

## **Development of Creative Economy Based on Small and Medium Micro Enterprises: A Systematic Literature Review**

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### **ABSTRACT**

*The aim of this research is to know Development of Micro, Small and Medium Enterprises Based on Creative Economy in the Current Competitive Era and MSME Development Strategy in the Competitive Era. This research uses a descriptive exploratory approach using a literature review or library study approach, namely referring to various literature, such as books, dissertations, scientific journals and the internet. Research result It can be concluded that there is a need for the creative economy to be improved because of its positive influence on the economy in Indonesia. Thus, it can be said that the growth and improvement of the creative economy industry can continue to help the economy in Indonesia. So the development of creative economy-based Micro, Small and Medium Enterprises (MSMEs) needs to be supported in the current competitive era. Strategy in Developing MSMEs in the Competitive Era according to the author based on analysis of various literature, including, namely Do Collaboration with various parties to support the success of MSMEs, the need for government and private support in developing MSMEs, Improving the quality of MSME actors in utilizing technology, Carrying out online marketing and promotions to increase sales of MSMEs, training is needed for the development of MSMEs and human resource development or MSME actors in the creative economy industry. MSMEs can consistently develop if the actors continue to develop themselves to be able to compete in the current competitive era.*

**Keywords:** MSMEs, Creative Economy, Systematic Literature Review

**INTRODUCTION**

Post-Covid-19 economic recovery in the current competitive era requires creative, innovative and differentiated businesses so that they can continue to develop their businesses and compete consistently with other similar businesses.

Effendy, AA, et al (2020) outline one strategy for MSMEs (Micro, Small and Medium Enterprises to maintain their existence, namely, "To set up a business or MSME (Micro, Small and Medium Enterprises) you must have knowledge, skills and entrepreneurial insight so that the business you run can run well and generate optimal profits."

By increasing the number and development of micro, small and medium enterprises, it can basically improve the national economy, because "MSMEs are the most important pillar in the Indonesian economy, because based on data from

the Ministry of Cooperatives and SMEs, the number of MSMEs has currently reached 64.2 million with a contribution to GDP amounting to 61.07% or worth 8,573.89 trillion rupiah. "The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total existing workforce and can collect up to 60.4% of total investment, however the high number of MSMEs in Indonesia is also inseparable from the existing challenges." (Limanseto, 2021)

According to dataBPS (Central Statistics Agency) Indonesia 2022, national economic performance can be seen from the development of Gross Domestic Product (GDP). With the Covid-19 pandemic from 2020 until now, the post-Covid-19 economic recovery shows fluctuations in business development in Indonesia. The following are industrial business fields in percent form as presented in the image below:

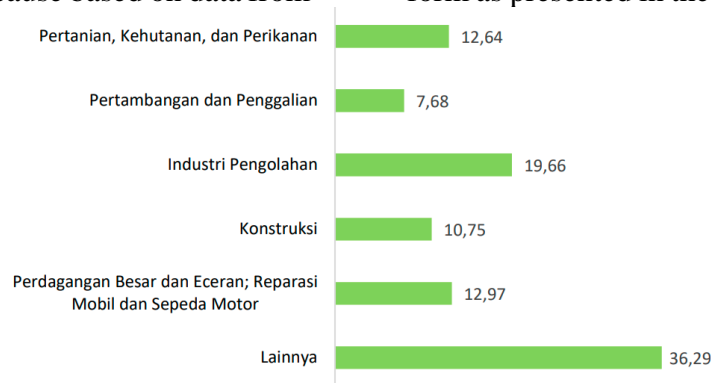


Figure 1.1. Average GDP Distribution 2018-2021 (percent)

Source:Source: BPS (Central Statistics Agency) Indonesia 2022.

As in the data above, the structure of the Indonesian economy according to business fields has not changed significantly during the period 2018 - 2021. The Manufacturing Industry Business Field makes the largest contribution in each quarter with an average

contribution of 19.66 percent. Apart from that, the Wholesale and Retail Trade Business Field, Car and Motorcycle Repair provided an average contribution of 12.97 percent, followed by the Agriculture, Forestry and Fisheries Business Field which contributed an average of

12.64 percent.

The increasing number of MSMEs (Micro, Small and Medium Enterprises) in Indonesia will contribute and have a positive impact on the Indonesian economy, but not

all types of businesses contribute significantly, there are still several business sectors that need attention, including the creative economy business sector, as in the diagram below:

**Persentase Kontribusi Perekonomian Indonesia**

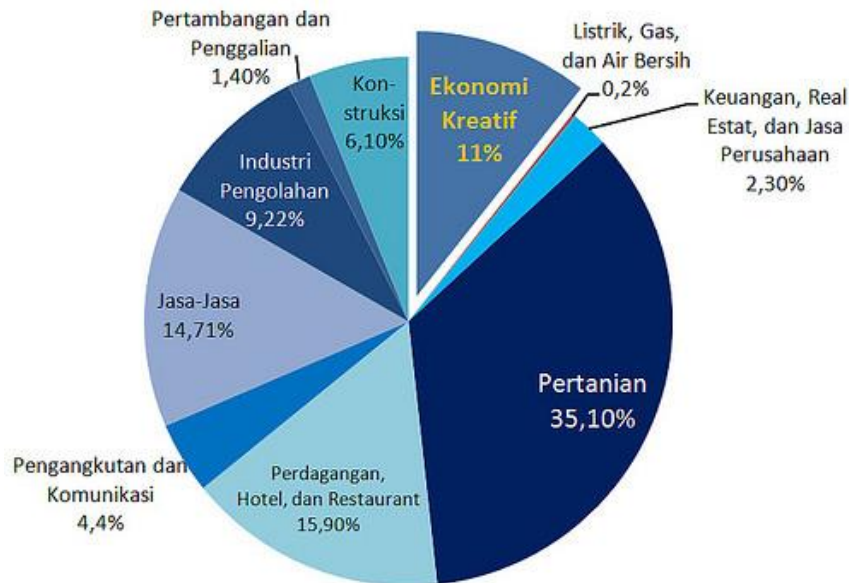


Figure 2. Percentage of Indonesian Economic Contribution

Based on the picture above, it can be seen that the creative economy shows a percentage figure of 11%, this shows a positive influence on the economy in Indonesia. Thus, it can be said that the growth and improvement of the creative economy industry can continue to help the economy in Indonesia. (Rahmi, 2018)

To increase the number of Micro, Small and Medium Enterprises, of course it is necessary to empower MSMEs in each city or region in Indonesia.

From the data above, the business industry sector, including MSMEs, should be able to maximize their role in order to contribute to the Indonesian economy. Because "Micro, Small and Medium Enterprises (MSMEs) have a strategic

role in national economic development, because apart from playing a role in economic growth and employment, they also play a role in equalizing development results." (Lukiastuti, Sunarsi, D., et al. 2020)

According to Maddinsyah, Ali., Sunarsi, D., et al, (2020) outline that, "In the context of MSME success is measured from various aspects such as performance, sales growth, market share and profitability." These factors need to be implemented so that MSMEs can continue to exist in the current era of globalization, of course.

This is reinforced in research by A. Budiyanto, & AA Effendy, (2020), among the obstacles to the development of MSMEs are "Limited business facilities and infrastructure, especially related to technological

tools. "Most MSMEs use technology that is still simple, making it difficult to compete in terms of quality and quantity." Whereas "Promotion is very effective through online media, especially promotion through social media is more effective than promotion through electronic media and print media." (Effendy, AA, & Sunarsi, D. 2020).

From the problems above, the government's role is very necessary to empower MSMEs so that they can develop further and remain in existence, especially in the post-pandemic recovery period like now. So to overcome these problems, research is needed on "Development of Micro, Small and Medium Enterprises Based on Creative Economy: Systematic Literature Review."

## LITERATURE REVIEW

### 1. Understanding

According to the online version of the Big Indonesian Dictionary (2020), development means "process, method, act of developing." So, according to the author, development is a design to develop something that previously existed with the aim and hope that it can improve the quality to be more developed and advanced in the future.

### 2. Understanding MSMEs

In Affandi, A., et al, (2020), regarding the regulations of Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), as follows:

a. **Micro business** "A productive business owned by an individual and/or individual business entity, namely have

a net worth of at most Rp. 50,000,000.00 does not include land and buildings where the business is located or has annual sales proceeds of a maximum of Rp. 300,000,000.00."

### b. **Small business**

Small businesses are "productive economic businesses that stand alone, carried out by individuals or business entities that are not subsidiaries, which have a net worth of more than Rp. 50,000,000.00-500,000,000.00 does not include land and buildings where the business is located or has annual sales proceeds of more than Rp. 300,000,000.00-2,500,000,000.00."

### c. **Medium Business**

Medium Enterprises are "productive economic enterprises that stand alone, carried out by individuals or business entities that are not subsidiaries." Its characteristics are "Having a net worth of more than Rp. 500,000,000.00-10,000,000,000.00 does not include land and buildings where the business is located or has annual sales proceeds of more than Rp. 2,500,000,000.00-50,000,000,000.00." (Putri, Aning Kesuma & Dewi Anggraini, 2016)

## METHOD

This research uses a descriptive exploratory approach by analyzing "Development of Micro, Small and Medium Enterprises Based on

Creative Economy: Systematic Literature Review". This scientific work was developed using an approach to literature review or library research. In Sudaryanto, R., & Wijayanti, RR (2013), "This conceptual approach is carried out by referring to several sources, such as books, scientific journals, and the internet, all descriptions of existing ideas are combined into one framework of thought."

As in Arikunto (2014) regarding literature reviews, namely "Collecting data related to things or variables in the form of books, transcripts, notes, magazines, newspapers, passages, agendas, meeting minutes and so on."

Data analysis in the literature review method in this research contains a complete description of how to analyze the concepts studied. The approach used in analyzing this data is the exposition method, namely "by presenting existing data and facts so that in the end a correlation can be sought between these data." (Ulhaq. et. all., 2020)

**Literature Search strategy**

SearcherPublication article requirements on Google, Google Scholar, and Research Gate use the selected keywords, namely "Empowerment and Micro, Small and Medium Enterprises (MSMEs)" in English and Indonesian.

Table 1. Literature Search Database Source

Research Database	WEB Address
Google Scholar	<a href="https://scholar.google.co.id">https://scholar.google.co.id</a>
Google Search	<a href="https://www.google.co.id/?hl=id">https://www.google.co.id/?hl=id</a>
Scopus Preview	<a href="https://www.scopus.com/home.uri">https://www.scopus.com/home.uri</a>
ReeseArch Gate	<a href="https://www.researchgate.net">https://www.researchgate.net</a>
Central Bureau of Statistics	<a href="https://www.bps.go.id/">https://www.bps.go.id/</a>

Meaning Categories or journals that match the inclusion and exclusion criteria are taken for further analysis. This Literature Review uses literature from the last 10 years, namely 2013-2022, which can be accessed in full text in pdf and scholarly format (peer reviewed journals). The criteria for journals reviewed are research journal articles in Indonesian and English

**State of the Artin Research**

According to Jatmiko, Vishnu . et. all., (2015),*State of the artis* defined "As the level of development covering equipment, procedures, processes, techniques, and theories that is achieved at a certain time and is the result of applying the latest methodology."

So the research should have novelty from previous research. The State of the art in this research has novelty in terms of methods, literature sources and years of erature, which are described as follows:

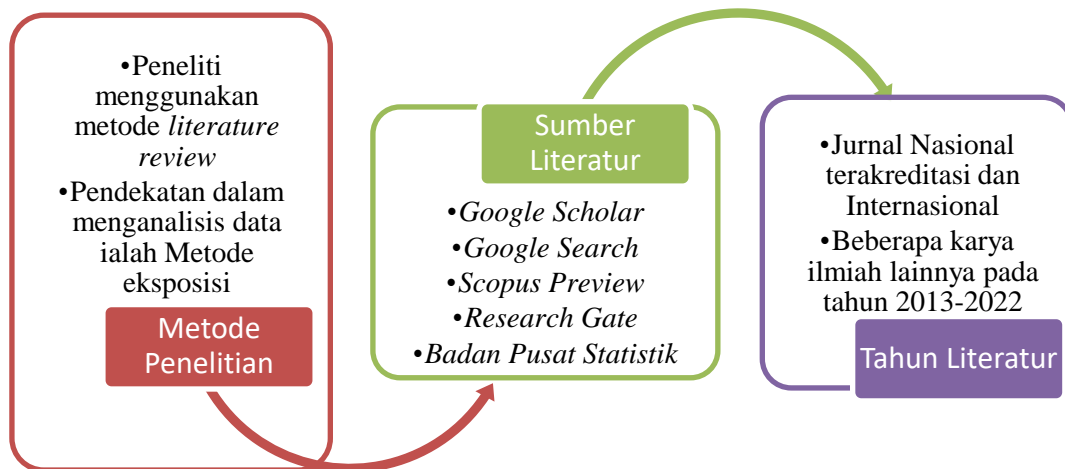


Figure 3. State of the art in research

## RESEARCH RESULTS AND DISCUSSION

The role of the creative economy industry in Indonesia consistently needs to be improved because of its existence. Increasing the creative economy industry can help the economy in Indonesia. In Rahmi (2018) regarding the creative economy in Indonesia, "shows a percentage figure of 11%, while above the creative economy there are services at 14.71%, hotel and restaurant trade at 15.90% and agriculture at 35.10%." From this data, the Creative Economy is still said to be low compared to other industries. However, the creative economy industry has a figure of 11%.

This shows a positive influence on the economy in Indonesia. Thus, it can be said that the growth and improvement of the creative economy industry can continue to help the economy in Indonesia. So it can be concluded that the development of creative economy-based Micro, Small and Medium Enterprises (MSMEs) needs to be supported in the current competitive era.

Strategy in Developing MSMEs in the Competitive Era according to the author based on analysis of various literature, including:

### 1. Do Collaboration with Various Parties

One of the keys to success in developing MSMEs is how MSME actors can collaborate with various parties to support their success. As in Darwanto, et.al., (2013), "Creative economy-based MSMEs require cooperation from various parties to achieve progress in the business world, not only the government and MSME actors themselves, but also the community needs to participate in developing them, these efforts can be reflected through the use of local products and campaigns to always use products made by the nation's children, apart from that, cooperation between individuals is also needed to avoid creating a climate of unhealthy competition."

### 2. The need for government and private support in developing MSMEs

There is no need to deny that creative economy actors need

support from the government, private sector or others in increasing capital, marketing access and so on. As Tadjuddin & Mayasari, (2019). "Creative economy MSME players need synergy between MSME players, improving the quality of products and services as well as full support from the government and private sector in increasing capital."

3. Improving the quality of MSME players in utilizing technology

The current era of digitalization requires MSME players in the creative economy industry to be able to improve their quality to be able to compete with other MSME players, as The Creative Industry Development Strategy according to Ananda & Susilowati (2017), includes "Increasing human resources for creative people through training, facilitation to banking institutions, increasing the quality and quantity of service products and applicable product innovations to various application bases".

4. Doing Online Marketing and Promotion

Conventional marketing in the current competitive era is very difficult to compete with marketing carried out online, because digital access is now easier to use by Indonesian people in general, as is the strategy that can be used to develop creative economy-based MSMEs in Jefri, & Ibrohim (2021) ., including: Carrying out online marketing and promotions, apart from that it is also necessary to take part in soft credit MSME development programs to increase business

capital, Maintain good relationships with employees and provide training, Carry out product development by maintaining product quality, Participate in MSME development programs either by the government or private sector, Maintaining assets well and Collaborating between MSME players and the Cooperatives & MSMEs Service.

5. Training is needed for the development of MSMEs

To be able to develop the number of Micro, Small and Medium Enterprises, of course it is necessary to empower and assist MSME actors in each city or region in Indonesia, by holding training for MSME actors and so on. As according to Darwanto, et.al., (2013). "MSMEs based on the creative economy must always maintain quality and increase their creativity and innovation in producing new works. "Increasing creativity for MSME players can be done through a series of training processes from the government such as business management, marketing management, finance, and so on."

This is confirmed by research by Setyobudi in Sedyastuti, K. (2018), stated that "Bank Indonesia is more focused on strengthening MSME supporting institutions through increasing capacity building in the form of training and research activities that support the provision of credit to MSMEs, efforts made include: training for institutions companion to MSMEs, in order to increase the credit capacity of MSMEs."

#### 6. Development of Human Resources or MSME Actors in the Creative Economy Industry

MSMEs can consistently develop if the actors continue to develop themselves to be able to compete in the current competitive era, because "The strategy for developing MSMEs to remain viable can be done by increasing their competitiveness and developing human resources so that they have value and are able to survive in the ACFTA market, including through distribution of credit to people's businesses, providing access to marketing information, financial management training and development of information and communication technology." (Setyanto, et.al. 2015).

#### CONCLUSION

From the discussion that has been described, it can be concluded that there is a need for the creative economy to be improved because of its positive influence on the economy in Indonesia. Thus, it can be said that the growth and improvement of the creative economy industry can continue to help the economy in Indonesia. So the development of creative economy-based Micro, Small and Medium Enterprises (MSMEs) needs to be supported in the current competitive era.

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