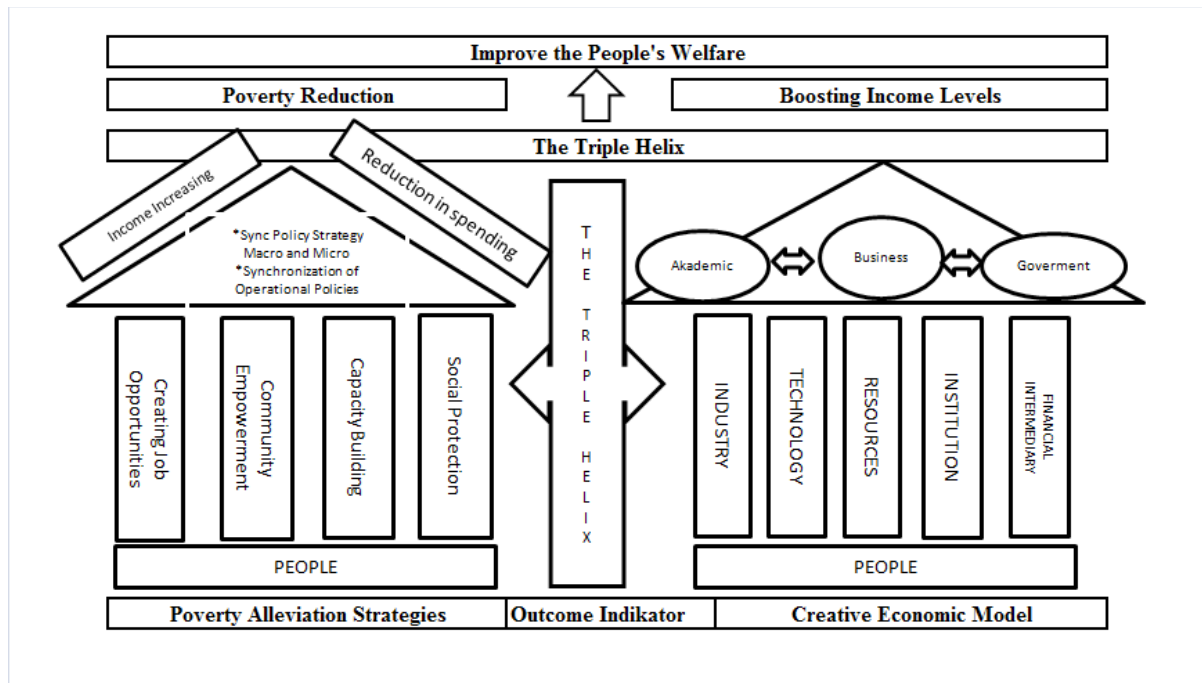


Figure 1` Creative Economy Model of Lhokseumawe City

Figure 1 explains that in order to build a creative economy in the city of Lhokseumawe several stages are passed, namely:

(1) Determination of the Vision and Mission of the Creative Economy

This stage is very important, namely setting the vision, mission, goals, objectives and strategies for achieving the goals.

(2) Analysis of problems and identities

Problem analysis is a step to identify the problems being faced related to the development of the creative economy, including the quality and quantity of human resources, conducive climate, financing institutions. In addition, it is also necessary to identify facilities and infrastructure availability, city or village identity, creative capital policies, creative communities, creative workers, creative entrepreneurs and creative education.

(3) Application of the Triple Helix Concept

The success of developing the creative industry

according to The Triple Helix concept is to be supported by (1) People as the main foundation of individuals or creative human resources. Then it must be supported by (2) the five main pillars, namely (1) industry (a collection of companies engaged in the creative economy), (2) technology (Enabler to realize individual creativity in the form of real work), (3) resources (Input other than creativity and individual knowledge needed in creative processes, such as natural resources and land, (4) institutions (social order such as norms, values, and laws, including industry associations, professional associations and other creative communities, and (5) financial intermediary institutions (financial intermediary institution). Furthermore, it must be accommodated by (3) Three main umbrella (actors), namely (1) intellectual circles (Creative and Entrepreneurship-oriented curriculum, press freedom and academic, multidisciplinary innovative research, education and training institutions, research and development institutions), (2) elements of business (Entrepreneurship, business coaching & mentoring, financing schemes, marketing and business matching, creative community) and (3) government tah (incentives, appreciation of

creative and conservation people, conducive business climate, educational direction).

(4) Identification of Achievement Indicators

Identification of performance indicators is the activity of seeing the impact of the implementation of the creative economy. Performance indicators can be in the form of; (1) The growth of a national scale industry, (2) the development of a provincial scale industry, (3) the development of a Regency / City scale industry, (4) the development of digital creative, (5) the development of creative communities, (6) publication of creative industries in the media.

CONCLUSION

Lhokseumawe city still has villages that are vulnerable to poverty. Lhokseumawe City also has creative talents that are very potential in the development of creative economy. The Creative Economy Model of Lhokseumawe City basically consists of 4 stages, namely the stage of determining the creative economic vision, (2) Problem Identification, (3) Application of the Triple Helix Concept (4) Identification of performance indicators.

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