

Accelerate Creative Economic in Surakarta through Enhancing Incomes of SMEs based Economic Creative

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Abstract –

Creative Economy in Surakarta in the last decade tend to have very rapid development. This is because the potential of the city of Surakarta in terms of location, community and noble culture. The number of actors in it are also increasing as the market niche created. This study aimed to analyze the influence of variable capital, working hours, number of workers, and business experience to the income of Micro, Small and Medium Enterprises (SMEs) in Surakarta. Furthermore, this study also aimed to see if the online promotion variables and variable business experience related to the amount of revenue Micro, Small and Medium Enterprises (SMEs).

By using linear regression can be found that all variables simultaneously influence on the income of SMEs, but partially only variable amount of capital and labor variables that influence incomes. Furthermore, both online promotion and business experience has interaction in strengthening SMEs rising incomes.

Keywords–Capital, Working hours, Promotion Online , Creative Economy.

I. BACKGROUND

Indonesia, as a developing country and experience the development process believes that SMEs are the economic sectors that are very potent in its ability to create jobs. The more developed the economy of a country or region, the involvement of SMEs are also increasingly important due to the rapid increase in the number of SMEs than business with larger business scale (Ahmad, 2010:133).

Berry (2001) in Siti Maryana (2012: 82) states that there are at least three reasons underlying the developing

countries, including Indonesia considers an important role of SMEs. First, the performance of SMEs tend to be better at absorbing labor. Second, SMEs achieve increased productivity through investment and technological change. Third, SMEs have keunggulan in terms of flexibility compared to large business, as shown in table 1.

Tabel 1
The development of Micro, Small and Medium Enterprises (SMEs) and Big Enterprises (UB) in Indonesia

Indicator	2012		2013	
	Amount	Share (%)	Amount	Share (%)
1. Unit Business	55.211.396		56.539.560	
SMEs	55.206.444	99,9	56.354.592	99,9
Big Entr(UB)	4.952	0,01	4.968	0,01
2. Worker Involved	104.613.681		110.808.154	
SMEs	101.722.458	97,24	107.657.509	97,16
Big Entr(UB)	2.891.224	2,76	3.150.645	2,84
3. GDP at constan Price 2000	2.377.110,0		2.525.120,4	
SMEs	1.369.326,0	57,60	1.451.460,2	57,48
Big Entr(UB)	1.007.784,0	42,40	1.073.660,1	42,52

Resource: Ministry of Cooperatives and SMEs In 2013, processed data

Along with the development of technology and global competition leads to a free market, it takes creativity in enhancing the innovation of a product to be able to compete with foreign countries. The results of product creativity has its own advantages and can improve a country's exports (Thomas, et al, 2008:60). Seeing these conditions, is expected to SMEs in Indonesia not only play a role in expanding employment, but also serve to stabilize Indonesia's trade balance by increasing the quantity of exports.

Creative Economy is a new economic form with the main feature of which is to create a product based on ideas and creativity, develops because of knowledge, and is supported by the use of technology. Qualitatively, the Creative Economy is able to create national and international standard products.

Not only in terms of quality, but in quantitative Creative Economy provide added value to the value of Gross Domestic Product (GDP) in Indonesia. Creative Economy added value calculation is done through the industry approach. So that the added value of each subsector can be calculated periodically every year (<http://indonesiakreatif.net>).

Since the year 2013, the Creative Economy Subsector have additional sub-sectors that originally numbered 14, is now the 15 subsectors. Creative Economy Subsector that gives the largest contribution off Fashion and Culinary. Facts on the ground show that the Fashion and Culinary has developed very rapidly. This is indicated by the number of business units to pursue these efforts, given the Fashion and Culinary today is no longer a basic requirement but people's lifestyles. Other subsectors that make a significant contribution are Craft, Publishing and printing.

Surakarta, besides known as a city of culture for the ancestral cultural heritage and steeped in the performing arts, also known as a creative city. Surakarta has a variety of craft industry centers that combine art and culture. Some of them are carved furniture, rattan, carved glass, leather, a dagger, and batik. Surakarta entered as a Creative City by city category design. Enactment of batik as one of the world's cultural heritage, fostering community creativity in making various designs or models of batik. Besides batik, Surakarta has other creative industrial centers scattered throughout the District in Surakarta. (Surakarta Regional Planning, 2013: 2).

The majority of the population Surakarta work as traders that some 37,500 people and entrepreneurs some 9,356 people in 2013. This shows a fairly large participation rate for the population of Surakarta in opening the business field. Given the large field of work would have an impact on employment and contribute to the Gross Domestic Product (GDP) of Surakarta. Number of industrial workers are as high as 69 179 in 2013 showed the impact of employment by traders and entrepreneurs engaged in the industrial sector.

Data from the Department of Industry and Trade Surakarta recorded employment in the non-formal sector amounted to 15,800 people, amounting to 28,181 people a small industry and secondary industry amounted to 9146 people in the year 2013. It shows that SMEs are able to absorb 53,127 people in 2013.

According to statistics the number of SMEs in Surakarta there are 7071 units of SMEs in Surakarta in 2013. Surakarta is also one of the creative cities in Indonesia.

Objectives of the Research

The research was conducted to analyze several factors that influence income of creative economic based SMEs. It moved further to analyze whether promotion online and working experience strengthening SMEs income.

The research attempts to answer the following questions.

First, How does the influence of capital, working hours, labor, and business experience to the revenue-based SMEs creative economy in Surakarta?; Second, Is online

promotion and network experience strengthen SMEs in Surakarta income?

II. THEORITICAL BACKGROUND

Creative Economy

According to Basuki Chris Bilton in Space (2012: 1), the word creativity in terms of terminology aspects in management science and psychology contain several meanings. First, creativity means something new or different (a deviation from conventional tools and perspectives). Secondly, the freedom of individuals to express their talent and vision (the management aspect) or something new is beneficial to the public (psychology). Based on the book Profile Creative Economy Surakarta were made by Bappeda Surakarta (2013: 7) John Howkins through his book entitled "Creative Economy, How People Make Money from Ideas", memperkenalkan term creative economy is the economic activities in which the activities of input and output is ideas or ideas. International organizations UNCTAD (United Nations Conference on Trade and Development) mendefinisikan creative economy and creative industries in a report entitled Creative Economy Report 2008 as follows: Creative Industries' can be defined as the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. They comprise a set of knowledge-based activities that produce tangible goods and intangible intellectual or artistic services with creative content, economic value and market objectives.

The report mentions that the Creative Industries is the "heart" of the Creative Economy (Basuki, 2012: 4). Creative Industries Mapping Study of Indonesia, the Ministry of Trade of the Republic of Indonesia (2008: 4) states that the definition of Creative Industries that is currently widely used by parties involved in the creative industries, is the definition based UK DCMS Task Force 1998, namely:

Creative Industries are those industries that have their origin in individual creativity, skill and talent, and the which have a potential for wealth and job creation through the generation and explanation of intellectual property and content.

Creative Industries Mapping Study, Ministry of Commerce of the Republic of Indonesia (2008: 4-6) subsector is creativity-based industries are:

a. Advertising: creative activities related to advertising services (one-way communication using a particular medium), which includes the creation, production and distribution of advertising produced, for example: market research, communications planning advertising, outdoor advertising, production of advertising material, promotions, campaigns public relations, display ads in print media (newspapers, magazines) and electronic (television and radio), installation of various posters and drawings, spread leaflets, pamphlets, newsletters, brochures and billboards kind, distribution and

delivery of advertising materials or samples, as well as the leasing columns for advertising.

b. Architecture: creative activities relating to services of building design, planning, construction costs, conservation of heritage buildings, leasing of construction in whole from the macro level (Town planning, urban design, landscape architecture) to the micro level (construction details, for example: garden architecture, interior design).

c. The market of art and antiques: creative activities relating to trade in goods original, unique and rare as well as the aesthetic value of high art through auctions, galleries, stores, supermarkets, and the Internet, include: goods music, printing, crafts, automobile and film.

d. Craft: creative activities related to the creation, production and distribution of products made produced by skilled craftsmen who started from the initial design to the process of settlement products, among others, include handicrafts made of: precious stones, natural fibers and man-made, leather, rattan, bamboo, wood, metal, wood, glass, porcelain, fabric, marble, clay, and limestone. Craft products are generally only produced in relatively small quantities.

e. Design: creative activities associated with the creation of graphic design, interior design, product design, industrial design, corporate identity consulting and marketing research services as well as the production of packaging and packaging services.

f. Fashion: creative activities related to the creation of clothing, footwear design, and other fashion accessories design, production of fashion clothing and accessories, consultancy fashion product lines, as well as the distribution of fashion products.

g. Video, Film and Photography: creative activities associated with the creation of video production, film and photography, as well as the distribution of video recordings and films. Including scriptwriting, dubbing the film, cinematography, soap operas, movies and exhibitions.

h. Interactive games: creative activities related to the creation, production, and distribution of computer and video games that are fun, agility, and education.

i. Music: creative activities relating to creation / composition, performance, reproduction, and distribution of sound recordings

j. Performing Arts: creative activities related to the business of content development, production performance, design and manufacture of fashion shows, stage design and lighting system.

k. Publishing and Printing: creative activities related to content writing and publishing books, journals, newspapers, magazines, tabloids, and digital content as well as the activities of news agencies and news search. This group also includes the issuance of postage stamps, the stamp, paper money, blank checks, demand deposits, contributed mail, share certificates bonds, other securities, passports, airline tickets, and other specialized publications. Also includes the publication of the photographs, engraving and postcards,

forms, posters, reproductions, painting printing, and other printed material, including micro-movie footage.

l. Computer Services and Software: creative activities related to the development of information technology, including services of computer services, data processing, database development, software development, systems integration, systems analysis and design, architectural design software, design of infrastructure software and hardware, as well as design portals including maintenance.

m. Television and radio: creative activities related to business creation, production and packaging of television programs, broadcasting and transmission of television and radio content, including the activities of the relay station radio and television broadcasts.

n. Research and Development: creative activities related to innovative businesses that offer the discovery of science and technology and application of science and knowledge for the improvement of products and creation of new products, new processes, new materials, new tools, new methods, and new technology that can meet the needs market; including those relating to the humanities such as research and development of language, literature, and art; as well as business and management consultancy services.

Based on literature studies and discussions, there is an additional one subsector of Creative Economy Culinary. Although relatively new creative activity, this subsector is inserted by performing a mapping study of typical Indonesian processed food products that can be enhanced competitiveness in the retail market and the international market. The importance of this sector against the backdrop that Indonesia has a cultural heritage of typical food products, which is basically a source of comparative advantage for Indonesia. (Bappeda, 2013: 7) So far there are 15 sub-sectors included in the Creative Economy.

III. RESEARCH DESIGN

This research uses explanatory survey design as a way of writing to determine and analyze the relationship between one variable with another variable through empirical testing. Empirical testing using a multiple linear regression statistical analysis to prove the hypothesis formulation. Hypothesis formulation leads to a relationship or influence between the dependent variable and independent variables, namely income, capital, working hours, labor and business experience. Based on BPS data Surakarta there are 1,386 units of creative SMEs. In this study, the sample size is 310 units. The sampling technique in this study is stratified random sampling technique or stratified random sampling, which is the way the population is divided into subgroups called strata, and then the samples were randomly selected from each stratum (Douglas A. Lind, 2014: 291).

IV. RESULT AND DISCUSSIONS

Table format:

Table I. Analysis result

B	CPTL	WH	NL	BE	Adj. R2	F
1,355	0,842	0,157	0,126	0,000	,821	354.321
	(31,014)	(1,432)	(2,865)	(0,007)		

Based on Table I obtained by the multiple regression equation as follows:

$$Y = 1,355 + 0,842 \text{ CPTL} + 0,157 \text{ WH} + 0,126 \text{ NL} + 0,000 \text{ BE}$$

- Description:
- Y = Income
 - CPTL = Capital
 - WH = Working Hours
 - NL = Number of Labor
 - BE = Business Experience

Partial Hypothesis test:

1. Variable Capital with a value of $t = 31.014 > t$ table with a significance level of 5% means a significant effect on earnings Capital SMEs.
2. Variable Working Hours with a value of $t = 1.432 < t$ table with a significance level of 5% Working Hours means no significant effect on earnings SMEs.
3. Variable Number of Labor with a value of $t = 2.865 > t$ table with a significance level of 5% Number of Labor means a significant effect on earnings SMEs.
4. Variable Business Experience with the value $t = 0.007 < t$ table with a significance level of 5% means that Business Experience no significant effect on earnings SMEs.

Simultaneous Hypothesis Testing:

Simultaneously based on Table I it can be seen the value of $F_{count} = 354.321 < F_{table}$. This means that simultaneously factors Capital, Working Hours, Number of Labor, Business Experience significant effect on Income SMEs.

The coefficient of determination (Adjusted R Square) is equal to 0.821. This figure means that 82.1% variation of the dependent variable (Income) can be explained by the independent variable (Capital, Working Hours, Number of Labor, Business Experience), while for the remaining 17.9% is explained by other variables.

Classical Assumption Test:

Data in this study had a uniform distribution follows the diagonal line diagram plot, so that the data are normally distributed. Multicollinearity test known that the value of the variable Tolerance Capital, Working Hours, Number of Labor, Business Experience of more than 0.1 and VIF less than 10, so that data is not contained multicollinearity problem. Spearman test results known to the significant value of each

variable over 0.05 so there is no data heteroscedasticity problem. Durbin-Watson berada value in daerah H_0 diterima namely $D_u < DW < 4 - D_l$ [D_u so that it can be concluded that there is no problem of autocorrelation in the data.

Table 2. Analysis result

B	OP	BE	Adj. R2	F
7,387E7	0,007	0,028	,986	1,091E4
	(149,598)	(14,249)		

Based on the table regression equation as follows:

$$Y = 7,387E7 + 0,007 \text{ OP} + 0.028 \text{ BE}$$

- Description:
- Y = Income
 - OP = Online Promotion
 - BE = Business Experience

Online Promotion unknown variable t value = 149.598 > t table and a significance value of 0.000. This means Online Promotion strengthens SMEs total revenues. Business

Experience unknown variable t value = 14.249 > t table and a significance value of 0.000. This means that Business Experience strengthens against revenue growth of SMEs.

V. CONCLUSION

This research found that simultaneously factors Capital, Working Hours, Number of Labor, Business Experience significant effect on Income SMEs. But, partially only capital and number of worker significantly influence SMEs income. With this result, the SMEs may seek to increase the amount of venture capital in order to increase revenues. The addition of venture capital can be done through the help of non-bank financial institutions and banks as well as assistance from the government.

Furthermore, also found that online promotion and business experience strengthen income for SMEs. It shows that the era of globalization need to be captured by SMEs as a huge potential market. Media marketing in this sector is mostly done online. Meanwhile, business experience also proved to strengthen SME revenues, this means that entrepreneurs who are always doing new innovations and the tendency of buyers to consume the products of the brand that has been around a long time.

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