



STRATEGY TO IMPROVE CREATIVE INDUSTRIAL COMPETITIVENESS FOR ECONOMIC GROWTH AND WORK FIELDS IN BALI, INDONESIA

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Abstract

Absorption of labour is an important problem in national and regional development. As one of the economic sectors in the Province of Bali, the Creative Industry sector is expected to have a high absorption rate of labour which contributes to economic growth. Following the era of globalization, Creative Industries must increase its competitiveness to survive. This literature review seeks to explore strategies to improve competitiveness in Creative Industries, especially in the absorption of labour in Creative Industries in Bali. The method used is descriptive based on scientific journals. Creative Industries in Bali need a strategy that can make it competitive, namely; competitive priority analysis (cost, quality, flexibility, delivery, innovation), implementation of operational standards and product quality, availability of raw materials, quality improvement of human resources, modern IT applications for product manufacturing and marketing of products, increase efficiency, provide government regulations support, foster good relations with all relevant stakeholders, improve market development and promotion knowledge, market control, improve banking facilities in lending, build industrial zones of creative products, enhance the role of research development. Some methods and analyzes used are multiple linear regression analysis,

by knowing the role of each of the independent variable influences on the dependent variable, the decision making method of the Analytic Hierarchy Process (AHP), the Revealed Comparative Advantage (RCA) analysis, the Competitive Profile Matrix analysis (CPM), Strength Weakness Opportunity Threat (SWOT) analysis, Diamond Porter Model, Market-based view (MBV) and Efficiency-based View or better known as Resource-based View (RBV).

Keywords: Strategy, competitiveness, creative industry, analytic hierarchy process, SWOT analysis, competitive profile matrix analysis

INTRODUCTION

Indonesia's economic growth conditions In 2015, it declined from year to year and reached 6.81% in 2010. The weakening of Indonesia's economic growth was seen from 2010 to 2015 due to the decline in commodity prices of Indonesia's mainstay exports in the international market. This is because Indonesia still relies on natural resources (SDA) and Indonesia's export destinations are still focused on traditional markets such as the United States, China and Japan. Because of that, Indonesia needs a strategic step in the form of diversifying sources of economic growth through the development of new superior sectors.

To overcome the economic problems that exist in Indonesia, the government has launched 3 priority policies, one of which is policies that lead to the era of creativity through stocked natural resources, namely the Creative Industry based on intellectual property. According to the government, Indonesia Creative Industries in Indonesia are considered the most ready to face MEA because in 2014, the Indonesian Creative Industry has been able to contribute 7.1% of the national GDP, absorb employment of around 12 million people, and contribute to the country's foreign exchange earnings of 5, 8%. In addition, the Creative Industry is also one of the industries that can survive amid the threat of the 2008 global crisis. In countries such as China, Korea, Malaysia, Singapore, Thailand, Japan and the United Kingdom the Creative Industry has been named a top priority. These countries have developed Creative Industries as a national defence tool. England, as a pioneer in the development of the Creative Industry, has a growth in the Creative Industry with an average of 9% per year, far above the average economic growth of only around 3%.

The enactment of the ASEAN Economic Community (MEA) along with free trade agreements (Free Trade Agreement) between countries in ASEAN, has opened opportunities for Creative Industry players to enter new markets. Things that cannot be avoided, Indonesian Creative Industries must improve product quality to be able to compete in the ASEAN market

and more broadly on the world market. On the other hand, there are several problems related to the development of the Creative Industry, such as limited working capital, low human resources, and lack of mastery of science and technology (Sudaryanto and Hanim, 2002). Another obstacle faced by the Creative Industry is the linkage with unclear business prospects and unstable planning, vision and mission. Opportunities and challenges exist, making the Creative Industry must have careful preparation especially for the movers of the Creative Industries in Bali. For this reason, the Bali Creative Industry needs a strategy that will make it competitive.

The enactment of the 2015 MEA can clearly make Indonesia a consumer, which is characterized by only becoming an import market. The government is targeting Indonesia to become a major player in 2020. Indonesia's position in the Global Innovation Index (GII) in ASEAN, Indonesia is still below Singapore (7th place), Malaysia (33), Thailand (48) and Vietnam (71). Indonesia is only above Brunei, which still ranks 87th far from other ASEAN countries. With a large and largest population, area and geographical location in ASEAN, Indonesia should be a major player in this MEA event. In line with national data, Creative Industries in Bali also showed a significant contribution to the economy of Bali Province. Based on data from the Department of Industry and Trade of Bali Province in Table 1, it can be seen that the Value of raw materials / supporting material of Creative Industries in Bali Province is Rp. 4,098,246,861. The role of Creative Industries in the development of the economy of a country is evidenced by the reduction of unemployment and the creation of new businesses that continue to emerge (Delmayuni et al., 2017). Based on the above explanation, it can be concluded that Creative Industries in Bali have promising potential in supporting the wheel of the regional economy, which in turn will have an impact on national economic development and public welfare.

Table 1. Recapitulation of the Directorate of Creative Industries in Bali Province in 2017

Regency / City	Number of Business Units	Labor (People)	Value of Investment (Rp. 000)	Production Value (Rp. 000)	Value of raw materials / supporting material (Rp. 000)
Jembrana	1.750	8.712	73.933.433	429.536.074	284.958.545
Tabanan	878	7.606	542.345.198	567.236.330	358.676.878
Denpasar City	4.074	30.862	282.899.240	1.416.526.146	381.970.595
Badung	1.230	14.943	72.444.562	1.246.268.358	1.060.316.303
Gianyar	943	15.058	2.989.867.354	4.841.849.850	1.662.678.726
Bangli	4.167	11.741	24.371.701	363.330.010	150.530.143

Karangasem	512	4.210	25.737.579	32.213.224	20.447.486
Klungkung	461	4.617	29.274.729	92.890.481	54.968.495
Buleleng	977	6.220	22.012.121	183.092.572	123.699.691
TOTAL	14.992	103.969	4.062.885.917	9.172.943.045	4.098.246.862

Table 1....

Source: Department of Industry and Trade of Bali Province

According to the definition of the Ministry of Trade of Indonesia, Creative Industry is defined as all industries originating from exploration and processing of creativity, skills and individual talents to create prosperity and employment by generating and exploiting the individual's creative and creative power. In Indonesia, the Creative Industry has a strategic role in the national economy. This can be seen from the number of business units reaching 3.4 million units in 2013, or more than 90% of the national industrial business units. This role is also reflected in the employment of Creative Industries that absorbed more than 9.7 million people in 2013, or 65.4% of the total employment of the non-oil and gas industry sector (Ministry of Industry, 2015).

In line with the national data, based on data from the Department of Industry and Trade of Bali Province in 2017, it can be seen in table 2 that each year there is an increase in the number of employees in the Creative Industry sector. Santi and Sudiana (2018) stated that as one of the economic sectors in Bali Province, the Creative Industry sector is expected to have a high absorption rate for the workforce. The high level of demand for labour absorption is important for development because it can help reduce the problem of unemployment, poverty alleviation, and efforts to improve the people's economy. Absorption of labour is also inseparable from the role of policymakers to support good investment, standards of income for labour welfare and strategies carried out to achieve high economic growth. The development of employment, wage rates, investment value and value of the output of Creative Industries in Bali Province from 2004 to 2017 are shown in Table 2. In Table 2, the number of employment in 2004 - 2017 tends to be volatile. In 2006 the absorbed workforce was 28,724. In 2017 the highest workforce absorbed in the Creative Industry was 103,696 people. This increase is indicated to occur due to an increase in the number of Creative Industries in the Province of Bali.

In addition, one of the roles of the Creative Industry is the absorption of labour and the unemployment rate of unemployment in addition to the conventional means of natural resource recruitment, also through the self-employment system or entrepreneurship. This is possible because the Creative Industry can be started as a small-scale business, both online and offline so that it does not require large capital such as entrepreneurial systems in other industrial

sectors, with the main capital being the creativity of the individual Creative Industry actors themselves. In the current era of globalization and by reviewing the increasing nature of consumerism in the Millennials, and considering the strategic conditions of Bali as a well-known tourist site throughout the world, Creative Industries in Bali have enormous potential to support the regional economy and community welfare. Strong cultural and artistic values in the community can be stimulated and utilized as creative works with good selling power. This industry is very specific because it relies on expertise, creativity and intelligence in seeing business opportunities and developing into productive economic sectors. Especially in the midst of an acute information era with various facilities / multimedia, the development of the Creative Industry has a very high opportunity to be developed as a basis for the people's economy.

Table 2. Labor, Wage Levels, Investment and Output Value of Creative Industries in Bali Province 2004-2017

Year	Labor (People)	Minimum Wage	Investation (Rp)	Output Value (Rp)
		Regional (Rp)		
2004	31.413	425.000	70.522.214	476.492.321
2005	29.646	447.500	77.304.991	536.080.332
2006	28.724	510.000	745.437.661	1.032.475.684
2007	44.737	622.000	813.522.241	2.103.117.871
2008	45.341	682.600	824.372.012	2.319.341.729
2009	47.525	760.000	1.212.546.416	2.200.459.438
2010	48.812	829.300	1.226.671.314	1.987.037.232
2011	52.726	890.000	1.306.472.469	2.152.939.029
2012	53.732	967.500	2.217.423.265	3.050.525.457
2013	92.956	1.181.000	4.293.805.993	53.504.447.645
2014	93.997	1.542.600	3.419.879.403	7.159.849.416
2015	93.180	1.621.100	4.130.497.937	6.153.338.467
2016	96.601	1.807.600	3.322.041.722	7.183.219.023
2017	103.696	1.956.727	5.062.885.917	8.172.943.045

Source: Disperindag Bali Province, 2017

REVIEW AND FINDINGS

John Howkins in his book *The Creative Economy: How People Make Money* first introduced the term creative economy. Howkins describes creative economics as an economic activity in a society that spends most of its time producing ideas, not just doing routine and repetitive things.

Because for this community, generating ideas is something that must be done to progress. The creative economic characteristics include collaboration between various Creative Industries.

There are a number of definitions of the Creative Industry proposed by various experts. Definition of Creative Industries based on the United Kingdom, the Department of Culture, Media and Sport (UK DCMS) that founded the Creative Industries Task Force in the Department of Commerce are "Creatives Industries as they have their origin in individual creativity, skill and talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property and content. The Ministry of Trade of the Republic of Indonesia uses these references so that in Indonesia the Creative Industry is defined as an industry originating from the use of creativity, skills, and individual talents to create welfare and employment through the creation and utilization of the individual's creative and creative power. Based on the Creative Industry mapping study conducted by the Ministry of Trade of the Republic of Indonesia sub-sector which is a creativity-based industry can be grouped into 15 sub-sectors namely advertising (advertising), architecture, goods market art, crafts, fashion, video, film and photography, design, interactive games , music, performing arts, publishing and printing, computer services and software, television and radio (broadcasting), research and development (R & D), culinary.



Figure 1. Product Competitiveness

Source: Anggraeni (2017)

On the other hand, competitiveness is productivity which is defined as output produced by labour (Porter, 1990). Competitiveness is a concept that refers to the ability of a company to compete with other companies to create value. Competitiveness can be created or enhanced by applying the right competitive strategy, one of which is to manage resources effectively and efficiently. In addition, the determination of the right strategy must be adjusted to all activities of the company's functions, so that it will create company performance in accordance with what is expected even more and can produce value. In order to achieve optimal results with a minimum burden, it is important to develop strategies to improve competitiveness in the Creative Industry.

The steps and efforts made to produce a Creative Industry that is competitive according to Russell and Millar (2014) must include five competitive priority components, namely cost, quality (quality), flexibility (flexibility), delivery (delivery) and innovation (innovation). The first thing is cost, including four indicators, namely production, labour productivity, use of production capacity and inventory. Next is quality, according to Muhardi (2007) including indicators such as product appearance, product acceptance period, product durability, speed of customer complaint resolution and product suitability to design specifications. Another thing is time, including the timeliness of production, the reduction of production waiting time and the timeliness of product delivery. It is also important that flexibility includes various indicators such as the type of product produced, speed adjusting to environmental interests. The last thing is innovation can explain how a company can improve the processes and products available (Dangayach & Deshmukh, 2013).

Previous studies by Barney (2007) revealed that competitive advantage is a condition in which a company is able to create economic value more than its competitors. In simple terms, economic value is the difference between the acquisition of benefits felt by consumers who buy products or services purchased.

1. The Role of Creative Industries Competitive in Economic Growth and Employment in Bali

Today, there has been a transformation of the agrarian-based economic sector into an industry-based economic sector as the leading sector in the economy. The 80 percent industrial sector development is controlled by small industries. The creative economy in the future is believed to be the prima donna and a driving force in the economy. There are three reasons that underlie this belief, namely (1) Save energy because it is more based on creativity; (2) Less use of natural resources; (3) Promising higher profits (Kamil, 2012). The Creative Industry is expected to be a lever of competitiveness both locally at the regional and national level. In an effort to develop the potential of the Creative Industry, there are 5 things that need to be considered, namely: (1) mapping operational constraints; (2) breakthrough efforts; (3) commitment and action; (4) public awareness; and (5) the importance of the database. In addition there are 10 main aspects in the Creative Industry, namely creative human resources (HR) with innovative thinking, innovation and creativity characterized by local superiority that is globally competitive, regulations / policies accompanied by law enforcement efforts, incentives for product development in Creative Industries, markets and their patterns of regulation (export-import), environmentally friendly technologies and methods, availability of local materials and

optimization of their use, trust in the banking world and capital institutions, accessibility and networks, appreciative communities and intellectual property rights.

The last few decades have occurred in multidimensional phenomena, which are related to the problem of limited employment that causes uncontrolled unemployment (Seran, 2017). The government or private sector has limited capability in providing new jobs. The government has made various kinds of policies and continues to try to expand and create new employment opportunities in accommodating the addition of labor through development in all sectors (Korni, 2016). One effort that can be done to overcome the problem of unemployment is the development of the Creative Industry. The existence of a Creative Industry will encourage people to be more productive and directly this will also have an impact on accelerating regional economic development. The Creative Industry as an industry originates from the utilization of the creativity of individual skills and talents to create prosperity and employment through the creation and utilization of the individual's creative and creative power. Today Indonesia has four areas that are recognized as creative areas, one of which is Bali Province (Arsyad, 2004; Chapain and Comunian, 2006; Foord, 2008).

Absorption of labor is an important problem in national and regional development. Development must reflect the total change of a society or the adjustment of the system as a whole, without ignoring the diversity of basic needs and desires of individuals and social groups within them, to move forward towards a better material and spiritual condition of life (Aitken et al., 1996). According to Altigen (1998) the increasing population has had an impact on the increase in the workforce. This means the greater the number of people who are looking for work or unemployed. In order to achieve a balanced state, they should all be accommodated in a job that is suitable and in accordance with their desires and skills. This statement will have consequences that the economy must always provide employment opportunities for the new workforce.

Utomo (2016) research, states that in the strategy of developing the Creative Industry it is considered that it has not been able to compete in the ASEAN economic community because there are still many weaknesses in internal aspects, but the Creative Industry in Indonesia is able to provide a significant role in absorbing labor or income regions and even Indonesia's economic growth. This indicates that the Creative Industry can be one solution in overcoming unemployment and poverty in Indonesia in the long run. The results of the Creative Industry strategy research in dealing with MEA are looking at internal and external aspects that produce various strategies namely, aggressive strategies (strengths - opportunities), turn-around strategies (weaknesses - opportunities), diversification strategies (strengths - threats), and strategies defensive (weakness - threat).

The results of Santi and Sudiana's research (2018) state that investment has a significant negative effect on employment in the Creative Industry sector in Bali Province 2004-2017. This happens because investment is a capital-intensive business field, so to carry out business activities especially those in the Creative Industry sector do not need to increase employees, because to run enough production with the use of machines that are technologically advanced and are considered to have higher productivity compared to HR. Another opinion by Todaro dalam (Dimas, 2009) is the negative relationship between investment and employment occurs due to the accumulation of capital for the purchase of sophisticated machinery and equipment that not only wastes domestic finance and foreign exchange but also impedes efforts in order to create growth in the creation of the field new work. Another obstacle is the lack of structural, institutional and attitudinal requirements such as the existence of well-integrated commodity and money market markets, educated and trained workforce in terms of skills and good management planning, motivation to succeed and efficient government bureaucracy to change new capital effectively and efficiently into greater output and the creation of new jobs.

The results of this study are in accordance with research by Sari et al. (2015) which states that investment has a negative and significant effect on employment. The results of this study were also supported by the Wasilaputri (2016) study which found that investment had a negative effect on employment. This is indicated because business owners in using their investments are more likely to purchase capital goods in the form of machines to support the company's production process which aims to improve the quality of production and increase the productivity of goods and services that are more effective and efficient, due to the use of machinery the absorption of labor is low. This phenomenon can occur as a result of the quality of human resources which are inferior to the effectiveness of available machines, whereas in essence where Creative Industries are creativity-based industries that are innovative and not monotonous, it should be more useful if the energy used focused on HR. Therefore, solutions that need to be emphasized to prevent the occurrence of shifting trends further from the use of HR to machines, need to be made to improve the quality of more skilled and expert human resources and regulations in the use of machinery, especially in the Creative Industry sector.

Previous studies by Delmayuni et al. (2017) which reviewed the competitiveness of the Creative Industry culinary subsector in the city of Palembang, stated that the important internal factors were quality raw materials. Raw materials are one of the strengths of the competitive Creative Food Industry in Palembang City. This is also reinforced by the decision-making method of the Hierarchy Analysis Process (AHP) where the availability of raw materials has a higher analysis value compared to other alternatives. In the study, it was also found that the role of the government as an external factor was greatly needed as a facilitator in the procurement of quality

raw materials in accordance with the specifications needed by Creative Industry actors. The strategy that can be done is more modern tool utilization in the product manufacturing process so that it can produce higher quality products in a shorter time, make variations of the products produced and expand the product distribution network. These findings are similar to the conditions of Creative Industries in Bali, which are also many who still use simple traditional methods, so the presentation of strategies in the research is relevant and can be applied to support the competitiveness of Creative Industries in Bali Province, especially by emphasizing the role of government to support development through designing special programs.

Research by Putra and Maulana (2018) also shows that company performance can be determined by internal and external factors. Both of these factors must be considered in the SWOT analysis. Putra and Maulana (2018) found that increasing the competitiveness of Creative Industries was very dependent on the availability of capital, fostering the creativity of business people, and integrated marketing aspects of technology. The research also considers it necessary to optimize the supporting components of the Diamond Porter Creative Industry so that the competitiveness of the Indonesian Creative Industry is increasing amidst the world industrial market. The Diamond Porter model can be seen in Figure 2.

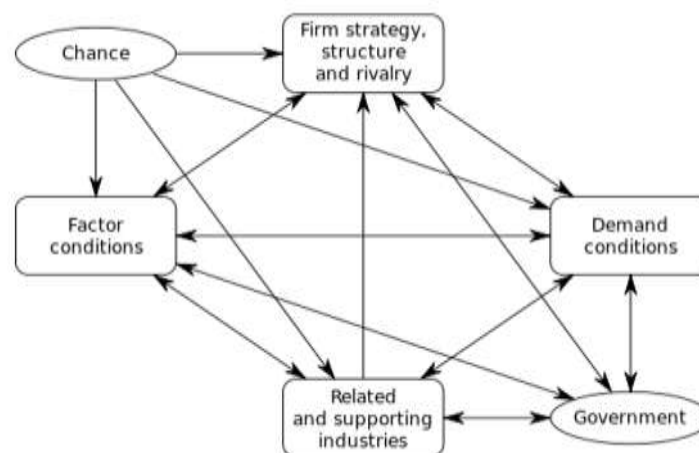


Figure 2. Porter's Diamond Model

Source: Porter (1990)

In addition to the Porter Diamond Model above, there is also a competition theory proposed by Michael Porter that can be used to analyze competition, namely the theory of "Porter's Five Forces Model". Figure 3 can illustrate the business situation that is being carried out, and can also help in knowing the advantages of the current and future competition positions. So that companies can increase strength, anticipate weaknesses and avoid companies in making wrong decisions.

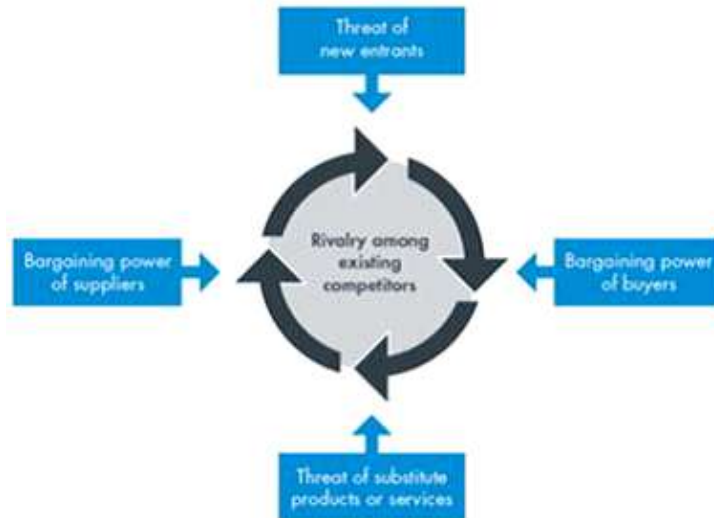


Figure 3. Porter's Five Forces Model
Source: Porter (2000)

Meanwhile, Dong Sung Cho (2003) made modifications to the Diamond Porter Model because there were several disadvantages to the model. The modification model is known as the nine-factor model. The nine-factor model has four physical determinants of international competitiveness, namely the resources bestowed, the business environment, related industries and supporters, and domestic demand. In addition to physical factors, there are also four human factors, namely workers, politicians and bureaucrats, entrepreneurs and professional managers and engineers. While external opportunity events are the ninth factor, as in figure 4.

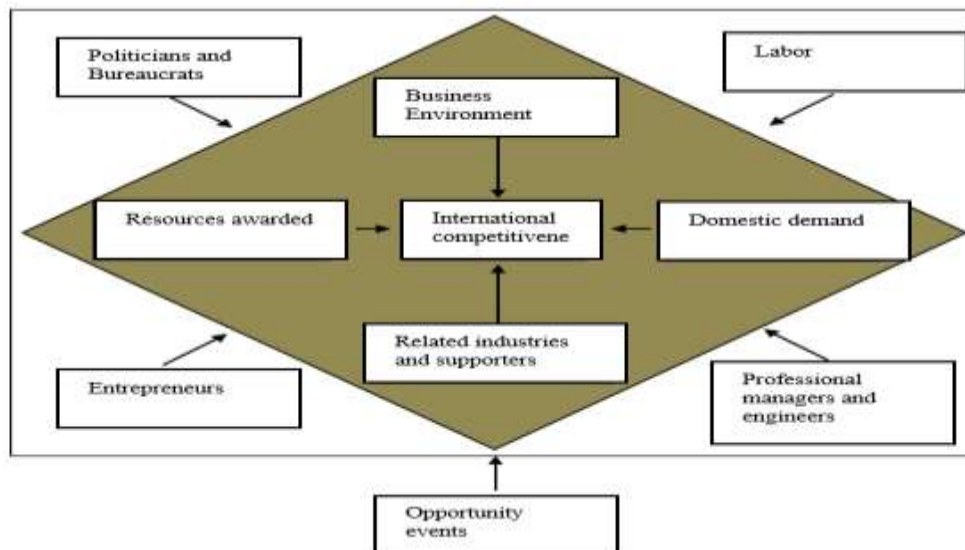


Figure 4. Nine-Model Factors of International Competitiveness
Source: Dong Sung Cho (2003)

2. Strategy for Developing Competitive Creative Industries for Economic Growth and Employment in Bali

According to Pearce and Robinson (2008) strategy is a large-scale plan, aiming at the future to interact with competitive conditions in order to achieve company goals. Whereas according to Mintzberg (1995), strategy is a pattern or plan that integrates the main goals of an organization, policy and sequence of activities into a unity. Another opinion by Barney (2002) defines strategy as a company theory about how to compete successfully. According to Tambunan (2001), the level of competitiveness of a country in the international trade arena is basically determined by two factors, namely the comparative advantage factor and the competitive advantage factor. In addition to these two factors, the level of competitiveness of a country is also influenced by what is called Sustainable Competitive Advantage (SCA). This is especially in the framework of facing the level of global competition that is increasingly becoming so tight or Hyper Competitive.

Strategic management of the business sector has developed through two main paradigms in the form of Market-based view (MBV) and Efficiency-based View, better known as Resource-based View (RBV). MBV theory states that company performance is determined by the unique position of a company's strategic behavior in responding to market competition (Hoskisson, Hitt and Ireland, 2004; Porter, 1996). This theory emphasizes the importance of the role of a competitive market as a determinant of corporate behavior which then has implications for company performance. The various ideas of the MBV theory lead to the research paradigm Environment-Strategy-Performance or ESP (Anggraeni, 2017) in strategic management research. Strategic management literature says that the influence of strategies on company performance is not only influenced by the external environment, but also influenced by the internal environment (Parnell, 2006). The internal environment is the capability of the company (DeSarbo et al., 2005; Henderson and Mitchell, 1997). The RBV theory is a reference or framework to examine the strengths and weaknesses of a company by studying the uniqueness of all internal resources owned and controlled by the company. The rationale for RBV is that companies are basically different because each company has a number of unique resources. Because many resources cannot be obtained immediately (instant), the choice of company strategy is limited by the amount of resources available at that time and by the speed of the company to obtain new resources. Therefore, differences in resources are at the core of the strategy and are very important for the continuity of competitive advantage (Anggraeni, 2017).

A more effective formation of HR competitiveness can refer to the theory by Hitt et al. (2000), that there are several components forming competitiveness in which one with another is continuously interrelated. These components begin with resources that have capabilities, then

with their capabilities can be formed core competencies in the company. This core competency must then be developed as a source of excellence to create competitiveness, where companies that have competitiveness can be said as companies that have performance excellence. The linkages between the components forming competitiveness proposed by Hitt et al. (2000) can be explained by Figure 5 below.

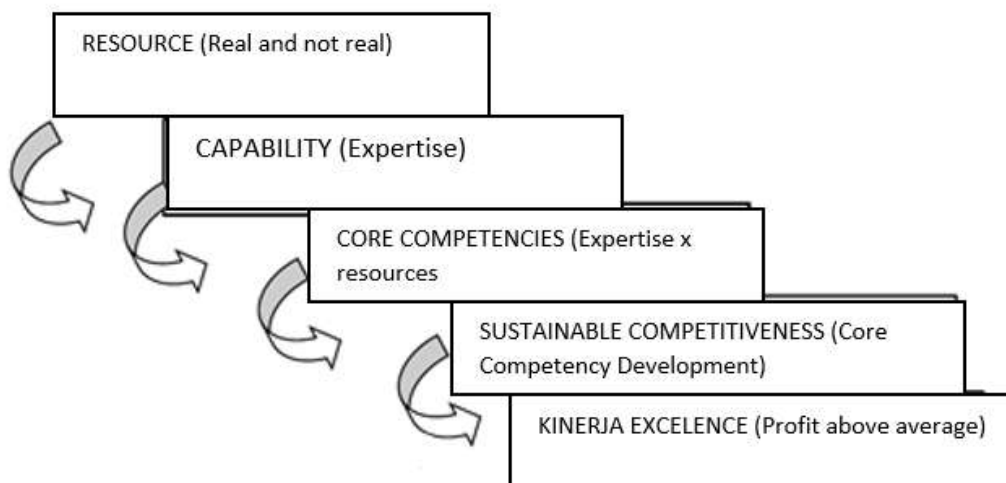


Figure 5. Components for Forming Competitiveness

Source: Hitt et al. (2000)

Another strategy in an effort to increase competitiveness is through business efficiency or business Nurhayati (2016). Business efficiency implies that in producing goods or services the company achieves economies of scale, namely the scale of business carried out with a minimum average cost. Economical business scale can be achieved if the turnover or volume is large (large scale). The last strategy discussed in an effort to improve competitiveness is through supporting regulations. The government is the party most responsible for the preservation of batik as an intangible cultural heritage owned by Indonesia. Based on the results of the study, it is known that the government has issued policies aimed at protecting Indonesian batik, but the reality on the ground shows that the rules made have not fully aligned with the Batik Creative Industry. Therefore it is necessary to formulate a policy that is more in favor of the Creative Industry, both at the central and regional levels.

Based on the strategies described by Nurhayati (2016), in general it can also be applied in an effort to develop the competitiveness of Creative Industries in Bali. Improving the quality of resources, both real and unreal, as well as capabilities in the form of expertise and skills of Creative Industry players can contribute significantly to the increasing competitiveness of the

Creative Industry. Both of these are related to Nurhayati's third strategy (2016), namely the role of government in shaping regulations and programs that favour the Creative Industry. In addition, a business efficiency strategy that emphasizes a large-scale economy is also an innovative proposal that is interesting and potentially promising to be applied to Creative Industries in Bali. This is because there are not many Creative Industries in Bali that are working together between Creative Industries that can provide more benefits but also reduce the costs needed due to the existence of an inter-industrial load sharing system that works together.

Research on other competitiveness was carried out by Putra and Maulana (2018) with the result that efforts to improve the competitiveness of the footwear industry cluster in Tamansari District can be carried out with the following priority strategies, namely promotion and system of selling products online, implementing operational standards and product quality, foster good relationships with employees, buyers and suppliers, and foster good relationships with suppliers, and attend footwear exhibitions. Some of these strategies have been implemented by Creative Industries in Bali, such as fostering good relationships with economic actors (suppliers, traders, buyers) because Creative Industries in Bali to adopt a traditional family system and are close to each other. Another strategy is the affirmation of a more systematic work environment such as online marketing and sales. This is taking into account the economic situation of the MEA and globalization and the development of science and technology which has led to a shift in trends from offline to online business. In addition, the adoption of SOPs and quality control and actively participating in exhibitions can be innovative strategies that can be applied in the effort to develop the competitiveness of the Bali Creative Industry.

The results of other previous studies conducted by Hubeis and Pandjaitan (2012) show a strategy to improve the Creative Industry with competitiveness carried out by: (1) increasing cooperation to maintain continuity of raw material availability between regions; (2) building industrial estates for Creative Industries; (3) increasing the role of private and tertiary government through development research. With a large number and variations of the Creative Industries in Bali, the strategies used are not the same for every Creative Industry.

The results of the Lestari et al. (2013) states that based on the Revealed Comparative Advantage (RCA) analysis method and the Competitive Profile Matrix (CPM) analysis the priority strategies that can be taken to improve the competitiveness of Indonesian processed tuna are to pay attention to production and marketing factors, such as (1) improving quality processed Indonesian tuna, (2) encouraging overcoming tariff and non-tariff barriers, (3) increasing market development and promotion knowledge.

Research by Sudaryanto et al. (2013) stated that the strategy to develop Creative Industries in Indonesia was inseparable from banking support in lending. While the strategy to anticipate an increasingly open and competitive market mechanism, especially in the ASEAN region, is market control, which is a prerequisite for increasing the competitiveness of the Creative Industry. The way to be able to master the market is through the ease and speed of the Creative Industry to obtain information, both information about the production market and the production factor market to expand the marketing network of products produced by the Creative Industry, through information technology applications in the Creative Industry. The establishment of an IT-based Creative Industry Development Center is considered able to encourage the growth and development of micro, small and medium enterprises in the current era of information technology.

CONCLUSIONS AND SUGGESTIONS

Paying attention to the results of the analysis and discussion obtained conclusions as follows: First, the determination of 14 sub-sectors of the Creative Industry has not been accompanied by systemic preparation efforts, especially at the level of regulation, supporting infrastructure, and database. Only a few local governments have collected data on the Creative Industries that have developed in their regions. That is, most local governments have not been aware of the existence of a creative economy as a new talent that can generate economic added value and even trigger regional competitiveness. Second, the presence of the creative economy as a manifestation of the community's creative-innovative ideas and economic benefits, has not been able to stimulate local governments to immediately respond through regulation and arrangement and business development and creative products that are able to provide economic added value and benefits can be directly felt by the community. Third, the diversification of culture and specific and very varied regional potential has encouraged people to do business and produce creative products. However, the regional government has not made a more grounded effort to lift the superiority, culture and characteristics of the region, so that it can stimulate the birth of local entrepreneurship that contributes to regional economic growth and also triggers regional, even national competitiveness. Various improvements and creative economic arrangements become immediate needs. Commitments and actions of the Government and regional government must be based on the aspirations and needs of creative economic stakeholders. On the other hand, community appreciation is one of the determining factors for the success of regional competitiveness through the creative economy. On that basis, in an effort to increase regional competitiveness through the creative economy, the Government together with Regional

Governments (provinces and districts/cities) immediately applied the following agendas in a synergistic, simultaneous, integrated and coordinated manner.

The magnitude of the potential of the Creative Industry needs to get attention for the progress of the Indonesian economy, so as to be able to prosper the community; one of them is due to the occurrence of economic growth and reduced unemployment and the creation of new businesses. Indonesian Creative Industries must improve product quality to be able to compete in the ASEAN market and more broadly on the world market. Some of the problems faced by the Creative Industry, namely the limited working capital, low human resources, and lack of mastery of science and technology are challenges that must be faced by Creative Industries in Bali.

For this reason, the Bali Creative Industry needs a strategy that will make the Creative Industry competitive, namely; analyze competitive priority (cost, quality, flexibility, delivery, innovation), implementation of operational standards and product quality, availability of quality raw materials, quality improvement of human resources, modern IT applications for product manufacturing and marketing of products, increase efficiency, provide government regulations siding with the Creative Industry, fostering good relationships with all relevant stakeholders, increasing market development and knowledge of promotion, market control, improving banking facilities in lending, building industrial estates for Creative Industries, enhancing the development research role.

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