

The Development of Jatinangor as Creative Industry Model in West Java

Erna Maulina & Muhamad Rizal
Padjadjaran University

— *Review of* —
**Integrative
Business &
Economics**
— *Research* —

ABSTRACT

West Java Province has a tremendous potential in terms of higher education, both public and private, even Padjadjaran University (Unpad) and Bandung Institute of Technology (ITB) are state universities that have high reputation nationally and internationally. Therefore, the central and regional governments have to be able to maximize the existence of these colleges jointly in accordance with their competence in overcoming problems that exist in the local community. A high rate of economic growth is not followed by the equity income of people in West Java so that it raises worry about the emergence of social crisis. It is necessary to formulate the policy of master plan for economic development through the development of higher education area in Jatinangor as a creative industry base in West Java Province. It is expected to be a guidance in overcoming the income inequality. The concept of creative industry area is believed to encourage competition in the future global economy and can be used as a model to realize West Java Province as the icon of national creative industry. This challenge needs to be taken by the Government of West Java Province and the creative communities in West Java.

Keywords: Collaboration, Creative Industry

INTRODUCTION

The people of West Java in 2014 were 46.02 million with the level of Human Development Index indicator amounted to 74.28 with details: 82.31 of education index, 72.99 of health index, and 64.89 of purchasing power index. From 46.02 million of population, 9.44% of the population are poor. It is feared for causing global crisis that certainly will affect an increasing number of poor people because a number of textile industries in West Java do termination of employment (PHK).

West Java Province has a tremendous potential in terms of higher education, both public and private, even Padjadjaran University (Unpad) and Bandung Institute of Technology (ITB) are state universities whose reputation nationally and internationally. Therefore, the central and regional governments have to be able to maximize the existence of those colleges jointly in accordance with their competence, overcoming problems that exist in local community.

Triple helix with university is very important. Local government can stimulate economic growth in accordance with its vision and mission. The economic growth in West Java has increased after the crisis in 1997. It is driven by three main sectors, namely trade and manufacturing sector, hotel and restaurant sector, and agricultural sector. Nevertheless, the Economic Growth Rate (LPE) of West Java decreased from

6.41% in 2007 to 5.61% in 2014. It was characterized by the magnitude of inflation rate still at 5.42% in 2014.

This economic growth rate is certainly expected to reduce poverty and unemployment in West Java. But the improvement in macro-economic growth is not fully able to influence the proportion of poor people and the open unemployment rate in West Java. The condition of purchasing power parity only increased Rp31.526,00, from Rp592.000,00 in 2002 to Rp623.526,00 in 2007. Meanwhile, the open unemployment rate in 2007 that was 6.27% becomes labor force as many as 1.149.188 people.

To handle problems like poverty, unemployment, availability of job vacancy, and low purchasing power, development issue as well as multi-dimensional strategic issues and challenge needs a special attention from the Government of West Java Province as reflected in the West Java Governor Regulation No. 33 of 2008 on the Plan of Local Government of West Java Province in 2009.

Within five years, a variety of programs that have been implemented by the sectors related to the field of social and economy are only measured from the rising indicator of Economic Growth (LPE). But they are not able to boost poverty reduction, job vacancy increase, and purchasing power in West Java. To overcome all of the problems, the thing that needs to do is a special strategy to improve the role of colleges in West Java Province. The strategy will deal with the contradiction between prosperity growth and equalization in West Java Province.

A high rate of economic growth is not followed by the equity income of people in West Java so that it raises worry about the emergence of social crisis. It is necessary to formulate the policy of master plan for economic development through the development of higher education area in Jatinangor as creative industry base in West Java province expected to be a guidance in overcoming this contradiction.

Jatinangor is currently known as one of educational areas in West Java. This picture is a direct impact of campus construction from several higher education institutions in this district. The colleges that currently have campus in Jatinangor are Padjadjaran University (Unpad) at Hegarmanah Cikeruh Village, Institute of Public Administration (IPDN) at Cibeusi Village which was previously named after the College of Public Administration (STPDN), Indonesia Institute of Cooperative (Ikopin) at Cibeusi Village, and Bandung Institute of Technology (ITB) Jatinangor. Formerly, there was Winaya Mukti University (Unwim) at Madu Village. There is also Academy of Information and Computer Management (AMIK) at Al-Ma'soem Cipacing Village. Meanwhile, the companies or large-scale industries in Jatinangor are (1) Kahatex Industry (located at Cintamulya and Cisempur Village), (2) Polypin Advanced (located at Cipacing Village), (3) Insan Clothing (located at Mekargalih Village), and (4) WISKA (located at Cipacing Village). Along with the presence of campus buildings and plant, Jatinangor also undergoes a rapidly physical development.

This potential area is—to be developed further into integrated area-based creative industry model—an interesting phenomenon to be studied in order to provide input to the local government. This research is entitled “The Development of Jatinangor as Creative Industry Model in West Java”.

METHOD

This research uses a qualitative method with constructivism. A single case study approach (Yin, 2009 and Dul & Hak, 2008) is applied to the model of creative zone at Jatinangor in West Java. Now, this model is still in assessment process. Data and information will be collected by in-depth interview and documentation study.

To analyze creative department model, the writers will not only use some theoretical perspectives but also practical perspectives toward creative region models in different countries. From both perspectives, the writers will take the Diamond Model by Michael Porter (1990). Some regional experiences in various countries such as America, Japan, and India are also taken as the model which has been running as a comparison. With this approach, the writers can get some variables that can be used to collect data, analyze, and develop model.

THEORETICAL BACKGROUND

1. Conception Competitiveness

According to Michael Porter, a country gains a competitive advantage if a (domestic) company is competitive. The competitiveness of a country is determined by the ability of industry to innovate and enhance its capabilities. Porter offers the Diamond Model as well as the framework of analysis tools to build and strengthen competitiveness.

As time goes by, Porter's Diamond Model inevitably attracts criticism from various circles. In fact, there are some aspects that are not included in Porter equation. One of the aspects is that Diamond Model is built from ten case studies in developed countries so it is not too appropriate if it is used to analyze countries developing.

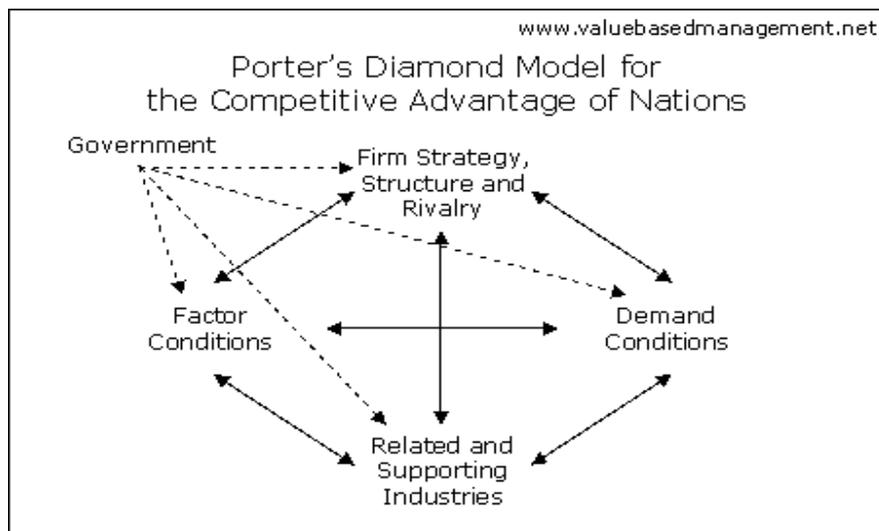


Figure 1.1: Michael Porter's Diamond Model

In addition, increasing complexity due to globalization and alteration in economic system followed by the change of political regime make Porter's Diamond

Model just as feasible as the pioneer and the first reference in the coverage of study to build competitiveness of country.

Richard H. K. Vietor is included into one of several experts who keeps trying to develop a new framework in effort to build competitiveness of country. In contrast to Porter who sees a company as the major source of country's competitiveness, Vietor looks at it from the perspective of the role of government.

Governments need to assist countries in the competition. Countries compete to develop. This is one of the effects of globalization. Countries compete to grow and improve the living standards of their people, to reduce poverty, to accommodate urbanization, and to create jobs.

In this competitive environment, the government should provide distinctive advantages for companies in the form of high savings rates, low interest for investment, copyright protection, and good governance. In addition, the labors are also committed, motivated, understanding technology, gaining low inflation rate, and being in domestic market growing rapidly.

2. Conception of Creative Economy

Creative economy can be defined as a system of human activities related to production, distribution, exchange, and consumption of goods and services as worth as culture, art, and entertainment. Creative economy is rooted in economic activities from creative industries. In general, creative industry in Wikipedia is defined as an industry that focuses on the creation and exploitation of intellectual properties such as art works, movies, games, or fashion designs, and creative services including inter-company like advertising.

John Howkins in *The Creative Economy* (2001) finds the presence of a wave of creative economy after realizing that for the first time in 1996, copyrighted works in United States had the value of export sales amounted to 60.18 billion dollars (about Rp600 trillion). It was far beyond the export in other sectors such as automotive, agricultural, and aircraft. Howkins argues that a new economy has emerged around creative industry controlled by the law of intellectual property such as patent, copyright, trademark, royalty and design.

The organization of education, science, and culture in United Nations (UNESCO) also gives a mandate to the member countries to develop creative economy in order to achieve the Millennium Development Goals. Creative economy can help job creation, poverty alleviation, preservation of cultural diversity, and human development. Sectors included into creative industries by UNESCO includes cultural heritage, literature, music, performance, visual art, cinema and photography, radio and television, social and cultural activity, sport and game, as well as the environment and nature.

Leadership is the main problem. Which ministry to become the locomotive of creative economic development? British government commissions the Ministry of Culture, Media and Sport. Currently, the Minister of Trade and Minister of Industry talk about the importance of creative economy. There is no special mandate from the government to an institution or ministry with full authority to establish policy on the development of creative economy to be able to compete with other Asian countries.

If the concept of creative economy is believed to encourage competition in future global economy then what is the challenge to realize West Java Province as the icon of national creative industry that needs to be answered by the Government of West Java Province and its communities?

Result and Discussion

1. Conception of Knowledge Based on Development Area

1.1. Silicon Valley in America

Silicon Valley is an area located in San Jose, northern California City, USA. In this place, there is Silicon Chip, an innovative company that engages high-tech. The development of Silicon Valley is remarkable to follow the development of high-tech business. Starting as a high-tech business center in United States, it becomes the number one in the world and becomes the center of research and new technology development that most contributes to the advancement in the world of technology.

Companies that are domiciled at Silicon Valley are Apple, Cisco, Google, Hewlett Packard, Intel, Microsoft, Oracle, Sun Micro System, and Yahoo.

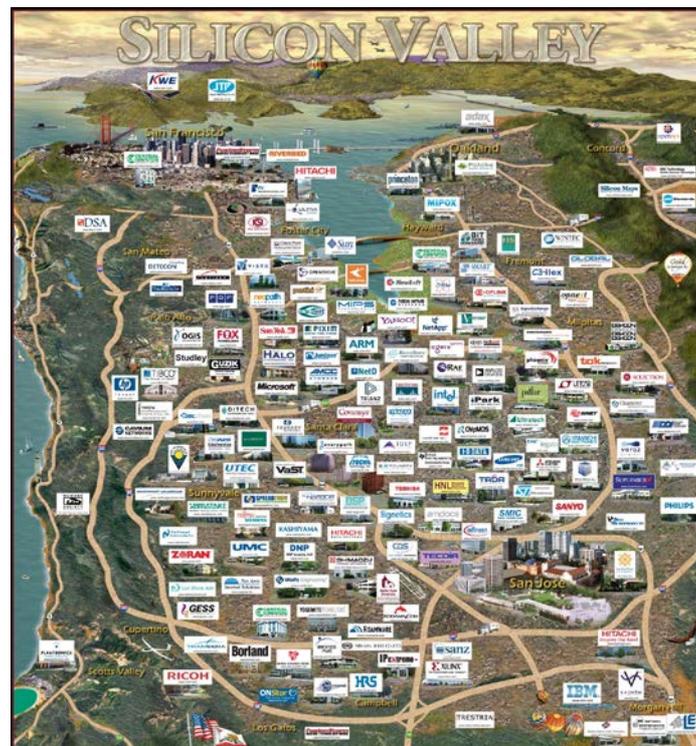


Figure 1.2: Silicon Valley in America

1.2. Tsukuba University in Japan

Before 1853, Japan that was under the kingdom of Shogun was a closed country. But in 1853, Mathew Perry from United States came to Edo with four black ships (steamer) to explore trade relation with Japan.

Then in 1854, Japan signed a trade agreement that became the beginning of Japan's openness to the outside world and ultimately demolished the dominance of Shogun. Japan kept being opened in the era of Meiji Restoration that began in 1868 to support foreign education and technology to catch up with Japan against Western world.



Figure 1.3: Tsukuba University in Japan

1.3. Development Area in Bangalore, India

The development programs selected from India are indeed clear. They want to build so-called society, a knowledge-based society. Andhar Pradesh capital is deliberately used as hi-tech city. Information technology is used for three major purposes, namely to encourage economic growth, to improve the quality of people's lives, and to encourage the creation of good governance. The chairman of Infosys (software company), Narayana Murthy, has said that in doing development, each country can no longer dream to master everything. The concept of development with Broadbase approach, does not only make the country have a real competitive advantage, but also a waste of resources. India according to Murthy, understand the limitation of its resources.



Figure 1.3: Bangalore in India

2. Jatinangor Development Model as Creative Zone in West Java

One of the efforts to realize the vision and mission in West Java Province is through the establishment of Government Regulation No. 47 of 1997 on National Spatial Plan (RTRWN) and Local Regulation No. 2 of 2003 on Spatial Plan in West Java (RTRWP). Bandung Metropolitan has been established as National Activity Center (PKN) and Bandung Basin as the mainstay area of core business like tourism, agribusiness, industry, services, and human resources development. Specifically, Jatinangor is treated as a part of Bandung Metropolitan at the center of regional development of science and technology especially for creative industry zone model.

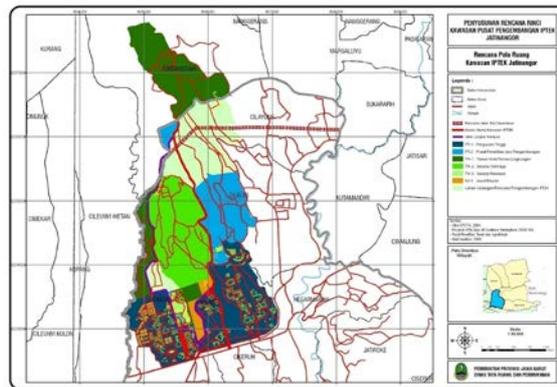


Figure 2.1:

Creative Zone Model in Jatinangor

Institutional structures directed to the field of science and technology in Jatinangor is through the establishment of Regional Science and Technology Development Agency of Jatinangor. The complex details can be seen from the figure below,

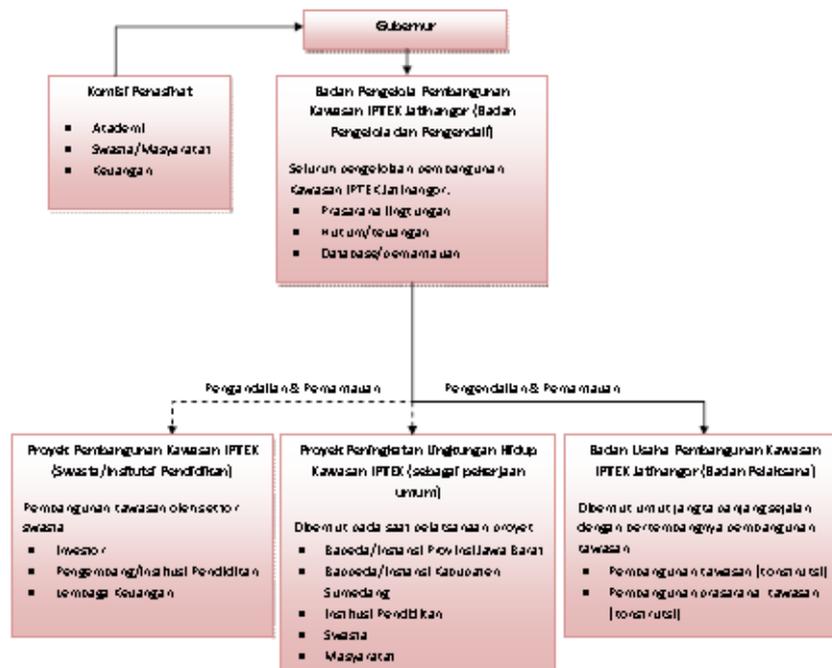


Figure 2.2: Institutional Structure of Science and Technology Region Jatinangor

The realization of development plan is made by development program. Furthermore, its implementation will be needed further refinement in the arrangement of annual development program by considering the technical aspect of implementation and funding.

ACKNOWLEDGEMENT

The writers wish to thank to Dudi Sudrajat Abdurochim and Anang Muftiadi for valuable comments and suggestions.

REFERENCES

- [1] Dul, Jan and Hak, Tony. 2008. *Case Study Methodology in Business Research*. Oxford: Elsevier. Pg. 66.
- [2] *Data Biro Pusat Statistik Provinsi Jawa Barat Tahun 2015*
- [3] Romdiaty, Haning. 2013. *Optimalkan Manfaat Bonus Demografi Untuk Kemajuan Indonesia*. through <<http://lipi.go.id/siaranpress/single/optimalkan-manfaat-bonus-demografi-untuk-kemajuan-indonesia/13602>> [10/10/2016]
- [4] Traill, Bruce and Eamonn Pitts. 1998. *Competitiveness in the Food Industry*. Porter (1990, p. 127). Springer. p. 19. ISBN 0-7514-0431-4.
- [5] Porter, M.E. *The Competitive Advantage of Nations*. New York: Free Press. (1990)
- [6] Traill, Bruce and Eamonn Pitts (1998). *Competitiveness in the Food Industry*. Springer. pp. 17–19. ISBN 0-7514-0431-4.
- [7] Porter, M.E., & the Monitor Company, Canada at the crossroads: The reality of a new competitive environment, Business Council on National Issues and Minister of Supply and Services of the Government of Canada, Ottawa. (1991)
- [8] John Howkins, *The Creative Economy, How People Make Money From Idea*, New Edition, Harvard Business Publications (2001)
- [9] Crocombe, F.T., Enright, M.J., & Porter, M.E., *Upgrading New Zealand's competitive advantage*. Auckland: Oxford University Press. (1991)
- [10] Rugman, A.M., & D'Cruz, J.R., *The double diamond model of international competitiveness: Canada's experience*. *Management International Review*, 33(2), 17–39. (1993)
- [11] Grant, R.M. *Porter's competitive advantage of nations: An assessment*. *Strategic Management Journal*, 12(7), 535–548. (1991)
- [12] Dunning, J.H. *The competitive advantage of countries and the activities of transnational corporations*. *Transnational Corporations*, 1 February, No. 1, 135–168. (1992)
- [13] Porter, M.E. (1986). *Competition in global industries: A conceptual framework*. In M.E. Porter (Ed.), *Competition in global industries*. Boston, MA: Harvard Business School Press. (1986)