



CREATIVE INDUSTRY AND ECONOMIC RECOVERY STRATEGIES FROM PANDEMIC DISRUPTION

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ABSTRACT

This study aims to present a critical review of how economic and financial theory is used as a solution to rise from economic downturn during the pandemic. This article will present the implementation of economic policies and approaches from various countries in the Southeast Asia region in responding to the crisis during the pandemic. This research approach uses an exploratory qualitative research model. The results of this study present and provide an analysis of an event, thought, phenomenon, individual perception, and social activity in responding to a crisis. This study found a uniform approach used by various countries regarding economic recovery policies. Financial stimulus is given to the Small and Medium Enterprises (MSME) sector to revive an economy that is experiencing difficulties. This study also finds a similar pattern related to financial stimulus policies in 6 (six) important sectors. These efforts include: creative industri incentives, road maps, training, and partnerships with investors for development.

Keywords: Financial Stimulus; Creative Industry; COVID-19 Pandemic

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ABSTRAK

Penelitian ini bertujuan untuk memaparkan tinjauan kritis tentang bagaimana teori ekonomi dan keuangan digunakan sebagai solusi untuk bangkit dari keterpurukan ekonomi selama masa pandemi. Artikel ini akan menyajikan penerapan kebijakan dan pendekatan ekonomi dari berbagai negara di kawasan Asia Tenggara dalam menanggapi krisis di masa pandemi. Pendekatan penelitian ini menggunakan model penelitian kualitatif eksploratif. Hasil penelitian ini menyajikan dan memberikan analisis terhadap sebuah peristiwa, pemikiran, fenomena, persepsi individu, dan aktifitas sosial aktivitas dalam menyikapi sebuah krisis. Penelitian ini menemukan adanya keseragaman pendekatan yang digunakan oleh berbagai negara tentang kebijakan pemulihan ekonomi. Stimulus keuangan diberikan kepada sektor Usaha Kecil Menengah (UMKM) untuk menghidupkan kembali perekonomian yang sedang mengalami kesulitan. Kajian ini juga menemukan pola serupa terkait kebijakan stimulus keuangan di 6 (enam) sektor penting. Upaya tersebut meliputi: insentif industri kreatif, road map, pelatihan, dan kemitraan dengan investor untuk pembangunan.

Kata Kunci: Stimulus Fiskal; Industri Kreatif; Pandemi COVID-19

JEL: L21; Z21

Introduction

The creative industry is one of the potential backbones of the Indonesian economy. It is related to Indonesia's position, which is reasonably calculated in its creative economy. The United Nations has designated 2021 as the "International Year of Creative Economy for Sustainable Development". Indonesia became one of the initiators of the revolution. Meanwhile,

Indonesia's economy before the COVID-19 pandemic had grown well due to contributions from 17 (seventeen) creative economy sub-sectors. The growth indicator is the creative economy's contribution of IDR 1.105 trillion to Indonesia's Gross Domestic Product (GDP) in 2019. This condition finally positions Indonesia in third place in the number of creative economy contributions to GDP. The first and second positions are the United States and North Korea. It also contributed to the export value of this industry, amounting to US\$20 billion. In addition to the contribution of exports, the creative industry contributed to the absorption of 17 million workers in the same year. A preliminary study conducted by [Awalia et al. \(2018\)](#) underlines that the creative industry sector significantly influences the increase in GDP in Indonesia in 2019.

However, this does not apply in 2020 or during the pandemic. The creative industry has relatively stopped due to restrictions during the pandemic. The study conducted by [Tegar Insani et al. \(2020\)](#) revealed that the creative industry in Indonesia during the pandemic period experienced difficulties. It affects the income of the creative sector itself. The challenges faced during the pandemic are getting tougher. The challenge is not only to build a good ecosystem so that local products can lead the market. More than that, business actors in the creative industry sector are struggling to survive during the pandemic. The creative industry sector is the sector that the pandemic has hardest hit. It is due to restrictions during the pandemic. According to a study conducted by [Santoso \(2020\)](#), changes in consumer behavior during the pandemic have changed the industrial order. Entrepreneurs who have been running their businesses on an offline basis must make changes and product differentiation to survive during the pandemic.

The creative industry, during the pandemic, continues to struggle to survive. At least several things must be considered by creative industry players during the pandemic. First, they must be able to transform challenges into opportunities. Digitization is one of the keys to surviving a pandemic. It is also in line with the spirit of the industrial revolution 4.0. Second, Creative industry players must be able to ensure the resilience of their business both in terms of processes and products. It can do it by opening access to financial inclusion, adapting production capacity for market absorption, and transforming business processes during the new normal. Third, creative industry players must collaborate with other countries or international institutions. One thing that can do is through the Global Center of Excellence for International Cooperation and Creative Economy (G-CINC).

Several studies that have been conducted by [Bilan et al. \(2019\)](#); [Kasiyan \(2019\)](#) reveal that the creative economy industry has become the prima donna. The priority of this industry lies in the dynamics of its products, services, and business processes. Creative industries will be more developed and able to compete if they have products processed with high creativity. This high creativity creates value both in terms of products and services. The product's value can ultimately be a differentiation when compared to other similar products.

Meanwhile, service is one of the keys to success in the creative industry. Studies conducted by [Kushwaha et al. \(2020\)](#); [Pratama & Darma \(2014\)](#); [Rewah \(2018\)](#) reveal that service is one of the values that can increase product competitiveness. It confirms that the competitiveness of the creative industry lies not only in superior products. More than that, the superior product must have good service. The superiority of this service will become a necessity when the competition between similar products becomes very massive.

Literature Review

The focus of the creative industry is to utilize skills and be creative. These skills are obtained from individual and group talents that aim to improve the community's welfare. Research [Zhang & Kloudova \(2011\)](#) reveals that the creative industry has the opportunity to expand employment opportunities. It is because the creative industry focuses on creating products through the creative power of individuals and groups ([Matetskaya, 2015](#)). The economic crisis during the pandemic was answered well by this industry. There were some fundamental problems during the economic crisis in Indonesia. These problems include 1) low economic growth, 2) high unemployment rate, 3) poverty increases, and 4) low product competitiveness.

Creative industries have characteristics that can be seen from the assimilation of the added value of the products produced ([Santosa, 2020](#)). So the role of science and technology is needed to produce products with high absorption by consumers. It requires new ideas as a form of manifestation of creativity. Meanwhile, creativity requires mastery of skills and knowledge. So it is necessary to master the four components of technology, namely *humanware*, *infoware*, *technoware*, and *organware*.

The pandemic for two consecutive years has resulted in the creative industry experiencing difficulties. This difficulty results from the declining purchasing power of consumers ([Santoso, 2022](#)). Furthermore, research conducted by [Santoso \(2020\)](#) underscores that the regulation and changes in consumer behavior during the pandemic also give excess purchasing power a decline. Research [Santoso & Mujayana \(2021\)](#) also reveals the severe impact of the MSME sector on the creative industry during the pandemic. Creative industry business actors who delay projects or work are 70% of the total MSMEs. In addition, not a few of them also experienced a decrease in income, or 67% of the total MSMEs. This decrease in income was caused by 59% of business actors experiencing project cancellations. It has also resulted in 21% of business sensitives experiencing difficulties in raw materials.

One risk mitigation carried out by business actors in the creative economy is changing products and providing value-added services ([Santoso, 2020](#); [Santoso & Mujayana, 2021](#)). Efficiency in the production process is also a concern for avoiding layoffs ([Gupta & Rubalcaba, 2021](#)). However, some business actors cannot avoid salary delays, especially top management in the creative industry ([Rosita, 2020](#)). When income starts to decline and add products, marketing innovation is also needed to survive the pandemic.

Early Development of Creative Industries

The creative industry in Indonesia began to develop in the early years of the millennial 2000. This development got even better when this industry contributed Rp79 billion in 2006. It is inseparable from technological innovations that have been implemented since 2002. This industry has contributed 4.75 billion % of Indonesia's total GDP. This industry is also able to provide jobs to 3 million workers. This data continues to increase by 8% per year. Some of the products produced from this industry can penetrate the export market of Rp.45 trillion and continue to increase by 13% every year. This contribution is very encouraging, considering the total population of Indonesia in that year reached 279 million people. In other words, Indonesia is a potential market where products and services are born in the creative industry sector.

Creative Industries and Economic Growth

The transformation across the technical pathway axis is the driving force behind the economic expansion in the modern era (Breier et al., 2021; Harms et al., 2021). The origins of the constant diffusion of emerging innovations, the individuals and organizations involved in the phases, and the institutions that support them are the main subjects of most studies on such frameworks (Amankwah-Amoah, 2021; Heinonen & Strandvik, 2021). The concept that the arts and culture sector, copyright industry, or creative industries have the potential to play a role in the economic growth sequence is not often embraced by policymakers or academics (Boccella & Salerno, 2016; Florida & Adler, 2016; Pratt, 2021).

The fact that these industries have contributed to the diffusion and persistence of advances in socially advanced technologies for producer-consumer and consumer-consumer reciprocity may be overlooked because cultural identity is not the main thing (Kekezi, 2021; Tønnessen et al., 2021). With the inclusion of creative industries into the theory of enterprise development, it is possible to close significant ones in the study of social technologies in the diffusion, adaptation, or retention (Lorenza & Carter, 2021; Tao et al., 2019).

Naturally, concentrating on physical technology has proven to be quite an effective research method, leading to a large number of valuable theories as well as evaluations of how socioeconomic structures are changing as a result of the expansion of knowledge processes in recent decades (Dharmani et al., 2021; Kekezi, 2021; Tønnessen et al., 2021). However, the supply-side model intended to be based on science does not appear to be able to account for the many types of understanding and synchronization processes that are not effectively reflected in this framework. Aspects of economic growth such as the role played by the service sector, the knowledge base represented by broadly defined 'art,' and the adaptation of new technologies to new consumer lifestyles, including the social nature of these choices, have all been systemically neglected in the evolution of economic growth theory (Amankwah-Amoah, 2021; Breier et al., 2021).

This study aims to correct this error by arguing why evolutionary economics should pay more attention to the creative industries (Pratt, 2021; Tønnessen et al., 2021). My fundamental thesis is that the creative industries are more than just another case study of economic development through innovation. They are also an integral component of the evolutionary mechanism itself, as they provide essential evolutionary services critical to the evolutionary process (Florida & Adler, 2016; Kekezi, 2021; Tao et al., 2019). Their significance goes beyond the fact that they are another interesting subject for evolutionary economic research; they can instead become an essential component of the economic development mechanism itself (Boccella & Salerno, 2016; Dharmani et al., 2021).

As a result, creative industries will be involved in all stages of economic evolution during the process. However, when the economy is in the midst of a profound and rapid transformation, as seen over the last few decades in terms of the 'new economy, and beyond, it becomes of paramount importance (Kekezi, 2021; Tao et al., 2019). The creative industries have experienced explosive growth recently. This growth may be due to the wealth effect and the benefits of information and communication technology (ICT) and globalization. Still, it may also reflect the deeper order of the evolution of market-based economies. All new ideas are born into a social context and must develop within that context (Dharmani et al., 2021; Lorenza & Carter, 2021). According to this point of view, creative industries are an additional component of the innovation system and, as such, are an essential component of any comprehensive theory of economic growth and development (Kekezi, 2021; Tønnessen et al., 2021). Creative industries, it is argued, are a source of economic growth in their own right.

During the research, four models of the relationship between credit index and aggregate economy were evaluated to refine this thesis further. With statistics on the relative growth rates, employment, entrepreneurship, income, and profits for many countries over the last decade, we find ample evidence that creative industries are increasing compared to other economic systems (i.e., they are expanding). As a result, this line of investigation leads to an assessment of the creative industries based on the principles of evolutionary innovation and economic systems. This market (social network market) is defined as a market whose value is unknown due to essential novelty, and agents must rely on information from other people's decisions to coordinate their course.

Industrial Progress (Creative)

Production and employment, new technologies, ease of organization, and creativity are all considered elements in socio-economic growth and transformation (Achtenhagen et al., 2013; Tao et al., 2019). Each of these aspects adds to the increase in economic output. Arts and culture have not been seen to play a constructive or leadership role in this regard; in fact, the opposite has been claimed (Breier et al., 2021; Florida & Adler, 2016; Pratt, 2021). The fields of art and culture are too busy with consumerism, whether manifested in cultural activities or other entertainment. Creative industry culture must be protected by proper management and financed by industry-based strength and growth. Therefore, socio-economic development is needed so that the creative industry culture can be well preserved.

One unexpected consequence, which it did not anticipate, is that some individuals recognize that creative industries may be better understood as part of an evolutionary process than a market system for an extended period (Achtenhagen et al., 2013; Dharmani et al., 2021; Goswami & Chouhan, 2021). Despite the importance of economic growth and evolution, current theories of economic development and evolution fail to recognize the relevance of economic evolution as a process that includes introducing new ideas into existing social systems (Breier et al., 2021; Harms et al., 2021). Although selection is a social activity rather than a simple process of contagion or diffusion, it also works across the spectrum of economic growth, including processes of diversity creation.

As a result of its implicit static focus on cultural, socio-economic, and technological balance, cultural economics continues to under-represent the dynamic significance of arts and innovation for economic systems (Dharmani et al., 2021; Kekezi, 2021). It makes it difficult to see how experimentation or even variation can be helpful in an equilibrium situation when everything is known (i.e., there is no uncertainty). Science and art are equally useless in closed societies when it comes to business and the arts, and the opposite is true (Breier et al., 2021; Harms et al., 2021).

As a result, the traditional approach to cultural economics continues to view these sectors as having no dynamic economic value, only cultural or non-market value, which is a fundamental weakness of this approach. On the other hand, from the perspective of the theory of open systems evolution, the cognitive invariance of creative industries is an evolutionary process that, in part, determines not only the speed of economic growth but also the direction of its future course. Culture and CI typically use a political-economic perspective that views the creation of cultural value as an end in itself, which is a significant departure from the usual approach. However, in my opinion, CI is an essential component in the growth of the knowledge process, which serves as the engine of all economic progress in today's world.

Impact of Creative Economy on Economic Growth

Analysis of creative industry modeling papers from various countries over the last period shows that the creative industry over-demand is almost twice as high as the average significance and labor force across all sectors in the first framework of creative industry complexity (Goswami & Chouhan, 2021; Kekezi, 2021). It is the trend of continuous industrial development. Most industries have had this for some time, as everyone is bound to grow slower than usual (Breier et al., 2021; Harms et al., 2021). The drivers of all phases of development are difficult to separate and evaluate, so this contemporary phenomenon has not been analyzed. However, there may be a range of arguments, including (1) increased investment and supply of input factors, (2) demand growth, (3) qualitative improvements in factor inputs, and (4) institutional and efficiency changes.

Science shows that industry sees job creation beyond the national level. The most straightforward reason for the proportional increase in creative industries is the exponential increase in hard work and capital expenditures (Amankwah-Amoah, 2021; Tønnessen et al., 2021). More significant funding can increase industry profitability (which has often been documented) or from the potential to replace the workforce with equity, particularly in Information and Communication Technology (ICT). Offshore labor is another driver of job creation, although information on the magnitude of this occurs is lacking.

While benefiting from this in general, the creative industries may also have received a substantial share of the benefits associated with providing a subset of marketing strategies whose exchange rate exceeds one. In addition, with the successful adoption of advanced industrialized countries such as China, Brazil, and others, we can anticipate seeing a prolonged significant growth in the output of these sectors and, consequently, a sustained increase of greater than standard levels. world economy (Lorenza & Carter, 2021; Spieske & Birkel, 2021).

Apart from timely implementation of process parameters through increased social capital or technological progress and integrated investment, a closely related reason for encouraging related industries is progress in the input component through increased investment (Dharmani et al., 2021; Harms et al., 2021; Tao et al., 2019). Again, there are clear, convincing indications for both theories. Typical educational standards in the creative industries are pretty good (as are regular incomes, but salaries are also lower) and have been steadily improving since the early 1990s. However, the information and communication technology (ICT) revolt, which includes the internet, personal computers, digitalization, and telecommunications, has had the most impact. Many manufacturing, distribution, and even product utilization have been changed due to the creative industries' widespread use of this technology.

A significant reason for today's excellent CI facilities is the structural reforms that have influenced management structures, business models, and marketing tactics (Boccella & Salerno, 2016; Florida & Adler, 2016). Another critical factor is the shift in the penetration trajectory of the economic system into this area as a result of systemic adjustments (Amankwah-Amoah, 2021; Tønnessen et al., 2021). Moreover, it was a very safe industry, with many structures that existed before the formation of capitalism (Amankwah-Amoah, 2021; Spieske & Birkel, 2021). Nonetheless, there is increasing evidence that this is beginning to shift, partly due to the rise of information and communication technologies and the possibilities they provide and due to the effects of globalization (Amankwah-Amoah, 2021; Heinonen & Strandvik, 2021).

Many of the beneficial effects of the general system, such as technological improvements to more excellent supply and demand for services, or the structural upheavals that occur as a result of a broader economic boom, are ascribed to the relative increase in CI for each of the reasons mentioned (Breier et al. al., 2021; Pratt, 2021). No studies have attempted

to evaluate the effect to compensate for the amount of increase represented by the multiple factors involved. Nevertheless, it is likely that each of them has some evidence to support it and that, collectively, they can explain most of the developmental differences between CI and other economies. Furthermore, we can anticipate that we will find comparable results in many other countries where this phenomenon of morphological change prevails.

This research about creative industries hypothesizes that these industries can be considered technologically advanced in the sense that they provide “evolutionary services” or “coordination spillovers” as components of the development process, and in particular, as components of the adoption and retention of new technologies. So this is what we believe can represent the conceptual framework of the creative industry. It is intended for adaptation and archiving purposes.

Creative Industry Economic Evolution Model

A different approach to assessing the nature and value generated by this industry is used according to the dynamic dynamics model of the creative industry than is taken according to the traditional economic growth model (Pratt, 2021). In other words, instead of seeing the creative industry as an industry that produces certain products, it is more appropriate if this industry should be seen as an entity that fulfills the coordinating function in the organization, namely the initiation and facilitation of organizational transformation (Florida & Adler, 2016). This concept is essential for media sources such as print and broadcast media because it serves as a forum for development and assessment before being introduced to the commercial world (Pratt, 2021). It is made possible by the creative industries, which make significant contributions in a variety of ways, including generating new ideas developed within the industry, or, more often, in collaboration with other industries (Amankwah-Amoah, 2021; Boccella & Salerno, 2016; Florida & Adler, 2016; Harms et al., 2021). This acceptance of the general norm by the carrier population distinguishes the second phase of economic development in a society from the previous phase.

Another thing to note is that the creative industries play an essential evolutionary role in facilitating this process by generating new ways of establishing and establishing new norms in society, which may be even more significant. Our research underscores that creative industries are included because they contribute to the evolutionary process, albeit in somewhat different ways. As a result of the skills they have acquired, we seek to seek everyday novelties and accept them and stick with them on an individual and societal level. The effectiveness of cognitive infrastructure in the service of digesting new ideas is one factor that influences the potential for economic development.

In this case, the creative industry is familiar with the industry. Still, it is a gallery or state-of-the-art laboratory for developing new ideas, an essential part of any economic system. In this regard, Schumpeter’s classic economic growth model should consider the creative function of setting and implementing new general standards in the marketplace. It refers to the same techniques used by science, engineering, and industry to analyze the causes of economic development in art, practice, design, and social coordination.

Methods

This study uses a qualitative method. Meanwhile, the approach taken is exploratory. This study will examine references from various previous studies to reveal the relevance and concepts of the creative industry in improving people’s lives and their economy. This research also pays special attention to data on the condition of the community of MSME actors in the creative industry sector during the COVID-19 pandemic. The articles in this research will pro-

vide a comprehensive study and presentation of ideas and thoughts related to the creative industry and economy. Integration of research on economic patterns in creative industries is with a paradigmatic discourse. This paradigm will offer a new perspective on how to study spatial patterns in creative industries.

Results and Discussion

The pandemic, which has been going on since early 2020, has harmed economic development. One of the impacts is the absorption of the product into the market. Reduced absorption of these products cannot be separated from the decline in people's purchasing power. The MSME sector experienced decreased income as the excess production costs were increasingly expensive and hampered the distribution of goods. Consumer behavior also contributes to the decrease in product absorption in the market. Consumers are more resistant to waiting and do not make a purchase. It is because there are restrictions during the pandemic. Consumers are also switching to making purchases online. This behavior certainly changes the pattern of business run by industry and MSMEs. The creative industry and MSMEs are changing the pattern of selling from conventional to digital. The use of digital media for marketing purposes and sales is becoming increasingly common during the pandemic.

Several studies have revealed a new paradigm in selling during the pandemic. It is also inseparable from the behavior of MSMEs and the creative industry to survive during the pandemic. Changes in marketing strategies and sales models are one of the pillars of MSMEs and the creative industry to survive during the pandemic. Studies (Miftah et al., 2015; Sunarti et al., 2019) found that digital media was the most commonly used means during the pandemic.

Meanwhile, the G20 forum will occur in the first week of July 2021. The Organization for Economic Co-Operation and Development (OECD) and the World Bank project that global economic growth will increase with a slight upward revision. This growth was influenced by the worldwide vaccination process and fiscal and monetary stimulus in various countries. Two things of particular concern during the economic recovery during the pandemic are restrictions and vaccinations. Both of these have an impact on state funding sources. The realization of the Indonesian government's State Revenue and Expenditure Budget (APBN) in the first half of 2021 for the National Economic Recovery (PEN) has been in line with the developments and dynamics of COVID-19. It can be seen from the total PEN budget allocation in 2021, which increased by 21.5% to Rp699.4 trillion. The budget allocation is intended for handling the health sector. The health sector, especially vaccination, the settlement of treatment claims, and strengthening the handling of the pandemic in the regions, are increasingly hampered. The allocation for the health sector increased by 12%, from IDR 172.8 trillion in 2020 to IDR 193.9 trillion in 2021.

Support for MSMEs and corporate financing reached IDR 187.17 trillion. The allocation focuses on interest subsidies for People's Business Credit (KUR) and non-KUR, Micro Business Productive Assistance (BPUM), guaranteeing loss limits for MSMEs and corporations, Loan Service Fees (IJP) for MSMEs and corporations, and so on. Meanwhile, MSMEs received a larger share of the budget from the health sector.

In addition to the PEN program above, the Government of Indonesia also supports the community's economic recovery and MSMEs through several priority programs. This priority program is related to fiscal assistance through the Social Protection Program. The total value of this assistance is Rp. 187.84 trillion, which is divided into various aid programs. This allocation increased by 22% from the previous year of IDR153.86Trillion. The distribution of this priority program is divided into the following targets.

Table 1: Indonesia's Economic Recovery Strategy

No.	Program Aids	Targets	Amount (IDR Triliun)
1	BULOG Rice Assistance	28.8 milion families	3.58
2	Cash Social Assistance Programs	10 milion families	17.46
3	The Regional Government's Proposed Cash Social Assistance Programs	5.9 milion Beneficiary familes	7.08
4	Electricity Discount	32.6 milion customers	9.49
5	Electricity Subscription Fee	1.14 milion customers	2.11
6	Worker Program and Wage Subsidy Assistance	8.4 milion workers	30.0
7	Internet Data Quota Assistance	38.1 milion students and teachers	8.53
8	Direct Cash Assistance	8 milion families	28.8

Source: Ministry of Finance

Impact of Covid on Economic Growth

The COVID-19 pandemic has brought Southeast Asian economies to the brink of collapse. Southeast Asia's economic growth performance contracted at the beginning of the pandemic in 2020. The slowdown in economic growth in the Southeast Asia region was recorded in the second quarter of 2020. Reduced community activities decrease purchasing power, so economic growth in the Southeast Asia region has declined. To be precise, Vietnam still listed itself as a country that grew positively in 2020, even though it was less than 0.5% or 0.36%.

Table 2: ASEAN Economic Growth

Country	Cases*)	Treatment**)	Economic Growth %
Thailand	3,402	Partial Lockdown (Local Scale)	-12.2
Vietnam	1,029	Partial Lockdown (Local Scale dan National)	0.36
Philippine	197,164	Partial Lockdown (Local Scale)	-16.5
Malaysia	9,285	Partial Lockdown (National Scale)	-17.1
Singapore	56,435	Partial Lockdown (National Scale)	-13.2
Indonesia	157,859	Partial Lockdown (Local Scale)	-5.32

*) Case of 2020

**) Partial lockdown (Social restrictions); This program limits people's activities in public spaces without regional quarantine

Source: Ministry of finance

Only Vietnam recorded positive economic growth of the six countries in Southeast Asia. Vietnam's success in the second quarter of 2020 is believed to have a positive influence on the economy of the Southeast Asian region. Vietnam's success in controlling the spread of COVID-19 in the country is considered a stimulus to accelerate economic recovery. It proves that preventing the spread of COVID-19 can contract a country's economic growth. Malaysia became the country with the worst contraction of the six countries. Malaysia has implemented a nationwide lockdown so that economic activity during the lockdown has stopped. It caused the economic contraction to experience a sharp decline. Meanwhile, Indonesia's economic growth also experienced a decrease. It is because GDP in the second quarter of 2020 decreased.

The exact impact was experienced by China, which recorded a declining growth compared to the previous year. Although China's economic growth is still at 5%, this growth is the lowest in the last 30 years. The International Monetary Fund noted China's growth was below 6% in 1990. At that time, China's growth was only 3.9%. It was also confirmed by Standard & Poor's (S&P), which lowered its forecast for China's growth in 2020 to 5% from its 5.7% target. Even though China is a country with a super economic power, it makes sense that its economic growth will decline when China becomes the epicenter of the pandemic.

Investment spending will be affected by two sides at once. Goods and service product companies have had difficulty keeping inventories in check. This difficulty is because Wuhan's condition as the pandemic's epicenter has been entirely closed, where Wuhan is the center of logistics, transportation services, and automotive production. On the other hand, many companies tend to delay investment decisions. They focus on managing the short-term risk of the impact of the pandemic. Contractions on the demand side will have a broader impact in China than their trading partners. China also experienced a more significant decline in imports of goods and services than exports. However, Standard & Poors (S&P) expects China to rise in 2021 as the country's pandemic figures begin to decline.

Meanwhile, Bank Indonesia projects that Indonesia's economic growth in 2021 will decline to 3.8% from 5.1%. This decrease is also the impact of the July implementation of Emergency Community Activity Restrictions (PPKM). The program can suppress the spread of COVID-19, but the logical consequence is a decline in economic growth in the current quarter. These restrictions reduce people's mobility, so the economic cycle also stagnates. Another impact is that public demand is still low, so can still be controlled inflation below 3%. Economic improvement has been seen in the first and second quarters of 2021. This improvement is influenced by export growth, non-infrastructure investment, and the realization of fiscal spending.

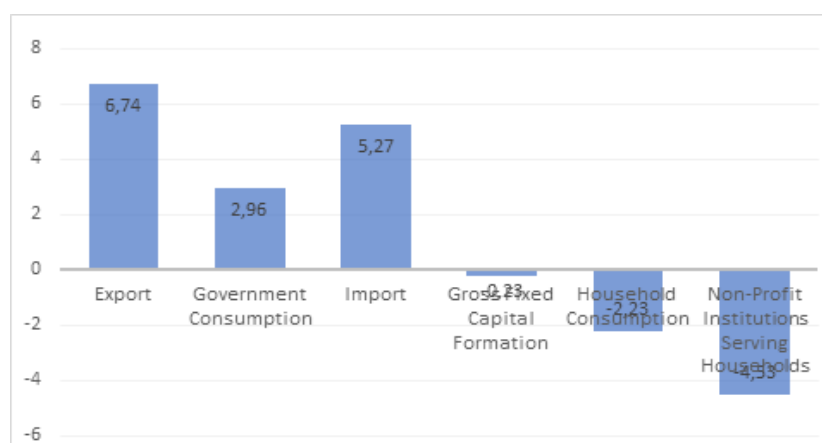


Figure 1: Indonesia's GDP Growth by Expenditure Component Q1 2021

Employees Losing Jobs

If the pandemic causes an economic contraction to move down, it will also increase unemployment. The number of unemployed in the second quarter of 2020 has increased by 8.2 million people. In 2020, the number of people out of work due to layoffs was 1.65 million. At least one can do 5 (five) things to reduce unemployment, namely: 1) accelerate the distribution of social assistance. It can be done if government data and community data are integrated. 2) integration of unemployment data and the number of beneficiaries. 3) worker assistance card scheme. 4) Incentives to the business world, and 5) social assistance to directly affected communities.

The International Labor Organization (ILO) noted that 1.25 billion people had lost their jobs due to the pandemic. Sectors that have the potential to carry out layoffs are accommodation and culinary services, retail, workshops, manufacturing, and real estate. The following is the condition of rising unemployment in Asia based on data from the International Monetary Fund (IMF):

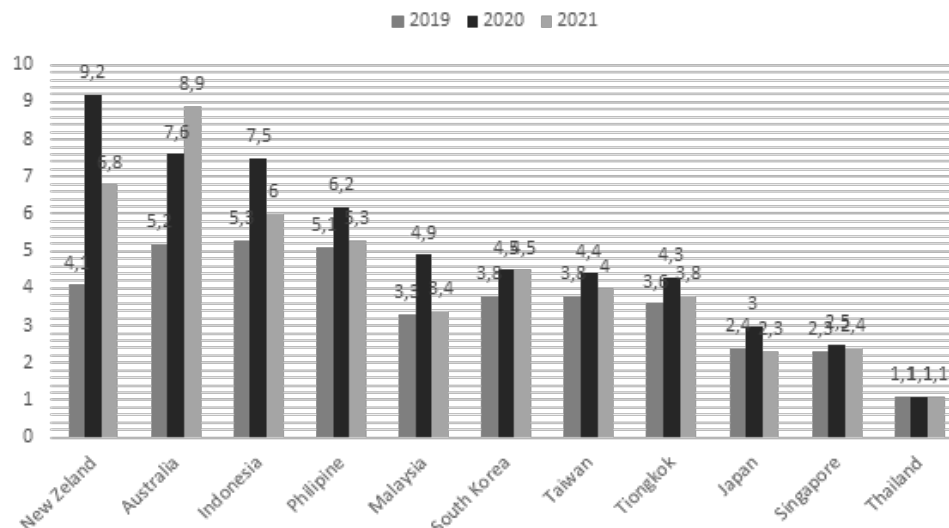


Figure 2: Number of Unemployed in Several ASEAN Countries

New Zealand has the highest unemployment problem in Asia. The data published by the ILO above shows that in 2020 this country will have the highest number of unemployed. Australia ranked second in the same year, followed by Indonesia in third place. Different things in the following year, namely 2021. The decline in the number of unemployed occurred in New Zealand and Indonesia by 26% and 2%, respectively. Australia's condition in 2021 is different from other countries. The country experienced an increase in the number of unemployed from the previous year by 17%.

Meanwhile, conditions in Indonesia have the potential to decrease the number of unemployed when compared to the previous year. However, this condition does not rule out the possibility that it will continue to grow, considering the economic conditions during the pandemic are experiencing difficulties. The following is the impact of the pandemic on workers during the pandemic according to the International Monetary Fund (IMF):

Table 3: The Impact of the Pandemic on Workers

No	Affected Workers	Amount (Thousand)*
1	Formal Workers Deactivate	1.700
2	Formal Workers Laid Off	749.4
3	Informal Workers Whose Business Is Disrupted	282
4	Migrant Workers Repatriated	100

*) Data as of April 2020

Source: Ministry of Finance

The data in the table above shows that the number of workers who were disabled during the pandemic was more dominant than other data. Formal workers laid off during the pandemic until April 2020 amounted to 749.4 workers. Meanwhile, the number of migrant workers who were repatriated reached 100 thousand workers, or 3% of the total workers who lost their jobs.

Efforts To Rise from Adversity

Post-pandemic has become a momentum for the rise of the creative industry. This revival is also the starting point for this industry as a contributor to GDP. Several efforts have provided monetary or fiscal stimulus to this industry. Several sub-sectors experience severity during the pandemic, namely fashion, film, music, culinary, etc. The worst impact experienced by this sub-sector is layoffs up to business closures. Post-pandemic is the momentum to provide financial stimulus so that the industry can get back on its feet. Some of the strategies implemented are as follows:

A. Creative Industry Sector Incentives

One of the difficulties experienced by MSME business actors during the pandemic is finance. The incentives provided are easy access to banking funding, promotions, other supporting facilities, and infrastructure. The government has assisted in MSME capital assistance worth Rp112.3 trillion. The creative industry MSME sector is of particular concern considering that this sector can gain quite a high GDP. This stimulus is expected to be able to push back the wheels of the economy at the micro-level. Based on data from the finance ministry, the total stimulus provided during the pandemic was IDR 575.8 trillion, spread to various fields. The distribution of these stimuli can be seen in the table below:

Table 4: Financial Stimulus

No.	Sector	Value IDR Trillion
1	Social Protection	216.6
2	MSMEs	112.3
3	Regional Government	65.2
4	Health	62.6
5	Corporate Financing	60.7
6	Business Incentives	58.4

Source: Ministry of Finance

The table above shows that post-pandemic recovery programs provide financial assistance and incentives. Food assistance to affected communities receives the most significant portion of social protection programs. Other countries that do the same are countries in the Southeast Asia Region (ASEAN). They focus on tax policy in the form of incentives. The provision of this tax incentive can directly reduce production costs. Although this has not been able to increase production, at least it will encourage an increase in market supply and demand. Consumers can absorb the product better because it can reduce production costs.

Countries in ASEAN have issued fiscal stimulus policies. The objectives of the stimulus carried out by ASEAN countries include: 1) overcoming and stopping the crisis in the public health sector; 2) consumption; 3) increased production. The policies carried out by ASEAN countries have similar characteristics. The Health sector, MSMEs engaged in manufacturing, and the creative tourism industry gets the most. Countries that are members of ASEAN have agreed to focus on the production of MSMEs. So the fiscal policies taken by this Region include: 1) COVID-19 prevention funds; 2) assistance to the poor in cash; 3) tax incentives and duty-free business registration; 4) start-up financing; 5) fiscal incentives for the tourism industry sector.

B. Creative Industry Roadmap

The creative industry will continue to develop if the country has a development roadmap. This development roadmap is basically to determine the economic potential of an area

or region. There are at least four potentials that can develop in Indonesia: 1) a large market; 2) a large number of young people; 3) high creativity; 5) culture. It has the potential for the Southeast Asia Region to become a Pop Culture Region. So collaboration to build this roadmap is essential, not just funding or a business ecosystem. Increasing production capacity is one of the strategic options. In addition, access to financing, business opportunities, and the added value of the resulting products/services are also a concern.

Based on the Ministry of Trade data, there are 8.2 million creative businesses consisting of fashion, culinary, and crafts. These three are the most significant GDP contributors in the creative industry, so mapping sub-sector development in the creative industry is improved to encourage growth.

C. Creative Economy Training

The competence of MSME managers is also one of the National Economic Recovery (PEN) focuses. This ability is used to run their business and, at the same time, so that business actors have sensitivity to changing conditions (Santoso et al., 2017). Furthermore Santoso, (2017) revealed that a business actor's essential business competencies must include mental, social, financial, and managerial. Creative economy training is essential to form business actors to have creative power and provide added value. This training is more focused on marketing models that are adapted to conditions during the pandemic. Marketing using a marketplace-based digital platform is an option. It is in response to changes in consumer behavior online.

Conclusion

Changes in the business landscape during the pandemic resulted from the difficult economic period due to the crisis. Indonesia has not been spared the impact of the COVID-19 pandemic. This research adds to the enrichment and repertoire of research, especially in the overgrowing creative economy sectors. This study finds a similarity in the phenomenon of policies carried out by ASEAN countries. It shows that the characteristics of ASEAN countries have similarities. This similarity ultimately facilitates the replication of policies implemented as risk mitigation. The aspects of the creative industry in Indonesia also have similarities with other countries in ASEAN to replicate the creative economy recovery strategy in all regions.

Limitations and Recommendations for Future Research

The closing remarks have characteristics and dynamics that are not following the theory of choice, profit maximization, and equal access to knowledge in the creative sector. Creative industry workers want financial returns for their products, but the primary motivation for maximizing profits is not always. The creative-intuitive sector, in particular, allows players to maintain high artistic integrity. This research suggests additional studies on subjective thinking and consumer pricing, how creative industry players and economic logic relate to business performance, and how creative industries can foster growth.

This study shows how the price depends on creative work's aesthetic, social, spiritual, cultural, historical, and tangible characteristics. Future research should evaluate the suitability of single and combined maximal models for creative activities empirically. Future research may include phenomenological or different types of paradigms to enhance our understanding of the creative industries. Phenomenological studies may be required for subjective reasoning and interaction of creative market participants or commercial intermediaries. The interaction between the company and business performance in financial and other aspects is also inter-

esting to study, and the effect of various types of capital on the behavior and performance of the creative industry due to the lack of economic incentives in the creative industry.

Several issues require further research on problem-solving and social action in a sector characterized by rapid development, especially in developing countries where job creation is urgently needed. These include the challenges of infrastructure development, financing and subsidies, controlling piracy, and the growth of successful entrepreneurs in the creative industries. This article also suggests additional studies on how prices are determined and subjective thinking among buyers, how the development of creative industries can be improved, especially in poor job-building countries, and how producers' aesthetic logic and economics are connected to business success. Future research should also empirically assess the suitability of a single and generalized model that is maximized for creative activity.

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