

# The Mapping of Small and Medium Creative Industries in Depok in Preparation of Regional Competitiveness

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**Abstract** Regional competitiveness is an inseparable part of local economy development; each region has its own potential for unique core competence. In analyzing competitiveness, Porter introduces the diamond model, where a nation's industrial success results from an optimum collaboration among national potentials. This study reviews the potentials of Depok's small and medium enterprises in the creative industry. Through the combination of humanities, science and technology, the research is expected to result in a comprehensive review of spatially based regional potential. The quantitative-positivist approach and total sampling method are used. There are two categories of the survey instruments: *First*, general profiles of the locations and respondents' biodata. These are obtained from primary data (field survey) and secondary data (information from related government institutions). *Second*, business condition and environment whose parameters refer to environmental components that determine competitiveness. Components in the input factor parameter are supported by spatial overviews related to the origins and characteristics of the workforce, origins of the production materials and equipments, and analysis on the local capacity to provide the input factor parameter. The purpose of spatial overviews on the buyer parameter is to discover consumer distribution and potentials of the product consumers. Next, supporting and related industries are reviewed in relation to their influence on the creative industry's spatial existence, using the superimposed and geostatistics analysis. To complete the review, the researcher, using the same method, analyzes the spatial capacity of supporting facilities and infrastructures, and reviews demographical factors as well as the local government's regional layout policy. Through a multidisciplinary approach, the research is expected to contribute to the Depok government's competitiveness strategy in the future, which in turn will improve the local residents' welfare and living

**Keywords** Regional Competitiveness, Creative Industry, Entrepreneurship, Small and Medium Enterprises, Porter's Diamond Model, Spatial Approach

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## 1. Introduction

Global economic transformation has a tremendous impact on both the regional and national scene, especially regarding a country's development policies. In its early stage, the transformation was marked by the Industrial Revolution in England, where the economic focus shifted from the agricultural sector to the industrial sector. Due to the massive industrialization in the agricultural sector in the 1900's, the sector's contribution to the economy continued to decrease. The industrial, trade, and service sectors progressed, and gradually industry replaced agriculture as a major sector. The economic pattern changed in nature, from labor intensive to capital intensive.

Indonesia is also affected by the global economic transformation. As was the case in England, the

transformation began in the agricultural sector, by way of the Five-Year Development Plan during the New Order era. Slowly and surely, development policies in Indonesia gravitated further toward the industrial sector, as evinced by the decrease in agricultural products. In 1984, the agricultural sector contributed 23.5% to the national economy, but in 2007 the contribution was only 13.8%. On the other hand, contribution from the industrial sector has increased. In 2007, its contribution to the Indonesian economy was 27%; contribution from the trade sector was 14.9% and from the service sector 10.1%. This relatively high growth shows that the focus in Indonesia's economy has moved from agriculture to industry.

Advances in science and technology also have a tremendous impact on the industrial sector's growth and development. Industrial competitiveness is influenced by several major aspects in science and technology, in the form of contributions to the production process. Consequently, the industrialization process has grown to be both dynamic and competitive. The rapid growth in the technology, information, and communication industry in particular has

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made the world an even flatter place (Friedman, 2006; Tapscott, 2008). Global trade will enter a new stage in 2020, called the free trade, which eliminates barriers in international trades ([www.bappenas.go.id](http://www.bappenas.go.id)).

Competition in business, science, and technology has grown fiercer in the current era of globalization. Participants in the business and other spheres propose strategic thoughts in order to manage resources that will support their endeavors. The 1990s saw a new economic era that intensified the use of information and creativity, widely known as Creative Economy and powered by an industrial sector called the Creative Industry. The creative industry currently growing in Indonesia is a new phase in the general economic development.

Creative industry was made into a national industrial priority in Government Regulation no. 28/2008 on the National Industrial Policy. Next, the Ministry of Trade established a Blueprint for the Development of Creative Industry in Indonesia for the 2009-2025 period, in order to provide all shareholders in the creative industry with a clear direction regarding Indonesia's creative economic vision: "Indonesia is a nation recognized internationally as having a quality and image that reflects creativity, which leads to a development, fairness, and prosperity" (*Media Perdagangan*, 01/2008). According to the government, creative industry is able to advance civil economy and competitiveness, as well as develop future industry (*Bisnis Indonesia*, 6/8/2008 and *Indo Pos*, 7/8/2008). This hope is expressed by the President of the Republic of Indonesia, Susilo Bambang Yudhoyono, who, in his Indonesian Production Week (PPI) 2008's opening speech, encouraged all Indonesians to continue developing and improving creative economy ([www.presidentri.go.id](http://www.presidentri.go.id)). Creative industry is expected to lead to a large, positive social impact on the public, improve the quality of life, create equally distributed public welfare through entrepreneurship - by transforming renewable resources into high-value products using knowledge and creativity, which in turn will enhance social tolerance among the public.

The Indonesian government develops creative industries through community-based small and medium enterprises, taking region-based local identities into account. As an initial step, the Indonesian government appointed three provinces - Bali, Yogyakarta, and West Java - as pilot provinces for the development of creative industries. The three provinces are selected because they have given the largest contribution to the production of handicrafts; it is estimated that their products counted for 60% of the 6.3% economic contribution from exported creative economy products in 2007 (*Suara Pembaruan*, 5/6/2008). Bali is the biggest contributor to the national creative industry; its exports were worth US\$ 267,506,837 in 2008 (Faculty of Economy, Universitas Udayana, 11/9/2010). Yogyakarta's creative industry is the fourth biggest contributor, and its exports were worth 81.43 trillion rupiahs. During the 2002-2008 period, the industry contributed 8% to the gross national product, and provided employment for 5.4 million

people or 5.79% of the total national workforce. However, creative industry in West Java cities and regencies has not been fully developed yet. Bandung is the only city which has gained fame as a Creative City in West Java, while West Java is in fact rich in resources that can strengthen economic development. As a province closest to the national capital, West Java should be able to boost its regional competitiveness through creative industry and improve public welfare.

Currently the government of the West Java Province is putting its creative industry in order and encouraging each city and regency to have its own prioritized product in order to increase regional competitiveness (West Java Industry and Trade Service, 2010). The prioritized products to be developed must take each region's resources into account; this concept is known as One Product One Village or Saka Sakti (Huseini, 1998). This also applies to the town of Depok, which has recently separated from the Depok Regency in 1999 and underwent district propagation in 2009. Nevertheless, Depok is yet to have its own unique product which may improve its regional competitiveness.

The research aims to map small and medium creative industries in Depok in preparation of regional competitiveness, combining the diamond model analysis and the regional approach. The reasons Depok is chosen are: (1) It has great potential for development due to its location, which borders on Jakarta, the Indonesian capital (2) Depok is yet to have its own unique, exceptional product, and (3) The 300-hectare wide Universitas Indonesia is located in Depok. The university's geographical position may turn it into a potential industrial resource, as it is one of the top-ranking universities in Indonesia, and ranks as the 526th best university in the world and the 12th best university in Asia (Webometrics, July 2011).

Using a combination of humanities, science and technology, the research is expected to result in a comprehensive review of spatially based regional competitiveness potential, and thus the effort to develop Depok's creative industry may be better distributed.

The discussion of the competitiveness concept is often aimed toward companies or done on a national scale. Michael Porter (1990, in Cho and Moon, 2002) states that national competitiveness is a created condition, not a divine gift. He defines national competitiveness as "the output of a country's ability to innovate in attaining or maintaining an advantageous position relative to other countries in its key sectors."

Explicitly, Porter states that the competitiveness concept applied on a national scale means "productivity" defined as an output value produced by a worker (Kitson, et al., 2004). In his analysis of competitiveness, Porter introduces the diamond model: a nation's industrial success occurs when the national "diamond" potentials collaborate with each other in an optimal manner. The diamond has four interrelated components: 1) condition of factors 2) condition of request 3) industrial interrelatedness and support 4) strategy, structure, and business competition. Two influential external factors

are opportunities and the government. The diamond model is criticized as being inappropriate or irrelevant when applied to small-scale economy, due to the limited domestic variables.

It is difficult to define regional competitiveness as a concept. According to several experts, we cannot directly apply the definition of national competitiveness on regional or local competitiveness simply by altering its scope (Kitson, et al., 2004). Below are several definitions of regional competitiveness as posited by international scholars and institutions:

According to Martin (2003), the concept and definition of national or regional competitiveness contains several major elements: (1) An increase in the public living standards (2) The ability to compete with other regions or countries (3) The ability to fulfill both domestic and international obligations (4) The ability to provide employment, and (5) Continuous development that will not inconvenience the following generation. Stopper (1997, in Kitson, 2004) calls regional competitiveness as place competitiveness and defines it as "the ability of an (urban) economy to attract and maintain firmness, with stable or rising market share in an activity, while maintaining or increasing standards of living for those who participate in it."

From the various definitions above, we may conclude that competitiveness covers more than just productivity of efficiency on the micro level. Therefore, competitiveness can be defined as "an economy's ability" rather than "the private sector's or a company's ability." Ultimately, an economy aims to increase its competitiveness in order to increase public welfare (their income and job opportunities). The keyword in the competitiveness concept is regional openness to competition, both on the domestic and international scales (Ministry of National Development Plan, 2005).

From the above we can also conclude that regional competitiveness is often linked to national or regional unit partitions, as stated by Porter (1996) and Begg (1999) in Houvari, et al (2002). Basically, competitiveness can be categorized into company competitiveness, geography-based competitiveness, and competitiveness based on the workforce's abilities (Siebert, 2000, in Houvari, et al., 2002). Company competitiveness is closely linked to market share, to the competition to attract consumers (Siebert, 2000, in Houvari, et al., 2002), while geography-based competitiveness is linked to a region's ability in building an environment for production, by guaranteeing a high level of accessibility to expansion and attracting dynamic production factors (capable workers, innovative entrepreneurs, and free capital) or causing them to emerge in order to create economic acceleration (Houvari, et al., 2002). The success in attracting economic factors will create economic external factors such as agglomeration and profit localization, which will increase the regional economic profit. Furthermore, Houvari, et al., (2002) use several indicators as parameters to measure regional competitiveness, such as GDB per capita and personal income.

The growth theory, being the starting point for the regional competitiveness concept, has actively contributed to its development. In the traditional growth model, production is generated by the combination of workforce and physical capital and the use of the appropriate technology; in its development, this is assumed as an exogenous model (Solow, 1956; Swan, 1956). In the development of the new endogenous model, the emphasis on the human capital's role is one of the key factors. An efficient production process increases the chances of success in competition; therefore, it has become increasingly important, as has a rapid technological advance (Aghion and Howitt, 1998). When the supply of regional physical capital no longer makes any difference or contributes to the competition, human resources take on a more vital role. From a geographical perspective, an educated community will have stronger regional competitiveness compared to regions with uneducated communities (Houvari, et al., 2002).

In the creative economy development and growth, an educated community becomes an important factor in creating innovations in regional competitiveness. "Educated" here can refer to both formal and informal education, as well as experience and contact with advances in technology and information, or "awareness of technology and information." On the regional level, the public innovativeness needs a suitable environment, infrastructures, and collaborations in groups such as firm clusters (Stern, et al., 2000; Porter and Stern, 1999).

Human capital and innovation are essential elements in creative economy dynamics; from the geographical perspective, economy is a crucial part in the shaping of regional competitiveness. Population and economic dynamics that help shape regional competitiveness include urbanization, agglomeration, and localization (Fujita, et al., 1999; Ottaviano & Puga, 1998; Krugman, 1991; Marshall, 1920). Agglomeration can also include urbanization and localization, while urbanization indicates derivative factors from the existence of economic participants and sector in a geographical region. Localization affirms the existence of an area of economic activities, where the activities are supported by facilities and infrastructures.

Next is accessibility, a key factor related to the sustainability of creative economy activities which require supplies and product marketing. Consideration of accessibility in order to support economic growth has been a long-standing tradition (Hirschman, 1958; Myrdal, 1957). In this case, accessibility refers to connections or infrastructures with good quality, dependent on an area's geographical location and related to the market and infrastructure condition (Houvari, et al., 2002).

Therefore, the geographical overview in this study consists of descriptions and analysis of the growth of small and medium enterprises in the creative industry, reviewed from the following perspectives: their contribution to employment, how the products affect the relevant regional unit, the formation of agglomeration and/or localization, and the quality of the available accessibility. The geographical

overview helps the economic overview in estimating the contribution of small and medium enterprises in the creative industry to regional competitiveness.

## 2. Methods

The research uses the quantitative approach which results in applied research. The data used are primary and secondary data. The primary data is raw data directly obtained from the reviewed subjects through surveys with questionnaires, in-depth interviews, discussions, and focused group discussions. The secondary data consists of collected regulations, review results, statistical data, town planning for Depok, and other relevant documents. Data for the research is also collected through geographical observation using the Geographic Positioning System (GPS) and direct field survey. Samples consist of participants in the creative economy, both independent and potential ones, whose products have become prioritized products in Depok.

### Tools and Materials

#### Tools

Survey equipments:

1. Global positioning system
2. Work map
3. Questionnaires on the creative industry's participants' opinion on location and accessibility

Data processing equipments:

1. Computer set
2. Geographical information system software

#### Materials

1. Topographical map on a 1:25,000 scale
2. Secondary (demographic) data
3. Accessibility data
4. Regional facilities and infrastructures data

#### Survey Method

The purpose of the survey is to identify the creative industry's locations and collect attribute data such as location photos and the creative industry's participants' opinion of the location, accessibility, facilities and infrastructures. Location identification begins with listing the addresses of creative industries; the addresses are then noted down on the survey map as a preparation for field survey. Next is the identification of the creative industries' absolute locations, conducted with navigational GPS with a minimal accuracy of three meters. The photos of creative industry locations are taken with a digital camera. The creative industry's participants' opinion of the location, accessibility, facilities and infrastructures is obtained through a brief questionnaire.

#### Data Processing Method

The processing of geographical data (the topographical map on a 1:25,000 scale) uses a computer set equipped with a geographical information system software. The data processing includes topological editing and extracting the required map subjects: administrative boundaries, road networks, river networks, land use, facilities and

infrastructures. The joint attribute facility is used to combine survey results with secondary data.

#### Analysis Method

The geographical analysis on the creative industry's existence uses the following methods:

##### 1. Buffer analysis

The purpose is to estimate the distance and coverage of facilities and infrastructures around the creative industry locations.

##### 2. Overlay map method

The purpose of using the spatial analysis method and the overlay map method is to discern the connection among entities in the variables used in the creative industry existence analysis.

##### 3. Geostatistical method

The purpose is to conduct a distribution analysis and to determine the strength of agglomeration in creative industry locations. The specific method used is the most adjacent neighbor analysis method.

Furthermore, the research is limited by two things: the research samples and area. *First*, the research does not use small and medium enterprises in the creative industry as samples, because the Depok government has no integrated data in the OPDs (local apparatus organizations) regarding small and medium business owners in the creative industry in Depok's eleven districts. Consequently, the major or pioneer small and medium enterprises in the creative industry are chosen based on interviews with various information sources, such as related Services, district officials, community figures, and information from the media.

*Second*, the time and area is limited. Due to the district propagation in Depok in 2009, six districts have expanded into eleven, in accordance with the Depok Regional Regulation No. 08/2007 on the Formation of Districts in the Town of Depok. The district propagation is expected to be beneficial to the public: more districts mean easier public access to the services provided by government apparatus on the district level. In reality, however, limited resources in the districts, especially those that result from the propagation, hinder the development of small and medium enterprises in the creative industry in every district.

## 3. Result and Discussion

### Beji District

The Beji District in Depok consists of six subdistricts and covers an area of 1,430 km<sup>2</sup>. According to the Statistics Center Agency (BPS) data in *Kota Depok Dalam Angka 2010*, the top three industrial potentials in the Beji District are: (1) The food and beverage industry, both medium- and large-scale (2) The publishing, printing, and recording reproduction industry, which consist of two companies, and (3) The non-metallic mineral and electric motor industry, one company each.

The food, beverage, publishing, printing, and recording reproduction industries are the fastest-growing, as their growths are all supported by the three universities in the district: Universitas Indonesia, Universitas Gunadarma, and Bina Sarana Informatika. Therefore, the industries have great potential for future development.

Although it is the district with the smallest population in Depok, Beji has great potential in developing its creative industry due to its resources, such as the roads (the main road in Depok goes across the district) and the three universities, whose students are potential markets for its creative industry products. Creative industry exists in almost every subdistrict. In Pondok Cina and Kemiri Muka in the Beji Subdistrict, the publishing, printing, and recording reproduction industry is represented by businesses named Aladin, Buring, Canon, Data, and Era. They thrive due to their strategic locations - that is, close to the three universities; every day students go past these places of business. In Kukusan and Tanah Baru in the Beji Timur Subdistrict, the creative industry exists as food industry; the Depok dodol (taffy), for instance. The most famous brand is Dodol Ellita, produced by the ladies' community of the Tunas Ilmu Foundation. Not only is Dodol Ellita served in social events or as snacks during Eid, but it also has sales value since it is also sold as souvenirs. The buyers range from the producer's own neighbors to government officials. The brand differs from the other brands commonly found in Depok, in that the dodol is not overly sweet, comes in two flavors (original and sesame seed), and it is packaged in materials other than plastic or cardboard. It is also made using a special recipe without using the common brands of flour, and teflon cooking pans and gas stoves. Division of work duties results in better management and faster production.

The existence of many other similar products, such as fragrant dodol, becomes the main obstacle in marketing Dodol Ellita, as well as the expensive packaging. Dodol Ellita is not marketed in too many exhibitions because unsold products equal business loss. Mrs. Hj. Rokiyah, the producer of fragrant dodol, expresses concern over similar problems. The products are promoted via social networks such as Facebook; however, this promotion method proves to be ineffective due to the lack of human resources. Other creative industries, such as patchwork art and ribbon embroidery, face similar marketing problems.

To date, the government has not provided any support, and the production of Dodol Ellita is entirely founded by the Tunas Ilmu Foundation. During its two years of business, Dodol Ellita has received orders in great quantities and managed to handle them with the help of modern equipments. As the dodol expires in two or three weeks, it is stocked only in small quantities.

#### **Pancoran Mas District**

Pancoran Mas covers an area of 1,969.57 ha, is located between 65 and 72 meters above sea level, and its topography tends to be flat. There are not many creative industries in the district; the only existing creative industry sub-sectors are the culinary, fashion, handicraft, and

advertisement industries. In the Pancoran Mas Subdistrict, the creative industry is represented by Pak Tisna's processed Aloe Vera, Abon Tuna, and Art KreamoZ. Several residents of the Rangkaian Jaya Baru Subdistrict produce embroidery and bamboo booths. Printing businesses are found aplenty in the Depok Jaya Subdistrict. The Depok Subdistrict has Curug Gentong, which produces water barrels fashioned into decorations with a high sales value.

Although there are only a few creative industries in the Pancoran Mas District, its handicrafts such as the ones produced by Curug Gentong are widely known. Other than functioning as an interior decoration, Curug Gentong water barrels can also help house owners relax with the soothing sounds of trickling water. Art KreamoZ too can be a first-class creative industry in the Pancoran Mas District; it produces handicrafts made out of ceramic floor tiles and fashioned into various interior decorations. Buyers come from all over Indonesia - Sumatra, Java, Kalimantan, and Sulawesi. Ms. Rosita, the proprietor of Art KreamoZ, has also received orders from Malaysia.

Art KreamoZ has won many handicraft and souvenir competitions. Materials for both Art KreamoZ and Curug Gentong products are easy to obtain and relatively inexpensive; the products are hard to duplicate; and, most importantly, their industrial waste can be recycled to produce new handicrafts. Art KreamoZ's disadvantage lies in its employees - since its handicrafts are produced on a by-order basis, the employees do not work on a regular schedule. Moreover, the promotion is limited to the internet, and the place of business is not located near a main road, thus potential customers have a difficult time finding it and parking their vehicles near it.

The handicraft industry is not particularly open to newcomers. However, newcomers who manage to take over the existing market share can become heavy contenders for Art KreamoZ's ceramic mosaic, including competitors who use gypsum-based materials.

#### **Tapos District**

Tapos District is an extension of the Cimanggis District. In 2010, the population in Tapos was 175,705 (53 per km<sup>2</sup>) in an area of 3,342 km<sup>2</sup>. Large-scale industries dominate the district's industrial scene; the factories are mostly located in the Sukamaju Baru, Sukatani, Jatijajar, and Cilangkap Subdistricts. However, small-scale industries have the opportunity and potential to expand. Prominent small-scale industries in Tapos are the farming, fishery, processed food, doll, and fashion industries.

Currently Tapos is developing its eel ponds in order for the eels to become first-class creative industry products. Initially the Tapos district only produced raw eels; later, thanks to the local community ladies, the eels are processed into a delicious cuisine. One of the disadvantages in the Tapos District's eel industry is that processed food made from eels does not last long and the fund for developing the industry is lacking, especially for small farmers. Also, there are still too few eel farmers in the district. According to district officials,

the population is reluctant to participate in the eel business because they consider the business prospects still unclear.

Residents in the Tapos District also produce processed food made from catfish - for instance, catfish meatballs and nuggets. The process does not involve the use of preservatives or other harmful substances, and the production is done on a by-order basis.

In order for the eel- and catfish-based processed food industry to flourish, district officials have taken the following steps. First, they distribute information on eel farming to the population at large. Then they took the residents on a comparative study tour to Cileungsi and the Duren Seribu Subdistrict, where community figures are asked to learn eel-farming. District officials also collaborate with the local community ladies to expand the eel-based processed food industry. They promote the products widely, especially in exhibitions and in the Depok government circles as well as to fellow civil employees.

#### **Bojongsari District**

The Bojongsari District is an extension of the Sawangan District. It is not very densely populated, with a population of 86,326 in 2010. According to Anim Mulyana, Secretary of the Bojongsari District Office, industrial potentials - especially for middle, small, and micro enterprises (UMKM) - in the Bojongsari District are not very noticeable as yet. In general, industries in Bojongsari are limited to the food, beverage, garment, and handicraft industries. However there is one handicraft industry that Bojongsari is famous for, the Genta Nada windchimes.

The products attract all kinds of buyers, from housewives who want to decorate their houses, fengshui practitioners, to state officials. The windchimes have been marketed all the way to Canada, the US, and other countries. Madjid, the proprietor, promotes the windchimes in handicraft exhibitions in Jakarta. Due to the product's uniqueness, a buyer took the initiative of becoming a sales agent and creating a Genta Nada website. The materials for Genta Nada windchimes are easy to obtain, and the shapes and sounds are inimitable. Madjid, using his skills in harmonizing piano tunes, harmonizes the tunes of Genta Nada windchimes to create melodies.

A few disadvantages remain: the business does not have a strategic location as it is still physically attached to the workshop and the owner's private home. Capital and business development greatly relies on the proprietor's personal funds and product sales. Customers are free to order the windchimes in any quantity. Madjid admits to having difficulties in marketing the product, because it is not sold in a separate shop or gallery; so far the product is only sold in exhibitions. The central government has provided assistance only in the form of exhibitions and awards for the products.

#### **Cimanggis District**

In 2010, the Cimanggis District had a population of 191,766. The industries are located in Palsigunung, Pekapuran, and other areas. According to Ms. Surtini from the Community Development Service, the Cimanggis District has good industrial growth. Home industry has

flourished for generations. The mattress and frame industries will become prioritized industries in Cimanggis, especially mattresses.

The Tugu Subdistrict has long been famous for its mattress production and is nicknamed "the mattress village." Prices vary according to each mattress's size and materials. Other than mattresses, the industry also produces prayer mats, sitting pillows, and others. Due to the reasonable prices, the mattresses are affordable for the middle to lower economy class. The mattresses are of good quality: the material is thick and heat-absorbent, and the average size makes the mattresses easy to carry, which is an additional sales value. However, the producer has difficulty finding workers with commitment, and due to the lack of workers, many production orders cannot be finished on time.

Due to the changing needs of the market, the business evolves accordingly. In the past, consumers used to buy kapok mattresses, but now they dislike kapok mattresses for being too thick, and instead they buy "Palembang" or foam mattresses. In the frame industry, the materials have also changed: plastic is now used because it is less expensive. Nowadays the kapok mattress industry is very rarely found in the area. However, Palembang mattresses are yet to become a prioritized industry because the government has not issued recommendations or rules regarding the mattress industry, although mattress producers are afforded with freedom in their production.

Due to plans for prioritizing Palembang mattresses, the industry survives despite new products that replace this type of mattress. Furthermore, Palembang mattresses are easy to carry and store as they do not take up much space.

#### **Cilodong District**

Cilodong District used to be a subdistrict in the Sukmajaya District. In 2010, the district had a population of 190,229, and the industries include PT Polijaya, PT Sari Mas, and PT TOKAI. According to the Secretary of the Cilodong District Office, Budiyo, the industry in general does not thrive. Creative industry in the Cilodong District ranges from knitted sweaters, bags, and patchwork products.

Brooms and mops are produced in the Kalimulya Subdistrict; bags in the Sukamaju Subdistrict; embroidery, accessories, ready-made clothes, and other home industries in the Kalibaru Subdistrict; metal lathes, trash wagons and trash bins made from soldered material in the Jatimulya Subdistrict; and food processed from aloe vera in the Cilodong Subdistrict. The last is one of the prioritized products of the Cilodong District.

Aloevera does not need a wide area for its cultivation; it can even be grown as potted plants. The plant, commonly used for interior decoration or for hair treatment, are processed into various types of healthy food, such as Aloevera tea, Aloevera drink, Candy Vera, and aloe vera crackers. Another innovation is sweets for wedding souvenirs, which are usually ordered in large batches.

The Bina A'Vera farmer group promotes the product by participating in exhibitions, spreading the information by word of mouth, and selling it in local kiosks or booths; in

addition, the aloe vera tea is also produced in various flavors. To maintain the prioritization of the aloe vera industry, the government has issued a regulation that licenses the distribution of aloe vera products in all supermarkets.

#### **Sukmajaya District**

The district consists of six subdistricts, covering an area of 1,620 km<sup>2</sup>. In 2010, the Sukmajaya District had a population of 232,308. According to the BPS data in *Kota Depok Dalam Angka 2010*, the top three industrial potentials in the Sukmajaya District are: the food and beverage industry, consisting of eight industries, both medium- and large-scale; the garment, chemical and chemical product industries, consisting of seven industries; and metal product industries, excluding machineries and tools, consisting of five industries.

A type of creative industry, of whose existence the public is not highly aware, has been suggested as a prioritized industry in the Sukmajaya District: the batik pots sold as souvenirs and accessories in Say Gallery, Cisalak Subdistrict. Made from unused fabrics, batik pots are creative, innovative products with additional sales values. Their creation is inspired by batik as an Indonesian heritage and which UNESCO has awarded The World Heritage from Indonesia title.

In Say Gallery, batik is transformed into something other than clothing. The product's plus point is its quality: it is neatly made, it has unique motifs, the design is creative and innovative, the material is easy to acquire, there are no competitors as yet, the product comes in several variations, and it is supported by the government. However, as with the Mabella Bonafi bags, batik pots also have a disadvantage as a new product: at the moment it does not have a legal status and is not copyrighted; the capital and product development relies heavily on the sales and business owner's personal funds; the production and management has limited human resources; the production takes place in a rented building instead of a privately owned one; the management is rudimentary; and the market share is limited. The business owner admits to having difficulties in marketing the product since there is no official sales agent to distribute it. To date, the marketing strategy is limited to word by mouth.

#### **Limo District**

Limo District covers an area of 2,595.3 ha. In 2010, it had a population of 62,051. Several businesses with potential for development include watercress and spinach farms, orchids, wallet nests, the 99-trees village, aloe vera, leech therapy, ornamental fish, and so forth. The watercress and spinach farms will be prioritized for development as many of the district residents are watercress and spinach farmers. The vegetables will be made into culinary products such as spinach chips.

Another business that has grown rapidly is the orchid cultivation in the Meruyung Subdistrict. During its development, the business meets with a number of obstacles, from limited capital, an attack of pests, to climate changes; consequently, at one point, the business experienced a temporary setback. In the Limo District, Estie's Orchid is the

only orchid business in existence and it does not thrive very well. The government provides assistance in the form of business development training to orchid farmers and funding for capital and the greenhouses. Buyers will become loyal customers when business owners can offer exclusive orchids, diverse varieties, and reasonable prices. As a business, Estie's Orchid has a few disadvantages: its location is barely accessible for large vehicles, preventing many customers from visiting; and, although the orchids bloom in profusion, its timing is sometimes inconvenient.

Because the buyers are diverse - from farmers that need orchid seeds, flower sellers, to orchid collectors - orchid business owners need not worry of losing customers. The orchid varieties on sale will also be increasingly more unique, and the price will remain reasonable as the seeds come from local orchids. The word of mouth recommendation from customers will attract more customers as well.

#### **Sawangan District**

Sawangan District consists of seven subdistricts, with a population of 107,323 in 2010. Several creative industries with potential and a multiplier effect on the Sawangan residents are starfruit processing, educative toys, and batik crafts. The three industries are located in the Sawangan Baru Subdistrict and provide employment for many Sawangan District residents; the products themselves offer increasingly greater varieties. The three industries target not only the Sawangan District as their market, but also other regions and provinces.

Based on the BPS data in 2006, the economy in the Sawangan District is dominated by the processed starfruit industry, a very promising business for the local residents. Starfruits being the icon of Depok is an added value for the products, therefore making it easier for the Sawangan District to develop the industry. This is the reason why starfruit processing is an industry that many Sawangan residents choose to be involved in.

The industry's development is greatly assisted by the Sawangan District's geographical condition. The district being located near the downtown of Depok, it is easier to market the products; the land is arable for starfruits and rose apples; and the Sawangan District has sufficient area for developing this creative industry. Various parties also support the creative industry, including the starfruit industry, in the Sawangan District; however, since the starfruit industry is mostly home-based, many business owners have not yet had sufficient knowledge to improve their business. Fortunately, this disadvantage does not hinder the home industry development itself. Ms. Maria, for instance, develops the home industry by empowering the community through the local joint business group for women.

#### **Cipayung District**

In 2010, the Cipayung District had a population of 101,569. The district itself is an extension of the Pancoran Mas District. Its industrial potential lies in the garment industry, which mostly consists of home industry. The Bulak Timur village in the Cipayung Subdistrict has a ready-made trousers industry which produces leggings, sport trousers,

balloon trousers, knickerbockers, and so on. Jalan Masjid As-Salafiyah in the Cipayung Jaya Subdistrict produces undergarments for ladies, including bras. In short, the garment industry in the Cipayung District is already growing.

The trousers produced in the Bulak Timur village always keep up with fashion trends. However, lately the industry has been taken over by newcomers from North Sumatra. In addition, the income from the sales cannot cover the price of the materials, which continues to increase. Consequently, trousers produced by the Bulak Timur village cannot enter modern markets such as ITC Depok or Depok Town Square. Using leftover fabrics means a lower quality production, since the material quality has decreased and therefore it is hard to cut the fabrics according to pattern. Thus, Bulak Timur is unable to meet the production amount demanded by tenants in modern markets. Due to these difficulties in maintaining quality and meeting production targets, Bulak Timur residents who work in the trousers business cannot overcome their condition.

Suppliers play a critical role in the rising and falling of product prices. When there is only one supplier and producers depend greatly on the supplier, the supplier has great power in determining product prices. In the ready-made clothes business in Bulak Timur, materials are available in abundance because the producers use leftover fabrics. Unfortunately, Bulak Timur residents are obliged to buy the trouser materials from newcomers, then sell the products, once again, to these newcomers. Due to this arrangement, the supplier of trouser materials can freely set the price.

#### 4. Conclusions

This study mapping the creative economy to provide an alternative solution to the problem of creative entrepreneurs in Depok. The result showed every district in the city of Depok has the potential of creative industries and developed into products that can be seeded. The products of creative entrepreneurs presented the study results is that superior products as unique and innovative. However, the classic problem is still an issue is the development of creative industries. Some of these obstacles include issues of human resources, capital, marketing, and policy expertise and the last issue of Depok City Government itself which sometimes make it difficult creative economy industry actors.

While based on the competitiveness of the location, where the Depok suburb of Jakarta has a promising opportunity. Depok city located in the South of the capital are on the path between Jakarta and Bogor, which since colonial times functioned as the main transportation of agricultural products, especially by train. Jakarta and Bogor which in colonial times known as Batavia and Buitenzorg itself is an important center in the presence of two central strategic governance. In

the development of the new order and reform, this corridor developed into industrial corridor on the main route from Jakarta to Bogor and new residential areas as the excess capacity of the capital that has begun to diminish. This also affects the growth centers of the economy and trade in the form of new shopping centers and the growth of small and medium industries. It is supported by an increase in the quality and quantity of infrastructure and increased interaction with the old centers located around the Greater Jakarta.

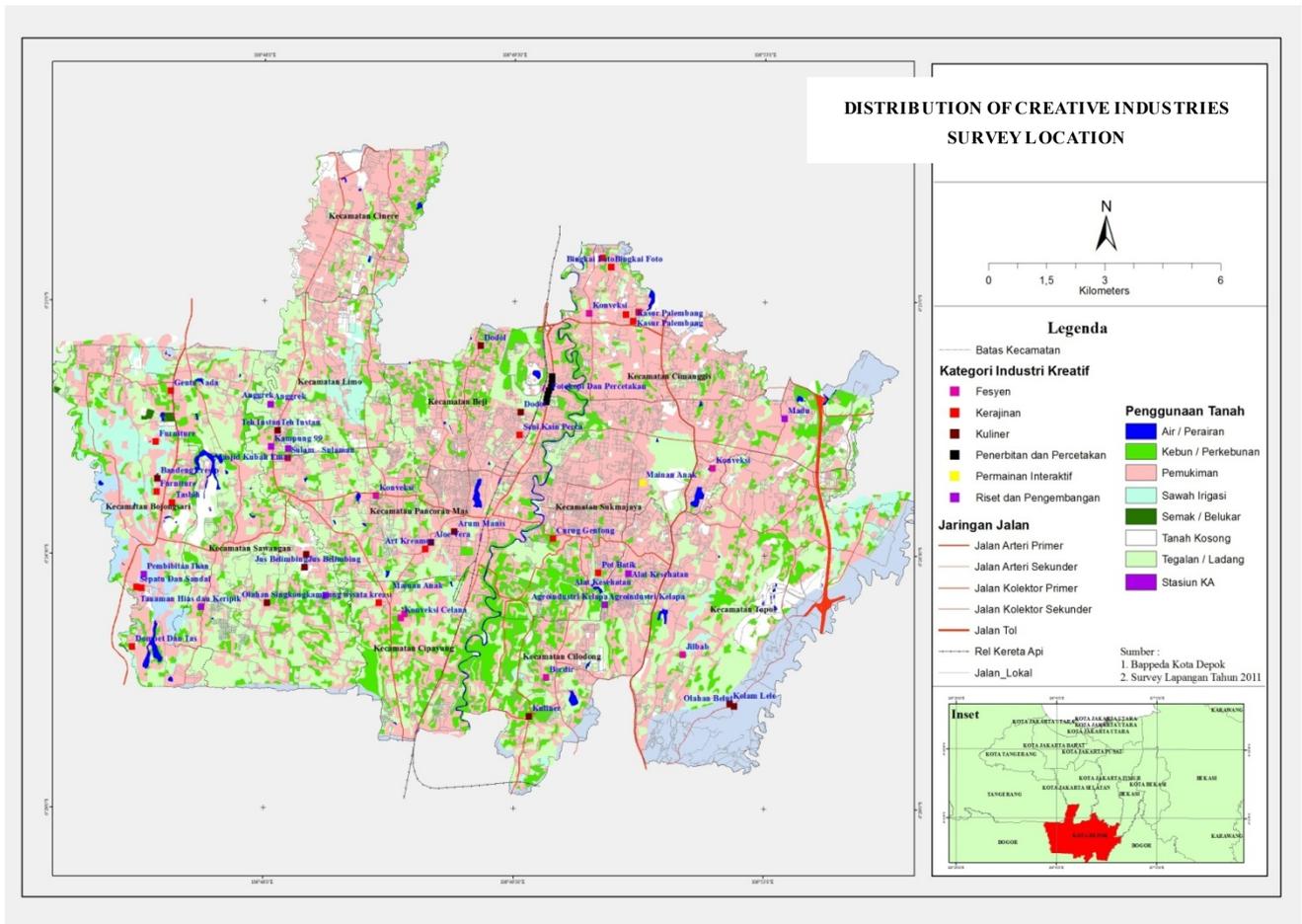
The result showed every district in the city of Depok has the potential of creative industries and developed into products that can be seeded. The products of creative entrepreneurs presented the study results is that superior products as unique and innovative. However, the classic problem is still an issue is the development of creative industries. Some of these obstacles include issues of human resources, capital, marketing, and policy expertise and the last issue of Depok City Government itself which sometimes make it difficult creative economy industry actors.

Based on this study, required a breakthrough from Depok City Government in formulating policies that synergy between the organization of the regions (OPD) with OPD other involving stakeholders across sectors so as not to duplicate programs that ultimately make Depok creative industries can not thrive with fast. This data should be obtained from the village and sub-district levels. The difference in this collection will cause problems at a later date in case of duality or difference of information on the same creative businesses. Characteristics of social entrepreneurship in Depok it will be difficult to develop a communal collection if not done strategically. In addition to data collection related to the economic sector, Depok City Government also has not made a territorial or spatial data collection for all creative businesses spread over eleven districts and sixty three village in Depok which is almost entirely a Small and Medium Industries.

Another suggestion, to do coaching (training) and mentoring (coaching) for creative businesses in order to increase the value added to the product or service, such as creative and innovative ideas, including infrastructure for packaging, improving product derivatives (eg in size than small that it can be souvenirs Depok), promotion and marketing with virtual and social marketing strategies. Therefore, Depok City Government should consider to have a showroom as a means of promotion and marketing of typical products and the quality of Depok City that has pelnggan of national and foreign countries, such as Caremommies, Art Creamoz and Curug Gentong this. Finally, the government needs to encourage Depok (: bottom up) the birth of public forums or community in a bottom up in the community in order to share knowledge between creative businesses and people so creative products Depok more beloved and widely known.

## Appendix

### Creative Image Mapping of Business Actors in Depok



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