Creative industry in supporting economy growth in Indonesia: Perspective of regional innovation system

AR R T Hidayat¹,³ A Y Asmara²

¹ Department of Urban and Regional Planning, Faculty of Engineering, Universitas Brawijaya, Malang, Indonesia
² Centre for Science and Technology Development Studies, Indonesian Institute of Sciences, JL. Gatot Subroto, Jakarta, 12710, Indonesia

Abstract. Creative Industry is one of the most influential economy sources in the world in era 2000 years. It was introduced by John Howkins [1] in which economy growth is dependent on new ideas. This concept answers concerning to industrial-based economy and has shifted from industrial economy (manufacture) to creative economy (intellectual as main asset). As developing countries, Government of Indonesia has seriously paid attention on creative industry sectors since 2009 through President Instruction Number 6 Year 2009 about Development of Creative Economy in Indonesia [23]. Since Joko Widodo has been President of Republic of Indonesia, creative economy is more developed by forming creative economy agency (Bekraf). Now, economy creative is one of new economy sources which is promoted by Government of Indonesia. Many creative sectors are pushed to complete national economy in Indonesia. In this term, perspective of regional innovation system is also important to understand what is creative industry expected by Government of Indonesia. Innovation and creative economy is two terms which is not separated each other. This paper uses case study in Indonesia as research methodology, also perspective of regional innovation system is to be main perspective in this study. The result is that creative industry and innovation are mutual relation each other in conceptual level. Practically, both are aimed to support national economy growth in Indonesia.

1. Introduction
Creative becomes popular in this decade, even since John Howkins has launched the first book of “How People Makes Money from The Ideas” in 2001 [1]. The term of creative word is debateable by many scholars and practitioners at economy field. Firstly, creative term is one of new approaches to develop economy sector in developed countries like European Union countries, or even in Australia by which creative economy was exposed in 1997 when cultural industries were as commercial activities [2]. This sector as a answer related to industrial-based economy (post-industrial economy). Scott in Lorentzen [3] said that post-industrial economy as a cognitive cultural economy, characterized by a high level computerization and with high levels human capital.

What Scott say is linear with human capital revealed by Florida [4] that creative class is formed and reinforced by human capital that generate and run new economy sources. In Howkins’ idea [4], human capital is a main asset, it is embedded at everyone. Principally, creativity depends on the individual’s capacity to dream, wander, think, challenge, disagree, and invent. Creativity express diversity, which is the source of culture. Without diversity, there is no a culture. All kind of creativity generate the same
buzz of excitement, whether by artist, scientist, or business executive. It is noted that creative economy is strikingly different to industrial economy sector. Notably, creative economy is boosted through idea (intangible asset) as main capital, whereas industrial economy is boosted from tangible asset.

Creative economy concept has emerged as means of focusing attention on the role of creativity as a force in contemporary economic life, stating that economic and cultural development are not separate but can be a part of a larger process of development [2]. Not only in advanced countries, this concept can be currently applied in developing countries. This policy is a part of economy policies offering and providing new economy opportunities in those countries to boost and to accelerate economy growth into emerging high-growth areas as by which it is the same as economy growth in advanced countries [6][7].

In many discourses and studies, term of creativity and innovation have distinct meaning. Basically creativity is the ability to make or otherwise bring into existence something new whether a new solution to a problem, a new method or device, or a new artistic object of form. While innovation is defined adding something new to an existing product or process. Creativity is starting point to innovation or innovation is the implantation of creative inspiration [9]. Creativity, in other words, is the process through which new ideas are produced, while innovation is the process through which they are implemented [8].

For purpose of this study analysis, creativity and innovation is interchangeable each other We call creativity-innovation in a unity as a new from people’s to ideas (conceptual level) in many sectors including its implementation (practical level). According to OECD [10], innovation is a core growth driver in knowledge-based economies, and a subject for a wide-ranging policy efforts. While, creative minds are necessary in order to succeed as scientists, inventors and entrepreneurs. In innovation driven societies, education and training systems must empower people to innovate and quickly respond to the need for new skills generated by innovations in the workplace [11].

Creativity and innovation concept are widely dispersed in many countries, creativity and innovation are adopted and adapted to economy programs initiated by central and local governments around the world. Creativity and innovation is interesting topic and issue at regional development studies or geography studies like regional planning [8] [12] [4] [13]. At common, regional studies focus on spatial of entity of the region [14]. The concept of regional is subordinated to the concept of space. In 1950s, regional studies were dominated by regional science, a discipline with combined economic, geographic, and planning approaches and focused on theoretical and quantitative analysis of economy regional issue. After long term debate, in 1970s, regional studies concerns on social and economic structure. In1990s, regional studies comprises not only social, but also cultural category. It is the system of beliefs, valueas, and meanings of a given community that shapes both institutional and social relations [15].

Definition of regional studies has been widely dispersed and adopted by scholars in many newly contextual concept. Doloreux and Parto [16] asserts that regional development ensues as competitiveness occur in places where localized capabilities such as institutional endowment, built structures, knowledge, and skills exist. OECD [10], across the Organisation for Economic Co-operation and Development (OECD) countries, regional development increasingly focus on innovation-driven growth. With this shift, regional development policies have included more integrated policies portfolios to promote the complementarity of policies in a given places (place-based approaches) and to leverage regional assets. Place matter for innovation, as it is regions and cities that compete to be hubs in global networks. One of innovation-driven growth models is creative city. Conceptually, creativity or creative city is closed to proximity concept or geography which both are discussion material on regional planning study.

While Florida [4] says that the human capital theory establishes creativity people, it is also the driving force in regional economic growth. From that perspective, economic growth will occur in place that have highly educated people. Again he reinforces that new geography and creativity shift to powerful migratory trends and emerging new economic geography. Also, Markusen [17] argues that discourses of creative city around the world has attracted may scholars from urban planning, economist, and public policy analyst. In this case, economic development planning is increasingly emphasizing the human capital side of the growth equation, stressing occupation as well as industry in analysis and policy.
Practically, creative city is innovative cities on many fields which both are approached by special studies like regional planning, geography studies, public policy, economy development, and also innovation studies. Within public policy context, Audretsch [18] reinforces that if entrepreneurial and creative people need positively social-economy environment, a government policy is important to grow economy considering culture, institution, ethics values in a region. The important thing is whatever those elements can influence robust entrepreneurial ecosystem.

Even, many scholars and studies are concerning to creativity-innovation and regional planning, and we usually call two key concepts as “creative city”. At practice, creative city is not absolutely separated from role of government including the role of city planner [18]. Creative cities are also fusion of culture industries and creative class [19]. It means that creative city is not single actor, but it comprises many actors involving from government, academician, business, and community. Therein, application of creative city is materialized into innovation. Many innovation scholars study creative city as part of their innovation-driven economy researches.

The literature regional innovation system (RIS) has provided substantial description and analysis of relationship between innovation, learning, and economic performance of particular regions. For example, Lim [20] studies concept of regional studies and innovation as regional innovation system as a new model for regional development and it could be a new means for a balanced economic development in nation. According to OECD [21], RIS is appropriate mechanisms for promoting innovation at the regional level when they succeed in identifying the specific competitive advantages of the region, as well as innovation systems bottlenecks, and if the strategies are detailed and robust enough to tackle these opportunities and challenges.

In Indonesia, concept of regional innovation system (RIS) is translated to term of sistem inovasi daerah (SIDA) initiated by Taufik [22]. Conceptually and practically, RIS and SIDA are interchangeably used to avoid bias of concept of regional innovation perspective.

In this study, regional innovation system is concerned to creative and innovative activities created and conducted by human, promoted or intervened by government, supported by related communities and academician. Easily understood, regional innovation system perspective is focused on creative industry which is depended on readiness of region to receive and to open access of new economy sources. Easily, creative industries are located in creative cities. Case of Indonesia, there are several creative cities like Malang, Bandung, Yogyakarta, Denpasar, and Makassar. These cities are cities which generate creative products as new economy income for local people. Besides, the cities are tourism destination attracting many local and international tourists to spend their time and money in those cities and its surrounding area.

Emergence and sustainability of creative industries in creative cities engender three questions? Why do local people produce creative products and services? Who are specific targets of creative products and services? and How does local government support creative industries in region? This study will analyze and review three questions from national and local policy in bringing new economy programs to improve economy growth at local and national context. Surely, each region has special or similar strategy to grow new economy sources in region.

2. Methodology
This research uses two methods namely direct observation in field and literatures review. Those methods are linear to how data was collected to complete this study. Direct observation was data which were derived from interview and data collection in field, while literatures review was data which were derived from researches/studies results, books, scientific journals and articles, acts, and supporting documents. This research was conducted along 2016 year in two cities in Indonesia, namely Malang city at East Java Province (Java Island) and Denpasar City at Bali Province (Bali Island). Both cities are chosen as case study because they represent creative cities in Indonesia as well as popular tourism destinations in Indonesia.

To easily understand this study, we propose analytical framework which is combined from several concepts of creativity, innovation, regional innovation system, economy and policy (Figure 1).
 Practically in Indonesia, creative sector is closed to innovation sector by which both support national economy in the different way. Although, both provide new strategy to increase people income, to widen job opportunity, to open access, and to increase added value. In the end, creative economy and innovation in particular region aimed to increase human well-being, not only to satisfy interest for academic field merely. Surely, regional innovation system is inevitably tied to colour creative economy sector initiated by local people and local government.

![Analytical framework of creative industries in regional innovation system perspective](image)

**Figure 1.** Analytical framework of creative industries in regional innovation system perspective.

### 3. Highlight of Research Results

#### 3.1. Growth of Creative Industries to National Economy in Indonesia

Government of Indonesia has seriously developed creative industries since 2009 year within Presidential Instruction Number 6 Year 2009 about Development of Creative Economy in Indonesia [23]. This regulation was enacted and promulgated when President Susilo Bambang Yudhoyono (SBY) leaded Indonesia. Two years later, in 2011, Government of Indonesia increased role of Ministry of Tourism (Kemenpar) to be Ministry of Tourism and Creative Economy (Kenmenparekraf) based on Indonesian Regulation of President Number 92 Year 2011 about Nomenclature Change of Menteri Pariwisata (Kemenpar) to Menteri Pariwisata dan Ekonomi Kreatif (Kemenparekraf )[24].

Based on Indonesian Statistic Board (BPS) in 2013 year [25], creative economy sector has grown as much as 5.76% of total national economy growth by 5.74%. Concerning to gross domestic product (GDP), this sector has contributed to gross domestic product (GDP) by 7% or SUS 46,930 billion and has employed or opened new jobs about 11.8 million people to work in this creative economy sector. This number is significant to prove that creative economy sector really contributes to national economy growth, even more in uncertainty of economy situation in Indonesia. Craft is one entrepreneurship-based creative sectors which has achievement to national economy growth by 5.76%, while average economy growth at national level is only 5.74%.

Linear with data which were derived BPS [24], creative sector reported 11.8 million people who worked in creative industry jobs in 2013 year. It comprised 3.1 million people who worked at craft industry, 3.8 million people who worked at fashion industry, 167.000 people who worked at design industry, and 43.000 people who worked at architecture industry. This fact shows that significance of creative economy growth is dominated from low technology sectors or products related to recent tourism and lifestyle fields. For example at culinary sector, this sector has ranked first level of other creative sectors, but this sector is still questionable due to inappropriate count and research method. Culinary is counted...
from all food-beverage units which is dispersed at many levels like food street, small-medium-large restaurants, bakery shops, cafe, caterers, confectionery and nut stores, and many others.

The monumental policy issued by Government of Indonesia is when President Joko Widodo (Jokowi) who substituted President SBY formed and legitimated Creative Economy Agency (Bekraf) in 2015 year. Bekraf Bekraf deals with creative economy replacing Mministry of Tourism and Creative Economy (Kemenparekraf) formed in 2011. Currently, Ministry of Tourism is specific in dealing with tourism affairs in Indonesia. Bekraf plays key role in promoting and boosting creative entrepreneurs in many regions in Indonesia. President Joko Widodo expects that Bekraf as leading sector to live national economy growth based new creative sector. Bekraf has 16 creative industry sectors namely: 1) application and game developer, 2) architecture, 3) interior design, 4) visual communication design, 5) product design, 6) fashion, 7) movies, 8) animation and video, 9) photography, 10) craft, 11) culinary, 12) music, 13) publishing, 14) advertisement, 15) art performance, 16) television and radio. To accelerate creative industries growth, Ministry of Industry targets creative industries growth by 7-7.5% along 2015-2019. It is noted that regional domestic growth product of creative industries accounted by 5-6% yearly. Again, improvement of creative workers of creative industries is targeted by 10,5-11% of total national employment [27]. In vein with Ministry of Industry’s goal, In 2016 year, Bekraf had six key fields to grow and to fertilize creative industries in Indonesia, namely: 1) film/movie; 2) animation and design; 3) music; 4) craft; 5) fashion, and 6) culinary. Those sectors are considered because sixth sectors are high contributor for national economy growth to gross domestic product, job opportunity, and also improvement income for local people in local region.

3.2. Creative Industries in Malang City

3.2.1. Profile of Malang City. Malang city is one biggest city in the East Java province. It is located approximately 80km southern of Surabaya city, the capital city of East Java Province. This city serves as growth pole. Its development is being expected to drive development of the surrounding areas. Malang city is home for 851 thousand inhabitants. They live in the 5 districts. In the Blimbing district, there is a center of home industry for tempeh chips. In the Lowokwaru and Klojen District, there are prominent universities.

3.2.2. Resources and Potentials of Malang City. Malang city is one of famous tourism destination. It was well-known as “Kota Bunga” (flower city). With Malang regency, including Batu City, tourists enjoy various attractions. It offers such as eco-tourism, natural tourism, and historical tourism. Tourists who visit to Malang area always visit Malang city first because it serves as interchange. Malang city provides accommodation for tourists who want explore Malang Area. Currently, Malang City has rebranded its image. Malang city is a creative city. However, tourism activities still flourish. It also supports tourism activities of Batu city. Batu city was a part of Malang regency. Batu City separated from Malang Regency in 2002. This city declares itself as tourism city. Malang city provides accommodation and souvenirs. Malang city and Batu city are close. It is approximately 25Km apart. There are more than 30 Higher education institutions in the Malang city. Five of them are famous and big institution. Those are University of Brawijaya, Sunan Kalijaga Islamic Institute, University of Malang, Ma Chung University, and University of Muhammadiyah Malang. Their students are coming from across the nation and accept foreign student. Therefore, except holiday, total population of Malang city reaches 1 million inhabitants. These university provide wide range major that able to support city development as well as creative industry, for example tourism studies and food industry. Tourism and education activities are potential for creative industry in term of economic creative. Tourism activities stimulate culinary industry. Tourists need to buy souvenirs. Local people create unique culinary that resemble this city. They produce fruit chips, dairy products, and tempeh chips. Raw materials of those delicacies are mainly produced in this area. Previously, farmers sell their yield in the market. Nowadays, home industries buy their yield and produce various products. University also act important role. It provides a place to increase capacity by offering lecture that support creative industry, for example food
processing and tourism studies. University has support creative industry trough research and community services. University also offers high quality of work force. Base on BPS, Malang city has high labor force of its total population [28]. Approximately, 60% of total population is labor force. It can support the development of creative industry in Malang city. Food is a basic human needs [29]. For tourist, food is part of tourism attraction, something to buy [30]. Malang city is a market. The number of tourist and huge population are potency as well as local demands. Mostly, local farmers of Malang city and Malang regency provide raw materials. It establishes mutual benefits among them. Therefore, culinary industry is one of prominent sector.

3.2.3. Creative Products of Malang City. Government of Malang city declared 4 sector as seed sector, namely 1) game and application; 2) film, video and animation; 3) culinary; and 4) graphic design. However the most prominent sector is culinary. It has 40% of total producer is food producers. Industry culinary sector produces various products. They produce not only for food souvenirs but also for daily consumption. Unique and new products are produced in the last decades. Fruits chips and tempeh chips are famous for souvenirs. Tempeh chips industries are located in Sanan area, Blimbing district. However, this industry has spread out in the surrounding area. Local Food service is arousing. For example “Ayam Goreng Nelongso” and “Mie Jogging”. This food services offers unique and new variety of culinary. Their consumers are mainly local residents. They provide food for daily consumption. Fruit chips mainly produced in the Malang regency. However, main market of this industry is in Malang city. They buy in high quantity, repack, and sell in the Malang city. It gives mutual benefit to each actor. Raw material of these products come from Malang regency and other areas. This industry is highly dependent to other region. It creates linkage system among Malang city and surrounding regions. Culinary industry is facing challenges. Currently, market demands food certifications such as halal certification and food safety certification. Most of culinary product of Malang city based on halal material. However, it is demanding halal certificate on every pack of the product. Producers need to certify their products to get the label. Food safety certification is also essential. This certification is needed to convince consumer that products are safe. This certification allows producers sell it abroad. Main market of culinary sector is Malang city. But their consumers of this industry are from other region, mainly are tourists. Local demand from local resident is high as tourist demands. Just few producers are able to sell their products to other regions.

3.2.4. Supporting Policies (Municipality of Malang and Central Policy). Government of Malang city declared Malang city as a creative city. In order to support it, government established creative economic committee [31]. The main task of committee is elaborating creative economic actors and provide supports any creative industry. This committee consists of government representatives, academician, creative industry communities, and producers. Government of Malang also promoted creative industry to establish creative economic industry community, Malang Creative Fusion. This community is a place for creative industry actors to learn and growing their business. Main producers of creative industry are small and medium enterprise. Through industry and commerce department, Malang government supports SMEs. This department established strategy to develop SME This strategy involves private sectors to help SMEs’ actors develop their capacity under partnership agreement. Government encourages SME to establish SME Holding. It creates collaboration environment rather than competition environment. Government also set SME center. This policy allows government and producers create good environment for production. In addition, it helps government to control and manage spatial development and support infrastructure for creative industry.

3.2.5. Economy Contribution to Malang City. Manufacturing contributes highest gross regional domestic product (26.5%) [28]. Food and beverages are part of manufacturing sector. It shares second highest percentage in the manufacturing sector after tobacco industry. Accommodation and food services contributes 4.37% to gross regional domestic products. Food service has high share (59%) of accommodation and food services. Culinary industry contributes approximately more than 3.5 trillion
rupiah annually. This figure is growing year by year. However, this industry is not the biggest contributor to gross regional domestic products. Creative industry also contributes job opportunity. It allows labor force to create new business as well as job opportunity. According to BPS, labor force of Malang city reach 450,000 people. They are mainly work at manufacturing sector. Only 7.28% of labor force are unemployed. This figure is low than other regions. It gives benefit to creative industry to get employee.

3.3. Creative Industries in Denpasar City

3.3.1. Profile of Denpasar City. Denpasar is the biggest city and as province capital city in Bali Province. Denpasar is in Bali Island where its position in east of Java Island (East Java Province) and in west of Lombok Island (West Nusa Tenggara Province). The width of Denpasar city is 127,78 km2 or 21.8% of Bali Province area. Denpasar is the centre for business and government activities in Bali Province. In this city many public facilities to fulfill needs of local people in Bali. Denpasar is central for Balinese people mobility including education centre in this province. Regarding to spacial location, Denpasar city is also tourism and culture centre in Bali Province. Denpasar is surrounded cultural and tourist areas like Kuta and Ubud. Therefore, Denpasar is also called SARBAGITA area that it means Denpasar, Badung, Gianyar, and Tabanan. Recently, Government of Indonesia is preparing Denpasar City as one of three new metropolis cities beside of Medan and Makassar City. This policy is based on government plan for space and region according to President Law No. 45/2011 [32].

3.3.2. Resources and Potentials of Denpasar City. Local natural resources is limited in Denpasar city compared to its surrounding areas like Bangli, Tabanan, and Gianyar where these cities have much local natural resources to be developed as new economy sources. As the largest city in Bali, Denpasar is a hub of local and international people to do activities in many sectors like business, education, tourism, government, and others. Surely, Denpasar city has human capital whom they mutully interact each other and have similiar interest. New ideas are daily generated by them including new business scheme. Denpasar city has several prominent universities to support many life sectors like Udayana university (state-owned university), Indonesian Institute of Denpasar Art or ISI Denpasar (state-owned university), Marwadewa University (Bali government-owned university), and many private universities. In creative sector, Institute of Denpasar Art is education institution that largely contributes to creative economy development in Bali and Indonesia. Local and international students study in that university and part of them also study Indonesian Language in Udayana University. Although people is a key of local resources and potentials in Denpasar city, there is also tourism destinations like Sanur beach and cultural art performance performed by Denpasar community.

3.3.3. Creative Products of Denpasar City. Denpasar city is different to its surrounding cities in generating creative products. In this city, creative products are materialized in form of animation, modern game, advertisement, music, architecture, movie, information technology-based products, fashion, culinary, and art performance. These products are created from creative and wild ideas generated by local people in Denpasar. Uniqueness of Denpasar creative products is combination between local values (Hinduism) and advanced and simple technology. Market of Denpasar creative products ranges from Bali Province, Indonesia, and to other countries aroun the world. In 2014, municipality of Denpasar proposed to join UNESCO creative city network as a Creative City of Crafts and Folk Art [33].
3.3.4 Supporting Policies (Municipality of Denpasar, Government of Bali Province and Central Government). Municipality of Denpasar supported Government of Bali Province has same goal to grow Bali economy and to improve local people income by activating local natural resources as tourism source and also empowering local people as creativity source. Municipality of Denpasar has regulation at Mayor of Denpasar level coined into vision of Denpasar city that Denpasar is creative city. In central policy, Ministry of Tourism (Kemenpar) and Creative Economy Agency (Bekraf) support creative economy in Denpasar City through creative programs and also regulations that facilitate creative product development including creative people. Even Ministry of Industry in collaboration with PT Telkomsel (information technology corporation) provide public space for local people especially youth to study as well as work (internship) in producing information technology-based creative products. Until now, this program have passed many creative actors whom they have opened business by themselves at information technology sector.

3.3.5 Economy Contribution to Denpasar City. Economy development of Denpasar city has significantly increased through creation of added value. In 2007, economy contribution of Denpasar city to gross Regional Domestic Product [34][35] was accounted by Rp. 795 trillion and it increased in 2008 which was accounted by Rp. 940 trillion. At average, real economy growth of Denpasar City was 6.60% in 2007 and 6.83% in 2008. This economy growth is primarily bolstered by trade, hotel and culinary (restaurants) sectors (35.56% in 2007 and 35.72% in 2008). Other sectors like rental, communication, transportation, and industries also contribute to economy growth of Denpasar City [35].

3.4. Malang and Denpasar: Is Creative City also a Tourism City and an Education City?
A tourism city is highly closed to creative city because prominence of each tourism city is able to attract many people (local and foreigner tourists) into those areas. In this case, tourism city is a city where has proximity to new creative economy sources such as culinary, craft, fashion, photography, etc. For example at culinary sector, scholars [37][38] found that culinary development is closely tied into tourism destinations where many people visit and spend their time and money to enjoy tourism object in a region. The increasing globalisation of innovation is also forcing regions to think beyond their borders, but those borders do remain a barrier, even for neighbouring regions [10]. At implementation stage, creative economy faces many challenges that are from internal and external factors. Internal factors are like lack of capable human resource as creative actors and internal bureaucray system/management. While external factors are regulations, market, social problems, and political support. Those factors are to be homework in each of local government in Indonesia, included for central government. This implies that local people and Government of Indonesia proactively in supporting creative economy in Indonesia concurrent with implementation of innovation programs in many regions.
Malang and Denpasar city show similarity in creative industry. Their industries are driven by tourism activity. But it shows different products that they offer. Malang city offers culinary, Denpasar city offers art products and culinary. However, tourism development deals great it industry development. They also show their similarity in local consumption market for culinary industry in Malang city is not only for tourist but also for local demands. Number of food services that offers daily demand of local product contributes more than Rp. 1 trillion to gross regional domestic products. Denpasar shows the same way. Local residents also buy their art productions.
Education institution also contributes to creative industry. Both cities are home for hundreds higher education institution. It offers education facility for local resident and attract outsider to the city. The output is this institution offers high quality of labour forces.

3.5. Conclusion
Creative economy has begun to do as leading component of economic growth, employment, and innovation in advanced countries. At conceptual stage, creativity and innovation are absolutely closed to improve people income through new creative economy strategy in a region. Recently, this concept is emulated in developing countries through creative city policy offering new economy source
opportunities to leapfrog into emerging high-growth areas of world economy. It is worthwhile to show that regional innovation system is appropriate approach to answer how creative cities run in several region. In Indonesia, many local government initiates creative cities using regional innovation system to run creative economy as sustainable program recently. Case of Malang city and Denpasar city shows that creative industry is likely affected by activity within city a vice-versa. Tourism activity provides market for creative products. However, local demands also important market. Education in both cities contributes to supply quality labor forces. There are more than 40 higher education institutions in this city and offer education in the related field. In the end, creative industry in these cities significantly contributes to gross regional domestic products. Therefore, it demands government support to sustain and develop the creative industry. Government of Malang city creates special committee to elaborate creative industry actors and boost their activity. In addition, government of Malang city encourages actor of creative economy to create community as a place for discussion. This activity supported by department of commerce and industry of Malang city. Government of Denpasar city has collaborated with private sector to encourage artisan to open their own business. Moreover, central government also backed up government of Denpasar city to develop creative industry that supports tourism activity where Bali, in general, is main tourism destination of Indonesia.

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