# STRATEGIC PARTNERSHIP MODEL IN DEVELOPING THE LOCAL ART AND CULTURE-BASED CREATIVE ECONOMY

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#### **ABSTRACT**

The current development of the creative economy in Cikadut Tourism Village (Desa Wisata Cikadut) is one of the concerns of many parties and is expected to contribute to the Gross Domestic Product (GDP). This research aims to mainly identify the development process of the local district's creative economy ecosystem based on local culture supported by the human resource competency of business actors. Besides, this study aims to identify the partnership model and investigate the effect of training and development on the welfare of business actors seen from their revenue. This research was conducted in Cikadut Village from April to September 2020. The method of this research is a descriptive analysis using a t-test. The results of this study reveal that Cikadut Village has the potential to be developed as the local creative district. In reaching that goal, there should be collaboration among the government, private sectors, community, academicians, and media. Besides, training and development can increase the welfare of business actors.

**Keywords:** Creative Economy, Partnership Model, Competency.

#### INTRODUCTION

Based on the data from the Indonesia Creative Economy Agency, the creative economy continues to show a positive growth trend every year. From 2010 to 2015, the contribution of the creative economy sector to the GDP increased from 525.96 trillion to 852.24 trillion rupiahs. The contribution to GDP in 2015 increased by 4.38 percent from the previous year. This value contributed to the national economy of around 7.38 percent, dominated by the culinary, fashion, and craft sub-sectors. The creative economy sector creates job opportunities, reduces poverty, increases export competitiveness, and strengthens Indonesia's national cultural identity providing the "soft-power" diplomacy instrument in the global environment. It is also believed that the creative economy sector has a multiplier effect on stimulating the real sector and other industries. From those descriptions, we can see that it is potential for the local government, including the West Java provincial government, to optimize the creative economy sector as its primary activity and the featured product. One of the potentials to develop is the local creative economy region or the tourism village. A tourism attraction will also enhance the creative economy activities in that particular area. For example, a tourism site can provide local culinary and sell merchandise and crafts made by the local community near the tourism site. The culinary sub-sector contributed to the creative economy sector by 41.40 percent, while the craft sub-sector contributed 15.40 percent (Indonesia Creative Economy Agency, 2016). It means these two sub-sectors are potential in driving the local economy if they are managed optimally. According to the United

1

Nations World Tourism Organization (UN-WTO) stipulation, cultural tourism provides the local community with vast opportunities to improve welfare (Leonandri & Rosmadi, 2018). To realize it, however, there are many issues that we often encounter. One of them is the lack of synergy between the local society and other stakeholders. Synergy will facilitate the robust development of the creative economy. Another issue relates to the inappropriate decisions because they are not made based on the real potential by looking at the strengths, weaknesses, opportunities, and threats. Therefore, the results of this study are expected to provide an overview of the above description. So, it can create a conducive creative economy ecosystem and connect and benefit all parties involved in this sector. The objectives of this research is to identify the process of building the local creative district ecosystem to support the creative economy by developing the Cikadut Tourism Village based on local culture, to identify the partnership model for the development of Cikadut Tourism Village in Bandung Regency and to identify the effects of Cikadut Tourism Village development on improving the well-being of the surrounding region.

## LITERATURE REVIEW

## **Local Creative District**

Based on the Reports of Creative Economic Agency in 2010, as released by the United Nations Conference on Trade and Development (UNCTAD), the creative economy is a growing concept based on the creative assets that can boost economic growth and development. The primary purpose of a creative economy is a creative industry. Presidential Instruction Number 6 of 2009 concerning Creative Economic Development mentions several things, including the development of a creative economy based on arts and culture depending on creative human resources and the assistance of relevant private parties.

Local creative district acts as a medium of growth for the creative economy. The creative economy based on local creative district can be a regeneration of a region or city, which is an inclusive and structural measure directing at the positive conversion of residential, commercial, and open spaces into the places with social or cultural values. These places can increase the economic, physical, and environmental situation (Pourzakarya & Bahramjerdi, 2019). This is in line with what has been explained by Fredin & Jogmark (2017) The debate on culture as one of the key drivers of entrepreneurship and regional economic growth is well established in the academic debate (Fredin & Jogmark, 2017). Culture is widely known as a driver of entrepreneurship and regional economic growth (Andersson & Larsson, 2016). Evidence from past studies clearly shows that the evolution of culture is directly associated to the industrial (Aoyama, 2009; Nijkamp, 2003).

#### **Ecotourism**

Ecotourism is closely related to nature and the environment, whose development can preserve the local community's environmental sustainability and welfare (Arida, 2009). So, it can be stated that ecotourism benefits the local community because the cultural and natural resources can be developed into sustainable, responsible, and profitable tourist attractions. According to Utomo & Satriawan (2017), some key points that should be noticed when developing ecotourism are product attractiveness, human resources, the strong motivation of the local community, infrastructure, supporting tourism facility, institution or management of the tourism site, and the area to be further developed as the tourism destination. Thus, it is essential

to develop village tourism to increase the local community welfare because it will accelerate the local development and increase its revenues (Chiu et al., 2016). Another factor that's also required to complete this is through training and development, Training is a process in carrying out learning involving the acquisition of skills, concepts, regulations, or attitudes to improve the organization's human resource performance (Simamora, 2006).

## **Partnership**

A partnership is a business strategy carried out by two or more parties within a certain period to gain mutual benefits with the principle of mutual need and growth together. The formal concept of partnership is stipulated in Law No. 9 of 1995, stating that a partnership is a form of cooperation between small and medium enterprises or large businesses, accompanied by continuous fostering and development by medium or large businesses by following the principles of mutual need, mutual strengthening, and mutual benefit. According to Gutama (2000), a partnership is a form of mutually beneficial cooperation between large businesses and small businesses or between two large businesses to boost growth.

## **METHODOLOGY**

This present study employs descriptive analysis and t-test. Data employed in this study are primary and secondary data, where the primary data are obtained through a questionnaire, interview, observation, and focus group discussion (FGD). The field research was conducted from April to September 2020. The secondary data is obtained from various literature related to MSMEs and publications from the Department of Tourism and Culture of Bandung Regency. This research employs the census technique, where we studied the 30 entrepreneurs in Cikadut Village. The validity and reliability test was passed by the research instrument used in the 30 samples. Their businesses are in the area of culinary, craft, and fashion. In this study's questionnaire, we compare the revenue of those entrepreneurs before and after tourism village development. Besides, we investigate their assessment of this tourism site using the Likert scale (from 1 to 4).

## **Hypothesis**

The Cikadut Village Project Plan, based on a creative economy, has the possibility to be realized through the support of sufficient resources, The ABCGM partnership model is considered suitable for the development of the creative economy in the village of Cikadut, which should improve the welfare of the Cikadut Rural people.

## **Development of Local Creative District**

The development of tourism possesses a crucial meaning if seen from various aspects. Tourism contributes to the foreign exchange reserve; creates job opportunities, expands formal and non-formal business sector, increase the revenue of the central and local governments through tax and retribution, and supports equitable economic development as reflected from the annual Gross Domestic Product (GDP) (Dewatmoko & Herwany, 2016). Based on our study, Cikadut Village has several potentials to be developed as a Tourism Village, emphasizing the local creative economy's development. Those potentials can be developed if the parties such as governments, private sectors, community, academicians, and media properly collaborate. The

tourism of Cikadut Village relates to nature tourism, village culture, and educational tourism. A destination can be attractive if it provides attractive objects, adequate access, reliable facilities, and is managed by a professional tourism organization. Datzira-Masip (2006) suggests that the impact of tourism objects involves infrastructure, facilities, services, activities and understanding. Even so, according to Fletcher et al. (2017), tourism development contains of attraction, accessibility, amenities, ancillary services and institutions. Cikadut Village has fulfilled those criteria, so it can be stated that Cikadut Village has tourism attractions. The attractions are then studied and analyzed. Based on the analysis of Cikadut Village's potentials, we then performed training and development for the business actors there.

## **Descriptive Statistics**

This study's assessment scale uses four levels, namely, poor, fair, good, and excellent. The range of the score is determined by subtracting the highest score by the lowest score and then divided by four. Therefore, the assessment results can be shown as follows: Poor level (30-52.5); Fair (52.6-75); Good (75.1-97.5); Excellent (97.6-120). We researched 30 business actors in the culinary, fashion, and craft fields in Cikadut Village. We attempted to find out their views on the success rate of the local creative district in Cikadut Village. The success rate is seen from several indicators as proposed by Utomo & Satriawan (2017), namely product potential and attractiveness, supporting human resource, the motivation of the community, adequate infrastructure, supporting facilities for tourism activities, institutions that regulate tourism activities, and the availability of land or area that is possible to develop. The results of the assessment are as follows Table 1:

Table 1 VIEWS OF BUSINESS ACTORS ON THE POTENTIAL OF CIKADUT TOURISM VILLAGE								
Indicator	Score	Assessment						
Product potential and attractiveness	107	Excellent						
Supporting Human Resources	72	Fair						
Motivation of the Community	53	Fair						
Infrastructure	79	Good						
Supporting facilities	79	Good						
Institutions regulating tourism activities	55	Fair						
Availability of space	110	Excellent						

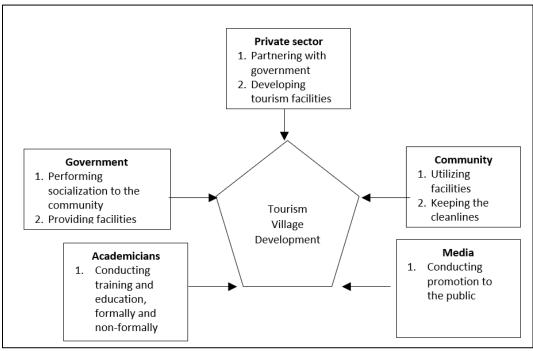
Source: Processed data, 2020.

From the results of this study, we find that the average score is 79.29 (good) of the maximum of 120 (excellent). That score indicates that the community of Cikadut, primarily the business actors, believe there is a potential for success in developing the local creative economy in Cikadut Village. The largest score given by our respondents is for the indicator of the availability of space of 110. Cikadut Village has 295 hectares or 7.27% of the total area of Cimenyan District, Bandung Regency. Based on these data, the Cikadut Village area has the potential and attractiveness to be developed if managed optimally. This statement is in line with the research result with a value of 107, indicating that Cikadut Village has potential and attractiveness. Meanwhile, the smallest score given by our respondents is for the indicator of the motivation of the community of 53. It is in line with the FGD result, where one of the obstacles was the lack of motivation from the entire community in developing the local district's creative economy in Cikadut Village. So, it should be the concern of all stakeholders. The next

supporting factor is the indicators of infrastructure and supporting facilities, which are in the third and fourth position scoring equally 79. The infrastructure and supporting facilities are in a good category so that they can still be improved. The supporting human resource scores 72 out of 120. This result is also consistent with the FGD result, revealing that supporting human resources is also an issue in the development process.

## **Partnership Model**

A creative economy in the tourism sector requires specific business strategies by paying attention to strategic environmental analysis. Environmental analysis, therefore, should consider both external and internal factors (Muizu, 2016). It can be summed up that realizing the local creative district in Cikadut Village will require a synergy among various stakeholders. Those stakeholders include government, community, private sectors, academicians, and media (known as ABCGM). The synergy among those parties is commonly known as the Pentahelix. According to Soemaryani (2016), Pentahelix Model refers to developing synergy among several institutions to reach the shared goal. Thus, the partnership model formulated in this study is as follows:



Source: Processed data by researcher, 2020

# FIGURE 1 PARTNERSHIP MODEL IN CIKADUT VILLAGE

The model in Figure 1 shows that it is essential to form synergy among the five parties. So, the shared goal of developing Cikadut Tourism Village will be realized. The village government has been keen on developing the tourism village by socializing the economic benefit of the tourism village to the community and providing supportive regulations. Moreover, the government has started to make some approaches to the private sectors for possible collaboration. The private sector has provided support for the development of Cikadut Tourism

Village by collaborating with the government in developing tourist villages by sharing the profit from the sales of tickets. Also, the private sector has developed tourist facilities by; establishing new natural attractions, such as family campsites, restaurant houses exposing the beauty of the village; establishing culinary spots supporting the development of Cikadut village tourism; and holding cultural arts festival regularly to introduce, display and strengthen the cultural arts of Cikadut village. The private sector has also provided spaces to the community of Cikadut Village to run a business. Besides, the private sector has given and prepared additional sanitary facilities, such as garbage cans.

The community has also taken part in supporting the development of tourism village by conducting several activities, such as adequately utilizing the provided facilities from government and private sectors, accepting the idea of village tourism, sharing this information in their social media, keeping and maintaining the village environment to provide comfort for the tourists, and realizing that the tourism village will improve their economic condition. The improvement of social welfare will be attained if the community itself can create synergy with other stakeholders in utilizing the provided facilities.

The academicians have been involved in developing the tourism village by performing several activities. These activities include training and education, both in the formal and nonformal ones in tourism and human resources (Soemaryani, 2016). Moreover, the academicians in this study presented similar studies to be applied in Cikadut village and performed community service programs.

According to Fatimah & Naldi (2019), the Pentahelix model is useful for developing the tourism sector. Through the "Knowledge Power", the academicians can provide solutions and discussion related to the tourism sector development. In the aspect of tourism business, this study has found that tourism can boost the community's economy through effective marketing and promotion strategies. Additionally, Fatimah & Naldi (2019) reveal that there should be good cooperation between the government and the local community because it can help the government to promote the village. The model of Pentahelix is a concept of development, where the academicians, business entities, local community, government, and mass media work together in accelerating the development process of a tourism site. This model is the best solution because it contains several values: solidarity, mutual support, and cooperation in achieving targets. Regional cultural values, in unique the heritage of the Sundanese, which are still retained by the Cikadut Village Community, become their own attraction for tourists, these values are maintained and sustainable, even though the ABCGM gets involved to advance the Cikadut Village, this intervention actually makes rich cultural values which the people of Cikadut Tourism Village still treasure.

## **Impact Analysis of the Tourism Village Development**

The capability of a business entity, primarily the creative industry, in managing human resources is highly dependent on the managerial capability to create, modify, and utilize the existing competencies. The following figure shows the revenue before and after the development of the tourism village.

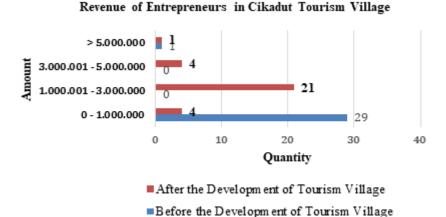


FIGURE 2
DIFFERENCE IN REVENUE OF CIKADUT BUSINESS ACTORS BEFORE AND AFTER THE DEVELOPMENT OF TOURISM VILLAGE

Figure 2 shows a significant change or difference in revenue of the business actors under this study, before and after the development of Cikadut Tourism Village. Before the development of this tourism village, 96.67 percent or 29 business actors had revenue of less than a million rupiahs, and only one of them (3.33 percent) had revenue above five million rupiahs. That business actor who earned more than five million rupiahs is running the fashion business. After the development of the tourism village in April – 2020, the revenue of business actors generally increased. Business actors in this study declared that after the development of the tourism village, their revenue increased because more people came to the village. The local community of Cikadut also had more awareness to develop Cikadut Tourism Village by keeping the cleanliness of the area and building several facilities, such as a parking lot and toilet. Business actors in craft and fashion are given training in producing batik. They are trained to market batik, so they learn both the theoretical and practical aspects. The culinary business actors are trained to develop their cooking skills; look for the cheapest suppliers; create an attractive packaging; set a pleasant booth to attract visitors, and serve the foods nicely and uniquely. By doing so, they can increase the added value of their products. The craft business owners are trained by qualified trainers, so they can process particular material to have a higher economic value.

Furthermore, they are trained to maximize the natural resources around Cikadut Village, such as making Angklung, cups, and keychains. According to Nau et al. (2009), any training should enable the organizers to evaluate the provided topic. That is why, based on our study, we believe that our training and development topic has been suitable for the needs of the business actors in Cikadut because their revenues have increased.

The statistical test used in this is the t-test. It tests the difference of means between two data sets. The requirement to perform such a test is that the data must be normally distributed and homogeneous. The statistical results are shown in the Table 2 as follows:

# Table 2 STATISTICAL TEST RESULT OF THE PAIRED SAMPLES

Pai			Paired Dif	Paired Differences			Sia	
		Mean Std.	Std. Deviation	Std. Error	95% Confidence Interval of the Difference		t d	Sig. (2-
			Deviation	Mean	Lower	Upper		tailed)
Pair 1	Pre Development - Post Development	- 0.96667	0.55605	0.10152	-1.17430	-0.75903	- 9.522	9 0.000

Source: Processed Data, 2020

The t-test result shows that the significance value (2 tailed) is 0.000 (smaller than 0.05). Thus, there is a significant difference in the revenue between before and after the tourism village development.

#### CONCLUSION

Based on the results of this study, we can draw the following conclusions that Cikadut Village has a resource to be a creative tourism village economy that can be achieved through strategic partnerships between academics, business, society, government and the media. A good partnership between ABCGM will encourage tourists and visitors to Cikadut Tourism Village to improve the well-being of the Cikadut Village community.

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