

Creative Economy Development of Yogyakarta Government

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Abstract

In facing ASEAN Economic Community (AEC), Yogyakarta dealt with low-educated employees; quite high regional development imbalances; problems in industrial estate and airports infrastructure development caused by land acquisition; climate change which disturbs land productivity and sustainability of agriculture; the fact of being not a large industrial base; and DIY communities who are relatively creative. The research using qualitative methods. Data was collected through surveys and interviews to analyze the development of work systems and the structural dimension of batik and pottery sociotechnical creative industries covered aspects of human resources, technology, organization and policy settings. The results showed: (1) Yogyakarta has all kinds of creative industries but only batik and pottery become the mainstay; (2) the central government should provide ease of licensing and protection of trademarks, patents, or copyrights, while local governments should improve the quality of creative industries by conducting training and company coaching.

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Dalam menghadapi MEA, Daerah Istimewa Yogyakarta mempunyai tantangan yaitu: angkatan kerja berpendidikan rendah; ketimpangan pembangunan wilayah yang cukup tinggi; pembangunan infrastruktur kawasan industri dan bandara terkendala pembebasan lahan; perubahan iklim mengganggu produktivitas lahan dan kelangsungan usaha pertanian; bukan basis industri

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besar; dan masyarakat DIY cukup kreatif. Penelitian dengan metode kualitatif melalui pendekatan survey dan wawancara ini, melakukan analisis pengembangan dimensi struktural sistem kerja dan sosioteknik industri kreatif batik dan gerabah meliputi aspek sumber daya manusia, teknologi, pengaturan organisasi dan kebijakan. Hasil penelitian menyatakan: (1) batik dan gerabah merupakan andalan industri kreatif D.I.Y; (2) untuk menjaga kompetensi dan memenangkan persaingan dalam MEA, pemerintah pusat harus memberikan kemudahan perijinan dan perlindungan merk, paten ataupun hak cipta.; pemerintah daerah melakukan peningkatan kualitas indutri kreatif dengan melaksanakan pelatihan dan usaha binaan.

Introduction

ASEAN Economic Community (AEC) is a form of regional economic integration the which is planned to be Achieved by 2015. The AEC is an initiative of the ASEAN countries to Realize the ASEAN into a region's economy is solid and the economy accounted for in the International arena. With the AEC, the objectives to be Achieved is the free flow of goods, services and skilled labor, and freer flow of investment.

For Indonesia, the establishment of the AEC in 2015 will provide some challenges are not only internally in the country, but even more competition with other ASEAN

countries and other countries outside ASEAN, such as China and India.

In the intense competition that will have an impact on competitive prices, not just a commodity/product/service's flagship big industry, but also the SME sector due to the similarity of the characteristics of the product. In this case, we need to do is how to Indonesia as part of an ASEAN community is trying to prepare for the AEC take advantage of opportunities and quality of 2015.

The government has issued Presidential Instruction (Instruction) Number 11 Year 2011 on the implementation of the AEC Blueprint commitments in an effort to prepare

for the ASEAN free market. In the AEC Blueprint, there are twelve (12) the priority sectors to be integrated by the government. The sector consists of seven sectors of goods, namely the agro industry, automotive, electronics, fisheries, rubber-based industry, wood-based industries, and textiles.

Then, the rest are from five (5) service sectors, namely air transport, health, tourism, logistics, and information technology. These sectors in the era of MEA will be implemented in the form of exemption flow of goods, services, investment, and labor. So far, the steps taken by Indonesia by the government's strategic plan to deal with the AEC.

The main objective of the AEC 2015 is to make ASEAN as a single market-based production, where there is a flow of goods, services, investment and skilled labor as well as the free capital flows more freely.

AEC will be a good opportunity for Indonesia because of trade barriers will be reduced, and even become non-existent. It will have an impact on the increase in exports, which in turn will increase the GDP

(Gross Domestic Product) of Indonesia. Facing the AEC in 2015, Yogyakarta has an advantage in international trade commodities and ASEAN there are some important things or challenges to be faced.

As for the challenges faced in Yogyakarta in the face of the AEC, namely: (1) low-educated work force; (2) the existence of inequality and regional development are quite high; (3) development of infrastructure and industry friends constrained by here; (4) the climate change disrupts business continuity and productivity by agriculture; (5) instead of the large industrial base; and (6) the community is a fairly creative.

Shifting Patterns of Economic Activity

The current economic activity has been changed from the traditional economy that emphasizes the act of consumption, production, and distribution until the economic activity that emphasizes specialization. Liberalism is one of the traditional approach in the study of International Political Economy. Economic liberalism is rooted in the tradition of Adam Smith

and David Ricardo.

The key assumption of economic liberalism is in the long term the economy will benefit everyone if the market is allowed to operate freely without any intervention from the government. It is to consider the market as the most efficient tool to organize production and exchange of people and in this case the state is able to trade openly and freely with each other.

In the state's economy provides a legal system to enforce contracts and prevent corruption as well as unfair competition. So it can be understood that the liberal tradition emphasizes on international trade and the free market. As has been explained that a lot of economic activity that has been carried out according to some economists the world, are now starting to shift towards the improvement in the work that is ergonomic. Where to get the benefits and advantages in a business or economic activity then the need for a transparent work system.

According Sitalaksana, et al (2006), ergonomics is the study of the properties, capabilities, and limitations

of humans to design a working system so that people can live and work on the system and achieve the desired goals through the work effectively, safely, and comfortable. Ergonomics can be divided into two types, namely ergonomics ergonomics micro and macro.

Micro Ergonomics can be regarded as ergonomics in a small scope or traditional ergonomics. Activities analyze work postures workers, estimating productivity, design tools work, and so can be categorized as micro ergonomics. Thus, micro ergonomics is an ergonomic approach to a process aimed specifically at specific processes.

In general, macro ergonomics is an approach that is based on the design of the organization in a working system. Macro Ergonomics is defined as the top-down approach to socio-technical systems are applied in the design of the overall work on human interaction-job, human-machine and human interface software (Hendrick & Kleiner, 2001).

These approaches have the

purpose of optimizing the system design work and ensure the system is running with a harmonious work. Ergonomics macro instrumental in designing some socio-technical systems in relation to the "human-organization" and "technology".

Macro ergonomics is equated with the ergonomics organization. It is arguably can be justified because of the ergonomics organizations often talk on the scope of the system. However, for some cases might be due to ergonomics organizations are also often used in ergonomics micro level, for example in assessing the productivity of individuals or small groups regardless of cause (just want to know how much productivity) or a work function analysis, and etc.

Dimensions Structural Work System

The basic concept of the structural dimensions of a working system that is organization and organization design. The organization is the planned coordination of two or more people who run functions on a relatively continuous basis and through division of labor and a hierarchy to achieve certain goals.

Dimensional structural work system had complexity, which is the degree of differentiation and integration that is in a working system. Differentiation is the level of segmentation, which consists of three types:

1. Vertical Differentiation, referring to the form of organizational structure. The increasing differentiation, then so is its complexity due to the number of hierarchies in the organization increases.
2. Differentiation horizontal, refers to the degree of differentiation between the units based on the orientation of its members, the nature of the tasks they carry out, as well as the level of education and training.
3. Spatial Dispersion, refers to the degree to which the location of offices, factories, and staffing a geographically dispersed organization. Geographically dispersed organizations will be higher complexity.

Generally, if the differentiation of work systems increases, the need for increased integration mechanisms.

This happens because of greater differentiation increases the number of units, levels and departments must communicate with each other, coordinate with each activity, as well as controls for efficient operation.

Research Method

The research was conducted by using qualitative methods. Data was collected through surveys and interviews to analyze the development of work systems and the structural dimension of batik and pottery sociotechnical creative industries covered aspects of human resources, technology, organization and policy settings.

Result and Discussion

Creative Industry Development Policy in Yogyakarta

Yogyakarta has a cultural tradition, which is supported by the existence of minority groups who has a tradition of creative and high scientific, scattered in various academic disciplines in 133 campus spread in Yogyakarta. In addition, it is also supported by a number of young innovators in the field of creative

industry, based campus, especially in the field of information technology (IT), which seeks in the middle of the city and in craft clusters in the countryside. In other words, Yogyakarta has a creative human resources that could support the economy.

Economic growth in Yogyakarta is inseparable from the contribution of the tourism sector and the creative economy is the main sector that drives economic development in the province. Mutually reinforcing synergies between these two sectors will basically bring the peculiarities in the economic development of Yogyakarta.

Creative economy is able to increase the value of tourism to be one of the attractions for the tourists visiting a tourist area as well as a media campaign for the tourism sector. Instead, the progress of the tourism sector is directly proportional to the increase in demand for creative work.

The concept of tourism activities can be defined by three factors, namely something to see, something to do, and something to

buy. In three of these components, the creative economy in Yogyakarta role as "something to buy".

The object and tourist attractions in Yogyakarta has attracted foreign tourists and domestic tourists. Based on data from the Department of Tourism of Yogyakarta Provincial Government in 2010 was 1,45698 million tourists visit, with details of 152.843 from overseas, and 1.304.137 people from domestic.

A form of tourism in Yogyakarta include MICE (Meeting, Incentive, Convention and Exhibition), cultural tourism, nature tourism, special interest tours, and various other tourist facilities, such as resorts, hotels, and restaurants.

There are 37 five-star hotels and budget hotels across the 1,011 Yogyakarta in 2010. As for the organization of MICE as much as 4.509 times per year, or about 12 times per day. Diversity religious ceremonies, and culture of the various religions and supported by a creative art, and the hospitality of the people, making Yogyakarta able creating cultural products and tourism are

promising. In 2010 there were 91 tourist village with 51 of which are worth a visit. Three tourist village in Sleman district was destroyed by Merapi eruption and 14 lightly damaged tourist village.

Some of the creative industry that drives the economy of Yogyakarta include a traditional Indonesian batik as the work has become an indispensable part. In addition to having high artistic and historical value is priceless, batik has also been able to provide economic benefits to the people of Yogyakarta.

World Craft Council (WCC) establishes Yogyakarta as the World Batik City on the 50th anniversary of the organization in Dongyang, Zhejiang province, China on 18 to 23 October 2014. The centers of sales and Yogyakarta batik industry include Malioboro Street, Beringharjo Market, Kampung batik Ngasem, Village Krebet, Sentra batik Giriloyo.

The Role of Technology in the Creative Industries

In the environment of the creative industries becoming dominant role of information technology in

producing creative work. Among the 13 groups of creative industries, at least 10 industries are closely linked to information technology.

The industry is the advertising industry, architecture, design, video, film and photography, interactive games, music, publishing and printing, computer services and software, television and radio, as well as research and development. The availability of hardware as a major supporter of the creative industry sector in data processing, producing, post-production and distribution.

The development of technology offers convenience in the manufacturing process became faster and increase the quality. Perpetrators of Micro, Small and Medium Enterprises (SMEs) as an integral part of creative industries not take advantage of advances in information technology (IT) to increase sales optimally. From 146 SMEs in Yogyakarta, it was found that the adoption of information technology by SMEs is still low. Generally these SMEs use the Internet to search for the information market (48.9%), and

design (42.7%). While online marketing activities was third at 32.3%. But for online transactions reached 15.6% (Wahid & Iswari, 2007).

The main problem facing the creative industries is a marketing technique to segment and a wider target. One of the results of research conducted by the DPPM UII stated that the main problem faced by the creative industries (among craftsmen bamboo) is a marketing problem. It is due to such low levels that lead to mastery of technology products can not compete with overseas products (DPPM UII, 2007).

In this regard, in an effort to increase revenue and competitiveness of creative industries need a comprehensive attempt. One alternative to improve the marketing is the marketing approach that is based on IT in the form of E-commerce portal.

Based on a study mapping the creative industries that have been made by the Ministry of Trade of the Republic of Indonesia in 2007 obtained information Industrial creative contribution to the Indonesian

economy which can be distinguished by five main indicators, based on: (a) Gross Domestic Product; (b) Employment; (c) The number of the Company; (d) Exports as well; (e) the impact on other sectors.

Table 1. Economic Statistics Profile Creative Industries Yogyakarta Province

Indicator	Unit	2010	2011	2012	2013	2014
Gross Regional Domestic Product (GRDP)						
Gross Value Added	Billion Rupiah	3.944,3	4.344,9	4.767,3	5.219,6	5.733,3
Growth of Gross Value Added	Percent		10,15	9,72	9,48	9,84
Value Percentage of Total the GDP	Percent	6,09	6,08	6,17	6,14	6,13
Employment						
Number of Workers	Person	105.091	107.856	112.661	109.889	113.922
Worker Participation Rate	Percent	5,58	5,57	5,66	5,63	5,63
Growth of Labor	Percent		2,63	4,45	-2,46	3,66
Labor Productivity	Thousand Rupiah per Worker	37.532	40.284	42.315	47.498	50.326
Export Value						
Export Value	Thousand Dollar		11.792	12.315,4	1.742,3	1.674,5
Export Growth	Percent			4,43	-85,85	-3,89
The Percentage of Exports To Total Exports	Percent		10,02	10,2	10,12	10,09

Source: Ministry of Trade of the Republic of Indonesia (2007)

Whereas Profile Contributions Gross Domestic Product Creative Industries has contributed to the GDP significantly Yogyakarta Province is the average contribution during the 2010-2014 period amounted to 4.8 trillion rupiah, or by the average percentage of contributions in 2010-2014 by 6.12% namely the above

contributions sectors: (1) mining and Quarrying; (2) Procurement of electricity and gas; (3) water supply, waste management, waste and recycling; (4) transportation and warehousing; (5) Financial services and insurance; (6) the company's services; (7) Health Services and Social Activities; (8) Other Services.

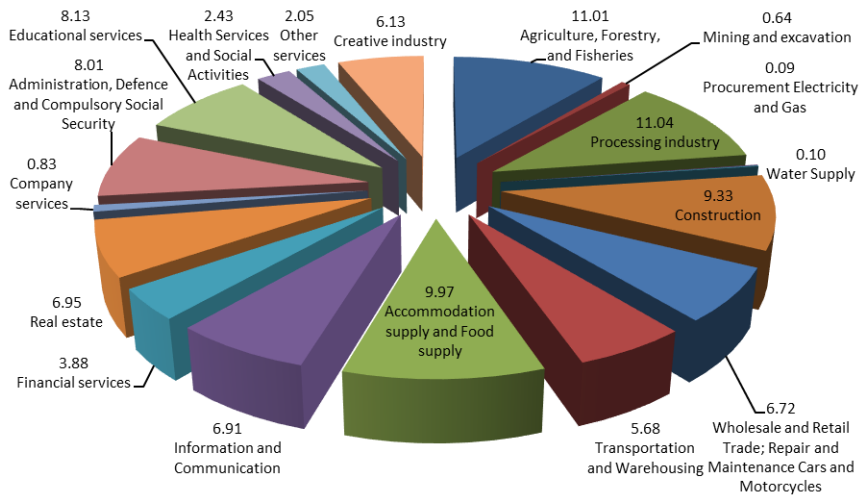


Figure 1. The value of GDP of 17 categories Main Business Fields and Creative Industry in Yogyakarta province Year 2014 Based on Current Prices (in Percentage).

In 2014, labor productivity in the creative industries sector is quite good. Has proved ranked sixth with a value of IDR 50.3 million/worker per year outperformed the Mining and Quarrying sector (45.9 million/worker

per year); Trade, hotels and restaurants (33.4 million/worker per year); Processing industry (31 million/worker per year); agriculture (21.9 million/worker per year).

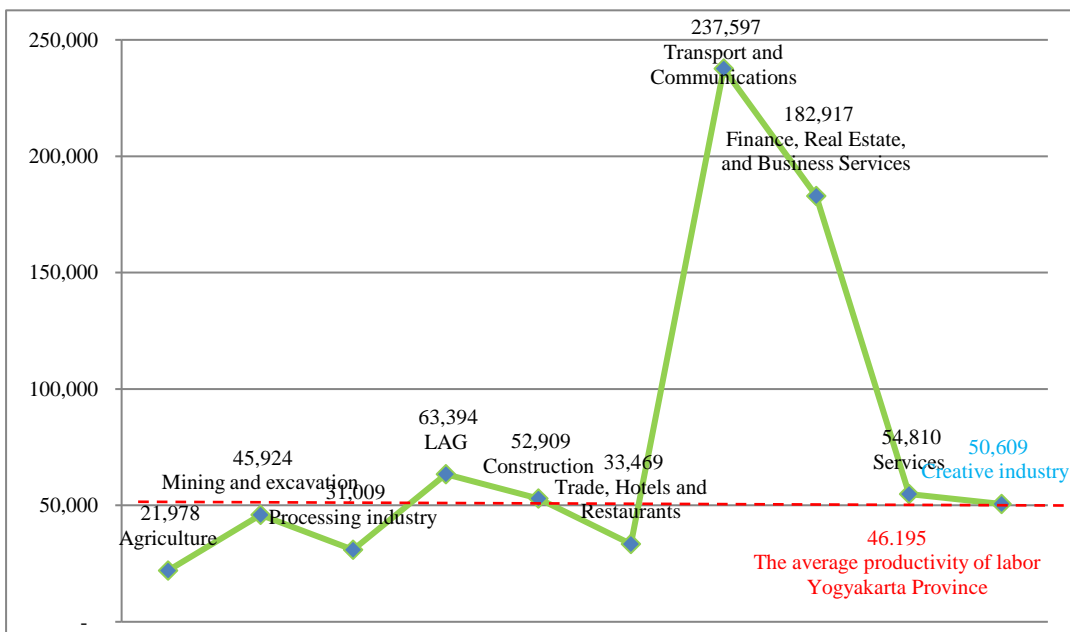


Figure 2. Labour productivity sectoral In 2014

Export Profile Yogyakarta Province

The main export commodities of Yogyakarta in December 2015 is a non-knitted apparel products (HS 62), which reached 40.08 percent, followed by goods - knitted goods (HS 61) of 13.67 percent; and furniture, home lighting (HS 94) amounted to 9.54 percent. Of the ten major commodities, then the lowest export value amounted to 1.99 percent is a commodity headgear (HS 65). Changes in the value of exports by commodities in December 2015 compared to November 2015 increased by 25.40 percent. From the ten major commodities, seven commodities have increased.

Three commodities with the largest increase is (1) Organic chemicals (HS 29) of 292.01 percent; (2) Wood, articles of wood (HS 44) of 131.36 percent; and (3) Plastics and plastic goods (HS 39) amounted to 65.53 percent. If the export of the Moon in December 2015 compared with conditions a year ago, as a whole decreased by 1.71 percent. Four out of ten major commodities declined. The following three commodities that experienced the largest decline, *first*, furniture, home lighting (HS 94) dropped by 27.08 percent. *Second*, non-knitted apparel (HS 62) dropped by 11.32 percent. *Third*, Feathers Poultry (HS 67) decreased by 8.70 percent.

Table 2. Exports according to Major Commodities Yogyakarta Province, December 2015 (in US \$)

No	Commodities	Dec 2014 (US \$)	Nov 2015 (US \$)	December 2015		Change (%)	
				Value (US\$)	%	Dec '14 – Dec '15	Nov '15 – Dec '15
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Knitted Garments	14.554.534	9.715.948	12.906.658	40,08	-11,32	32,84
2	Knitted goods	3.838.147	3.874.556	4.401.291	13,67	14,67	13,59
3	Furniture, home lighting	4.210.520	2.515.338	3.070.322	9,54	-27,08	22,06
4	Goods - leather goods	2.992.722	3.324.735	2.815.651	8,74	-5,92	-15,31
5	Organic chemicals	519.477	409.721	1.606.145	4,99	209,19	292,01
6	Plastics and plastic goods	890.499	654.114	1.082.723	3,36	21,59	65,53

No	Commodities	Dec 2014 (US \$)	Nov 2015 (US \$)	December 2015		Change (%)	
				Value (US\$)	%	Dec '14 – Dec '15	Nov '15 – Dec '15
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
7	feathers	902.993	841.768	824.401	2,56	-8,70	-2,06
8	Straw / wicker material	339.005	605.694	735.812	2,29	117,05	21,48
9	Wood, articles of wood	573.603	306.563	709.263	2,20	23,65	131,36
10	Headgear	569.563	662.992	639.617	1,99	12,30	-3,53
Total 10 commodities		29.391.063	22.911.429	28.791.883	89,42	-2,04	25,67
Other commodities		3.367.193	2.764.634	3.406.370	10,58	1,16	23,21
Total number		32.758.256	25.676.063	32.198.253	100	-1,71	25,40

The export value of the creative industries sector is mostly contributed by the fashion industry sector and subsector of the craft industry. There are many other creative industries subsector unrecorded exports, mostly due to the creative industry sector is engaged in services are likely to export the data has yet to be recorded properly by the export agencies Yogyakarta province.

The export value is the value of

exports is very optimistic given that most of the fashion industry we are still tolling, not actually touching the individual creativity of the people of Yogyakarta. Contribution of creative industries exports reached 10.09% that is optimistic, in which the Minister of Trade of the Republic of Indonesia stated that the contribution of the creative industries are realistically only 3-4%.

Table 3. Percentage Distribution of Value Exports From The Ten Largest Commodity and Top Ten Country Destinations in December 2015 (%)

Country	Commodities									
	Garments Not Knitted	Knitted goods	Furnishings & Lightnings	Leather goods	Organic Chemical Materials	Plastics & goods from plastic	Poultry feathers	Straw / Matting	Wood, Articles of Wood	Headgear
USA	46,66	83,86	18,50	35,45	1,30	36,53	87,91	59,90	6,22	13,78
German	19,55	0,00	7,64	6,31	0,00	0,24	0,00	2,15	18,89	0,00
Japan	4,73	10,16	1,92	18,34	6,99	35,19	10,13	0,00	0,39	21,58
English	5,06	2,38	2,00	3,22	0,29	2,30	0,00	4,05	3,24	17,95
Netherland	0,30	0,00	18,11	3,02	3,81	8,79	0,00	8,43	10,19	5,18
French	0,45	0,00	10,71	0,20	23,84	0,00	0,00	5,90	1,73	13,32
China	0,81	0,00	0,00	0,51	19,73	0,55	0,00	0,00	37,80	0,00
Australia	4,61	0,20	3,20	1,10	0,00	2,48	0,00	5,97	0,65	0,00
India	0,24	0,00	0,14	0,00	38,92	0,07	0,00	0,06	2,41	0,00
S. Korea	0,94	1,93	0,08	15,88	0,00	0,19	0,00	0,00	0,96	0,00
Other	16,66	1,48	37,70	15,96	5,11	13,65	1,96	13,53	17,51	28,20
Total	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00

Distribution of export value according to ten key commodities to the ten largest destination country, the United States is still the main destination most. Seven of the ten major commodities shipped to the country.

The commodity is not the knitted apparel (46.66 percent); knitted goods (83.86 percent); furniture, home lighting (18.50 percent); leather goods (35.45 percent); plastics and plastic goods (36.53 percent); Feathers (87.91 percent); and straw / plaiting materials (59.90 percent). Three other commodities, each the largest sent to Japan for the headgear of 21.58 percent; to China for commodity wood, articles of wood amounted to 37.80 percent; and the largest commodity organic chemicals sent to the Indian state of 38.92 percent.

Batik Creative Industries

Batik can be viewed as a Culture, Arts, Industry, Merchandise and others. Batik as an industry where the industry is the process of adding value, then the matter can be referred to as the batik industry because there

is no added value. Batik can also be traced as the value chain, from raw materials, production, technology, standards, technologies, and IPR. There is also the process of promotion and sales as well as institutional and access to capital.

Each point of the value chain to the above must have the resilience and stability so it does not cause an imbalance in the value chain of others. Batik is a work of creative industries are included in the classification of the craft, the freight market of art, design, fashion (fashion) and creative R & D. In 2012, national creative industries accounted for 7% or IDR 574 trillion to the gross domestic product. In the same year, batik exports reached USD 278 million. (Anas, 2012).

In facing the free market, BBKB have been doing analysis batik industry of the strengths, weaknesses, opportunities and threats, in essence as follows:

1. Strength
 - a. Batik Indonesia has characteristics typical Ornaments Indonesia,
 - b. Batik Indonesia recognized as

- a UNESCO World Cultural Heritage Objects.
 2. Weakness
 - a. Batik Indonesia has a higher production rates than other textiles.
 - b. Industry awareness of the value-added products is still lacking. (Packaging, Payment Option, e-Shop, Product Stories, etc.)
 - c. Almost extinction pembatik generation that still retains the values of valuable Batik Indonesia.
 3. Opportunity
 - a. Batik market expansion. Not only in the textile and clothing market, it could also target other markets with more leverage, (eg market: art, interior decorative products, collectible items, etc).
 4. Threat
 - a. Product option is similar but not the same as lower prices could still be targeting the market that do not understand what it Batik and the story behind it.
- Thus, the need for change

management in the batik industry in the face of free market AEC so that they can develop in a sustainable, especially Yogyakarta province were reviewed in four aspects include human resources, technology, and policy settings relevant organizations in supporting the competitiveness forces batik.

Based on information from the Head BBKB (Center for Batik), which says that soon the people of Indonesia will face the ASEAN Economic Community (AEC). In facing the the challenge, then the craftsmen requested must strengthen ourselves by always proactive, creative and innovative in developing its business.

In addition, the need for a change of mindset and continue to love the work product of the nation itself. To improve the quality of batik, batik makers must continue to implement efficiencies in implementing each stage of the production process, so it will gain added value. For that trainees are asked to submit problems related to batik that had been experienced, or when undergoing training in BBKB. In addition it should be considered in

the management of waste, so as not to disturb the environment and the survival of the surrounding community.

One of the problems in the aspect of human resources in the batik industry is almost extinction generation batik makers still maintain the values of valuable Batik Indonesia. So BBKB establish training programs and skills in the SME sector. This program is an effort to overcome the problems of the labor force in Yogyakarta. Based on discussions with Assistant II for the economy is charting Yogyakarta province, said that the biggest challenge in the development of creative industries is that most of the labor force with low education.

BKKB Yogyakarta explained that it had found some of the technologies that facilitate the process of making batik without changing the essence of quality and originality of batik. Here are some batik technology: a) Stove Batik; b) Stove Batik Stamps; c) Special Night Technology ZWA; d) Machinery dye spiral model.

The Role of Research and

Technological Development Batik and Handicraft able to assist SMEs in enhancing competitive advantages. The following research efforts that have been made are:

- a) Product Differentiation conducted research on the design and philosophy of batik is a better value than Batik Indonesia compared to other textile products. (Batik of our natural heritage, folklore, traditional ornaments, certain ceremonies, and others).
- b) Research conducted to reduce costs include:
 - 1) Research color gradation (color table) to save costs experiment
 - 2) The engineering aids to minimize unnecessary resource usage. (Spiral machine, tool bags, electric stove, etc.)

The Organisation Batik conservationist institutions should continue to open the eyes of the audience about “What is Batik, How and Why Batik” made. While the Institute for Research and Development as well as academic

circles conduct quality research and development and support the economy of Indonesia.

Based on the Regulation of the Minister of Industry of the Republic of Indonesia Number 74/M-IND/PEK/9/2007 concerning Use Batikmark “Batik Indonesian” which is made in Indonesia. For companies that are interested in obtaining a certificate. Batikmark of use apply to the Center for Crafts and Batik. Batikmark is a sign that identifies and characterizes batik made in Indonesia, which consists of three types: batik, printed batik, batik combination with a copyright number 034 100 dated June 5, 2007.

Batikmark given to provide quality assurance of Indonesian batik as well as increasing consumer confidence. Besides, it also provides legal protection from competitors. Environmental issues on waste batik can damage the image of Indonesian batik. Therefore it is necessary for efforts to protect and preserve the environment, so that Indonesian batik has a good image in the national and international circles. One effort to

elevate the image of Indonesian batik is made of batik products “environmentally friendly”.

This is in line with the increasing awareness of consumers and producers to the preservation and improvement of environmental quality, the patterns of consumption and production switch on the products 'environmentally friendly'. Ecolabel as a device that plays a role in policy patterns of production and consumption, ecolabel can be used to encourage consumers to choose products that have environmental impacts are smaller than other similar products ecolabel application by operators can encourage industry innovation with environmental sensitivity. Additionally Ecolabel can provide a positive image for a brand for products and companies that produce and / or distribute them in the market, which would be an investment for the improvement of market competitiveness.

Creative Industries Pottery Kasongan

Kasongan is a tourist destination village in Bantul, Yogyakarta. Famous for pottery tiles.

Located in the hamlet Kajen, Bangunjiwo Village, Kasihan Bantul, Yogyakarta. Located approximately 7 km from downtown Yogyakarta. The journey to this village in the travel for 30-40 minutes from the city of Yogyakarta. Kasongan Pottery is one of three flagship products of Yogyakarta, which is quite a lot to contribute in the development of SMEs in the province.

From the sale of pottery Kasongan able to strengthen public revenue index Yogyakarta. In addition, local governments Bantul (Industrial and Trade) attention to business development pottery. Kasongan Pottery according to data Industrial and Trade has been marketed till to Europe and Australia. In addition, Pottery Kasongan also able to compete with similar products from China and Thailand, which the two countries has also become one of the exporting Pottery.

In the Year 2016 was a year of implementation of the ASEAN economic community, it is a key question for the growth of SMEs Pottery Kasongan. To keep can make

Pottery Kasongan a top choice for importing country then there are some factors that are considered include the following:

First. Human Resources. Pottery Kasongan which is produced by locals. For ownership is usually a family business for generations. This is usually done on some Pottery SMEs who want to preserve the hallmark of his pottery. There is also hiring other people, but usually no more than 20 people. Such workers are also in the can from the community surrounding village Bantul. It is intended to reduce the cost incurred by the business owner.

Second. Organization. Pottery kasongan in strengthening existing organizations formed by Industrial and Trade Bantul, which the organization is one of the central cooperatives used as containers by craftsmen to market their products more widely. This organization bridging artisans with local and international buyers. This is due to the lack of understanding for the craftsmen in marketing their products, especially for export.

Third. Technology. To

continue to develop pottery, artisans have started to switch to using the latest technology. Many craftsmen who use tools that can produce pottery molds faster and more in a short time. Mechanical swivel in place is rarely used.

While the factors that supports the government policy Yogyakarta. There are several measures taken Industrial and Trade local governments Bantul Yogyakarta, especially in strengthening the SMEs Pottery. Among them is, helping SMEs Pottery that have products to grant a patent for its product. This is due to the government, through socialization in providing patent on a product is not difficult and the government bantul willing to help artisans who want to patent their products.

Other government policies bantul is, cultivate love domestic products, in particular the purchase of pottery kasongan. As well as, provide education on how the product sales out the country, so that the artisans who have been able to compete can market their own products without going

through the government bureaucracy.

Conclusions

Yogyakarta has all types of creative industries. With the creative industry products flagship are in the arts such as batik and pottery production process that involves the creative industrial design. Where the very significant role of Creative Industry can contribute 3 percent of GDP; and the creative economy sector recorded contributing to the creation of new jobs up by 30 percent. The development of creative industries in Yogyakarta is quite good, with the involvement of information technology into the production process so that the development of creative industries in the province would not be eroded with changing times.

The role and contribution of the creative industries to economic development in Yogyakarta significantly with GDP contribution worth 4.8 trillion rupiah (6.12%) and employment amounted to 5.61% (109 884) of the total workforce in the province. Creative industry products also occupy a central position in the export of commodities from

Yogyakarta Province, namely commodities clothes and knitted items and furniture that occupies the top 3 export commodities in the province, with a portion of the total value of exports amounted to less than 70 percent.

Organizing creative industries not well ordered, so it should be noted, utilization of existing community of creative industries in their respective fields such as the production of batik industry and community associations pottery industry is not maximized in providing support for the improvement of the capability and competence of the creative industries. Government policies that support the creative industries in line with the contribution of the creative industries to the government itself. The central government and local governments began issuing policies that pro with the creative industries to simplify licensing, patents, trademarks and various other conveniences. But in terms of the budget for development, ease of access to capital and so on has not done well.

To be able to create or maintain

competence in order to win the competition in the AEC steps are as follows: *First*, the central government should facilitate the licensing and protection of trademarks, patents or copyrights for further protection of the creative industries is also related to the preservation of national culture. The local government to carry out programs to improve the quality of creative industries through training and carry out the business target, but it also pays special attention to improving the quality of human resources as one of the inputs to the implementation of creative industrial production.

Second, the creative industry should continue to make efforts to improve the quality and competence related to human resources, organization, technology and policy support from the government. Organizing creative industries coordinated by local governments in the form of associations and cooperatives to be a forum of the creative industries to develop competence and quality.

Third, the use of technology

for the production process of creative industries, especially batik and pottery production process, the process of research and development has gone well and done by involving academics. Government support in delivering policies and services that are relevant to the development of creative industries conducted in various forms ranging from issuing policies that pro creative industries, simplify licensing, granting patents, trademarks and various other conveniences. The government also provides indirect support by preparing qualified labor force with better education, protection of the rights of the creative industries.

Recommendation

Creative industries should not be complacent and continue to develop the competence and quality. Development in order to achieve the production of creative industries effectively and efficiently thus increasing competitiveness in the free market. The use of technology will be in parallel with the changing times, and then organizing a more structured and systematic carried out in accordance with the expertise and

competency.

Supposedly the Local Government of Yogyakarta can provide support through policies such as simplifying licensing, patents, trademarks and various other facilities, government also provides indirect support by preparing the workforce more quality with better education, protection of the rights of craftsmen industry creative, and creative industries organized by the unit to gain measurable performance.

Academics should conduct research and development is expected to innovation and inventions related to the production process so as to make the production process of the creative industries more effectively and efficiently.

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