

THE IMPACT OF THE DEVELOPMENT OF THE CREATIVE ECONOMY ON THE SUSTAINABILITY OF THE INDONESIAN ECONOMY IN THE DIGITALIZATION ERA

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ABSTRACT

One of Indonesia's hopes to be able to compete in the global economy is the creative economy. The development of the creative economy in Indonesia has had a great impact on the sustainability of the country's economy in the digitalization era. The creative economy has presented challenges and opportunities to Indonesia, demanding innovative governance strategies to promote innovation and growth. Government plays an important role in driving innovation by providing training and resources to small and medium enterprises (SMEs) and encouraging collaboration between departments and stakeholders. In addition, the digital economy has created new opportunities for entrepreneurship and job creation, especially among the younger generation. With today's very rapid development of information and communication technology, it is able to encourage the growth of business activities to enter the creative economy era, becoming very flexible and dynamic in facing the challenges of globalization and modernization. This research aims to analyze the impact of the development of the creative economy on the sustainability of the Indonesian economy in the digitalization era. This research uses a qualitative approach with the type of library research. Secondary data source to study the impact of creative economy development on the sustainability of Indonesia's economy in the digitalization era. Secondary data is obtained from various sources ranging from government reports, academic publications, journal articles, and official statistical data. Data analysis is conducted thematically to identify and explore key themes related to the creative economy's contribution to economic sustainability, as well as the challenges and opportunities that arise in the context of digitization. The results of the study show that the development of the creative economy has a significant contribution to the sustainability of the Indonesian economy, especially in terms of creating jobs, increasing national income, and diversifying the country's income sources. However, this research also identified a number of challenges, such as limited access to funding, protection of intellectual property rights, and the digital divide between urban and rural areas. Therefore, supportive policies and comprehensive strategies are required from the government to overcome these challenges and maximize the potential of the creative economy in promoting the sustainability of Indonesia's economy in the digital era.

Keywords: creative economy, economic sustainability, digitalization, innovation

INTRODUCTION

Digital transformation has become an important focus for the Indonesian government in strengthening the national economy, especially in the creative economy sector. To strengthen the national economy, especially in the creative economy sector. In today's rapidly developing digital era, the use of digital technology has become a necessity for companies to remain competitive. Digital transformation is no longer just words or an idea, but a reality that businesses must adopt to remain relevant and effective. Apart from that, companies must also consider security and data privacy aspects when using digital technology. Digital transformation in Indonesia is one of the government's policies to encourage society and business people to make optimal use of digital technology. In the current digital era, the use of information and communication technology has a major and important role in increasing a country's competitiveness. The development of Society 5.0 or Industrial Revolution 5.0, previously Industrial Revolution 4.0, has an inevitable impact. Therefore, many governments in various countries have developed information and

communication technology (ICT) and digital technology to see opportunities and take advantage of them. (Aminah & Saksono, 2021). One sector that is recognized as having great potential in supporting national economic growth in Indonesia is the creative economy sector. (Bangsawan, 2023)

Economic development is one of the social issues that attracts the attention of academics, especially in the creative economy sector (Hannan, 2019). In Indonesia, the creative economy is one of the most favored parts. For this reason, the creative economy is one of the important economic sectors for Indonesia (Sidauruk et al., 2019). The development of the creative economy in Indonesia began with the issuance of Presidential Instruction (INPRES) Number 6 of 2009 concerning the Development of the Creative Economy. In a period of economic development and growth, Indonesia is required to take advantage of existing opportunities, one of which is by empowering the creative economy in creating a prosperous society. The creative economy and MSMEs are inseparable and interconnected. Business actors are required to find innovation and creativity in developing their businesses. MSMEs need to innovate starting from products, marketing, distribution, to other systems (Siagian & Cahyono, 2021). (Hasan et al., 2021)

Digital transformation has become an important focus for the Indonesian government in strengthening the national economy, especially in the creative economy sector. To strengthen the national economy, especially in the creative economy sector. In today's rapidly developing digital era, the use of digital technology has become a necessity for companies to remain competitive. Digital transformation is no longer just words or an idea, but a reality that businesses must adopt to remain relevant and effective. Apart from that, companies must also consider security and data privacy aspects when using digital technology. Digital transformation in Indonesia is one of the government's policies to encourage society and business people to make optimal use of digital technology. In the current digital era, the use of information and communication technology has a major and important role in increasing a country's competitiveness. The development of Society 5.0 or Industrial Revolution 5.0, previously Industrial Revolution 4.0, has an inevitable impact. Therefore, many governments in various countries have developed information and communication technology (ICT) and digital technology to see opportunities and take advantage of them. (Aminah & Saksono, 2021). One sector that is recognized as having great potential in supporting national economic growth in Indonesia is the creative economic sector. (Aristocrat, 2023)

Economic development is one of the social issues that attracts the attention of academics, especially in the creative economic sector (Hannan, 2019). In Indonesia, the creative economy is one of the most favored parts. For this reason, the creative economy is one of the important economic sectors for Indonesia (Sidauruk et al., 2019). The development of the creative economy in Indonesia began with the issuance of Presidential Instruction (INPRES) Number 6 of 2009 concerning the Development of the Creative Economy. In a period of economic development and growth, Indonesia is required to take advantage of existing opportunities, one of which is by empowering the creative economy in creating a prosperous society. The creative economy and MSMEs are inseparable and interconnected. Business actors are required to find innovation and creativity in developing their businesses. MSMEs need to innovate starting from products, marketing, distribution, to other systems (Siagian & Cahyono, 2021). (Hasan et al., 2021)

The digital economy is currently continuing to develop in the world, including in Indonesia, this is indicated by the increase in internet users. At the beginning of 2021, internet users in Indonesia reached 202.6 million people. This number increased by 15.5 percent or 27 million people compared to January 2020. The total population of Indonesia is currently 274.9 million people. This means that internet penetration in Indonesia at the beginning of 2021 reached 73.7 percent. The digital economy itself is something that indicates the growth and development of wider and easier economic transactions by using internet

services as a medium for communication and collaboration between individuals and companies. (Agus Rohmat Hidayat, Nur Alifah, 2023)

Micro, Small and Medium Enterprises (MSMEs) are an important sector in a country's economy. MSMEs are known as business actors who have a strategic role in creating jobs, strengthening competitiveness and increasing economic growth. MSMEs are also part of the informal sector that can generate income for people who do not have access to formal markets. MSMEs usually start their business with limited capital and have limited human resources. Because of this, MSMEs often experience obstacles in developing their business and entering a wider market. However, MSMEs have advantages in flexibility and innovation, so they can adapt to market changes quickly. The synergy between the development of MSMEs engaged in the creative industry and the marine tourism sector is very promising and can encourage economic opportunities for local communities in the form of various small businesses (Nugraha, et al. 2017). (Aysa, 2021) This is based on an analysis of business motivation which reveals that. The greater the number of tourists, the greater the percentage of entrepreneurs who build businesses because of tourism opportunities. (Firdausya & Ompusunggu, 2023)

The creative economy will have a positive impact on economic activity, so that the creative economy will slowly replace the role of commodities and natural resources as supporting the economy. With this, business people can adapt by developing a marketing strategy through the STP (Segmenting, Targeting and Positioning) strategy to attract consumers. Marketing strategy is one of the important elements that business people must pay attention to (Fitria Rismawati et al., 2019). (Niode & Rahman, 2022) This contains segmenting which means an effort to divide the market into groups that can be differentiated one by one. each other in terms of needs, characteristics, or behavior that may require certain products and marketing strategies to reach them (Onny Siagian, 2020). (Siagian & Cahyono, 2021) Basically, market segmentation is a strategy based on the marketing management philosophy consumer-oriented. By implementing market segmentation, marketing activities can be carried out more focused and company resources in the field of marketing can be used more effectively and efficiently (Amstrong, 2012). Meanwhile, targeting is the process of evaluating segmentation and focusing marketing strategies on a group of people who have the potential to respond. Target market can also be interpreted as an activity that contains, assesses and selects one or more market segments that a company will enter. Furthermore, positioning includes activities to formulate product placement in competition and determine a detailed marketing mix (Aysa, 2020)

LITERATURE REVIEW

The Role of the Creative Economy

Creative Economy is a new talent that changes society through creative ideas, thereby producing products with added economic value that are able to produce a more prosperous life (Efrida Primawatih, S. Purnamasari, 2020). Creative economy is a new platform in the world of economics, especially for those who have a creative spirit, innovation and always want to create innovation in the modern era so as to encourage the creation of prosperity and reduce unemployment rates (Ghufron & Rahmatullah, 2019).

According to the explanation above, the creative economy is an economic activity that is carried out by developing ideas or ideas creatively and processing them into something that is suitable for sale and in this era of digitalization it really supports the existence of a creative economy.

The role of the creative economy in Indonesia from time to time, with a focus on the transformation that has occurred and the contribution of this sector to the national economy (Daisy & Syafitri, 2024). Meanwhile, according to Klemes Mere, in the current era of globalization, the creative economy has become one of the main foundations that

supports local economic development. It has been proven that the creative economy sector has an extraordinary strategic role in optimizing local potential and opening various business opportunities for rural residents (Mere et al., 2023).

The role of the creative economy in the Indonesian economy cannot be underestimated. Apart from making a significant contribution to GDP, the creative economy also plays a role in increasing national competitiveness on the global stage. Indonesian creative products, such as batik, wayang and culinary delights, have become widely known in the international market, which not only elevates Indonesia's cultural image, but also provides added economic value (Daisy & Syafitri, 2024).

According to expert opinion, it can be concluded that the role of the creative economy has a real contribution to the local economy, proven by being able to maximize local potential and the existence of a creative economy that is able to have a real contribution to GDP by developing local wisdom such as wayang, batik and culinary arts. Indonesian Economic Sustainability

One of the reasons for the need to pay attention to sustainability aspects is economic reasons. Sustainable development includes three important pillars, namely economic, social and environmental which must be carried out in an integrated manner. In the midst of global challenges such as poverty, natural disasters, climate change and the financial crisis, the issue of sustainable development

emphasizing integration of economic development and environmental protection is a tough challenge for policy makers in every country (Rahadian, 2016). In the context of the creative economy, sustainable development means creating products and services that not only generate financial profits, but also pay attention to the environment and provide social benefits (Daisy & Syafitri, 2024).

Sustainable development is closely related to increasing economic growth, especially in dealing with poverty, because currently in Indonesia poverty is the main focus in improving the economic conditions of society. Many government policies have been implemented to achieve this goal, especially to reduce poverty levels. Thus, sustainable development can be one solution to the problems currently existing in Indonesia (Economy & Indonesia, 2020).

According to several opinions above, economic sustainability is an activity carried out to maintain the stability of the community's economy by making poverty the main focus in improving the community's economy. This is supported by research conducted by Arief, the government always seeks various ways to improve the welfare of its people and to overcome various problems that exist in this country. The government also plays an active role in supporting the development of sustainable development from an economic aspect in Indonesia (Economy & Indonesia, 2020). With this, it can be concluded that when society has a stable economy and minimizes poverty, the Indonesian economy will be more secure in the long term or the sustainability of the Indonesian economy will be maintained. With this, government protection is very necessary in participating in the development of MSMEs in Indonesia.

Economy in the Era of Digitalization

Communication, information and new media technology which has succeeded in changing communication patterns and information seeking has become a major contributing factor in changes in people's lifestyles, especially in communication styles and information seeking (Sunarta, 2023). The presence of communication and information technology with the "tons" of sophistication and convenience it brings is able to lead humans to an order that has a better quality and standard of living (Ahmad, 2012). Digital marketing is starting to spread now amidst advances in information and communication technology. Business people have started to use digital technology in running their businesses, especially small business people. The use of digitalization in

marketing, for example, has been proven to be able to maintain micro businesses in the product marketing process and maintain businesses when there was a crisis due to the pandemic some time ago (Novitasari, 2022).

Based on the explanation of the economy in the era of digitalization above, it can be concluded that as time goes on, technological developments will develop further and will be able to influence people's lifestyles in seeking information, communicating and economics. With increasingly sophisticated technological developments, economic activities must be carried out digitally by implementing digital marketing or marketing using social media.

The existence of Covid-19 has had a significant impact on people's lifestyles in carrying out economic activities. According to research conducted by novitasari, MSMEs were faced with pandemic conditions in mid-2020. MSMEs were at the forefront of the economic shock caused by the Covid-19 pandemic. The government's anticipation has had the impact of a lockdown causing a sudden cessation of economic activity, decreased demand for goods and services and disrupted the supply of production processes (Novitasari, 2022). The problems faced by MSMEs in the current digital era are the low quality of human resources and unequal access to technology. In order to face these challenges, there must be assistance and education for MSME business actors who want change. Based on data from the Ministry of Cooperatives and MSMEs in 2020, there were 10.25 million MSME business people who were connected to digital platforms (Sudrartono et al., 2022).

The impact of Covid-19 is still being felt, everything can be done at home, everything can be done instantly and can be accessed easily, namely by implementing digitalization. With the statements above, it can be concluded that creative economic activities must be accompanied by the digital economy, but there are still several problems such as low knowledge of social media. The solution for the government is to provide full assistance to MSMEs so that MSMEs can always help the Indonesian economy in a sustainable manner. Because the development of MSMEs in Indonesia will increase the level of sustainability of the Indonesian economy.

The Impact of the Creative Economy on MSME Development

With the large population in Indonesia, it is certain that the level of job seekers will increase over time, but also the opportunity to get a job will become increasingly difficult. Not only does it have an impact on individuals, unemployment also has a huge impact on the government or country, especially on economic development, such as the level of national income decreasing, labor productivity will be lower, waste of existing resources and potential, and of course the poverty rate will increase (Ghufron & Rahmatullah, 2019). To overcome the large number of unemployed, creative ideas create a creative economy to reduce unemployment. This is in line with research conducted by Efrida, the creative economic system is believed to be able to be a solution in overcoming this problem, as well as an alternative in facing global economic challenges that will shift the existing economic system. Indonesia, which is rich in culture and has a large population, has enormous potential in developing the creative economy (Efrida Primawati, S. Purnamasari, 2020).

With the statement above, it can be concluded that the large population of Indonesia and the lack of employment opportunities will increase the unemployment rate. By minimizing unemployment, we can develop ideas or thoughts to carry out a creative economy. With the development of the creative economy, MSMEs in Indonesia will increase.

The association of creative economy actors expressed in one MSME community is officially recognized as contributing to the improvement of the Indonesian economy, marked by an increase in contribution to Gross Domestic Product (GDP) and the number of jobs involved. According to the Central Statistics Agency report (2020), the creative economy sector contributed around 7.44% of Indonesia's GDP in 2019, an increase from

7.05% in 2018. The main sub-sectors that dominate this contribution are culinary, fashion and crafts, which respectively accounted for about 41.69%, 18.15%, and 15.70% of the total GDP of the creative economy (Daisy & Syafitri, 2024).

With several problems facing MSMEs, the government's role in developing MSMEs is needed which will later be able to carry out a creative economy. The government's role is very necessary, such as assistance in digitalization learning, monitoring and directing agencies related to the creative economy and full support for MSMEs in Indonesia. With the creative economy continuing to be developed by MSMEs using the digitalization sector, the sustainability of the existing economy in Indonesia will also be guaranteed.

METHODS

The method in this article uses library research according to Zed's library research, namely a method of collecting data by understanding and studying theories from various literature related to the research. There are four stages of library study in research, namely preparing the necessary equipment, preparing a working bibliography, organizing time and reading or recording research materials (Adlini et al., 2022). The library research referred to is reviewing literature which discusses economic sustainability, creative economy, digitalization and innovation (Yusuf & Agustang, 2020).

The research method used in this research is an analytical description research method using a qualitative approach. The use of this approach is adapted to the research objective, namely to describe and analyze the impact of creative economic development on the sustainability of the Indonesian economy in the era of digitalization. An analytical research design is a research design designed to describe in detail how a number of individuals experience a specific phenomenon.

The data collection technique used in this research is documentation. Meanwhile, secondary data sources are obtained from various sources ranging from government reports, academic publications, journal articles, and official statistical data. Secondary data is data obtained indirectly from the research object. Secondary data obtained is from an internet site, or from a reference that is the same as what is being researched (Sari & Zefri, 2019).

RESULTS

Development of the Creative Economy in Indonesia

With the large population in Indonesia, it is certain that the level of job seekers will increase over time, but also the opportunity to get a job will become increasingly difficult. Not only does it have an impact on individuals, unemployment also has a huge impact on the government or country, especially on economic development, such as the level of national income decreasing, labor productivity will be lower, waste of existing resources and potential, and of course the poverty rate will increase (Ghufron & Rahmatullah, 2019).

The contribution of the creative economy to the national economy is becoming increasingly evident. The added value generated by the creative economy also increases every year. The growth of the creative economy sector is around 5.76% (Kominfo, 2015). Along with the development of MSMEs in Indonesia, it also has an impact on the Indonesian economy. This is in accordance with similar research conducted by Daisy. The role of the creative economy in the Indonesian economy cannot be underestimated. Apart from making a significant contribution to GDP, the creative economy also plays a role in increasing national competitiveness on the global stage (Daisy & Syafitri, 2024).

The more Indonesia's population, the more the economy will develop, especially in the MSME sector. The large number of MSMEs in Indonesia will create intense competition, therefore creative ideas or ideas are needed to lead to a creative economy. Reporting

from the Ministry of Craft's website, Indonesia is actually superior to the United States in terms of labor absorption in the creative economy sector. In 2019, Indonesia's creative economy sector was able to absorb up to 17 million workers. This figure is much higher than the United States, which only has 4.7 million workers in the creative economy sector. So it is appropriate for Indonesia to be the initiator of the International Year of the World Creative Economy (Kemenparekra, 2021).

In 2019, the creative economy sector succeeded in employing more than 17 million people, most of whom consisted of young people with high skills and innovation (Daisy & Syafitri, 2024). Creative economy growth in 2019 was 3.9 percent, then in 2020 it decreased, namely -0.5 percent. Then it rose again to 2.9 percent in 2021, then in 2022 it rose to 9.49 percent (Menparekraf, 2023). In 2019, recorded transactions reached IDR 1,000 trillion and in 2020, the creative economy sector is expected to contribute IDR 1,100 trillion (Bangsawan, 2023). The creative economy has also been proven to play a big role in the national economy, in 2022 its contribution to national GDP will reach IDR 1280 trillion. The national contribution of the creative economy sector workforce will reach 17.7 percent in 2022 (Kemenparekraf, 2023).

The Impact of the Creative Economy on Economic Sustainability in Indonesia

The United Nations (UN) will carry out a sustainability development goals (SDGs) agenda until 2030 consisting of 17 goals and 169 sub-targets. The 17 SGD goals serve as global guidelines for transitioning towards sustainable development. The agenda raises various issues including poverty, hunger, health, education, gender equality, environmental degradation, the economy, and other interrelated goals. All SDGs objectives must be implemented by various member countries comprehensively and cannot be separated from each other and their success is a challenge. (Maulidina Laelatul Luqma & Sari, 2023)

Implementing SDGs in Indonesia is important because there are fluctuations in economic activity from time to time. The political situation and strong foreign intervention have hampered economic growth, therefore several reforms and policies are needed to implement sustainable development goals in the creative economy and tourism sectors in order to encourage economic growth and employment.

According to Nugroho et al., (2015), the Indonesian economy is starting to shift and create a new concept, namely the expansion of the creative economy as an alternative to support sustainable growth. This shift is felt in economic resources from previously knowledge-based towards a creative economy. Habib (2021) stated that the creative economy is a concept in the new economic era that intensifies information and creativity by relying on ideas and knowledge from human resources as the main production factor. The existence of a creative economy is really needed for the government to strengthen the economy, especially in the real sector. (Maulidina Laelatul Luqma & Sari, 2023)

The creative economy forms a business ecosystem that focuses on the production, distribution and marketing of various products and services that prioritize the values of creativity, culture and innovation. This concept is not just a trend, but has gained global attention as a potential source of significant economic growth and job creation. The significance of the creative economy is not only reflected in its potential to drive economic growth. The values it promotes, including creativity, cultural diversity and innovation, also play an important role in shaping business and cultural identity. (Sudrajat & Mutinida, 2020)

The Creative Economy is defined by the Indonesian Ministry of Trade as a form of industry that is not rigid and disciplined in utilizing existing resources, management is based on the creativity and skills of each individual or group with the aim of opening up employment opportunities so as to provide a significant impact, namely the welfare of society. The Creative Economy has the following characteristics, namely: 1) A business that originates from ideas and thoughts; 2) Has a non-rigid nature; 3) Unlimited

development can be developed in various business fields; 4) Human resources who have creativity and talent in developing fields in the creative economy; 5) The products produced have a high margin value and have high competition

Presidential Regulation Number 72 of 2005 categorizes the creative economy into 17 sectors, namely Performing Arts, Product Design, Culinary, Photography, Architecture, Interior Design, Film, Advertising, Visual Communication Design, Television and Radio, Music, Fashion, Publishing and Game Development (Supian & Legal, 2023)

The creative economy is an economic action where input and output are ideas (Sari et al., 2020). Only with the capital of thinking, a creative person can be said to be taking part in the creative economy and can earn quite a large income from these thoughts. This startup is something new in business in Indonesia. Consistently, perhaps every month there are many new startups from various types and circles in the creative economy sector. Until recently, it was felt that there were lots of new local startups in Indonesia. As one of the characteristics of innovative businesses, the presence of startups plays an important role in a country's economy. Startups can provide quality companies and have a positive effect by addressing problems in the public eye. Not only that, startups also take part in creating jobs. The Indonesian government is making extraordinary efforts to build the quantity of new businesses in the country. Other support is also provided so that startups can progress and develop. (Ermawati & Lestari, 2022)

This belief in the future of the creative economy sector is what prompted the President to form the Creative Economy Agency (Bekraf) which is expected to function as an accelerator for the growth of Indonesia's creative economy. The President even promised to give full support to Bekraf on budget issues. "I hope that the Creative Economy Agency will immediately get to work and run fast to facilitate accelerated development in the creative economy sector," continued the President. However, it must be realized that efforts to drive the creative economy sector require togetherness, requiring synergy from all parties involved in the creative economy.

Facing increasingly difficult challenges ahead, we need to strengthen the ability of the creative industry to compete with imported creative economy products. Linkages with other sectors, both backward and with suppliers, as well as forward linkages that absorb the creative economy subsector need to be strengthened. One of them is a representative exhibition venue that provides space and opportunities for creative industry players, such as the Indonesia Convention Exhibition in BSD City which has Meetings, Incentives, Conferences and Exhibition (MICE) facilities. This MICE facility can be a medium for promoting various types of Indonesian creative economy products, so that it can encourage the growth of other creative economy actors who can support regional and national economies.

In line with this, there is a survey from the Ministry of Tourism and Creative Economy/Tourism and Creative Economy Agency regarding Opportunities in the Advancement of Indonesia's Creative Economy. The majority of experts (90.48%) predict that the creative economy sector will experience growth compared to 2022. It is estimated that culinary is the sub-sector of the creative economy that has the potential to experience the fastest growth in 2023-2024. Followed by the FAV (Film, Animation, Video), Fashion, Applications, Crafts, Game Developer, Music, Photography and Performing Arts subsectors. However, this must be accompanied by three main policies that play an important role in encouraging creative economic growth. Such as promotion and marketing, access to intellectual property protection, and strengthening supporting infrastructure. (Ministry of Tourism and Creative Economy/Tourism and Creative Economy Agency, 2023).

Interestingly, it turns out that Experimental Experience is the most popular creative economy trend in 2023-2024. The reason is because Experimental Experience provides a different experience, thereby creating bonds and brand loyalty to customers. After that,

the creative economy trend that is predicted to be popular is the use of data analytics and machine learning. Because it is considered capable of facilitating production and consumer needs more optimally. This is followed by sustainable products which are based on increasing consumer awareness of the environment and conscious consumption. It is hoped that with optimism from experts in the revival of the tourism sector and the creative economy, it can help achieve the target of 8.5 million foreign tourist visits, 1.4 billion domestic tourist movements, and open 4.4 million jobs by 2024.

This opinion was also reinforced by the idea of the Head of the Communications Bureau of the Ministry of Tourism and Creative Economy/Tourism and Creative Economy Agency Mr. I Gusti Ayu Dewi Hendriyani in the Press Release: *Menparekraf: Creative Economy Strengthens Achievements of the 2045 Gold Indonesia Target*, he said, *Menparekraf Sandiaga* in his speech at the event which took place at Pos Bloc Jakarta, Monday (31/7/2023) evening, said the national meeting of national creative economy actors not only strengthened collaboration between creative economy actors in establishing National Creative Economy Day (Hekrafnas). However, making the Hekrafnas celebration later become a momentum for celebrating the creative economy which is able to encourage Indonesia's economic sector with the target of achieving a Golden Indonesia 2045. The creative economy plays a big role in the national economy, in 2022 its contribution to national GDP will reach IDR 1134.9 trillion. (Hendriyani et al., 2023)

President Joko Widodo at the World Conference on Creative Economy (WCCE) has determined that Indonesia will take a leading role in building an inclusive and sustainable global creative economy ecosystem. The establishment of National Creative Economy Day will strengthen the identity and position of the creative economy in the context of national development. In addition, increasing public understanding and awareness of the contribution and potential of the creative economy sector. Apart from that, it is also hoped that it can encourage growth and innovation in the creative economy sector, build synergy and collaboration throughout Pentahelix in supporting the development of the creative economy, and strengthen the creative economy ecosystem in order to increase significant social and economic impacts.

CONCLUSION

The importance of the creative economy as one of Indonesia's main hopes to compete in the global economy, the high role of the creative economy in people's standard of living. When people's living standards increase, the Indonesian economy or Indonesian GDP is able to increase. The government's role is critical in encouraging innovation by providing training and resources to Small and Medium Enterprises (SMEs) and encouraging collaboration between departments and stakeholders. The digital era has created new opportunities for entrepreneurship and job creation, especially among the younger generation. With the very rapid development of information and communication technology today, businesses can develop more flexibly and dynamically in facing the challenges of globalization and modernization. The development of the creative economy has a significant contribution to the sustainability of the Indonesian economy, especially in terms of job creation, increasing national income and diversifying state income sources. However, the research also identified several challenges such as limited access to funding, protection of intellectual property rights, and a digital divide between urban and rural areas. Therefore, supporting policies and comprehensive strategies are needed from the government to overcome these challenges and maximize the potential of the creative economy in promoting the sustainability of the Indonesian economy in the digital era. This research has several limitations, such as the use of secondary data which can affect the depth of analysis, geographical coverage that is not detailed, and a methodological approach to literature studies that allows interpretation bias. For further research, it is recommended to collect primary data through interviews or surveys, conduct more focused regional analysis, utilize a multidisciplinary approach, conduct specific case studies on certain sectors in the creative economy, and evaluate existing government policies to support the growth of this sector. By overcoming these limitations

and following these suggestions, it is hoped that further research can make a more meaningful contribution in advancing the creative economy and sustainability of the Indonesian economy in the era of digitalization.

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