

# Strategy for Improving the Role of the Creative Economy Through Community Empowerment

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## Article Info

### Article history:

Received April, 2025

Revised May, 2025

Accepted May, 2025

### Keywords:

Community Empowerment;

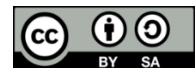
Creative Economy;

Improvement

## ABSTRACT

This article aims to explore and understand the role and empowerment of communities in the creative economy sector, focusing on their ability to further develop through the enhancement of existing skills. The role and empowerment of the community are carried out as an effort to improve the quality of community welfare through the creative economy, which includes family welfare, empowering the poor, elevating the dignity of the lower-class society, and positioning the community as the subject in taking action. Village communities, with their limited knowledge in living the activities of the creative economy as small businesses in the traditional sector, face limited infrastructure and governmental access, which becomes one of the inhibiting factors for the development and growth of the economy at both regional and national levels in general. Furthermore, maqashid syariah is used as a perspective in observing the implementation of the creative economy, where Islam has guaranteed the right to life for everyone in the same position by establishing fundamental elements in the shari'ah guidelines, namely the preservation of religion, life, lineage, wealth, and intellect. This research used the literature study method, which was a method used by the author to collect several books or journals related to the research theme. Thus, the literature study was a research method conducted by using books, journals, and other literature as reading materials, notes, and sources of information in researching to provide answers to the problems that were studied.

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## 1. INTRODUCTION

The creative economy in Indonesian society is growing significantly, with creativity across various sectors creating economic value. The empowerment program for Micro, Small, and Medium Enterprises is one of the local government's efforts to improve community welfare. The creative economy within the framework of the MSME program plays a major role in regional

economic development, one of which is by expanding job opportunities and increasing employment absorption for rural communities. For local governments, it is necessary to actively carry out various efforts so that economic balance can improve in parallel with the income and earnings of rural communities to meet their basic living needs.

The goal of the local government's creative economy development initiative is to address issues facing the business sector,

particularly those facing Micro, Small, and Medium-Sized Enterprises (MSMEs), which have recently experienced fast growth in the creative economy. The creative economy is a business activity carried out by individuals, groups, households, or small enterprises that meet the criteria as micro-enterprises. Support for the creative economy has become a primary focus of local governments in terms of economic recovery. To encourage the expansion of the creative sector, the government keeps raising the state budget. In the context of MSMEs, the creative economy has developed quickly in recent years, and MSMEs significantly contribute to the absorption of jobs in a number of locations, including Jember Regency. Development in rural areas through the creative economy has become a focus of both the community and local governments.

The empowerment of the community in the creative economy sector needs to become one of the non-formal education programs to improve the community's abilities so that they can develop further through the enhancement of existing skills within the community. Community empowerment is carried out as an effort to improve the quality of community welfare through the creative economy, which includes family welfare, empowering the poor, elevating the dignity of the lower-class society, and positioning the community as the subject in taking action. Village communities face limited infrastructure and government access, which hinders economic development and growth at the regional and national levels generally. They also lack the expertise to conduct creative economy activities as small businesses in the traditional sector. In order to give marginalized or oppressed community people and organizations access to essential resources and fundamental rights, as well as to more influence over their lives and surroundings, community empowerment refers to a participatory approach and the growth of local decision-making [1].

In the view of Islam, human beings are creatures of Allah SWT who have equal rights in life, where they possess the basic right to live and have equal opportunities in

the economic field according to the laws that apply both in religion and national and state life. The right to life and economic rights are also guaranteed by the laws of our country, Indonesia. It is anticipated that the advantages of this concept will assist local and community governments in developing new initiatives that make a substantial contribution to regional and national development. As a result, from an Islamic perspective, the community's right to exist in the creative economy must also be protected, and all stakeholders who have access to the growth of the creative economy must support the community. They have an important role in the local economy and drive their economic activities to the national level. Regulations from local governments and the role of religion are also crucial components in the design, execution, empowerment, and development of the creative economy and the framework of Micro, Small, and Medium Enterprises (MSMEs) in order to ensure that their operations are in line with Islamic principles. The most crucial thing right now is to create opportunities for the creative economy to flourish in rural and tourist areas. These opportunities include improving infrastructure and facilities, banking accessibility, human resource development, business network development, marketing, and business partnerships, as well as creating a more favorable economic environment to help rural communities survive in the face of global competition.

Islam has guaranteed the right to life for all people in the same position by establishing the fundamental elements in the shari'ah guidelines, namely the preservation of religion, life, lineage, wealth, and intellect [2]. Regardless of the difference in the order of mentioning these five principles, they hold the same position and the same role, so that none is prioritized over the others. Conditions and situations need to be understood in contextual thinking in the study of Islamic law. This is solely to ensure that true and universal benefit can be realized.

## 2. LITERATURE REVIEW

It explains several other works that are related to the author's title. Then, the similarities and differences are mentioned. The works used must be at least three and at most seven. In the end, the novelty (findings) or the innovation that becomes the focus of the research is stated. The explanation about the differences and similarities between the existing works should not be rigid (a complete format containing all names and all titles) as in a thesis or dissertation, but should be simplified to highlight only the distinguishing points.

## 3. METHODS

This research used the literature study method. Literature study was a method used by the author by collecting several books or journals related to the research theme. Thus, literature study was a research method conducted by using books, journals, and other literature as reading materials, notes, and sources of information in conducting the research. Therefore, by looking at sources pertaining to the idea of the creative economy in boosting the role of community empowerment, this research constituted a literature study. The findings from a number of literature evaluations were used to determine how rural areas support the growth of the creative economy.

## 4. RESULTS AND DISCUSSION

### 4.1 Definition of Creative Economy

In the context of the creative economy, it is necessary to provide a concrete definition so that there is a common perception and understanding, both in terms of religious law and national law. "The Creative Economy is the realization of added value from intellectual property that originates from human creativity based on cultural heritage, science, and/or technology," according to Law of the Republic of Indonesia Number 24 of 2019 concerning the creative economy. This definition

provides an illustration that the result of an individual's thinking process is a work of the creative industry; thus, the work produced becomes an element of creativity and intelligence possessed by the individual. The state provides legal protection for the outcome of creative thought, which is developed within the framework of the creative industry, which supports the creative economy.

Ratna provides a description of the creative economy as well, stating that it is an economic idea that emerges from creative resources that promote economic expansion and advancement. Using ideas, knowledge, and technology as the primary sources of production, the creative economy is an economic paradigm that places a high priority on information and creativity [3]. This concept is a recognition of the services of individuals who possess creativity with economic value, providing a broad meaning to appreciate and foster the spirit of individuals who have creativity in building the community's economy.

A creative economy is a manifestation of creative thinking that involves the use of knowledge, including technology and cultural heritage, to create added value in the economic, social, cultural, and environmental domains based on the ideas and inventiveness of human resources (creative individuals). Creativity is not just found in art and culture-based works; it can also be found in engineering, telecommunications, and science and technology. The creative economy is based on three key components: invention, innovation, and creativity. According to the Republic of Indonesia's Ministry of Trade, the creative economy is an endeavor to use creativity to promote sustainable economic development in an environment that is competitive and has renewable resource reserves.

Our country's economy has long been based on the growth of the creative economy, and the creative sector, which serves as a model for the creative

economy, has actually been moving in the right way. The growth of the creative economy in both rural and urban communities can be seen and interpreted as a potential for strengthening national economic resilience, meaning that the strengthening of the rural economy has become a stronghold for national economic defense. Therefore, the economic potential of rural areas requires the empowerment of rural communities in developing various types of businesses based on village potentials, which is expected to further strengthen rural economic resilience based on local culture. Forms of the rural creative economy can be explored and developed through the economic potentials of the village as the rural creative economy.

#### 4.2 *The Concept of Regional Potential*

Indonesia has abundant economic potential that is now beginning to attract international attention. Indonesia is currently competing in the global market, referred to as the ASEAN Economic Community (AEC), which started nine years ago. Over 60% of Indonesia's population is in the demographic bonus position, where the proportion of people of productive age is higher than that of those of non-productive age. The high number of the productive-age population in Indonesia is not proportional to the availability of employment opportunities, thus encouraging Indonesian society to compete in creating breakthroughs to enhance competitiveness to advance the economy of rural communities. Business in the Micro, Small, and Medium Enterprises (MSMEs) sector have also become more and more important as the backbone of rural areas' economies.

The government, along with local governments, the business community, and the community, is working to empower creative people by providing them with facilities, advice, support, and human resource strengthening that can help them develop and improve their skills and competitiveness in the global

marketplace. This is known as the development of the creative economy within Micro, Small, and Medium Enterprises (MSMEs). Free trade competition is very important in encouraging the development of the creative economy for the welfare of the people at the regional level. The creativity of rural communities, which is currently ongoing, is demanded to maintain or even strengthen its position in the vortex of market competition. The quality of the products resulting from their creations is expected to be competitive with reasonable prices. Creative works must be flexible in meeting the continuously changing market demands and must be able to perform product differentiation. This requires the ability to innovate and effective marketing as benchmarks of competitive capability [4].

General welfare can be interpreted as facilities and interventions in a positive sense in a process aimed solely at realizing the welfare of the community. This type of general welfare is closely related to the people's economy factually. The term "people's economy" cannot be found in economic theory, but rather in the realm of political economy. The people's economy is the economic sector that sustains the majority of the Indonesian population [5].

The characteristics of the people's economy can be described as follows:

- a. Informality: Most micro-enterprise actors (the people's economy) operate outside the existing legal and regulatory framework;
- b. Mobility: The aspect of informality in the people's economy has resulted in business activities that are not sustainable. The people's economy sector is an economic sector that is easy to enter and equally easy to leave;
- c. Several jobs are carried out by one family: Another characteristic of the people's economy is that within one

family, its members may be involved in more than one economic activity;

- d. Independence: A mistaken perception that has developed in society has caused various parties to limit their interaction with the people's economic sector;
- e. Relationship with the formal sector: Although the people's economy is associated with the informal label, in reality, the people's economy has a very close relationship with the formal sector. A concrete example of this relationship is the use of street newspaper vendors by various publishing companies, and the provision of affordable food by *Warung Tegal* for workers in various companies and factories [6].

Thus, regional regulations concerning the empowerment and protection of the creative economy must consider the factual conditions regarding the characteristics of the people's economy in the region, which can be generalized as described above. We see the growth of Micro, Small, and Medium Enterprises (MSMEs) groups at the regional or regency level driving efforts to achieve economic development goals, such as through activities in the creative economy sector in the form of income distribution and job creation, within the framework of implementing the Regional Autonomy policy. Regional economic development must be directed toward achieving results or equal distribution across areas within the region. Structural and economic imbalances tend to occur in rural areas; therefore, it is necessary to analyze development imbalances, particularly in rural regions, and to give attention to communities that have centers of the creative economy. In rural areas, the majority of the population has a low level of education, living through creative business activities that are not based on educational outcomes, causing them to

experience difficulties and tend to remain traditional, with infrastructure and government access still being limited.

The regency government, with its number of districts and villages, has great potential in developing creative human resources across all economic sectors. One of the main driving factors of regional economic development amid the currents of globalization and intense competition requires our society to face global challenges. In order to offer a solution for an efficient economic system that enables the community to be prepared to participate in the global market, groups of village entrepreneurs (Entrepreneurs Village) and creators in the villages must be presented as profiles of economic activity development. The innovative economic life of rural communities must sustain national economic development, which is both a shared and a central government obligation. The government directs, guides, and provides supporting infrastructure, but the community is the primary actor in development. The narrowing of employment opportunities and the increasing size of the labor force are issues that can no longer be postponed, because the population is a valuable asset for the Nation and the State. The growth of self-reliant communities is an alternative solution to address these issues [7].

In order to compete with the increasing number of foreign products that are flooding industrial and manufacturing centers in communities down to the regional or village level, rural people's creativity will have a higher selling value if the quality of the creative economy is improved as local regional products. The encouragement to become village entrepreneurs (Entrepreneurs Village) will be an effort to foster and develop the creative economy amid increasingly intense (Hyper-competitive) competition. Indonesia, as an ASEAN country, must develop its economy evenly through the development of rural Micro, Small, and Medium Enterprises (MSMEs), which serve as the main foundation for

increasing employment opportunities and income for all layers of rural communities.

The development of the creative economy is one of the essential elements that becomes a right for the community to receive life services that form the foundation of basic human needs. At the regional level, we can observe from the number of business units that the results of community creativity are found abundantly across all economic sectors, and we can feel their significant contribution to employment opportunities and income, particularly in rural areas and for low-income families. It cannot be denied how important creative abilities are for the development of family, regional, national, and international economies. Moreover, we have so far observed that these business groups also play a very crucial role as a driving force for economic development and local communities. The concept of the trickle-down effect offers hope that with the development of regencies/cities, it will drive the development of regency, urban, and rural areas, which is very important through the creative economy movement. This is also intended to eliminate the perception that rural areas are being excessively drained, as some of their inhabitants leave their villages to move to cities in search of employment opportunities (labor supply). Various productive creative sector activities in rural areas are increasing and expanding, and this condition will raise the demand for potential labor. However, on the other hand, entrepreneurial creativity becomes one of the assets possessed by our nation in ASEAN free trade, and the existing potential is now being directed to be continuously developed optimally. In the era of globalization, many skilled workers with high creativity are needed as entrepreneurs who not only create business opportunities but also build entrepreneurship in our surrounding environment at the regional and village levels. With the spirit of creating business opportunities based on the creativity they

possess, the production results from community entrepreneurs can boost the economic value of local creative potential. The more entrepreneurs there are in rural areas, the more this nation will have strong human resources capable of competing in the domestic market against imported goods as well as in the global market.

#### **4.3 Solutions Through Community Empowerment**

##### **a. Philosophical Foundation**

According to Article 33 paragraphs (1), (2), and (3) of the 1945 Constitution of the Republic of Indonesia, we, as institutions with the mandate of the community/people, are in charge of planning public services, including the provision of economic services, in an attempt to uphold the fundamental rights of the populace. In this case, the government acts as a public servant (public service) for the users of the service. Meanwhile, the people have the right to economic services because they have fulfilled their obligations as citizens, such as paying taxes and participating in the organization of public services. The government, in carrying out public services as a form of the state's responsibility to promote general welfare, has enacted Law Number 25 of 2009 concerning Public Services, which serves as a regulation and guideline for public service providers, whether organized by the government, local governments, or the community.

The meaning of administrative services is that administrative actions by the government are services involving the provision of documents by the government. Thus, licensing services are one form of public service. The responsibility of local governments in providing services must also be supported by the availability of facilities and infrastructure, in accordance with Article 6 of the Public Service Law, it is stated that

the regional head is the supervisor and person in charge of public services in their region, with the duties and authority to conduct development, supervision, and evaluation of the implementation of public services. Meanwhile, in Article 33, it is stated that in the case where public service provision is carried out by government institutions or institutions established by law, the state is obliged to allocate an adequate budget through the State Budget (APBN) and/or the Regional Budget (APBD).

**b. Implementation of Community Empowerment Services**

As a grassroots development model, community empowerment (empowerment) aims to improve the status and dignity of societal groups that are still impoverished and underdeveloped. Enforcing economic democracy is implicitly included in the concept of community empowerment, which is not just an economic one. All economic activity and communal efforts to provide for their basic needs—clothing, food, shelter, health care, and education—make up the people's economy. Therefore, it is possible to interpret the empowerment of the community's creative economy as an endeavor to improve their capacity or potential in creative economic endeavors in order to meet their fundamental requirements, promote their well-being, and aid in the process of national growth.

One idea in economic development that incorporates social values is community empowerment. Three perspectives can be used to analyze community empowerment initiatives within this framework: First, establishing an environment or climate that facilitates the development of the community's potential. The understanding that each person in our society has

potential that can be realized is the first step in this situation. Second is empowering the community by enhancing its potential or current power. In order to strengthen potential, specific actions must be taken, such as offering different inputs and granting access to chances that will empower the community in the process and outcomes of their creativity. Third, empowering the community also means providing protection during the empowerment process, ensuring that the weak do not become even weaker due to their lack of power in facing the strong; thus, the creative results of rural communities can be maximally protected.

**c. Community Empowerment Service Strategies**

To increase income from the creative economy of rural communities in regions or regencies, several strategies can be implemented: *First*, it is necessary to conduct surveys and field observations of our community, namely surveys and observations of the local creative economy. This is carried out to directly understand customer needs and demands. *Second*, their creative works need to be included in exhibitions and festivals. This is done to increase product visibility and reach a wider audience, allowing more customers to become aware of the products we produce. *Third*, it is necessary to expand and increase the network of relations with vendors and customers to facilitate sales and broaden the business areas that can be reached for product marketing. *Fourth*, it is necessary to improve the service system, both in marketing services and in the development or enhancement of the quality of our services to customers.

Another effort that can be made in regional economic

development through rural community development is directed toward comprehensive rural development programs and activities, concerning the creative economy sector, comprehensive guidance, and systematic empowerment that can enhance the community's confidence in their creative work.

## 5. CONCLUSION

The development of the creative economy of rural communities is a necessity that cannot be avoided by the Indonesian nation. The demographic bonus, which is the real condition of Indonesia's population, is a great potential that can elevate

competitiveness in the global economy. Providing quality education to human resources becomes a basic need in building villages through the creative economy. The empowerment of rural communities to be involved in the nation's economic development becomes very urgent. Therefore, through the comprehensive development of the creative economy in rural areas with a community empowerment system, access and competitiveness can be maximized.

## ACKNOWLEDGEMENTS

Thanks to the author acknowledgments of sponsors and financial support in the majority of cases.

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