

THE ROLE OF SOCIETY IN THE DEVELOPMENT OF THE CREATIVE ECONOMY IN THE INDUSTRIAL AGE 4.0

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ABSTRACT

The Industrial Age 4.0 was marked by the adoption of digital technology which affected various aspects of life, including the economy. The creative economy is one of the sectors that is growing rapidly in this era, involving economic activities that focus on the production and distribution of creative products and services. The purpose of this research is to examine the role of society in the development of the creative economy in the era of Industry 4.0. This study employs a qualitative approach with a descriptive methodology and literature as its secondary data source. The findings of this study indicate that the fourth industrial revolution has had an impact on the development of the creative economy in Indonesia, particularly in terms of the use of information and communication technology (ICT) in digitally-based creative industries. However, its development is not immune to obstacles, such as market obstacles, knowledge and technology transfer obstacles, human resource obstacles, and bureaucratic obstacles. In order to develop the creative economy through innovation and creativity, collaboration and networking, consumers and customers, and ecosystem growth, community participation is required. By illuminating the role of society in the development of the creative economy, the findings of this study can aid the government, institutions, and pertinent stakeholders in the design of policies that foster the expansion of the creative economy sector. In addition, this research can shed light on the significance of the community's role in establishing an innovative and sustainable economy in the era of Industry 4.0.

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1. INTRODUCTION

In the Industry 4.0 era, the digital revolution and the adoption of information technology have significantly changed the global economic landscape. Technological developments such as artificial intelligence, big data, cloud computing, and the Internet of Things (IoT) have changed the way businesses are run and provided new opportunities for economic growth. One of the sectors that experienced rapid development in this era was the creative economy (Rofaida et al, 2019).

Facing the era of industrial revolution 4.0, the national creative industry must undergo a technological transformation and integrate technology into its business operations (Fonna, 2019). According to the blueprint for the creative industry for 2015-2025, the competitiveness of the creative industry will be increased by optimizing the use of science and technology, fostering creativity, and establishing creative industry institutions. In the period 2015-2019, the development of the creative economy subsector will primarily adhere to the established development strategy road map (Kemenparekraf, 2015). In the framework, creative industries are prioritized for the development of Indonesia's creative economy. This is consistent with the evolution of the industrial revolution leading to the 4.0 epoch of the industrial revolution.

The creative economy (ekraf) is a new economic concept that optimizes creative ideas, individual talents, skills, and innovation to produce its goods (Syahbudi, 2021). Creative Economy is becoming the backbone of the Indonesian economy as the oil and gas sector's contribution declines (Ekraf is able to become a new source of growth and strength for a sustainable national economy because ideas, creativity, and innovation are renewable and limitless resources that have never stopped providing added value to the products produced (Ginting et al, 2018).

Developed countries increasingly realized that it was time for them to rely more on creative human resources (HR), so that in the 1990s a new economic era began, which intensified information with *The Role of Society in the Development of the Creative Economy in the Industrial Age 4.0. Siti Fatimah, et. al*

creativity and is popularly known as the creative economy, which is driven by the industrial sector known as the creative industry (Purnomo, 2016).

The creative economy is a form and effort to achieve sustainable development through creativity, which implies that sustainable development is a competitive and renewable resource-rich economic climate. The central message of the creative economy is the use of not only renewable but also limitless resource reserves, namely ideas, aptitude, and creativity (Rahmawati, 2021).

According to Kurniawan (2019), the process of creative thinking will develop a creative generation capable of making and producing creative things that have worth or benefits for society. This creative generation will be founded on excellent economic understanding and will involve creative action as well. As a result, one might get the following conclusion: the creative economy places an emphasis on how important the role of society is. The formation, development, and expansion of the creative economy are all in large part the responsibility of communities. According to Sari (2013), the active participation of the community in the various stages of the creative economy -- from conception to production to distribution -- can make a major contribution to the sector's overall level of success.

In addition, the community also plays a role in creating an ecosystem that supports creative economic growth. Collaboration between individuals, groups and organizations from various sectors can enrich creative ideas, increase access to markets, and reduce barriers in creative industries. Community empowerment through access to knowledge, skills and technology is also an important factor in the development of the creative economy in the Industry 4.0 era.

However, although it is important, the role of society in the development of the creative economy in the Industry 4.0 era still needs to be studied in more depth. A thorough study of the contributions, challenges and potential for community collaboration in the creative economy sector will provide a better understanding of the dynamics of creative economy development (Susilo et al, 2021).

In this context, this study aims to analyze the role of society in the development of the creative economy in the Industry 4.0 era. By understanding the role of the community and the factors that influence their participation and collaboration, the results of this research are expected to provide valuable insights for policy makers, government agencies, industry players and the general public. In addition, this research can also provide theoretical and practical foundations for designing effective strategies in strengthening the creative economy and improving people's welfare in the Industry 4.0 era.

2. METHODS

In this particular study, the research method that was utilized was a descriptive research method, and the research strategy that was utilized was a qualitative research approach. According to Sugiyono (2011), qualitative research is a research method that is based on the philosophy of postpositivism, that is used to research on natural object conditions, (as opposed to experiments), where the researcher is the key instrument, data collection techniques are carried out by triangulation (combined), analysis of the data are inductive/qualitative in nature, and the results of qualitative research emphasize meaning rather than generalization. This research method is used to study natural object conditions. The researcher made the decision to combine the descriptive research method with the qualitative research strategy. It is hoped that data and information that is more comprehensive, in-depth, and significant will be gathered, and that this will allow the research objective to be about the role of society in the development of a creative economy in the industrial age 4.0.

3. RESULTS AND DISCUSSION

A. Creative Economy and Industry 4.0

The creative economy is an economic potential that emerges from creative ideas or concepts by leveraging the internet as a market. This potential can be seen as an economic upside. The period of the 4.0 revolution in industrial production has made the creative economy one of the strategic challenges that must be addressed while competing on a global scale. According to Presidential Decree 72 of 2015, the creative economy is segmented into sixteen different categories; nevertheless, the categories of cuisine, fashion, and craft are currently the most prominent. There is a tremendous amount of untapped potential for Indonesia to become a hub for innovative economic development. because of the promise that lies within its natural riches as well as the cultural diversity that it possesses. The creative economy is beneficial not just to the various participants in the commercial world, but also to the state. According to Muis (2019), innovative economic development will result in the state receiving additional money in the form of taxes, which will result in an increase in state revenue.

As a result of the convergence of automated and cyber technologies that happened during the 4.0 iteration of the industrial revolution, corporate processes became subject to data interchange and

automation. It is common knowledge that in the 4.0 iteration of the industrial revolution, a great number of businesses have applied the idea of digitalization and automation to each and every one of their operational procedures. The segment of Indonesia's economy that focuses on the creative arts has been profoundly impacted by the rapid advancement of digital technology. According to Putra and CN (2018), the impact of utilizing digital technology may already be seen in a variety of sub-sectors, including design, music, fine arts, and other sub-sectors.

The fourth wave of the industrial revolution was characterized by a rise in the use of innovative information and communication technology (ICT), which included the creative economy. This rise in creativity and innovation was a hallmark of this wave. This disruption can be seen in the rapid changes that take place as a result of the use of artificial intelligence (AI), the internet of Things (IoT), and the spread of the phenomenon of the sharing economy, all of which make creativity and innovation the front line in the fight to win global economic competition (Sutanto, 2021).

This era has made the creative economy one of the strategic issues that deserves to be mainstreamed as a strategic choice to win global competition, marked by continued innovation and creativity to increase economic added value through the capitalization of creative ideas (Sudarmanto et al, 2022). One example is between online motorcycle taxis such as gojek and Culinary MSME partners through the GoFood application. With the Gofood application, culinary MSME partners have experienced an increase in sales turnover. With this increase in income, UMM partners could develop their business. In other words, gojek as one of the results of the industrial revolution 4.0 can help increase the business scale of their MSME partners. The success achieved by these partners will trigger other prospective MSME actors to enliven the creative industry in their culinary field.

However, the existence of the creative industry did not fully go according to expectations, there were challenges faced. The challenges include;

- a) Market challenges, related to consumer knowledge and desire to obtain high quality and innovative products to meet consumer needs. Market challenges also arise from competitors who offer innovative products. In the context of a high level of competition, competitive advantage will be determined by quality and innovation .
- b) The challenge of knowledge and technology transfer. The creative industry in Industry 4.0 is characterized by mastery and utilization of digital technology. Digital technology itself is developing fast and dynamically so there needs to be a policy from the government to be able to bridge the transfer of this technology from research institutes and universities to industry.
- c) Human resource challenges. Competence in human resources is the keyword for gaining competitive advantage in industries characterized by high business competition and fast-developing technology. Competencies that must be possessed are basic knowledge of digital technology, content and programming. Innovative and creative human resources are also needed so that the resulting process and final product are unique and different from other products.
- d) Bureaucratic challenges, related to accessibility to financing sources to increase business capacity in the digital creative industry environment, industrial development that is not focused on responsible government or private institutions. Another bureaucratic challenge is the suboptimal communication between the government and industry. Existing policies are not yet cross-sectoral in nature so that their implementation runs independently and sporadically so that the results are not optimal.

B. The Role of Society in the development of the creative economy in the industrial era 4.0

The era of the industrial revolution 4.0 has made the creative economy one of the strategic issues that deserves to be mainstreamed as a strategy to win global competition. The creative economy is characterized by continued innovation and creativity to increase economic added value through the commercialization of creative ideas. The role of society cannot be isolated from the development of the creative economy. During the development of the creative economy in the era of Industry 4.0, the community's role can significantly contribute in a number of significant ways. The responsibilities of the community in developing the creative economy in the era of Industry 4.0 are as follows:

- a) Innovation and Creativity

The first role of society in the development of the creative economy in the Industry 4.0 era is through innovation and creativity. Society has an important role as a creative resource that can generate innovative ideas and unique design concepts. In the Industry 4.0 era marked by the development of digital technology, innovation is key in facing increasingly fierce global competition. Communities can make a valuable contribution by generating new ideas, identifying unmet market needs, and developing creative solutions to existing problems.

Community active participation in the innovation process will enrich and broaden the scope of ideas that can be used in the development of creative products and services. In addition, the community can also provide valuable feedback and input to improve and develop existing products. Thus, people's innovation and creativity are key factors in advancing the creative economy sector in the Industry 4.0 era, creating new opportunities, and increasing the competitiveness of the creative industries as a whole.

b) Collaboration and Networking

Collaboration and networking are important because they can create synergies between various parties that contribute to the creative economy. Through collaboration, individuals or organizations can share mutually beneficial ideas, resources and business opportunities. The community can be a link that facilitates meetings and collaboration between creative economy actors, educational institutions, research institutions, government and other communities. In the Industry 4.0 era, collaboration and networking are becoming increasingly important as digital technology enables easier and faster connectivity between individuals and organizations in various locations.

By building strong collaborations and networks, communities can expand access to market opportunities, resources and knowledge needed for creative economic growth. Collaboration can also overcome obstacles faced by creative industry players, such as limited capital, access to technology, or certain skills. Through collaboration and networking, communities can strengthen the creative economy ecosystem as a whole, creating a climate that supports innovation, growth and sustainability of this sector in the Industry 4.0 era.

c) Users and Customers

In the Industry 4.0 era, where digital technology and connectivity are increasingly widespread, people have greater access to various creative products and services. The public can explore, try and buy these products online or through digital platforms. They can also provide feedback and reviews that influence product perception and reputation.

In addition, the community can also become loyal customers and provide ongoing support for creative economy products and services. This support can be in the form of regular purchases, participation in a loyalty program, or promotion of products to others. When people are active and enthusiastic as customers, they provide incentives for creative industry players to continue to innovate, improve product quality, and provide a better experience for consumers.

The role of society as users and customers also involves the adoption and use of technology in everyday life. In the Industry 4.0 era, digital technology has become an integral part of many aspects of life, including the use of creative economy products and services. Communities who are used to and able to use technology well will help encourage the adoption of technology in the creative industries more broadly.

d) Ecosystem development

The role of society in developing the creative economy in the fourth Industry 4.0 era is through ecosystem development. Communities have an important role in forming and developing ecosystems that support the growth of the creative economy sector. Ecosystem development includes the establishment of institutions, organizations and communities that support the development of creative industries. Communities can be involved in the formation and active participation in various creative communities, such as groups of artists, designers, creative entrepreneurs, or educational and research institutions that focus on creative fields. Through collaboration and knowledge sharing between ecosystem members, new ideas can be generated, business opportunities can be explored, and support in the form of training and mentorship can be provided.

In addition, the community can also be involved in public policy advocacy that supports the development of the creative economy. They can advocate for the interests of the creative economy sector to the government and related institutions, encourage regulatory improvements, form policies that take into account the needs and challenges of the creative industries, and fight for the protection of intellectual property rights and access to a wider market.

4. CONCLUSION

The wave of the industrial revolution 4.0 was marked by the growing development of creativity and innovation by using disruptive information and communication technology (ICT), including the creative economy. The use of ICT has helped economic actors to develop their businesses, including enlivening the creative industries. However, the existence of the creative industry is not free from various challenges, including market challenges, knowledge and technology transfer challenges, human resource challenges,

and bureaucratic challenges. Therefore, community participation is needed in facing these challenges so that the creative economy can develop. The role of the community in the development of the creative economy includes innovation and creativity, collaboration and networking, users and customers, and ecosystem development. Through innovation and creativity, people can create innovative products and services and provide added value in creative business. Collaboration and networking enable people to work together with various parties, such as educational institutions, technology companies and other industries. The role of users and customers is also important in the development of the creative economy. In the Industry 4.0 era, users and customers have an active role in influencing the development of products and services through participation, feedback and evolving requests. Ecosystem development is an important factor in accelerating the growth of the creative economy sector. By developing an inclusive and collaborative ecosystem, the community can provide sustainable support for creative industry players, facilitate innovation, and increase the competitiveness of the creative economy sector.

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