

# CHAPTER I

## PREFACE

### A. Background Study

The East Java Provincial Government seeks to focus on the development of creative economy for industrial groups that have a dominance of value creation by utilizing the intellectuality of human resources<sup>1</sup>. Creative economy is an economic activity that prioritizes creativity thinking to create something new and different, and has value and is commercial in nature. Creative economy has a close relationship with the creative industry, but the creative economy has a broader scope than the creative industry<sup>2</sup>. Creative economy is seen as a driver of growth and economic development of a nation. This can be seen from the many creative economies that emerged in various cities in Indonesia and reduced unemployment, increased people's income, improved technology, and other social roles<sup>3</sup>. The creative economy that develops in each region varies according to the resources available in each region, and each sector has different advantages<sup>4</sup>. With the development of the creative economy, people become better and motivated to use unlimited resources, namely ideas, talents, and creativity<sup>5</sup>.

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<sup>1</sup> Biro Administrasi Perekonomian Sekda Provinsi Jawa Timur, *Roadmap Pengembangan Ekonomi Kreatif Jawa Timur 2014-2018*, Pemerintah Provinsi Jawa Timur, Surabaya, 2014, p. 5.

<sup>2</sup> Metasari Kartika Dan Hendarmin, "Pemetaan Ekonomi Kreatif Subsektor Kuliner di Kota Pontianak", *Jurnal Ekonomi Bisnis dan Kewirausahaan*, Volume 7 No. 1, 2018, p. 60.

<sup>3</sup> Badan Ekonomi Kreatif, (Accessed on 14 Maret 2019, at 11.00 PM, from site <http://indonesiakreatif.BEKRAF.go.id>).

<sup>4</sup> Bahren, Herry Nur Hidayat, Sudarmoko, Virtuous Setyaka, "Industri Kreatif Berbasis Potensi Seni Dan Sosial Budaya Di Sumatera Barat", *Jurnal Ekspresi Seni*, Volume 16 No. 1, Juni 2014, p. 154.

<sup>5</sup> Nasrudin Ali, *Peran Ekonomi Kreatif Dalam Pemberdayaan Ekonomi Masyarakat Di Desa Tulung Agung Kecamatan Gading Rejo Kabupaten Pringsewu*, Skripsi Sarjana, Universitas Islam Negeri Raden Intan Lampung, 2018, p. 87.

Islam explains that human welfare contains the meaning of *hasanah fii dunya* (world) and *hasanah fii akherah* (hereafter), both of them must be balanced and may not be biased<sup>6</sup>. Welfare in Islam is not only measured by material aspects, but also measured spiritually<sup>7</sup>. This is evidenced by the existence of *Maqashid Sharia* in Islam, which guards human wealth. Allah SWT will not command anything, unless it comes with benefits<sup>8</sup>. Benefit in Islam is divided into three types; first, *dharuriyyah* (Primary Needs) that cannot be abandoned, Secondly, the *Hajjyyah* (Secondary Needs) which if done will provide humanity with ease and eliminate difficulties, Third, *tahsiniyyah* (Tertiary Needs) which if it left, is no problem, but if it done, is better<sup>9</sup>. All of these needs explain that Islam maintains human benefit not only in terms of material, but all aspects of life. *Maslahah* which based on Islam principles is not a problem for personal interest only, but is an essential wealth related to the public interest<sup>10</sup>.

The Creative Economy is developing in Indonesia. Reporting from the official website of Jawa Pos, the development of the creative economy in East Java is currently growing at 6 percent<sup>11</sup>. That was also felt to be a great potential to build East Java. Based on the consideration of the results of the mapping study of creative industries in East Java, the focus of developing the real potential creative industries includes the craft, fashion, design, culinary, music, and film, video and photography sectors<sup>12</sup>. Some cities such as Aceh and Lombok are famous in tourism, Bandung which

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<sup>6</sup> Syamsuri, *Ekonomi Pembangunan Islam Sebuah Prinsip Konsep Dan Asas Falsafahnya*, (Ponorogo : UNIDA Gontor Press, 2018), p. 93.

<sup>7</sup> Ibid, p. 93.

<sup>8</sup> Ismardi Ilyas, "Stratifikasi Maqashid Al-Syari'ah Terhadap Kemaslahatan Dan Penerapannya", *Jurnal Hukum Islam*, Volume 14 No. 1, Juni 2014, p. 14

<sup>9</sup> Abu Hamid Al-Ghazali, *Al Mustashfā min Ilmi al-Ushūl*, (Lebanon: Dar al-Kutub al-'Ilmiyyah, 2008), p. 274-27.

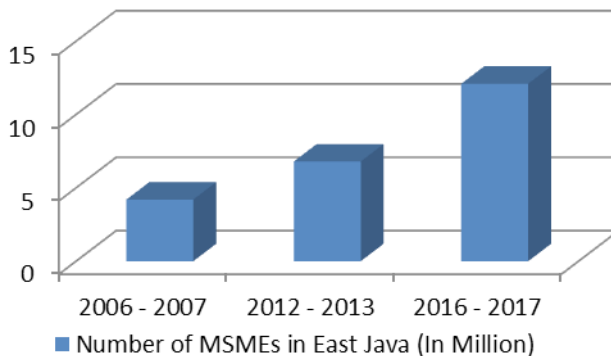
<sup>10</sup> Ismardi Ilyas, *Stratifikasi Maqashid Al-Syari'ah...*, p.19.

<sup>11</sup> Sari Hardiyanto, *Ekonomi Kreatif Jadi Bekal Bangun Jawa Timur*, ( Accessed on 27 Oktober 2018, at 04.00 PM, from site <https://www.jawapos.com>).

<sup>12</sup> Biro Administrasi, *Roadmap Pengembangan...* p. 6.

is famous in culinary advertising, Pekalongan which is famous in batik craft, Ponorogo which is famous in gamelan crafts, and Malang which is famous in fashion clothing is an example of several cities that improve the economy through creative economy in Indonesia<sup>13</sup>. The field of creative economy in each region also varies, some are famous in crafts, culinary, tourism, advertising, etc.<sup>14</sup>. In its implementation, there are advantages and disadvantages of each. Slowly the economy of the Indonesian people increases with the existence of this economic movement, but the application of the Islamic economy in Indonesia is still very low<sup>15</sup>.

Figure 1. Number of MSMEs in East Java



**Source:** Processed By Researcher

Micro, Small and Medium Enterprises in East Java experience very

<sup>13</sup> Dias Satria dan Ayu Prameswari, "Strategi Pengembangan Industri Kreatif Untuk Meningkatkan Daya Saing Pelaku Ekonomi Lokal", *Jurnal Aplikasi Manajemen*, Volume 9 No. 1, Januari 2011, p. 302.

<sup>14</sup> Abbi Satya, *Contoh Ekonomi Kreatif Yang Berkembang Di Berbagai Daerah Indonesia*, (Accessed on 15 Maret 2019, at 00.30 AM, from site <https://kodediskonruangguru.com>).

<sup>15</sup> Aam Slamet Rusydiana, "Analisis Masalah Pengembangan Perbankan Syariah Di Indonesia : Aplikasi Metode Analytic Network Process", *Esensi: Jurnal Bisnis dan Manajemen*, Volume 6 No. 2, Oktober 2016, p. 244.

fast growth. Based on data for 2006 published in 2007 the number of MSMEs was 4.2 million, then in the 2012 survey which published in 2013 increased to 6.8 million, and the 2016 survey published in 2017 increased to 12.1 million<sup>16</sup>. The contribution of MSMEs to the economic growth of East Java also experienced very significant growth. In 2012 MSMEs contributed to East Java's Regional Gross Domestic Product (GDP) in 2012 of 54.98 percent. MSMEs in East Java also contributed greatly to the realization of investment. The realization of East Java Investment in 2017 reached 152.39 trillion, while in the First Quarter of 2018 it was 32.97 Trillion increased 15.93 percent from the same period in 2017<sup>17</sup>. In 2017 the contribution of Non-Facilitation Domestic Investment (Domestic Investment) reached 56.34 percent and in the first quarter of 2018 it increased to 74.01 percent. MSMEs become the dominant source of domestic investment in non facilitation and become the main source of driving economic development in East Java amid a very dynamic global economic condition<sup>18</sup>.

Creative economy has become one of the issues that has great potential to developed and improved the welfare of a nation, in this case the government has the authority and power to regulate all economic activities in a region. Furthermore, any government policies will have an impact on people's lives. The government's strategy in improving the creative economic sector must be right on target, so that people can become more prosperous. Judging from the existing data, the creative economy in East Java province has been shown to have a major impact on people's lives. Therefore this research will discuss how the strategy of the East Java Province in developing the creative economy sector, to improve the welfare of the community, and discuss the efforts of regional governments in developing a sharia-based creative economy to improve people's welfare.

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<sup>16</sup> Sofyan Arif Candra Sakti, *Jumlah UMKM di Jatim Tembus 12,1 Juta*, (Accessed on 13 Januari 2019, at 11.45 AM, from site <http://jatim.tribunnews.com>).

<sup>17</sup> *Ibid*, Accessed on 13 Januari 2019, at 11.45 AM.

<sup>18</sup> Dinas Kominfo Jatim, *UMKM Tulang Punggung Perekonomian Jawa Timur*, (Accessed on 13 Januari 2019, at 11.00 AM, from site <http://jatimprov.go.id>).

## **B. Problem Formulation**

Based on the background of the problem above, the researcher gives the following formulation of the problem :

1. How is the creative economy strategy in increasing the welfare of the community at BAPPEDA of East Java Province ?
2. How are the efforts of the government to develop a sharia-based creative economy in increasing communities welfare ?

## **C. Study Purposes**

Based on the formulation of the problems that have been raised by the researcher, the objectives to be carried out in this study are :

1. To analyze the sharia-based creative economy strategy that increase the welfare of the community at BAPPEDA of East Java Province.
2. To find out the efforts of government to develop a sharia-based creative economy in increasing communities welfare.

## **D. Benefits of Research**

This Welfare Development Research through Sharia-Based Creative Economy has the following benefits :

1. For Academic

This research will be useful as a supplement and addition to the literature and reference to scientific literature, especially in terms of improving people's welfare through sharia-based creative economics, and also providing solutions for those who want to implement the efforts to develop a sharia-based creative economy.

2. For Practitioner

The results of this study are expected to be used as input and suggestions for readers, observers, and program implementers of local government in addressing the steps to be taken, especially in developing the welfare of the community, especially in the field of sharia-based creative economy.

### 3. For Researcher

With this research, it is hoped that the researcher can apply the knowledge that he gained during the study, and gain the experience and insight as a practitioner in analyzing problems, then making decisions and conclusions.

## **E. Research Methodology**

### **1. Research Design**

Descriptive qualitative research methods are used by the researcher as an approach of this study. Qualitative method is a research method based on postpositivism philosophy, where researchers become key instruments in a research, sampling data sources is done by purposive and snowball, data collection used triangulation techniques, data analysis is inductive, and finally, research results emphasize the meaning rather than a generalization<sup>19</sup>. This method was chosen because the researcher wanted to discuss and analyze the creative economy in the field directly, and look for data and references in the regional government offices for any policies for development, especially in the creative economy. In order to obtain valid and reliable data, the researcher also examined some of the literature relating to the research focus.

The location of the study was conducted at the Office of Badan Perencanaan Pembangunan Daerah (BAPPEDA) of East Java Province, Surabaya. BAPPEDA of East Java Province was chosen because this agency is a government agency that plays a big role in regional development planning in various fields, and the economic field is one of the important fields in improving community welfare. The economic field is divided into several sub-fields, one of which is the creative economy<sup>20</sup>. Another factor that makes researchers want to research at BAPPEDA East Java Province

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<sup>19</sup> Sugiyono, *Metode Penelitian Bisnis*, (Bandung : Penerbit Alfabeta), p. 14.

<sup>20</sup> Badan Perencanaan Pembangunan Daerah, *Bidang Ekonomi*, (Accessed on 12 November 2018, at 10.15 AM, from site <http://bappeda.jatimprov.go.id>).

is because East Java Province ranks second in the development of creative economy in Indonesia<sup>21</sup>. The researcher wanted to analyze the government's strategy in developing the creative economy in East Java, and explained the efforts of the regional government in developing a sharia-based creative economy that could improve the welfare of the Indonesian people, especially in East Java.

## 2. Data Collection Technique

Triangulation is the technique of data collection in this research. It is defined as a technique that combines several different data collection techniques from the same source<sup>22</sup>. This technique was chosen because researcher wants to get the valid and credible datas, in order to get more indepth understanding of all problems. The main data that will be the basis of this research are the results of interviews with several staff who have relationships with the East Java creative economy program, along with the observation at the BAPPEDA office of East Java Province for approximately 1 week, for collecting data, documents , and archives relating to the creative economy, afterward everything will be arranged systematically, and it becomes a valid and credible scientific paper.

## 3. Data Source

### a. Documentation

This technique looks at data and information from the government agencies' archives and documents, such as the results of the annual RKPD<sup>23</sup> and the fifth annual RPJMD<sup>24</sup>, meeting reports,

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<sup>21</sup> Badan Perencanaan Pembangunan Daerah, *Ekonomi Kreatif Jatim Ururtan Kedua Di Indonesia*, (Accessed on 4 November 2018, at 10.00 AM, from site [http:// bappeda.jatimprov.go.id](http://bappeda.jatimprov.go.id)).

<sup>22</sup> Sugiyono, *Metode Penelitian Kuantitatif Kualitatif Dan R&D*, (Bandung : Penerbit Alfabeta, November 2010), p. 241.

<sup>23</sup> Rencana Kerja Pembangunan Daerah.

<sup>24</sup> Rencana Pembangunan Jangka Menengah Daerah.

SKPD<sup>25</sup> data, and all types of BAPPEDA documents and archives related to the research title .

## b. Interview

The type of interview used is a structured interview by preparing the questions needed in the research, which have been prepared before the researcher leaves for the field<sup>26</sup>. To help researchers in collecting information, researchers use a tape recorder as a tool purposed for recording interviews. Interviews were carried out to the Head of Section, Head of Subdivisions, and several Staff at the research object, who were selected using the Purposive Sampling and Snowball Sampling methods. After that, it will continue to the coding stage, which is the process of identifying and clarifying each question specified in the data collection instrument<sup>27</sup>.

**Table 1. List of Interview Coding**

No	Name	Position	Code	Explanation
1	Dr. Bobby Soemiarsono, S.H, M. Si.	Head of Agency	A.1	General Description of BAPPEDA
2	Ir. Arief Tri Hardjoko, MT.	Head of Economics Division	B.1	General Description of the Economic Section
3	N u r a r e n i Widiastuti, SE. M.Si.	Head of the Sub-Division of Tourism, C o o p e r a t i v e s , Small and Medium Enterprises	C.1	Overview of the Field of Creative Economy Sharia-based Creative Economy Program
4	-	BAPPEDA Staff	D.1	Staff Performance and Agency Operational

**Source :** Processed By Researcher

<sup>25</sup> Satuan Kerja Perangkat Daerah.

<sup>26</sup> Sugiyono, *Metode Penelitian ...*, p. 233.

<sup>27</sup> V.Wiratna Sujarweni, *Metodologi Penelitian Bisnis Dan Ekonomi*, (Yogyakarta : Pustaka Baru Press, 2015), p. 122.



### c. Observation

The researcher used a disguised and frank observation model. In his research, the researcher observed and saw directly in the field. The researcher also stated explicitly to the data source, that he was conducting research. Thus they knew all the activities of the researchers, and also participated in activities related to the research.

## 4. Data Analysis Technique

This study used inductive analysis techniques in processing the collected data. Inductive analysis is testing the problem in the data that has been collected, the inductive thinking process begins by drawing conclusions from the collected data, which is then taken in general conclusions<sup>28</sup>. Data obtained through interviews in this study were also analyzed using descriptive analysis, namely by describing data obtained from the results of interviews with informants as a whole, and describing the characteristics of the data obtained from the sample<sup>29</sup>.

In order to get the best results and a high degree of credibility and can be accounted for, especially by the researcher as the main instrument in this study, the researcher conducted a check and validation of the results between one data with other data, both primary and secondary data obtained in the field to compare from data sources that have been selected, then organized, analyzed, and concluded. The results are then used to explain the problems that have been factually and objectively examined in accordance with the findings obtained in the field.

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<sup>28</sup> Angga Prasteya, *Metode Analisis Data Kualitatif Induktif*, (Accessed on 12 November 2018, at 10.00 AM, from site <http://kajiansekolah.com>).

<sup>29</sup> V.Wiratna Sujarweni, *Metodologi Penelitian...*, p. 122.