



## **SANITAIR MALANG INDUSTRY CENTER: OPTIMIZING OF IMPLEMENTATION CREATIVE ECONOMIC IN DEALING ECONOMIC INEQUALITY IN INDONESIA**

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### **Abstract**

The creative economy is an economic concept that emphasizes creativity and knowledge as the main asset in moving the economy. Creative economy which is the transformation structure of the world economy that is becoming the new high sector potential in encouraging economic growth in Indonesia. The change of economic growth from natural resources to human resources, from the agricultural era into the industrial age and the information. One of the potential of economic creative sector is a sector or crafts that influencer 15.70 % to GDP in Indonesia 2015. One of them is Industrial Centers Sanitair in Malang. The aims of this research to describe the quality of human resources in Industrial centers sanitair Karangbesuki also the strategies are applied to increase the quality of human resources in industrial centers Sanitair Karangbesuki. This type of resource is Qualitative resource with Descriptive qualitative approach. Result of this research show that to develop the quality of human resource in industrial centers sanitair has found strategies to increase the quality of human resources and creative to face the economic inequality in Indonesia.

Keywords: Sanitair Industry, Creative Economic, Dealing Economic Definition

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### **INTRODUCTION**

Development becomes a process of activities that are considered essential and must be implemented by all countries, because of globalization is accompanied by technological advances and the development of science has an impact on the change and renewal in all aspects of human life. So in the development process should include all aspects of both economic and social. A physical reality at once a society's determination to strive as can as possible through a series of combination process of social, economic and Institutional for the sake of achieving better life [1].

Actually the aims of Development to make people's lives more affluent and prosperous. Prosperous is the condition of not being the poor and being someone who desired, whereas prosperity is a part that allows the people become a good society, peaceful and does not make social jealousy [2]. To achieve it, the success of development often identified with the growth rate of their economy. Because of the higher level of economic growth of a country will make the higher level on their welfare.

Nevertheless the high economic growth of a country doesn't mean all its territory had the same growth rate, due to the limitations of both in the potential of natural resources, human resources and also institutional support. Because the growth does not appear in many areas at the same time, growth occurs only in some place called growth Centre with different intension (Perroux cited in [3]). In different purpose of the growth, implementation of development commonly debated between giving priority to efficiency and growth on one party with effectiveness and equity on the other [2]. From this case, the implementation of the development is commonly creates the inequality.

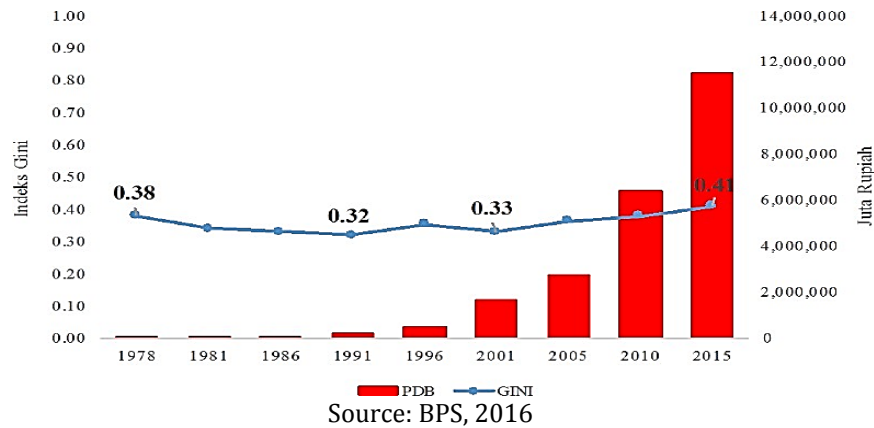
The debate on economic development will never stop. Each country has its own views and its own way to manifest prosperity for their citizens. Most of people argued that justice and social welfare in community that have many tribes should pay attention to the characteristics of the areas, such as the difference of cultural, trust, wealth and so on.

These differences require different regulation. Its mean that is only possible to be implemented in the Decentralist Government. This system also can be caused by inequality of economy, social gap, or the gap between the rights of the majority and minority groups, or by the implementation of a Government that is unable to understand the aspirations of the region. When Indonesia decide to switch from the implementation of the system of centralization into a system of decentralization, then it is expected to improve the distribution of income among Indonesian citizen and other things it looks like described above. Effective decentralization system had been implemented in 2001 although the laws of decentralization had been legalized in middle 1999.

In order to meet the two decades of decentralization, evaluation needs to be done if the system leads to the realization of prosperity for the entire community of Indonesia or not. Data released by the Badan Pusat

Statistik (BPS) showed that economic growth showed a positive performance but inequality of income has been increased.

Aspects of economic growth can be seen from the movement of gross domestic income (GDP), while the inequality of income by viewing the gini index. Gini index recorded has increased from 0.33 in 2001 rose to 0.41 in 2015. These conditions are the more ironic, because before applied decentralized gini index never reaches the figure of 0.41. This is a big challenge for Central Government and regions to lower income inequality. Development of GDP and gini index can be viewed at picture 1.



**Picture 1. Equivalent PDB and Indeks Gini on 1978-2015 Years**

In addressing the movement of data in Picture 1, there is a traditional way that States that the uneven distribution of income is a condition necessary for the enhancement of economic growth. High income owned by few people would raise savings and increase investment and economic growth. After that it was only happening trickledown effect [4]. This view is exactly the same as the thinkers of the center theory of the growth.

Inclusive growth pattern to maximize the economic potential and include as many labor gained good work (Decent Work), and poor family friendly. Support an inclusive economy can encourage growth in various sectors of development, such as agriculture, industry and services. It is similar with the direction of the President of the Republic of Indonesia that it is necessary to diversify sources of national economic growth to solve the challenges of the national economy, in other words, the creative economy must become the center of the economy of Indonesia.

The creative economy is an economic activity based on creativity, skills, and talents of the individual to create individual creativity and the creation that have high value and economic impact on the welfare of society. In Regulation No.2 2015 Years of National medium- term development plan (RPJMN) 2015-2019 there are public policies, among other things, enhance economic growth inclusive and sustainable economic development through creative and increase the capacity of innovation and technology.

The concept of the Creative Economy is an economic concept in the new era of economy the intensifying information and creativity by relying on ideas and stock of knowledge of human resources (HR) as main production factors in economic activities. The structure of the world economy have rapidly transformation along with economic growth, from which it was based-natural resources (SDA) being based on human resources (HR), from the genetic era to an era of extractive and manufacturing and information services as well as the latest developments went into the era of creative economy.

The creative industries sector in Indonesia, according to the Presidential Regulation No. 72 Years 2015 covers 16 sub sectors, These include: architecture, interior design, visual communication design, product design, fashion, film, animation and video, photography, craft, food, music, application and game developers, advertising, publishing, performing arts, Visual Arts, as well as television and radio.

Creative industries or creative economy in Indonesia has become one of the industry are successful and have high expectation beginning in 2002. As we know there is a positive contribution in the economy, when 2006 the Minister of trade Mari Elka Pangestu create the Programs Indonesia Design Power. It is a government program whose have the goals to put Indonesia international-standard products has characteristics that can compete internationally and received in the world market. Creative industries in Indonesia are even can to survive amid the threat of a global crisis.

The problem of the Global crisis in 2008 which caused Indonesia's exports volume to decline mainly to the main destination country in Europe. The non oil and gas export market to the United States dropped from 9,754.2 million US \$ (year 2008) to 7,544.7 million US \$ (in 2009), while the non oil and gas export market to Japan dropped from 10,418.1 million US \$ became 8,091.7 million US \$. In addition a total export value of industry sectors dropped from 68,949.9 million US \$ year 2008 be 51,395.7 million US \$ year 2009 (BPS, 2009). But the impact of the global crisis experienced by Indonesia accounted not as deep as the impact of the crisis that occurred in some other ASEAN countries.

According to Prof. David o. Dapice from Harvard University as a single speaker in the meeting executives entitled Global Recession and the ASEAN in Jakarta on December 30, 2008 said the export value (billion) that "thus the crisis is believed to be an opportunity to restructure the domestic economy as well as strengthen regional trade". Creative industries is one of the industries that could survive in the global crisis in 2008. This can we see through the table below:

**Table 1. The contribution of creative industries to the economy Indonesia 2005-2009 Years**

Indicator	2007	2008	2009	(June 2010)
Constant GDP (billion)	145.795	145.239	145.537	157.488
National Contribution	7,43%	6,97%	7,04%	7,29%
Contribution to National Export	8,86%	7,52%	10,65%	9,25%
The Value of Exports (billion)	95.209	114.925	116.651	131.251
Absorption of Labor (people)	7.375.116	7.624.643	8.207.532	8.553.365
National Contribution	7,38 %	7,43 %	7,83 %	7,90 %

Source: Indonesia Creative Portal

From the above data we can see that the total export of the creative industry in the year 2009 does not decline from year 2008 as experienced by other industry sectors as a result of the global crisis. This is a new hope for Indonesia's economy because of the creative industry is an industry that is very worthy to be developed and have a great opportunity to fix the economy in Indonesia. One form of implementation of export promotion strategies (Export Promotion) in Indonesia is to develop creative industries are currently being one of the sources of new economic potential in enhancing national export.

Same with the program of the Government, so the Government has given the empowerment efforts in the form of discretion, programs and activities, so will increasingly empower small and Medium Business sector, but such efforts could still strive to be the optimum, which will be able to compete in the era of globalization the world. Now the SMEC (UMKM) is a business which is still very much a chance to grow, and with its development will be able to give you optimal results. Products SMEC (UMKM) of Indonesia can be the mainstay in international trade, including handicrafts, agricultural products, textiles, and other products.

With the development of the creative economy will be able to make the competitors will be eroded and destroyed, because of the creative economy can afford to remove labor, increased income area, and also make good effect area at the global level (International). Make good effect in area will appear when the region became known for creative products produced by the area.

Example of the creative economy which has competitiveness is Sanitair industrial centers in Malang. Center for craft industry Sanitair in Village Karangesuki is one of the leading sectors that very potential in Sukun Malang. Hme industry Craft Sanitair is heredity from first craftsmen named Mbah Darmo and now it has grown many cratsmen, especially society in the way Candi II, formerly known as the hamlet of Klaseman.

Obviously many employers' strategies used to preserve his business also to develop handicraft industry sanitair in the many problems. The impact of business development of the craftsmen of sanitair handicraft industry will have an effect on the growth of the local economy around the industrial area later.

Therefore, this study was conducted to analyze the condition of the industrial centers of craft Sanitair and strategies employers' sanitair in developing his business also the effects on the growth of the localeconomy in Karangbesuki Sukun in the face of the economic imbalances that occur in Indonesia.

## METHOD

The method of this research is Qualitative research. According to [5] said that this research indicated to understand social phenomena from the perspective of the informant. Informants are people who were invited to interviews, observed, being asked to provide data, opinion, thought and his perception.

This research use Qualitative descriptive approach, so this research is to describe the data objectively against business conditions, potential business centers, strategy of the entrepreneur in developing the industry sanitair and the effects on economic growth of local areas around the industry.

The location of this research in Industrial Centers Sanitair exactly in Karangbesuki Sukun Malang. Data sources used are primary and secondary data sources. For the sources data of the primary data sources are obtained from the interview directly to industry entrepreneur sanitair Karangbesuki. While secondary data used as the data amplifiers, data obtained from staff member of Karangbesuki who manages the contribution from industry entrepreneur sanitair.

Data collection procedure using several methods. First is observation to exposing the phenomena and situations by looking at the real conditions and the real situation. Next step is directly interview to respondents who have been determined to obtain data. In the interview process is accompanied by documentation process like Photographs, notes and recordings.

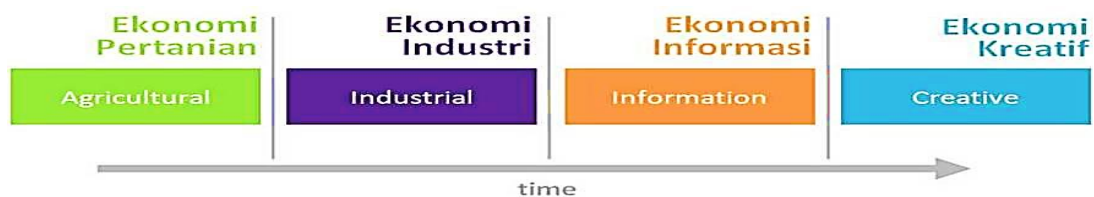
From the obtained data that has been analyzed with the concentrating and classify data in accordance with the problems. From the data is already reduced, a collection of such data is collected and compiled in the form of a narrative text then make a conclusion. To check the validity of the findings is using the technique of triangulation of sources and time.

The research phase has several stages. First, the stage of pre-registration by doing a preliminary or initial observation studies. This is first activity conducted by researcher before drafting and framework of research. Second step is preparation of framework research done with based on what has been generated or the findings of the preliminary study, the study of literature concerning the level of creative economy, and also the study of the literature on inequality economy of Indonesia. The third is collect data with directly search in the location in order to conduct interviews to the respondents. Then analyze the data and present the data in the form of scientific papers.

## FINDING AND ARGUMENT

Creative economy was originally born in the United Kingdom and is growing in several countries, including Indonesia. The creative economy in the United Kingdom was initially driven by Tony Blair in 1990 and was born from a group of younger generations. At the time, Tony Blair and New Labor Party established the National Endowment for Science and the Art (NESTA) which aims to fund the development of young talent in the United Kingdom. Tony Blair became Prime Minister of the United Kingdom in 1997 formed the Creative Industries Task Force. And the goal to increase public awareness about the contribution of creative industries to the economy United Kingdom. The institution is under the Department of Culture, Media and Sports (DCMS). In 1998, the DCMS publish the result of mapping creative industries United Kingdom for the first time.

[6] in his book "The Creative Economy, How People Make Money from Ideas" find the presence of the creative after realizing that copyright United States Export in 1996 has a value of sales by US \$60.18 billion far exceeds other sectors such as automotive exports, agriculture, and aircraft. This creative economy wave is the fourth waves from prediction of Alvin Toffler are proven. Earlier, Alvin Toffler (1980) in the theory of doing economic civilization wave Division into three waves, namely (1) the wave of agricultural economics, (2) the wave of industrial economy, and (3) the wave of economic information.



Source: <http://repository.usu.ac.id>

**Figure 2. Wave According To Economic Civilization Alfin Toffler**

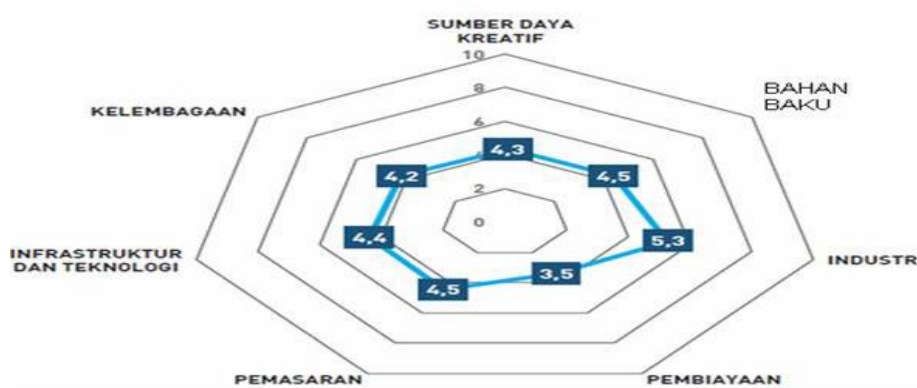
The creative economy is an understanding of the concepts of economy in the new era of economy (new economy) which intensify information and creativity by relying on ideas and stock of knowledge of human resources as the main factors of production activities in a the economy. In the new era of economy happened the phenomena transforming the economic structure of the agricultural era to the industrial and information era, also the transformation of the economic growth process that was originally based in natural resources be based on human resources, knowledge, global information system and technology [7].

The focus of the Government's to the new creative economy starting in 2006, with designated the Ministry of Trade, Ministry of Industry, and Ministry of Tourism, to control the creative economy by a program of Indonesia Design Power 2006-2010, a government program to improve the competitiveness of Indonesia's products in the domestic market or for export purposes but still have a national character.

Attention to the new creative economic realized after it is evident if the economic contribution of creative against the national economy turn out to be great. Then in 2011 the creative economy included in the Ministry of tourism, because of the creative economy is considered to have close linkages with the tourism sector.

By observing the graphics and survey of creative Economic in 2006, seen that the creative economy is able to contribute significantly to the growth of national economy. In the 2015, This sector contributed 852 trillion rupiah against the national GDP (7.38%), absorb 15.9 million labor (13.90%), and export value US \$19.4 billion (12.88%). The data also showed an increase in the contribution of the Creative Economy significantly to the national economy from 2010 until 2015 i.e. of 10.14% per year. This proven the creative economy has potential to grow in the future.

However the dimension of the competitiveness of the national creative economy is still very low, this can be seen in the picture below that there is a low score on seven dimensions of the ecosystem of creative economy (Highest score of 5.3 in the dimension of industrial development and the lowest at 3.5 dimensions of financing).



Source: kemenparekraf, 2014

**Picture 3. The dimensions of the creative economy competitiveness**

To solve it needs to support the facilitation of Governments in the development of any sub sectors of the economy. As an example of the culinary and craft sector general strategy Development that is encouraging business growth and Government support is provided in the form of facilitation process creation to encourage product innovation and branding. Moreover, to address the issue of competitiveness, namely the existence of a strategy of economic development the present creative area. Creative area that are able to explore, exploit, develop, manage, and conserve the creativity as well as utilizing science and technology to develop local potential so that it can become a regional identity and excellence in encouraging the improvement of welfare and the achievement of sustainable development.

One of the present creative economic region that has evolved, namely Industry Centers Sanitair Malang. A Sanitair industrial center is one of the centers of crafts in the city of Malang. Founded in 1980, which was originally the area's domicile by earthenware artisans. Along with the development of the times, pottery experience shifts one by one into crafts a variety of flower pots and nisan. Finally ultimately this area thrive again became industrial centers that produce various products sanitair craft. With the development of the area became industrial centers sanitair is one driving force in improving the quality of life of the community Karangbesuki.

In the general condition of human resources (HR), Karangbesuki has quite an interesting potential in areas such as crafts. However, if the existing Human resources conditions seen in Karangbesuki still is very far from ideal. Although the advance of the economy of a region strongly supported by HR conditions besides the infrastructure and policies that overshadows. In General, the quality of the labor force Karangbesuki can be seen in the following table:



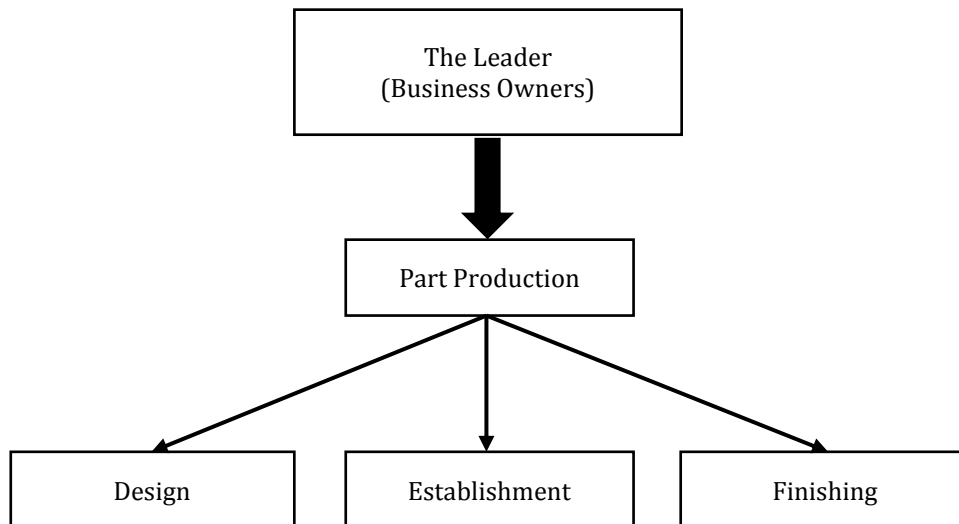
**Table 2. The quality of the labor force in Karangbesuki**

The Labor Force	Total (People)	Percentage
18-56 years old that completed Junior High School	2.445	50%
18-56 years old that completed Senior High School	1.728	36%
18-56 years old that completed D1-D3	315	6%
The age of 18-56 years completed Degree	276	6%
18-56 years old that completed Post Graduate	93	2%
Total	4.857	100%

Source: Archives of the Village Karangbesuki

Based on data obtained profile report for at Karangbesuki 2013, the basic job are craftspeople of 3851 people (70%), private employees of 1238 people (23%), traders of 105 people (2%). Of the statement can be seen that in the majority of livelihoods, Karangbesuki was educated craftsmen and finished junior high school.

Type of organization used by sanitair industrial centers is shaped paguyuban. However, in the Association there are several organizational forms that use UD line (the line) and a very simple form, authorities line directly from the highest leadership to various levels of operative and each employee that have responsible for all activities. In this case there was only an element of the leadership and executors. And organizational structure can be described as follows:



Source: Archives of Karangbesuki

**Picture 4. Organizational structure in the industry Sanitair Karangbesuki**

The strategy of the development of quality human resources in industrial centers sanitair Malang done with the simple way is by direct learning and guidance from people who are experts in their field. For people that want to work as craftsmen then continued with the training that uses methods on the job training using the rotation process work to motivate them. To survival in the business world is full of competition, so the company also should be generally continue (continuously) improve the quality of work life employees as it builds a strategic communication between superiors and subordinates or fellow employees, a good compensation, a conducive work environment and most importantly are the aspirations of employees must be considered seriously for the complainant.

There are two factors to develop the quality of Human resources in Industrial Centers Sanitair Malang. First is Support factor: the support factor of human resource development in industrial centers sanitair is such as the existence of the interest of the craftsmen especially employees for more advanced and developed, also the support of the NGO karangbesuki. The second is restricting factors in the development of quality human resources in industrial centers sanitair Malang that is like nothing of training specifically for the development of the skills of its craftsmen, there has been no modern equipment and also the lack of explicit support from the Government.

Through the two factors mentioned in particular the factors restricting, then there are solutions to solving the barriers of the development process of human data sources in industrial centers sanitair, among other things, provides training programs and development to the community or craftsmen, provide the tools to support the production process improve the productivity and creativity of employees or craftsmen, also fascinating sympathetic from local government so that are contributing to the development of human resources in the future. When all these obstacles is resolved, then the unfortunate sanitair industrial centers is one form of optimization of the creative economy that exists in the field of craft in the face of challenges of economic inequality that exists in Indonesia.

## CONCLUSION

The creative economy is one of the answers from the many problems of the economy in Indonesia, which was through 3 generations of economic displacement and have been treading on phase 4 is a creative economy that is new in the new field of economic exploitation in the form of economic concepts put forward information and creativity is owned by Human Resources (HR). Due to displacement of the implementation system of policy towards decentralized so every region has an obligation here trying to raise the level of effectiveness of the economy in every region.

It also supports the statement that the creative industry sector in Indonesia very reliable to enhance the growth of the national economy through Small Medium Enterprises existing in some specific areas. One of them is the sanitair industry centers are located in Karangbesuki, Sukun Malang, which is this area have high potential in craft, It's just that there are some constraints and a barrier in the quality of human resources who can still be said low.

Many things still need to be solved in order to optimize one of these creative economy industries, one of which is the need for the participation of the Government's role in controlling the pace of the development of the industry sanitair in Karangbesuki Malang It is not impossible to do, thus Optimizing the Creative Economy to improve the growth of the national economy surely realized to the maximum.

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