

CHAPTER V CONCLUSION

The world is developing as well as the economic patterns that exist today. Nowadays is the era of industry 4.0. Creative economy is the key to success in facing the development of the world economy today. Creative economy is the biggest contributor to the GDP of a country, especially Indonesia that occupies the largest GDP in ASEAN. Beside creative economy, creative industry is a significant component of industry. In the world of creative economy, the most significant actor are Small and Medium-sized Enterprise (SMEs) and the country itself. Both have their own role and important task in order to succeed their market globally and internationally. With emerge of industrialization in the United Kingdom and existence of “Korean Wave” it inspires Indonesia to develop and focus on creative economy. Over the past few years, it has been noted that Indonesia excels in several industry sectors among ASEAN countries.

Free trade between states and regional integration becomes important issues in today’s society. ASEAN is an inter-regional organization of countries in Southeast Asia that promotes three important aspects in the sustainability within region. Those three important aspects are economy, social culture and Security. In terms of economy, ASEAN established ASEAN Economic Community (AEC) through long consideration. With the establishment of ASEAN Economic Community that officially signed in 2015 hopes will bring big impact towards ASEAN Community. Every country have their own way in order to win the competition but Indonesia is expected can win the competition by optimizing the effort that can be done by individually and also with support by government.

To support individual/SMEs efforts in order to win the competition on the scale of ASEAN economies, regime under Joko Widodo administration make several strategies for every SMEs or community with various efforts such as establishing the Creative Economy Agency listed in Presidential Regulation Number 6 Year 2015 juncto Presidential Regulation Number 72 of 2015 concerning the Creative Economy Agency with the function as formulation, stipulation and implementation of policies on both industry and

creative economy in Indonesia. BEKRAF is a non-government institution but receives funding from the government. BEKRAF has 6 deputies and focuses on 16 creative economic sectors managed by BEKRAF. Each deputy is carrying different job desk in order to develop creative economy in Indonesia. Until now, the existence of BEKRAF is very important for Industry players in Indonesia. I think establishing single agency to carry out duties to take care of creative economy is a wise strategy because not all country has a single agency like BEKRAF and I hope it will always bring a lot of benefits in the next several years

Second strategy is establishing relationship with another ASEAN country. In terms of creative economy development, BEKRAF and Indonesian Ministry of Foreign Affairs builds collaboration action with Government of Singapore through SMEs exhibition in National Design Center Singapore, Singapore City in order to develop creative economy product. This collaboration brings a lot of benefits for both countries. Indonesian SMEs can introduce, promote and market their local products and Singapore Industry players also can market and making collaboration with Indonesian SMEs. This event is called 'RISING50 BAZZAR' in order to celebrate 50th anniversary of bilateral relations between Indonesia and Singapore. Twenty Indonesian SMEs participate in this event. This event is remarked as success event because can bring a lot of domestic visitors and can attract many tourists to come.

The third strategy by Joko Widodo's administration is by reducing final 0.5% income tax which mentioned in Government Regulation number 23 of 2018. Since we know that paying taxes is compulsory for very citizens, government hopes that this regulation didn't burden SMEs but will encourage them to more develop their business. It is good that this regulation was made in order to support Indonesian SMEs to export more their products/commodities with large quantities but with low tax but some people still criticize this regulation. Whereas low tariff will motivate people to open business and create new jobs.