

Indonesia's Creative Industry towards the ASEAN Economic Community

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Abstract

Recent development has witnessed a significant contribution of creative economies to economic growth worldwide. This article intends to map the position of Indonesia's creative industry, not only in the Association of South East Asian Nations (ASEAN) market, but also in the wider global trading system. Findings show that in some ASEAN countries, the creative industries sector has been able to play an important role in economic development and contribute greatly to GDP. This has posed a great challenge for Indonesia's creative industry to compete in an increasingly competitive regional market. Further finding demonstrate that the Indonesian government has been implementing policies to endorse creative economy. These include supporting the Small and Medium Enterprises (SMEs) as significant actors in this industry and also implementing policies to increase product value through innovation, as well as endorsing the establishment of creative communities at the regional level. In addition, enhancing the relations among government, private sector, and academia is seen as crucial in strengthening Indonesia's creative industry sector.

Key words: Creative industry, creative economy, ASEAN Economic Community, ASEAN Creative City

A. INTRODUCTION

The era of economic development has experienced a very rapid shift in recent decades. Business people and traders are no longer just focused on agriculture and trade in manufactured goods and services. In the current trading system we can see a new way of thinking; ideas and creativity are now regarded as commodities that can deliver significant economic value. Creativity and

knowledge in fact have a competitive advantage that can spur the growth of the global economy, an idea that is now referred to as the Creative Economy.

The term "creative economy" appeared in 2001 in John Howkins' book "The Creative Economy: How People Make Money from Ideas." This book is about the relationship between creativity and economics. In this publication, Howkins states that creativity is not new and neither is economics, but what is new is the nature and the extent of the relationship between them and how they combine to create extraordinary value

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and wealth. Howkins' use of the term "creative economy" is broad, covering fifteen creative industries extending from arts to the wider fields of science and technology. According to his estimates, in the year 2000, the creative economy was worth \$2.2 trillion worldwide, and it was growing at 5 per cent annually. Howkins explains there are two kinds of creativity: the kind that relates to people's fulfillment as individuals and the kind that generates a product. The first one is a universal characteristic of humanity and is found in all societies and cultures. The second is stronger in industrial societies, which put a higher value on novelty, on science and technological innovation, and on intellectual property rights (IPRs) (UNTAD, 2008, p. 15).

Creative economy is basically defined as a concept that emphasizes the creative potential that drives the economy and development. The concept of the creative economy itself is not only limited to the economic sector but also involve social and cultural aspects which are supported by advances in technology and the development of tourism. Creative economic development in a country is expected to stimulate economic growth by increasing revenue, creating jobs, and promoting cultural diversity and human development.

B. THE CREATIVE INDUSTRIES

The essences of the creative economy are the creative industries. Creative industries are the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. The creative industries have become a new dynamic sector in world trade.

The term creative industries is ap-

plied to a much wider productive set, including goods and services produced by the cultural industries and those that depend on innovation, including many types of research and software development. The phrase began to enter policy-making, such as the national cultural policy of Australia in the early 1990s, followed by the transition made by the influential Department for Culture, Media and Sport of the United Kingdom from cultural to creative industries at the end of the decade. This usage also stemmed from the linking of creativity to urban economic development and city planning. (UNDP/UNESCO, 2013, p. 20).

A broad interpretation of creativity also underlies Richard Florida's descriptions of the emerging "Creative Class" in society. The super-creative core of this new class includes scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers, and architects, as well as the thought leadership of modern society: nonfiction writers, editors, cultural figures, think-tank researchers, analysts, and other opinion-makers. Members of this super-creative core, produce new forms or designs that are readily transferable and broadly useful. Beyond this core group, the Creative Class also includes creative professionals who work in a wide range of knowledge-intensive industries such as high-tech sectors, financial services, the legal and health-care professions, and business management. These people engage in creative problem-solving, drawing on complex bodies of knowledge in seeking innovative solutions. According to Florida's estimates, the Creative Class now includes some 38.3 million Americans, roughly 30 percent of the entire U.S. workforce, up from just 10 percent at the turn of the twentieth century, and less than 20 per-

cent as recently as 1980 (Florida, 2005, pp. 34-35).

From most of the creative industries, Mapping studies have found that creative industries contribute majorly to a country's economy. The economic impact generated by some countries can be seen in the table below.

seen from the increase in the volume of regional markets, the traffic of goods, t More advance technology and services , protection from the possibility of unfavorable fluctuations of the international market and increased investment. If the developing countries of ASEAN take these chances seriously, they will be

Table 1. Economic Impact of Creative Industries in Some Countries

Source: Indonesian Studies of Creative Industries 2007

Country/ City	Concept	Years	Value Added	% GDP	Average of Annual Growth % from Cis / % Total Economy (Comparison Period)	Amount of Labor (% total work- force)
Inggris	Cis	1997-98	£ 112,5 miliar	<5%	16% / >6% (1997- 1998)	1,3 m (4,6%)
Inggris	Cis	2000-01	£ 766,5 miliar	7,90%	9% / 2,8% (1997- 2011)	1,95 m
London	Cis	2000	£ 21 miliar	-	11,4% (1995-2000)	546.000
Selandia Baru	Cis	2000-01	NZ\$ 3,526 juta	3,10%	-	49.091 (3,6%)
Amerika Serikat	CRs	2001	US\$ 791,2 miliar	7,75%	7% / 3,2% (1997- 2001)	8 m (5,9%)
Australia	CRs	1999- 2000	AU\$ 19,2 miliar	3,30%	5,7% / 4,85 (1995- 2000)	345.000 (3,8%)
Taiwan	CCIs	2000	TW\$ 702 miliar	5,90%	10,1% (1998-2000)	337.456 (3,56%)

VC. ASEAN ECONOMIC COMMUNITY AND ASEAN CREATIVE CITIES

The ASEAN has become one of the regions with significant economic development. The ASEAN has created intensified trade flows that will directly impact on the economic growth of the member countries and regions. It can be

greatly assisted by the market protection and economic stimulation.. However, one obstacle that the ASEAN faces is when one country in the region dominates whilst others are unable to keep up with the fast growing trade flows. To that end, each country in the ASEAN needs to be prepared to face an increas-

ingly competitive market.

To achieve the ASEAN Vision 2020, the ASEAN Heads of States adopted the Declaration of the ASEAN Concord II (Bali Concord II) in 2003, which establishes an ASEAN Community by 2020. The ASEAN Community consists of three pillars, namely the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC) and the ASEAN Socio-Cultural Community (ASCC). Conscious that the strengthening of the ASEAN integration through accelerated establishment of an ASEAN Community will reinforce the ASEAN's centrality and role as the driving force in charting the evolving regional architecture, the ASEAN Leaders at the 12th ASEAN Summit in the Philippines decided to accelerate the establishment of an ASEAN Community by 2015.

As one of the pillars of the ASEAN Community, AEC became the most crucial sector as it will create opportunities and greater competition. The AEC will establish the ASEAN as a single market and production base making the ASEAN more dynamic and competitive with new mechanisms and measures to strengthen the implementation of its existing economic initiatives; accelerating regional integration in the priority sectors; facilitating movement of business persons, skilled labour and talents; and strengthening the institutional mechanisms of the ASEAN. In establishing the AEC, the ASEAN shall act in accordance with the principles of an open, outward-looking, inclusive, and market-driven economy consistent with multilateral rules as well as adherence to a rules-based systems for effective compliance and implementation of economic commitments. (ASEAN, 2009, p. 21).

The emergence of the creative economy on a global scale must have pushed the ASEAN countries to adopt that concept. Especially in the face of the AEC, ASEAN countries must prepare the creative industries sector as an economic buffer. By looking at the success in several European countries and the United States, the creative industries are rapidly absorbed and implemented in the economic development strategy of the ASEAN.

As one of the ASEAN members, the Thai government has promoted the concept of the "Creative Economy" as critical to Thailand's development. This is evident in the draft of the 11th National Development Plan and in the nine government programs for developing creative industries that are included in the second stimulus package (Thai Kem Kang: Strong Thai). The objective of the government's focus on the creative economy is to establish Thailand as the creative industrial hub of the ASEAN and to increase the share of GDP contributed by creativity from 12% to 20% by the end of 2012. Promoting creative industries and supporting a more creative economy are seen as the keys to Thailand's efforts to move beyond low and middle-level manufacturing and agriculture towards higher-value-added activities (Kenan Institute Asia and Fiscal Policy Institute, 2009, p. 1).

In line with the creative economic growth of Thailand, the current value of the creative cluster in Singapore has been estimated to be between 2.8% to 3.2% of Gross Domestic Product (GDP). This is lower than that experienced by the US (7.8%), the UK (5%) and Australia (3.3%). In all the surveyed countries, the creative cluster is growing at a higher rate than that of the overall economy.

Notably, the US and the UK growth rates have accelerated to 3 – 5 times that of the overall economy in recent years. In Singapore, the creative cluster employs some 72,000 employees in 8,000 establishments. The value-added of the total copyright industries expanded significantly from \$0.8 billion in 1986 to \$4.8 billion in 2000, representing a compound annual growth rate (CAGR) of 13.4%, as compared to the overall economy's CAGR of 10.6% over the same period. As a result, the economic importance of the copyright industries relative to the whole economy improved from 2.0% of GDP in 1986 to 2.8% in 2000. Employment in the copyright industries also grew at a faster rate than that of the overall economy. Total copyright employment rose from 30,700 in 1986 to 72,200 in 2000, registering a CAGR of 6.3% vis-à-vis 3.8% for the overall economy. (ERC Services Subcommittee, 2002, pp. iii-iv).

D. CREATIVE INDUSTRIES IN INDONESIA DEVELOPMENT AGENDA

Development is defined as the achievement of economic growth that will improve the standard of living. Development should be directed to the development of human resources. In this sense, development can be defined as a process that aims to develop options that can be performed by humans. This is based on the assumption that improving the quality of human resources will be followed by the opening of various options and opportunities to generate creativity and innovation.

By looking at the urgency, the Indonesian government launched a creative industries sector as a priority in

the development of the national economy. This is indicated by entering the creative industries as a sector under state ministries, namely the Ministry of Tourism and Creative Industries, established on October 19, 2011. The government saw that there was a significant correlation and mutual support between tourism and the creative industries. In tourism, the creative industries is the main motor of tourism. The more specific and creative products offered by a tourism destination area, the more travelers are interested in visiting the area. A growing number of tourist visits will encourage greater economic benefits so that the creative industries will evolve.

In Indonesia's Creative Economy development strategies drawn up by the Ministry of Trade, Indonesia's creative industry classification has been mapped into 14 sub-sectors. Base study of Indonesia's creative industry classification refers to the creative industries mapping study conducted by the UK DCMS, which is tailored to the Indonesian Standard Industrial Classification (ISIC) in 2005. The 14 sub-sectors are: advertising, architecture, market and art, craft, design, fashion, film, video and photography, interactive games, music, performing arts, publishing and printing, computer services and software, television and radio, research and development (Dep. Perdagangan RI, 2009, p. 11).

Currently, Indonesia's creative industries sector has been able to contribute significantly to the national GDP. Average contribution of creative industries to GDP in the period 2002-2006 amounted to 104.637 billion dollars or 6.28% from the total GDP. The average amount of labor absorbed by the creative industries in the period 2002-2006

is relatively large, reaching 5.4 million workers, or by 5.79% of the total workforce in Indonesia; whilst in 2006, Creative Industries absorbed 4.9 million workers and become the fifth largest labor sector. In terms of exports, the creative industries sector is the fourth largest contributor to the value of exports in 2006 amounting to 81.43 trillion rupiah (Dep. Perdagangan RI, 2008, pp. 23-29). By looking at the magnitude of the impact of the creative industries to GDP, it is certainly important for Indonesia to promote development in this sector.

Behind the positive growth of the creative industry, the government realized that the biggest threat to the local industry today is the invasion of similar products coming from abroad. The opening of the ASEAN single market in 2015 will provide a huge challenge for the creative industries. Competition is no longer with the local entrepreneurs, but with foreign entrepreneurs who may be more competitive.

Developments and economic dynamics in Southeast Asia prompted Indonesia to continue to make economic improvements. For that reason, the government launched the Master Plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI). By utilizing the MP3EI, Indonesia aims to earn its place as one of the world's developed countries by 2025 with expected per capita income of USD \$14,250-\$15,500 and total gross domestic product of USD \$4.0-\$4.5 trillion. To achieve these objectives, real economic growth of 6.4 to 7.5 percent is expected for the period of 2011-2014. This economic growth is expected to coincide with a decrease in the rate of inflation from 6.5 percent in 2011-2014 to 3.0 percent in 2025 (Masterplan for Accel-

eration and Expansion of Indonesia's Economic Development). An important part of the MP3EI is the development of economic corridors in Indonesia based on the potential and advantages inherent to each region throughout the country. Six economic corridors have been identified: Sumatera, Java, Kalimantan, Sulawesi, Bali-Nusa Tenggara, Papua-Moluccas. The focus of development is divided into eight main programs: agriculture, mining, energy, industrial, marine, tourism, telecommunication, and the development of strategic areas.

Creative industry itself is one of the priority sectors under the MP3EI, by looking at the growth of the creative industry and its contribution to GDP. Innovation, an increase in value added, and the empowerment of SMEs become the main focus under the MP3EI. Through the MP3EI, the government seeks to encourage innovation in production, processing, and marketing to strengthen the sustainable global competitiveness towards innovation-driven economy.

Productivity, innovation, and creativity driven by science and technology are important pillars of the MP3EI. Increased productivity and competitive advantage will be achieved in line with efforts to strengthen human resource capacity-based innovations and creations. Therefore, the government put the creative industries (based culture and digital content) as one of four elements in Wahana Percepatan Pertumbuhan Ekonomi. One vision of 2025 innovation 2025 is to increase exports of creative industry products doubled (Kementerian Koordinator Bidang Perekonomian, 2011). The MP3EI is expected to be a catalyst for the Indonesian economy not only in the face of the AEC but wider global trade.

E. UPGRADING AND INOVATING TO FACE AEC

There are several things that must be considered in preparing the Indonesian creative industry facing the AEC. Upgrading and product innovation becomes a determinant element that must be applied by the entrepreneurs with the full involvement of governments, the private sector and academia. Not only in product innovation, entrepreneurs must also be able to prepare for media promotion and marketing as well as building a network.

1. Small and Medium Enterprises (SMEs) as the Central Actor

The global network has accelerated the exchange of ideas between people. The era of globalization has created opportunities and challenges for employers. This is due to tighter international trade causing higher competitiveness. In addition the product life cycle is shorter in following the market trends so that the entrepreneurs must have a more vast innovation capability in creating their own market. As in creating creative products, the main actor in creating creative products in Indonesia are the SMEs.

But unfortunately the SME sector currently lacks the ability to meet the prerequisites to enter the global market. A large company or corporation is able to effectively participate in the global economy, due to the availability of capital supported companies, mastery of advanced technology and information systems, managerial systems are effective and efficient, as well as mastery of the resources (natural and human). This is different to SMEs since SMEs have weaker supports comparing to what large companies or corporations have.

SMEs face problems ranging from lack of capital, mastery of technology and information, skilled labor and access to global markets. Even if SMEs can penetrate the global market, its position is very vulnerable because of the lack of competitiveness.

This is certainly a serious concern for both government and business actors. SMEs are the perpetrators of the majority of the national economy. The Central Statistics Agency (BPS) states that there are 51.3 million units of SMEs or 99.91% of the businesses in Indonesia. That is, any turmoil to SMEs would greatly disrupt the nation's economic pulse. In terms of employment SMEs employ approximately 90.9 million workers, or 97.1 percent. Moreover, SMEs contribution to GDP has reached Rp2,609.4 trillion or 55.6% of total national GDP. Similarly, the value of the investment involving SMEs is quite significant, Rp 640.4 trillion or 52.9%. The creation of foreign exchange had reached Rp183,8 trillions or 20.2%. These statistics illustrate just how strategic SMEs are to the national economy. (Mengembangkan UMKM Berbasis Kompetensi).

Ideally SMEs can play a dominant role in many aspects of the Indonesian economy; however, in reality SMEs in Indonesia are generally built by entrepreneurs who have limited assets, business skills and networks, and are not well coordinated.

The government policies are still sided to the large company profit to pursue their definition of growth rate, rather than sustaining national economy through conducive market and supports for SMEs. Though, in fact the SMEs sector can be relied upon to sustain the national economy, especially in a crisis. To that end, one of the preparations that

requires attention is the improvement of productivity of SMEs with technology implementation. Other factors that also need to be developed in order to face the market competition is the establishment of business networks through information and communication mastery. Both of these aspects can be developed by SMEs when they are in optimal conditions, in the sense that the internal conditions have been quite strong and quite conducive to the SME environment. Internal capabilities of SMEs are possible if the group has the power of capital and human resources. While the external aspects include the presence of an appropriate economic and political environment. However, the majority of existing SMEs are in an unstable condition both internally and externally and thus still require government incentives and other financial institutions and individual's support. By looking at several variables of SME's development, it is important to develop strategies in order to build the capacity of SMEs.

2. Adding Product Value

Value-added process becomes an important factor in the creative industries. Various forms of creativity and innovation is expected to increase the value-added products and multiply profits. Increased value in trade commodities is also an indicator of the success or failure of a country to take advantage of market openness.

Upgrading is a step to increase the value-added of the products. Several upgrading processes are required, especially in the creative industries sector, these include:

a. Product upgrading

Product upgrading is conducted in

terms of design variations, variations in raw materials, providing branding, and quality improvement. Product upgrading is only completed by highly creative craftsmen.

b. Process upgrading

Process upgrading is focused on coaching employees. Upgrading can be performed by division of labor and by employing good managerial skills. The division of labor results in more efficient use of time as each individual becomes an expert in their respective fields and thus also results in increased production rates. The process upgrading can also be achieved by updating technology.

c. Functional upgrading

Functional upgrading is the development of the function, for example, employers who used to work just as craftsmen, do functional upgrading by developing craft skills into designer.

d. Chain or Inter-Sectoral upgrading

Inter-sectorial upgrading can be achieved by varying the product. This is completed by expanding the marketing reach without reducing the quality and quantity of production of the main product.

3. City Branding

City branding is an attempt to promote a better city for business and tourism activities using creative means. Good branding will enable a city, big or small, to compete for business; this can be achieved by simple slogans, such as "XYZ the Education City" of "ABC the Tourism Town".

The more open the communication system the better the city branding opportunities. Through a communication network, publication and branding of the city is becoming increasingly easy and is able to reach out to the wider region. Advertising in a variety of print and electronic media means that cities are able to reach out to domestic and international spheres. In effect, the openness of access to information has become a liaison between the city and its promotion target.

As we know, branding is a method of marketing where the brand presence will increase the added value, as well as city branding. City branding is a good opportunity for the city to attract investment and promote the tourism sector. City branding completed periodically promotes sustainable development. By looking at the experience of several cities around the world, city branding contributes greatly to the economic development of the city.

As one means of attracting investment, city branding became a determinant element. However, the investment itself will basically glance at the cities that have a positive business climate, such as the quality of human resources and adequate infrastructure. In addition, in terms of investment, city branding is also very influential in the city's tourism sector. City branding can be one means to open up the city to promote its tourism sector. In Indonesia, natural beauty and cultural diversity became its own potential to create a city branding. Each city can develop the tourism potential and create specifications of tourism product, such as handicrafts and performing arts. This course will provide a special attraction for tourists.

Until now there have been several

cities in Indonesia which have applied the city branding technique. For example, the city of Yogyakarta is known as "Yogyakarta, Never Ending Asia," and Bandung is often referred to as "Paris Van Java." Creation of city branding is certainly not out of the element of creativity and innovation of the city's people. But unfortunately, this method has not been widely applied throughout Indonesia. There are many areas in the archipelago that have resources that are not fully utilized and not enough attention has been paid to them.

The role of the government and community development is two-fold: (1) to build the city and (2) to create the city branding. Every city should identify and map its potential to then establish a long-term strategy. Seeing the rapid competition, it is time cities in Indonesia take a larger portion of global trade.

4. Establishing The Creative Community

The creative community has a major role in the development of the creative economy in Indonesia for the following reasons (Dep. Perdagangan RI, 2009, p. 47):

- a. Creative community is central to the development of creative potential. In the creative community, creative potential is sharpened to empower the society.
- b. Venue for informal creative education is provided. Informal forums and voluntary-community discussion makes the process of learning and sharing less stiff and unpleasant. Creative education is considered more appropriate through informal means.

- c. Forming a creative cluster. The development of creative economy and the emergence of creative community have nurtured creative clusters in Indonesia. Creative clusters become the motor force of the creative economy.
- d. Forming a creative culture. Culture is formed when there is a group of people who have the same goals and the same form of behavior that is reflected in everyday life. In a creative community, each member of the community volunteers to form a separate culture, creative culture.
- e. Forming a creative network which becomes the creativity exchange between actors. Creative networks will be more easily formed when every member of the creative community is in touch with each other, sharing, and committed to developing the creative economy together.

Creative communities has emerged not only as city based, but also as industrial cluster-based. Creative community has existed in several cities in Indonesia, for example Bandung Creative City Forum (BCCF) and the Bali Creative Community.

BCCF is an official organization of the creative economy that accommodates people of Bandung. The existence of BCCF greatly promotes the development of creative industries in the city. Various activities have been carried out by the BCCF including the Helar Festival performances featuring a variety of creative potentials from Bandung and CEN (Creative Entrepreneur Network) who participated in seminars, training, and business clinics for creative industries (BCCF 2012). BCCF also regularly publishes a magazine called Magz Bandung which contains news and articles

relating to Bandung's creative industries. The magazine has been published twice since 2012 and contains creative community activities in various places in Bandung. In addition, the BCCF itself has held workshops which are designed to bring about new creative ideas in all fields, such as culinary, transport, spatial planning, and so on.

There is also the Bali Creative Community. It is a group of creative people who are concerned about the development of the creative industries as a driver of the creative economy of Bali. The creative community was also established to support the Creative Indonesia Year 2009, a program launched by the government. This program is part of the government's strategic plan in developing the creative industries in 2009 and 2010.

Creative community was established as a social community that is expected to be a forum for the creation of a creative culture, the emergence of new creative talent, encouraging innovation and the growth of an entrepreneurial spirit. The spirit of entrepreneurship in the creative world needs to be developed so that the perpetrators are able to have independent leadership and extensive business insight to get ready to face global competition. This non-profit oriented forum is expected to provide a positive impact to the development of creative industries in Indonesia.

5. The Triple Helix Communication Forum

Creative industries built by the relationship between intellectuals, business and government are called 'The Triple Helix' system. In this system, these elements are the main actors ini driving

the birth of creativity, ideas, science and technology that are becoming vital factors for the growth of the creative industries (Arfani, 2012, pp. 143-145). Although these three actors have different roles and functions, they go hand in hand. It is government's duty to provide facilities and protection to businesses and creative economy whilst businessmen are tasked to run an economy based on policies and facilities provided by the government. Moreover academics provide theoretical input for the government and businesses.

In order to create synergy between all three roles, there should be regular forums, both formal and informal as a communication space for businesses, government and academia at the local level. This strategic forum should at least be used as a platform for inter-actors to get to know one another in order to create a positive business climate. In addition, this sustainable forum is expected to be a means to discuss issues faced by business, government and academia in developing the creative industries.

6. Intellectual Property Rights

Along with the growing awareness of most people, there has been a shift in perception which lays intangible value assets, such as innovative work, information, science, engineering prowess, equal to the value of tangible assets i.e. labor, capital and land. Intellectual property rights on the other hand is an intangible asset. The urgency of intellectual property rights is to provide special rights for the creators or innovators to have a legal protection. In outline, the legal protection of intellectual property can be grouped into two parts: 1) Copyright and Related Rights; 2) Industrial Property Rights (IPR), including: pat-

ents, trademarks, industrial designs, layout designs of integrated circuits, trade secrets, and plant variety protection (Ditjen HAKI, Dep. Kehakiman dan HAM, 2004).

The main function of granting intellectual property rights is to protect the work by preventing unfair competition either locally, regionally or internationally. In practice the system of intellectual property rights prohibits competitors to produce the same/similar goods and/or services. In addition to providing protection for industrial products, IPR also supports and rewards creators, stimulates economic growth and promotes human resource development. IPR are recognised as financial assets belonging to a company. IPR can be sold, licensed, transferred or used as a means to obtain capital. More broadly, IPR encourage creativity; driving entrepreneurs to create new products. IPR has also become one way for the media to shape the product image. While the trade mark will help the product to have a better image.

The development of the creative industries would further increase the importance of IPR. Human creativity must be protected by law in order to maintain diversity of products and prevent imitations. Unfortunately however, in Indonesia awareness of IPR and other forms of protection for companies and products is still not prevalent amongst most entrepreneurs, especially SMEs.

One of the most important forms of protections for entrepreneurs are trademarks. Awareness of brand protection become a concern There are some cases where big investors 'stole' from a smaller business prospective unregistered brand. There are also cases where the partner investors just rejecting the

brand, so the investor can get the value-added from their brand, for themselves.

These conditions are concerning. We need to build awareness of the importance of IPR in the business world, especially in the face of the AEC in 2015. The government should also provide clear rules and instruments in the management of IPR so as not to discourage entrepreneurs from obtain IPR over their products.

F. CONCLUSION

In understanding the role of creative industries in global trade, the mapping of creative industries position is important. As one of the sectors that has not been very popular and well-supported, the creative industry has taken an important role in economic development and trade. By considering the urgency of the creative industries sector today, it is important for each country to prepare entrepreneurs in the creative industries sector in order to compete in the global market.

The design of creative industries development strategy has been declared by the Indonesian government, especially in the face of the AEC. ASEAN countries have shown great attention in the creative industries sector. This prompted Indonesia to announce the creative industries sector as one of MP3EI agenda. Pursuant to this agenda the Indonesian government placed the creative industries sector as a determinant of economic development, evidenced by its growing contribution to GDP .

The concept of the development of the creative industries sector requires strategic measures which are well targeted. As this sector is based on creativity and human knowledge, clearly the

government should empower the SMEs as the major driver of the creative industries. The increase in value-added products should be considered by every SMEs in the creative industries sector. SMEs should be aware that trade competition is rapidly taking place and the life cycle of goods have become shorter. It required innovation and creativity in providing products to follow the pattern of world trade. In many cases SMEs also tend to ignore the importance of Intellectual Property Rights so they need to obtain assistance from government and academia. In addition, full support of all related elements (government and private sector) should be synergized to establish a communication forum and creative entrepreneur communities. The higher the intensity of communication, it is expected the exchange of ideas and experience can be maximized.

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