

Development of a Local Wisdom-Based Creative Economy

Triani Widyanti¹, Tetep Tetep^{2,*}, Asep Supriatna³, Syifa Nurgania⁴

¹ Institut Pendidikan Indonesia

² Institut Pendidikan Indonesia

³ Institut Pendidikan Indonesia

⁴ Institut Pendidikan Indonesia

*Corresponding author. Email: tetep@institutpendidikan.ac.id

ABSTRACT

This study is aimed at describing the development of a local wisdom-based creative economy. Recently in Indonesia, the creative economy has been increasingly popular and touted as a national program. A creative economy is characterized by the use of intellectual property to generate income, provide employment, and improve welfare. The creative economy relies on the creative industry sector which is driven by creators and innovators with their creations and innovations. The creative economy industry is a symbol of the existence of the Indonesian nation in various economic cooperation between countries. the value of local wisdom based on tradition and culture, intellectual property, and the nation's cultural heritage is a source of inspiration to be able to produce various innovative, value-added, and highly competitive products. This study was conducted using a descriptive qualitative approach. Data were collected through observation, interviews, and documentation of the studied objects. The results of descriptive analysis showed that the development of a local wisdom-based creative economy can take place within the scale of the household creative industry as the smallest base, involves community participation in household business groups, and helps increase people's income through small and medium business groups.

Keywords: *Creative Economy, Local Wisdom.*

1. INTRODUCTION

The creative economy emerged in the early 21st Century. The term is derived from the concept of creativity-based capital that can potentially increase economic growth in a certain area. The creative economy is defined as an embodiment of added value from authentic ideas that come up with human intellectual creativity, science, skills, cultural heritage, and technology [1] [2]. According to Yudhoyono in Purnomo [3], the creative economy is the 4th economic wave that is oriented towards cultural creativity, cultural heritage, and environments. In the history of economic development, the economic wave has always experienced a shift in orientation, starting from the change from the agricultural era to the industrialization era, then to the information age which was preceded by various discoveries in the field of information

technology. This orientation shift ultimately brings about a new civilization and rapid progress.

According to John Howkins [4], a creative economy is an economic activity that lays creativity, cultural heritage, and the environment as the foundation of the future. The creative economy is a concept to realize sustainable economic development based on creativity. Creative economy products are distinctive and unique. Creative economy products can also be developed from existing products [5]. Hasanah said [6], "Creative Economy is a concept in a new era that intensifies information and creativity by relying on ideas and knowledge from human resources as the main production factor." The creative industry relies on talents, skills, and creativity which are the basic elements of every individual [7].

According to Rakib, Yunus, and Amin [8], the main elements of the creative industry are creativity, expertise, and talents that can potentially increase welfare through intellectual creations. The Ministry of Tourism and Creative Economy of the Republic of Indonesia [9] explained that the creative economy is an idea-based creation of economic, social, cultural, and environmental added value derived from the creativity of human resources and based on the use of science, including cultural heritage and technology.

The development of the creative economy basically has a relationship with the values of local wisdom of certain communities in a certain area. In this case, local wisdom is defined as one form of effort to preserve local culture.

Culture is also defined as everything that is made by humans based on their thoughts and reasons. Culture is passed down from one generation to the next regarding the habits and customs of the community. However, these values are usually only attached to people who still uphold their customs and culture, [10].

The discourse of local wisdom receives more serious attention when there is a tendency for moral values to slacken as a result of advances in science and technology and the accompanying cultural changes. This reality also leads to people being aware of how fragile and transient our world is, an acknowledgment of the limits to which this earth will tolerate human intervention [11]. Quaritch Wales input forward local wisdom as "the sum of the cultural characteristic which the vast majority of a people have in common as a result of their experiences in early life." The main ideas contained in the definition are (1) the characters of culture, (2) the group of cultural owners, and (3) the life experience born of the cultural characters.

Local wisdom refers to various cultural treasures that grow and develop in society and are believed and recognized as important elements that can strengthen social cohesion in the community. Local wisdom aims to improve welfare and promote peace [12]. Local wisdom is derived from cultural products of the community to which they belong such as value systems, beliefs and religion, work ethic, and even how the dynamics take place. Therefore, with reference to the values of local wisdom of certain communities, the development of the creative economy can be carried out ideally.

Creative economy comes from two words economic and creative. The term economics comes from the Greek *koikonomia*. The word is a derivative of the two words *oikos* and *nomos*. *Oikos* means household, while *nomos* means to rule. So the original meaning of *oikonomia* is to manage the household. Then the original meaning developed into a new meaning, in line with the development of economics into a science. Now as a

science, economics means knowledge that is arranged in a coherent way in order to manage the household. Household here is not a narrow meaning but refers to a social group that can be considered as a household. These social groups take the form of companies, cities, and even countries [13].

The creative economy is essentially an economic activity that prioritizes creative thinking to create something new and different that has value and is commercial in nature [14]. The characteristics of the creative economy are:

- a. Having the main factors in the form of inspiration, abilities, and talents that can develop peace through the promotion of intellectual creations.
- b. Consists of supplying creative products directly to consumers and supporting creative value makers in other parts that are indirectly related to consumers.
- c. Short life cycle, high profit, high diversity, high rivalry, and easy to imitate.
- d. Fundamental to the concept.
- e. Unlimited improvement in various business fields.
- f. The idea or ideas created are relative.

Local Wisdom or often called Local Wisdom is all forms of knowledge, belief, understanding, or insight as well as customs or ethics that guide human behavior in life in ecological communities [15]. Meanwhile, according to Gobyah [16], local wisdom is defined as the truth that has become a tradition or is permanent in an area.

From these two definitions, local wisdom can be interpreted as a value that is considered good and right that goes from generation to generation and is implemented by the community concerned as a result of the interaction between humans and their environment.

The forms of local wisdom in society can be in the form of values, norms, ethics, beliefs, customs, customary law, and special rules. Substantially, local wisdom can be in the form of rules regarding:

- a. Institutional and social sanctions;
- b. Provisions on the use of space and the estimated season for farming;
- c. Preservation and protection of sensitive areas;
- d. A form of adaptation and mitigation of housing to climate, disasters, or other threats.

2. METHODS

This study was conducted using a descriptive qualitative approach. According to Creswell [17], qualitative research explores and understands the meaning in a number of individuals or groups of people

originating in terms of social relations. Qualitative research, in general, can be used for research on people's lives, history, behavior, concepts or phenomena, social problems, and others. Data were collected through observation, interviews, and documentation of the object of research. The data analysis was performed descriptively.

3. RESULTS AND DISCUSSION

Indonesia as a culturally rich country has great potential to develop the nation's economy through creative economic activities based on the values of local wisdom. Physical culture and customs can be used as an economic resource that can generate added value for the community in a particular region. The uniqueness of various traditions spread throughout the archipelago, if managed properly, of course, will be able to encourage an attractive tourism sector.

Kartasmita quoted in Andriyani, Martono, and Muhamad [18] said that "community empowerment is an effort to increase the dignity of all people who in their current condition are unable to escape poverty and underdevelopment." The main concept of empowerment is how to provide broad opportunities for the community to self-determine their life [19].

In Indonesia, there are 16 creative economic sectors, eight of which can be developed with local wisdom values, namely:

- 1) Craft Industry
- 2) Culinary Industry
- 3) Art Goods Industry
- 4) Fashion Industry
- 5) Interactive Industry (traditional games)
- 6) Music Industry
- 7) Performing Arts Industry
- 8) Architectural Industry

These eight economic sub-sectors are closely related to the cultural values of the community so that the development of the creative economy can be carried out and part of economic literacy [20].

The creative economy industry can be applied in various forms, one of which is by developing MSMEs from the smallest unit such as family businesses. Small businesses have an important role in the economic growth of a country. Zuhri [21] explains that the home industry is a home business for goods or small companies. Planning and classification of community businesses must be based on the cultural potentials so that the products demonstrate distinctiveness and uniqueness.

Based on the results of observations and interviews with owners of small and medium businesses engaged

in various fields of the creative industry above, information was obtained that community participation in developing MSMEs has increased, especially for stay-at-home mothers who initially had no income. The increasing number of small and medium enterprises in the community has in turn been able to make a real contribution to the improvement of the community's welfare. For example, a business in the culinary field of a particular region becomes an attractive alternative business choice. The demand for culinary today is not only a primary need but also a fulfillment of an increasingly diverse lifestyle.

4. CONCLUSIONS

Based on the results of the study, it can be concluded that:

1. The development of a local wisdom-based creative economy plays an important role in increasing the economic growth of the community.
2. Products generated through the use of community skills and talents have an impact on the improvement of community income, especially for stay-at-home mothers.
3. Increased community participation in advancing the creative economy sector from small to medium levels, in turn, has been able to provide added value which has implications for increasing the welfare of families and communities.

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