The Role of the Minister of Tourism and Creative Economy in Encouraging Innovation and Entrepreneurial Networks in the Creative Economy Sector in Indonesia

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ABSTRACT

The creative economy has become a driving force for economic growth and cultural development in Indonesia, with the Minister of Tourism and Creative Economy at the forefront of shaping policies and initiatives to support this sector. This research employs a mixed-methods approach, combining quantitative survey data and qualitative insights from in-depth interviews, to explore the Minister’s role in encouraging innovation and entrepreneurial networks in the creative economy. The findings reveal a generally positive perception of the Minister’s policies, with stakeholders acknowledging their effectiveness in promoting innovation and entrepreneurial networks. Networking and collaboration initiatives facilitated by the Minister are seen as instrumental in fostering connections within the sector. While challenges exist, including the need for enhanced funding accessibility and intellectual property protection, they present opportunities for policy improvement. The study contributes to a nuanced understanding of the Minister’s impact and offers policy recommendations to further enhance the growth and sustainability of the creative economy in Indonesia.

Keywords:
Minister
Tourism
Creative Economy
Innovation
Entrepreneurial Networks

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1. INTRODUCTION

In Indonesia, the creative economy has been growing steadily and has the potential to drive economic growth and cultural development. The creative economy contributes significantly to the country’s GDP, with the 2020 Creative Economy OPUS report showing that it contributed IDR 1,211 trillion to the national GDP, an increase from IDR 1,105 trillion in 2019 [1]. Three of the 17 sub-sectors in the creative economy—fashion, culinary, and crafts—contribute the most to the structure of GDP and exports, with 41% to culinary, 17% to fashion, and 14.9% to crafts [1]. The creative economy in Indonesia is becoming more competitive and innovative due to globalization, which demands creativity to stand out in the market [1]. This sector has also generated a large number of employment opportunities, helping to
alleviate unemployment in the country [2]. In addition to the leading sub-sectors of culinary, crafts, and fashion, other potential creative economy sub-sectors in Indonesia include film, application and games, music, photography, publishing, performing arts, and fine arts [3]. The development of the creative economy in Indonesia is supported by cross-sector collaboration among various stakeholders, such as the Penta Helix forces, which include government, industry, academia, community, and media [4]. This collaboration helps strengthen the organizational structure, program implementation, and organizational consolidation, leading to the growth of organizational capability and innovation in rural creative economy actors [4]. Secara garis besar, the creative economy in Indonesia has enormous potential to drive economic growth and cultural development. With a diverse range of sub-sectors contributing to the country’s GDP and employment, the creative economy is becoming more competitive and innovative. The growth of this sector is further supported by cross-sector collaboration among various stakeholders, fostering a conducive environment for the creative economy to thrive.

The Indonesian government recognizes the importance of the creative economy sector and has placed the Minister of Tourism and Creative Economy at the forefront of developing innovation and entrepreneurial networks within the sector. However, the creative economy faces several challenges related to innovation, entrepreneurship, and sustainable growth. Some of the main obstacles faced by creative entrepreneurs include. Creative entrepreneurs often struggle to secure financial support for their projects, as traditional funding sources may not recognize the value of creative industries or may be hesitant to invest in less-established sectors [5]. The lack of proper infrastructure, such as reliable internet connectivity, transportation, and facilities, can hinder the growth and development of creative industries [5]. Creative entrepreneurs may find it difficult to connect with other professionals, share knowledge, and collaborate on projects due to the fragmented nature of the creative economy sector [5]. Creative industries face intense competition, both locally and internationally, making it challenging for small and medium-sized enterprises (SMEs) to establish themselves and maintain a competitive edge [6]. Ensuring the protection of intellectual property rights can be a challenge for creative entrepreneurs [7], as the legal frameworks and enforcement mechanisms may not be well-developed or adequately enforced [6]. The creative economy sector requires a skilled workforce with specialized knowledge and expertise. However, there may be a lack of training and development opportunities for creative professionals, leading to a shortage of skilled talent and difficulty retaining top talent [5]. The pandemic has had a significant impact on the creative economy sector, leading to cancellations of events, reduced tourism, and decreased demand for creative products and services [8], [9]. To address these challenges, the Indonesian government and the Minister of Tourism and Creative Economy need to implement policies and initiatives that support innovation, entrepreneurship, and sustainable growth within the creative economy sector. This may include providing financial support, improving infrastructure, fostering collaboration and networking opportunities, enhancing intellectual property protection, and investing in skill development and talent retention [5], [10].

Research Justification

The need to critically assess the function of Indonesia’s Minister of Tourism and Creative Economy, with a special emphasis on their initiatives to foster innovation and forge robust entrepreneurial networks within the creative economy sector, is the driving force behind this study. The Minister’s plans and actions could influence the direction the creative economy takes, affecting not just the country’s economic development but also its cultural life. Given its vast cultural diversity and thriving creative sector, Indonesia is an especially important
country in which to understand the function of ministers in fostering innovation and entrepreneurship. In order to promote innovation and inspire entrepreneurial collaboration among stakeholders in the creative industry, the Ministry uses several methods, initiatives, and processes, which are the focus of this research.

2. LITERATURE REVIEW

2.1 The Creative Economy in Indonesia

Indonesia's creative economy has indeed gained significant attention as a vital contributor to economic growth and cultural identity [11]. The creative economy encompasses various sectors such as design, fashion, film, music, art, and technology-driven innovations, which act as catalysts for economic diversification and job creation1. The establishment of the Creative Economy Agency (BEKRAF) under the Presidential Regulation Number 6 of 2015 has accelerated the development of the creative economy in Indonesia [12]. In 2021, the creative economy contributed 1.274 trillion rupiah to the country's economy, with the culinary sector alone contributing 41% to the GDP of the creative economy [13]. To further strengthen Indonesia's creative economy, it is crucial for stakeholders to optimize innovation capacity through product and process innovation, producing superior and innovative products, and adopting the latest technology [14]. Additionally, fostering a culture of open science and preprints can help improve the quality and integrity of scholarly outputs from Southeast Asia [15]. Overall, the continued development and support of the creative economy in Indonesia will contribute to the country's economic growth, job creation, and cultural identity.

2.2 The Role of the Government in Creative Economy Development

The Indonesian government, through the Ministry of Tourism and Creative Economy, has been actively supporting the growth of the creative economy. This support includes implementing policies and programs that focus on fostering innovation, building entrepreneurial networks, and providing financial support to creative entrepreneurs [16], [17]. Some of the initiatives include the designation of green zones for tourism recovery in Bali [16], the development of tourist villages with strong government support and community involvement [17], and the promotion of Village Owned Enterprises based on the creative economy [18]. However, the COVID-19 pandemic has had a significant impact on the creative economy sector in Indonesia. In response to this, the Indonesian government has been working to recover the sector through various measures. One such measure is the RISE (resilience, intention, sustain, and endurance) model, which involves tax and loan relaxation, social and health assistance, and capacity building [19]. Despite these efforts, the expected outcomes have been far from satisfactory, as the government's intervention during the first year of the pandemic was found to be ineffective due to weak preparation of creative economy recovery policies according to the needs [19].

2.3 Policies and Initiatives for Innovation

Innovation is central to the growth and sustainability of the creative economy. Governments can stimulate innovation through policy interventions, funding mechanisms, and the facilitation of collaboration among creative industry stakeholders [7], [20], [21]. For instance, the United Kingdom's Creative Industries Council has successfully promoted innovation by fostering partnerships between creative industries and universities. In the Indonesian context, the Ministry of Tourism and Creative Economy has introduced several policies aimed at fostering innovation. These include incentives for research and development in creative sectors, support for startups and innovation hubs, and initiatives to connect creative entrepreneurs with technology and design resources [22]–[24].

2.4 Entrepreneurial Networks and Collaboration

Entrepreneurial networks are crucial for creative entrepreneurs to access resources,
knowledge, and market opportunities. Building such networks often requires the involvement of government agencies to facilitate collaboration between creative firms, educational institutions, and investors [25], [26]. In Indonesia, the Ministry of Tourism and Creative Economy has actively promoted entrepreneurial networks through programs such as creative industry clusters, business incubators, and market access initiatives [27]–[30]. These efforts aim to create an ecosystem where creative entrepreneurs can thrive through collaboration and innovation [31], [32].

2.5 Knowledge Gaps
While there is a growing body of literature on the creative economy and government support, there is a limited understanding of the specific role played by the Minister of Tourism and Creative Economy in Indonesia. Existing studies often focus on general government support for the creative economy without delving into the Ministry’s policies, strategies, and their impact on innovation and entrepreneurial networks.

Furthermore, there is a need to explore the perceptions and experiences of creative entrepreneurs, policymakers, and industry experts regarding the effectiveness of the Ministry’s initiatives. This research aims to bridge these knowledge gaps by providing a comprehensive analysis of the Minister’s role in encouraging innovation and entrepreneurial networks within the creative economy sector in Indonesia.

3. METHODS
This research utilizes a mixed-methods research design, which combines quantitative and qualitative research approaches. This approach allows for a comprehensive exploration of the role of the Minister of Tourism and Creative Economy in fostering innovation and entrepreneurial networks in Indonesia’s creative economy sector.

3.1 Research Philosophy
The research philosophy used in this study is positivism. Positivism suits the purpose of this study, which is to establish an empirical relationship between the Minister’s policies and the performance of the creative economy sector, with a focus on measurable outcomes and causal relationships.

3.2 Data Collection Methods
3.2.1 Quantitative Data Collection
Survey Questionnaire: Quantitative data will be collected through a structured survey questionnaire distributed to 255 players in the creative economy sector in Indonesia. The survey instrument will include Likert-scale questions and closed-ended questions. These questions will be designed to measure the perception and impact of the Minister’s policies on innovation and entrepreneurial networks.

The questionnaire will be pretested to ensure clarity, relevance, and reliability. A pilot study will be conducted with a small group of participants to identify and address potential issues in the survey instrument.

3.2.2 Qualitative Data Collection
In-depth Interviews: Qualitative data will be collected through in-depth interviews with a selected group of key informants. These informants will include policy makers, creative entrepreneurs, industry experts, and representatives from relevant organizations. A semi-structured interview guide will be used to facilitate open discussions. The interviews will explore their perspectives on the Minister’s role in fostering innovation and entrepreneurial networks within the creative economy sector.

The sample for the interviews will be purposively selected to ensure that the participants have direct knowledge and experience related to the creative economy sector in Indonesia and the policies of the Ministry.

3.3 Data Analysis
Quantitative data collected through the survey questionnaire will be analyzed using statistical software, specifically SPSS (Statistical Package for the Social Sciences). Descriptive statistics such as frequency, mean, and standard deviation will be used to summarize and describe the data. Qualitative data obtained from in-depth interviews will
be transcribed and analyzed using thematic analysis. This approach involves systematically identifying themes, patterns and categories in the interview data. These themes will relate to the Minister’s role, policy effectiveness, challenges, and opportunities in fostering innovation and entrepreneurial networks within the creative economy sector.

4. RESULTS AND DISCUSSION

4.1 Quantitative Results

The demographic characteristics of survey participants provide insight into the sample composition and representativeness of respondents. Below are some key findings and observations:

The survey included a balanced gender representation, with 48% male and 52% female respondents. In addition, a small proportion (2%) identified as "Other/Choose not to say." This balanced representation ensures that the study captures diverse perspectives. The age distribution showed that the largest group of participants were in the 25-34 years category, comprising 34% of the sample. This was followed by the 35-44 years category at 26%. The distribution across different age groups reflects a relatively even distribution among working-age individuals. The majority of participants had either a Bachelor’s degree (44%) or a Master’s degree (34%). This indicates a highly educated sample, which is often expected in research involving the creative economy, where specialized knowledge and skills are prevalent. The largest group of respondents were those working full-time (62%), followed by those working part-time (16%). Most participants were self-employed (12%), which is characteristic of the creative economy sector, where many people pursue entrepreneurial ventures. The distribution of participants based on their experience in the creative economy sector shows that a significant number of participants have been involved for 7-10 years (26%) and more than 10 years (30%). This suggests that the survey captures the perspectives of both newcomers and seasoned professionals in the creative economy.

4.2 Perception of Ministerial Policy

Table 1. Perception of Ministerial Policies

<table>
<thead>
<tr>
<th>Perception of Policy Effectiveness</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Effective (5)</td>
<td>78</td>
<td>31.2%</td>
</tr>
<tr>
<td>Moderately Effective (4)</td>
<td>105</td>
<td>42%</td>
</tr>
<tr>
<td>Neutral (3)</td>
<td>42</td>
<td>16.8%</td>
</tr>
<tr>
<td>Somewhat Ineffective (2)</td>
<td>18</td>
<td>7.2%</td>
</tr>
<tr>
<td>Not Effective (1)</td>
<td>12</td>
<td>4.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>255</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data (2023)

Respondents in this survey were asked to rate their perception of the effectiveness of the Minister of Tourism and Creative Economy’s policies in promoting innovation in the creative economy sector. On a scale of 1 to 5, where 1 represents "Not Effective" and 5 represents "Very Effective", the average score was 3.8. This indicates a generally positive perception among stakeholders regarding the impact of the Minister’s policy on innovation.

4.3 Impact on Entrepreneurial Networks

Table 2. Impact on Entrepreneurial Networks

<table>
<thead>
<tr>
<th>Impact on Entrepreneurial Networks</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Positive (5)</td>
<td>95</td>
<td>38%</td>
</tr>
<tr>
<td>Positive (4)</td>
<td>105</td>
<td>42%</td>
</tr>
<tr>
<td>Neutral (3)</td>
<td>30</td>
<td>12%</td>
</tr>
<tr>
<td>Negative (2)</td>
<td>15</td>
<td>6%</td>
</tr>
<tr>
<td>Highly Negative (1)</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>255</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data (2023)

Similarly, respondents were asked to rate the impact of the Minister’s initiatives on the development of entrepreneurial networks in the creative economy sector. The mean score in this regard was 4.0, indicating a slightly more positive perception of the Minister’s role in developing entrepreneurial networks.

4.4 Qualitative Insights
The in-depth interviews provided valuable qualitative insights into the mechanisms and perceptions surrounding the Minister’s role in the creative economy sector.

**4.5 Policy Effectiveness**

Several interviewees highlighted specific policies and initiatives that they considered effective in promoting innovation. These included grants and incentives for creative startups, support for collaborative projects between creative entrepreneurs and technology companies, and efforts to showcase Indonesian creative products on international platforms. One interviewee said, “The Minister’s policies have created a conducive environment for innovation to flourish.”

**4.6 Networking and Collaboration**

Interviewees also emphasized the importance of networking and collaboration in the creative economy. They mentioned the Ministry’s role in organizing industry events, workshops, and networking forums that facilitate connections between creative entrepreneurs, investors, and mentors. One interviewee stated, “The Ministry’s efforts in networking have been instrumental in our growth. We have found new partners and clients through these events.”

**Discussion**

The findings of this study offer some insights into the role of the Minister of Tourism and Creative Economy in Indonesia’s creative economy sector.

**Positive Perceptions of Policy**

The survey results show generally positive perceptions among stakeholders regarding the effectiveness of the Minister’s policies in promoting innovation. This is in line with qualitative views, where interviewees highlighted specific policies that have had a positive impact on the sector. The Minister’s support for research and development, funding opportunities, and international exposure for creative products have been recognized as contributing to innovation [33]–[36].

**Importance of Networking**

Qualitative findings underscore the importance of networking and collaboration within the creative economy sector. The Minister’s role in organizing events and initiatives that facilitate connections among creative entrepreneurs has been well received. Networking opportunities have enabled entrepreneurs to access resources, share knowledge, and explore collaborative ventures, all of which are critical to entrepreneurial success [27], [37].

**Challenges and Opportunities**

While this research highlights the positive aspects of the Ministerial role, it also points to challenges and opportunities. Respondents in the survey and interviewees recognized that there is still room for improvement. Challenges include the need for more accessible funding mechanisms, better protection of intellectual property, and further development of creative skills. These challenges provide opportunities for the Ministry to refine its policies and initiatives to better support the sector.

**Policy Recommendations**

Based on the findings, it is evident that the Ministry’s role is critical in fostering innovation and entrepreneurial networks. To further enhance its impact, the Ministry may consider the following policy recommendations:

1. Improved Funding Accessibility: Streamlining and simplifying access to funding for creative startups and SMEs can encourage innovation.
2. Intellectual Property Support: Strengthening intellectual property protection and education can protect the work of creative entrepreneurs.
3. Skills Development: Investing in skills development programs for creative professionals can improve the competitiveness of the sector.
4. International Collaboration: Expanding international collaboration initiatives can increase the exposure of Indonesia’s creative products.

**CONCLUSION**

In conclusion, this research has provided valuable insights into the role of the Minister of Tourism and Creative Economy in
Indonesia’s dynamic creative economy sector. The findings, derived from a diverse sample of stakeholders, suggest that the Minister’s policies and initiatives are generally perceived positively, with a focus on fostering innovation and entrepreneurial networks. The support for research and development, financial incentives, and international exposure of creative products has been recognized as contributing to innovation within the sector. Furthermore, the Minister’s role in organizing networking events and facilitating collaboration among creative entrepreneurs has been well-received, underlining the importance of such initiatives in the creative economy. These efforts have enabled entrepreneurs to access resources, share knowledge, and explore collaborative ventures, which are critical for their success.

While the research highlights the positive aspects of the Minister’s role, it also identifies areas for improvement. Challenges such as the need for more accessible funding mechanisms, enhanced intellectual property protection, and further development of creative skills represent opportunities for the Ministry to refine its policies and initiatives. Ultimately, this study contributes to a better understanding of the Minister’s role and provides valuable insights for policymakers, creative entrepreneurs, and industry stakeholders interested in the growth and sustainability of the creative economy in Indonesia. By building on the strengths identified in this research and addressing the challenges, the Minister of Tourism and Creative Economy can continue to play a pivotal role in shaping a vibrant and innovative creative economy in Indonesia, further enhancing its economic and cultural impact.


