

**THE STRATEGY OF JOKO WIDODO'S ADMINISTRATION
IN DEVELOPING CREATIVE ECONOMY SECTOR IN
FACING ASEAN ECONOMIC COMMUNITY
(AEC) 2015-2018**

UNDERGRADUATE THESIS



Written by:

**Bahrudien Hanief
20150510283**

**DEPARTMENT OF INTERNATIONAL
PROGRAM FOR INTERNATIONAL RELATIONS
FACULTY OF SOCIAL AND POLITICAL SCIENCE
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2019**

TITLE PAGE

THE STRATEGY OF JOKO WIDODO'S ADMINISTRATION IN DEVELOPING CREATIVE ECONOMY SECTOR IN FACING ASEAN ECONOMIC COMMUNITY (AEC) 2015-2018

Submitted to fulfill the requirement of bachelor degree of
International Program of International Relations (IPIREL)
Faculty of Social and Political Science
Universitas Muhammadiyah Yogyakarta

UNDERGRADUATE THESIS

**Compiled and written by:
Bahruddien Hanief
(20150510283)**

**Supervisor:
Dian Azmawati, S. IP, M.A**

**DEPARTMENT OF INTERNATIONAL PROGRAM FOR
INTERNATIONAL RELATIONS
FACULTY OF SOCIAL AND POLITICAL SCIENCE
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2019**

ENDORSEMENT PAGE

THE STRATEGY OF JOKO WIDODO'S ADMINISTRATION IN DEVELOPING CREATIVE ECONOMY SECTOR IN FACING ASEAN ECONOMIC COMMUNITY (AEC) 2015-2018



BAHRUDDIEN HANIEF
20150510283

This undergraduate thesis has been examined and endorsed by the board of examiners from the Department of International Relations, Faculty of Social and Political Sciences, Universitas Muhammadiyah Yogyakarta

Day/Date : Wednesday, May 15th 2019
Time : 08.00 WIB
Venue : Ruang Jurnal HI

Examiner Board:

Prof. Dr. Tulus Warsito, M.Si,
Chief of Examiner

Sidiq Ahmadi, S. IP, M.A. Diana Rizmawati, S. IP, M.A.
Examiner I Examiner II

STATEMENT OF ORIGINALITY

I, the undersigned, hereby declare that this undergraduate thesis entitled "The Strategy of Joko Widodo's Administration in Developing Creative Economy Sector in Facing ASEAN Economic Community (AEC) 2015-2018" The content of this thesis and research is my own work, and that to the best of my knowledge; this thesis has not been submitted for any degree for other purposes.

I certify that the intellectual context of the thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

I made this statement truthfully and in case of any discrepancy found in this statement in the future, I am willing to accept academic sanction and be processed in accordance with the applicable provisions at Universitas Muhammadiyah Yogyakarta.

Yogyakarta, July 27th, 2019



Bahrudien Hanief
20150510283

MOTTO

“Quotes won’t work unless you do”

ACKNOWLEDGEMENT

First and foremost, I would like to praise Allah SWT the almighty for granting me strength and encouragement during my studies until I could finish this undergraduate thesis. Without His will and blessing I would never be able to pursue the Bachelor of Political Social Science degree.

My deepest gratitude is addressed to my advisor, Dian Azmawati, S. IP, M.A for her assistance, continuous supervisions, supports and constructive advices throughout the whole process of research, since the first time I proposed the day I defended my thesis to the board of examiners. I also send my gratitude to the board of examiners of my thesis defense: Sidiq Ahmadi, S. IP, M.A, Prof. Dr. Tulus Warsito, M.Si, then the examiners on my thesis proposal: Dr. Sidik Jatmika, M.Si and Dr. Surwandono, S.Sos., M.Si and for the constructive feedbacks and inputs during and after my thesis work and all of lecturers in International Relations for guiding me in a past 4 years.

TRIBUTE PAGE

Within this page, I would like to extend my gratitude for all forms of supports given to me during my study at Universitas Muhammadiyah Yogyakarta. I dedicated this thesis and would like to thank personally:

1. A big thanks to my Parents. My Dad Agus Salam Alfi and my Mom Lilis Purwaningum. I have a heart full of love for you two because everything we are today and everything we may become tomorrow is all for the sacrifice our parents made for us.
2. My sisters Pramita Alfianingrum and Fariha Zahriyyah also her spouse Maghfirads Aditya, Thank you for being part of my foundation. For all the advice and wise words you've provided me over the last several years and all the incredible strength you've forced me to see in myself.
3. My niece Callysta Fausta Pasha and my nephew M. Atha Fariz. Please don't grow up too fast.
4. My college friend since day one. Balqis Maulidya Afivah, Pranoto Wibisono, Maryana Isabella, Bahtiyar Hardianto, Andre Nugroho, and Luthfila Garin Veramita. You guys showing me that Home isn't about where you are, it's who you are with. Thank you for striving to bring others up instead of tearing them down 😊
5. My Senior High School friend Andika, Yodhaskara, Salsa, Keenan, Medina, Popit, Fa'iq and Tiara. Even though we rarely spend time together but my life wouldn't be perfect without your existence. Thanks for being my most invaluable friend.
6. Thanks to Mamon, Tita, Uti, Sasa. Thank you for the opportunity to be part of your company.
7. To all of my FRIENDS and my fellow classmate. I value your encouragement and your endless support. I thank God for bringing us together.
8. Last but not least, I thank to myself. I know that I am stronger and I am capable to do anything I set my hearth to.

Herewith, I present my undergraduate thesis. May the light and knowledge be with us.

Yogyakarta, July 27th 2019

Bahrudien Hanief

ABSTRACT

This study aims to determine how does the strategy made by Joko Widodo's administration to develop creative economy in facing ASEAN Economic Community (AEC) 2015-2018. This research completed using qualitative by providing a relevant data and/or information respectively, and looking for references related to the cases discussed. The author uses the regional integration and creative economy theory. The result of this study indicate that Joko Widodo's administration creates some strategies such as forming creative economy agency called Badan Ekonomi Kreatif (BEKRAF), Establishing bilateral partnership by BEKRAF in collaboration with Indonesian Ministry of Foreign Affairs and Government of Singapore and reducing final income tax to support SMEs to be able to export goods with large quantities of goods with low tax.

Keywords: *ASEAN, ASEAN Economic Community, Indonesia, Creative economy*

TABLE OF CONTENTS

| | |
|---|-------------|
| TITLE PAGE | i |
| ENDORSEMENT PAGE | ii |
| STATEMENT OF ORIGINALITY | iii |
| MOTTO | iv |
| ACKNOWLEDGEMENT | v |
| TRIBUTE PAGE | vi |
| ABSTRACT | viii |
| TABLE OF CONTENTS | ix |
| CHAPTER I INTRODUCTION | 1 |
| A. Background | 1 |
| B. Research Question..... | 6 |
| C. Theoretical Framework | 6 |
| D. Hypothesis..... | 10 |
| E. Research Purposes..... | 11 |
| F. Research Methods | 11 |
| G. Research Period..... | 11 |
| H. Writing System | 12 |
| | |
| CHAPTER II CREATIVE ECONOMY DEVELOPMENT IN SOUTH EAST ASIA | 13 |
| A. Definition of Creative Economy | 13 |
| B. Creative Economy Value Chain..... | 13 |
| C. History of Creative Economy..... | 14 |
| D. Creative Economy Development in ASEAN | 17 |
| | |
| CHAPTER III ASEAN ECONOMIC COMMUNITY 2015 | 24 |
| A. History and Objectives of ASEAN | 24 |
| B. Forms of ASEAN Cooperation | 27 |
| C. Establishment of ASEAN Community | 27 |
| D. ASEAN stages towards ASEAN Economic Community 2015..... | 29 |
| E. Benefits of ASEAN Economic Community..... | 35 |
| F. Indonesia preparation in dealing with AEC | 36 |

| | |
|---|-----------|
| CHAPTER IV THE STRATEGY OF JOKO WIDODO'S ADMINISTRATION IN FACING ASEAN ECONOMIC COMMUNITY | 38 |
| A. Brief explanation of BEKRAF..... | 38 |
| B. Exhibition Collaboration between Indonesia and Singapore | 60 |
| C. Final Income Tax Reduction..... | 63 |
| CHAPTER V CONCLUSION..... | 65 |
| REFERENCES | 67 |

TABLE OF FIGURES

| | |
|--|----|
| Figure 2. 1 Creative Value Chain defined by The UNESCO cultural statistic | 14 |
| Figure 3. 1 ASEAN Logo..... | 26 |
| Figure 3. 2 AEC Stage..... | 29 |
| Figure 4. 1 BEKRAF Logo | 39 |
| Figure 4. 2 IKKON Logo | 40 |
| Figure 4. 3 Coding Mum Logo..... | 41 |
| Figure 4. 4 Bisma logo | 42 |
| Figure 4. 5 EKUP (BEKraf for start UP) | 44 |
| Figure 4. 6 Gojek Logo | 47 |
| Figure 4. 7 “Kurusetra” Indonesian RPG Game..... | 48 |
| Figure 4. 8 Pop Meets Pop | 49 |
| Figure 4. 9 Elhaus Product | 50 |
| Figure 4. 10 Laskar Pelangi Film | 51 |
| Figure 4. 11 Adit Sopo Jarwo animation..... | 52 |
| Figure 4. 12 Batik Fabric..... | 53 |
| Figure 4. 13 Traditional craft..... | 53 |
| Figure 4. 14 Indonesian restaurant in Singapore | 54 |
| Figure 4. 15 Indonesian restaurant in Malaysia..... | 54 |
| Figure 4. 16 Indonesian singer in Hollywood | 55 |
| Figure 4. 17 Anggun as international judge | 56 |
| Figure 4. 18 Indonesian SMEs product | 61 |
| Figure 4. 19 Launching of RI SING Design Bazaar..... | 62 |

TABLE OF TABLE

Table 1. 1 GDP Ranks2