

The Effect Digital Creative Economy Sector to Economic Growth in Bangka Belitung : Theory Perspective

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Abstract

This study aims to investigate the relationship between the effect digital creative economy sector to economic growth in Bangka Belitung. In the context of an ever-changing global economy, the digital and creative economy sector has emerged as one of the significant growth engines. This research uses a secondary data analysis method involving economic, digital, economic growth, employment, and creative economy sector data. The study identifies digital creative economy in sub sectors that have greater growth potential than others. This sector-specific analysis provides deeper insights into how different segments of the creative economy can more effectively contribute to the economic development in Bangka Belitung. The creative economy has become a recognized driver of economic development in recent years. The implication of these findings is the need to develop more robust and targeted policy strategies to support the growth digitalization of the creative economy sector. The effect digital creative economy growth are access to information and markets, access to financial services, Marketing and Market Expansion, Skills and Productivity Improvement.

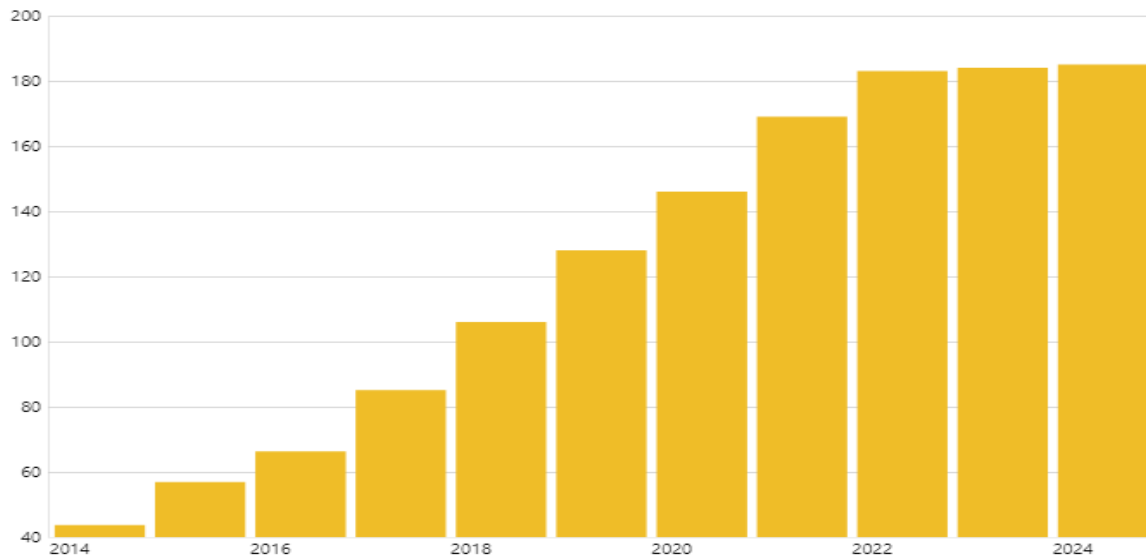
Keywords : *economic growth, digital, creative economy*

1. Introduction

The growth of the creative economy sector has proven to be one of the most dynamic growth engines in the world (UNESCO, 2020). Modern economic change demands innovation, creativity, and the wise use of technology, all of which are represented by the creative economy sector. (Garcia & O'Hagan, 2022). In a changing global context, the creative economy sector can be a solution to improve the competitiveness of regional economies. The Ministry of Communication and Information of the Republic of Indonesia (Kominfo RI) explained that the ratio of internet users in Indonesia continues to increase every year. This is compared to the population each year. Director of Information Application Management at the Ministry of Communication and Information, Mariam F Barata, said that based on data from the Indonesian Internet Service Providers Association (APJII), Indonesia's internet penetration has reached 77.02 percent in the 2021-2022 period (Bangka Pos, 2022). Meanwhile, from the results of the 2024 Indonesian internet penetration survey released by APJII, Indonesia's internet penetration level reached 79.5%, so it has increased compared to the previous period of 1.4% (apjii.or.id, 2024).

Bangka Belitung Province has reached above 80.1 percent of internet users. This shows that people can now access information via the internet, making it easier for public services and the digital creative economy. The Pangkalpinang City master plan program to become a Smart City aims to increase innovation and optimize regional potential, so as to improve business quality and economic growth.

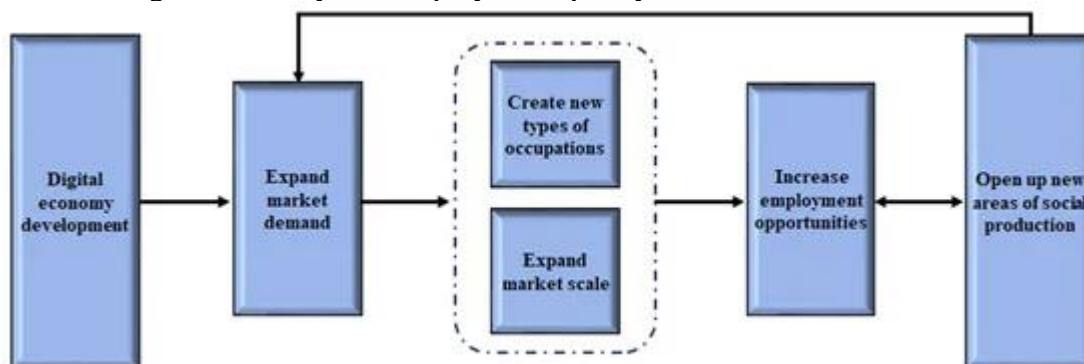
Table 1. Internet Users in Indonesia (2014-2024)



Source : www.databoks.katadata.co.id (2024)

The contribution of the creative economy sector to job creation and economic growth has been increasingly recognised by policy makers. (Wang & Wu, 2023). Pangkalpinang City as the economic center of Bangka Belitung Province has undergone substantial changes in the last decade (Latria, D., Prakarsa, Y. E., Reniati, R., & Nugroho, A. A., 2023). This transformation reflects global changes in the economic landscape, with the creative economy sector being a key driver of growth. According to a UNESCO report in 2020, the creative economy sector has become one of the most dynamic and rapidly growing economic sectors in the world. The analysis indicates a positive correlation between population growth and the Human Development Index (HDI), signifying that an increase in population corresponds to an enhancement in HDI (Umiyati, E., & Zevaya, F, 2023). Digital flexibility allows for a better work-life balance, adapting to different schedules and demands. So digital platforms offer more market opportunities for job groups. Digital platforms connect suppliers and seekers, providing and accessing services across a wider range, creating more job opportunities (Liu, Tongyang, et al, 2023) show table 2.

Table 2. Effect digital economy and employment quality



Source : Liu, Tongyang, et al (2023)

Statistics Indonesia (BPS, 2022) shows that the creative economy sector in the region has experienced significant growth in recent years. The sector has become a major contributor to the region's Gross Domestic Product (GDP) and creates important employment opportunities. However, an important question that arises is how the creative economy sector contributes to economic growth and employment in Bangka Belitung, and the extent of its implications in a changing growth economic. This study aims to answer these questions the relationship between the effect digital creative economy sector to economic growth in Bangka Belitung. In an era of global economic uncertainty, this study attempts to deconstruct the positive implications of the creative economy sector, digital platform and highlight the importance of a deeper understanding of the sector's role in the local economy.

2. Literature Review

2.1. Digital Creative Economy

Tapscott (1996) emphasized that the digital economy is characterized by the transmission of information through digital means. Pointed out that the digital economy encompasses the establishment of e-commerce infrastructure and its associated commercial activities, that internet technology serves as the fundamental driving force behind the digital economy (Mesenburg, 2001; Guo, J.T&Liang, S, 2021). The creative economy is an economic activity in society that places creativity and knowledge as the main production factors in driving activities in the current economic era (Zul, 2018). Goldfarb & Tucker (2019) state that the development pattern of the digital creative economy differs significantly from the economic growth and laws under traditional industries, there are significant differences in the path of productivity enhancement. It refers to the digital creative economy, which have a spatial spillover effect driven by the development of information and communication technology (ICT) and the internet industry (Goldstein, Jiang, Karolyi, 2019). Yang and Jiang (2021) that this spillover effect plays a substantial driving role in the high-quality economic development of surrounding regions. Existing research has examined the optimization effects of the digital economy on productivity. John Howkins was the first to introduce the term creative economy through his writing entitled 'Creative Economy, How People Make Money From Ideas'. According to Howkins, only by capitalizing on ideas created by someone who has a creative spirit, then that person is able to get a decent income. Howkins explains

that a person's creativity arises when that person says, does and makes something new, either in terms of creating something that did not exist at first or giving a new character to something that already exists. More straightforwardly, Howkins explained that the creative economy is an activity where the input and output are ideas (Binus, 2018). In 2005, in an interview by Donna Ghelfi of the World Intellectual Property Organization (WIPO), Howkins explained that creative economic activity is an economic activity in a society that spends most of its time generating ideas, not just doing things that are routinely done and things that are repeatedly done, this is because this society, generates ideas that must be done for progress.

Creative economy is a concept to realize sustainable economic development based on creativity. The utilization of resources that are not only renewable, but also unlimited, namely, ideas, talent and creativity. The economic value of a product or service in the creative era is no longer determined by raw materials or production systems as in the industrial era, but rather by the utilization of creativity and the creation of innovations through increasingly advanced technological developments. Industries can no longer compete in the market by relying solely on price or product quality, but must compete based on creativity, innovation and imagination (Kesuma, T. M., Palawi, A., & Haiqal, M, 2020). Indonesia in 2009, realizing the creative economy in that year, a creative product week exhibition was held annually. In the development of the creative economy in Indonesia, 2009 to 2015 is a new era of the economy after the agricultural economy, industrial economy, and information economy, which intensifies information and creativity by relying on ideas and knowledge from human resources as the main production factor in economic activity. Platform digital can work anytime and anywhere via mobile applications, no longer limited to the office or work location. This digital flexibility allows for a better work-life balance, adapting to different schedules and demands. So digital platforms offer more market opportunities for job groups. Digital platforms connect suppliers and seekers, providing and accessing services across a wider range, creating more job opportunities (Liu, Tongyang, et al, 2023).

2.2. Creative Economy Contribution Strategy

Strategy comes from a Greek verb. As a noun, strategic is a combination of the word 'statos' (military) with 'ego' (to lead). As a verb, stratego means to plan (to plan). Strategy is the art of combining or interacting between key success factors so that there is synergy in achieving goals. Strategy is to optimize superior resources in maximizing the achievement of performance goals. Strategic planning is a managerial process for developing and maintaining a proper fit between corporate goals and resources and changing market opportunities. The purpose of planning. Strategy is to continuously sharpen the company's business and products so that the two combine to produce satisfactory profits and growth. Retail strategy involves determining the target market, the nature of the goods and services offered and how the retailer gains a long-term advantage over its competitors.

2.3. Labor Absorption Indicator

The success of a region's economic development is influenced by several production factors. Production factors are everything that is needed to produce a good or service. One of these production factors is labour. Labour is the most important factor in the production process. This is because the production process will not run if there are no humans controlling it even though the technology used is very modern. Labour absorption is related to the level of wages and the number

of workers needed by employers to be employed. The indicators that factor into labour absorption according to Fauziah (2020) are:

- Regional economic level
- Growth in the number of workers in small and medium industries
- Development of investment value
- Development of production value
- Minimum wage

3. Methodology

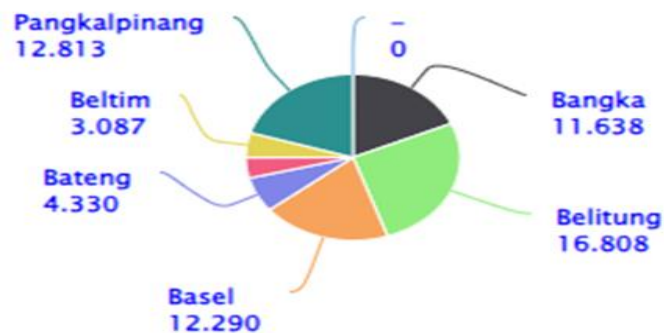
The approach used in this research is qualitative which describes and analyses descriptively. In addition, this research is also descriptive analytical because the research is not only limited to a description of the object of study but also analyzes how to innovate the creative economy policy model. The technique used by researchers is a survey of academic literature in the scientific field of public policy to obtain concepts relevant to the study of the creative economy. While data collection is done through searching various sources both from the Creative Economy Outlook issued by BEKRAF, Department of Cooperatives and Micro, Small and Medium Enterprises (MSMEs) of Bangka Belitung, Central Statistics Agency (BPS) of Bangka Belitung & Pangkalpinang which involves economic data, employment, and the creative economy sector, and other relevant library.

4. Result and Discussion

4.1 Result

Department of Cooperatives and Micro, Small and Medium Enterprises (MSMEs) of Bangka Belitung noted that the growth of MSMEs in Babel in 2022 experienced growth of 5.08 percent and encouraged them to continue to grow: legality, digitalization, institutions, development and empowerment. The increase in business growth is dominated by the creative economy sector, food and beverage processing. This business has utilized information technology in promoting and selling its products. Pangkalpinang, Belitung, Bangka Selatan and Bangka dominated show in Figure 1.

Figure 1. Number Economy Creative (MSMEs) Bangka Belitung



Source : data-umkm.babelprov.go.id (2022)

As the digital economy develops, it will create markets and give to new types of jobs, for example: food delivery platforms, ride-hailing drivers, and online service providers. The various emerging work groups have different characteristics in the digital world, reflecting the impact of the digital

economy and technological developments on work patterns and the labor market. Digital platforms provide more flexibility to the various emerging work groups. In Bangka Belitung, the creative economy sector focuses on the industrial sector as one of the profit income growth. Economic development focused on the industrial sector and development is expected to spur the development of the regional economy to be improved and increase the contribution to the formation of the total Gross Regional Domestic Product (GRDP). In general, the existence and development of the creative industry of design and fine arts has a positive impact on the region and the opening of the economy and the opening of broad employment opportunities and increasing community income and at the same time increasing regional income, the following is data from the BPS survey agency for creative industries and Micro, Small and Medium-sized Enterprises (MSMEs) in the city of Pangkalpinang (Latria, D., Prakarsa, Y. E., Reniati, R., & Nugroho, A. A., 2023).

Table 3. Creative Economy Sub-sectors in Pangkalpinang City

No	Sector	Total	Proportion
1	Game	15	1,223
2	Craft	199	16,232
3	Interior Design	5	0,408
4	Music	26	2,121
5	Fine Arts	10	0,816
6	Design Product	24	1,958
7	Fashion	127	10,359
8	Culinary	549	44,780
9	Film, Animation & Video	11	0,897
10	Photography	28	2,284
11	Design Grafis	4	0,326
12	TV & Radio	4	0,326
13	Architecture	2	0,163
14	Advertising	5	0,408
15	Performing Arts	210	17,129
16	Publisher	4	0,326
17	Application development	3	0,245
Total Data		1.226	92

Source : BPS, 2022.

Based on the above classification, Pangkal Pinang's contribution of the creative economy sector to economic growth can be seen from the perspective of contribution to GDP and labour absorption (Harvey 2020). With economic growth on a positive path, in plain sight, the contribution of the creative sector is also directly proportional (Hatcher, 2019). This is also supported by findings from BEKRAF in 2017, where the three most dominant creative economy subsectors, in the 2011-2016 period experienced positive growth. In that period, the craft subsector experienced a growth of 1.99%. While in the Culinary Subsector and Fashion Subsector, the workforce grew by an average of 7.36% and 3.05% per year. In this study, based on survey data in Pangkalpinang City, the most dominant rankings are Culinary, Craft and Fashion.

4.2 Discussion

In an increasingly competitive and productive economy, the key to economic success is increasingly dependent on creativity, innovation and skills (Izzati, M. F. Wilopo, 2018). The spread of manufacturing technology and skills means that the actual level of production of goods and services essentially depends on the labour cost function (Aharoni, Y, 2024). This can be seen from the large number of industrial and factory moves where cheap and plentiful labour is available. However, economic development in this digital and innovation era has changed the existing standard order, where the focus of developing an idea, creativity and planning innovation becomes the main thing that is very valuable above other factors of production (Howkins, 2001). The effect digital creative economy sector to economic growth are :

- Access to Information and Markets: Technology can help MSMEs (Micro, Small and Medium Enterprises) access broader market information. With better access to data and information, MSMEs can identify business opportunities, adapt marketing strategies and increase their competitiveness.
- Operational Efficiency: The use of technology can increase the operational efficiency of MSMEs by automating business processes, reducing production costs and increasing productivity. For example, the use of accounting software and inventory management systems can help optimize MSME financial and supply chain management.
- Access to Finance: Financial technology (fintech) has provided more affordable and easy access to financial services for MSMEs. Digital payment platforms, online loans and other financial services can help MSMEs overcome barriers to access to business capital which often become obstacles to their growth.
- Marketing and Market Expansion: Through the internet and social media, MSMEs can reach a wider market at a lower cost compared to traditional marketing methods. They can leverage e-commerce platforms, build websites, and use digital marketing strategies to increase the visibility and sales of their products.
- Skills and Productivity Improvement: The use of technology can also help improve the skills of MSME workers and their productivity. Training in the use of relevant software or equipment can improve work efficiency and the quality of products produced.

Research results from BPS collaboration with BEKRAF in 2017 found that the creative economy contributed to the national economy of 852 trillion or 7.38% and absorbed 13.9% of the workforce (BEKRAF 2017). However, the development of the creative economy is still focused on Java Island with a concentration of 65.37%, Sumatra Island 17.94%, Sulawesi, Maluku and Papua Island 6.53%, Bali and Nusa Tenggara Island 5.21% and in the last place is Kalimantan Island with 4.95%. The research also revealed 3 dominant creative economy sectors, namely

culinary 43%, fashion 18% and craft 16%. Based on this data, the market share for labour in the creative economy sector tends to increase, until in 2021 it reaches 14.28% (around 14 to 15 people out of 100 people work in the creative economy sector). In the same period, of the 16 creative economy subsectors, the culinary subsector absorbed the most labour, while the design subsector absorbed the least labour. Nationally, the 3 creative economy subsectors were able to absorb 7.98 million workers in the culinary subsector, 4.13 million people in the fashion subsector, and 3.72 million people in the craft subsector.

5. Conclusion

Based on the contribution of the creative economy to employment in the city of Pangkal Pinang, it can be concluded that the creative economy is most dominant with 875 in the culinary, craft and fashion industry sectors which play the highest role in employment in the city of Pangkal Pinang. So it needs the support of :

1. Cultural and Culinary Wealth : Pangkal Pinang is famous for its rich culture and culinary specialities, such as lempah kuning, otak-otak, and kue lapis bangka. This attracts tourists and encourages the development of the culinary and handicraft sectors associated with the local culture.
2. Market Access: The presence of domestic and foreign tourists to Pangkal Pinang opens up vast market opportunities for creative products, especially in the culinary, fashion and handicraft sectors.
3. Government Support: The Pangkal Pinang City Government provides various supports for creative economy development, such as training, coaching, and access to capital. This helps increase the capacity and competitiveness of businesses in this sector.

However, it is important to note that technology adoption by MSMEs can also face challenges, such as high start-up costs, limited access to digital infrastructure, and skills gaps. Therefore, support from governments, financial institutions and other organizations in the form of training, funding and appropriate infrastructure is essential to ensure maximum benefits from the use of technology for economic growth and poverty alleviation.

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