

## Government's Role in Empowerment Industrial Community Based on Creative Economy in Lampung Province in Islamic Economic Perspective

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### Abstract

*The aims of this study are (1) to determine the role of the government in empowering the creative economy-based industrial community in Lampung Province, (2) to find out how the government's efforts are in empowering the creative economy-based industry community in Lampung Province, (3) to find out how the role of the government is in empowering the creative economy-based industry in Lampung Province. government in empowering the creative economy-based industrial community in Lampung Province in the perspective of Islamic economic. This research is a qualitative research with data collection techniques of observation, in-depth interviews and documentation. Informants in this study are local governments and creative economic entrepreneurs. The data used are primary and secondary data obtained from observations and from the archives of the relevant Department. Based on the results of the study, it can be concluded that the government of the Lampung Province has carried out Creative Economy empowerment activities in several stages; increasing awareness and capacity training, providing assistance, marketing (promotions) and capital loans. These activities are going well, but what happens in the field of related agencies is very lack of supervision, causes problems among business groups. The Islamic economic perspective in the implementation of creative economic empowerment is that there is injustice in the distribution of aid. This is not in accordance with the principles of Islamic economics, distribution justice. The conclusion of this study is that the empowerment of the creative economy is good enough, but the government's supervision in the distribution of aid is very lack. It causes social jealousy among group members which is not in accordance with the principles of Islamic economic.*

**Keywords:** role of government, empowerment of creative economy and islamic economy

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### 1. INTRODUCTION

Indonesia as a developing country requires its people to work extra to equalize their socio-economic life. Various economic problems, such as poverty, are said to be rooted in the low quality of human resources (HR) and the level of competition in the labor market. The result is choosing to be unemployed and struggling with continued poverty (Agus Nuryadhyn, 2016).

Poverty is still very difficult to overcome in developing countries, including Indonesia. Indonesia is a developing country where most of the population lives in rural areas, so if national development has the goal of prospering the people, then rural areas are the

first alternative to get priority as a field of development.

Therefore, there is a need for empowerment in the development sector. The part of the development sector that absolutely must be implemented or improved is the development of the economic sector which will have a major impact on the progress of the Indonesian state and society because it is directed at the realization of an independent and reliable national economy based on economic democracy. In an effort to increase development in the economic sector of rural communities, it is reflected in the target of economic development, which was originally oriented to sustainable growth from a large-scale economy,

which has now become a priority for future development. This is in accordance with Law no. 6 of 2009 concerning support for the development of the creative economy, so that it will have a real impact on economic recovery in Indonesia (Dinata, n.d.).

Community economic development is part of community development, because of that the concept of community economic development with the concept of community development in general is not much different and cannot be separated from the big concept of community development itself, which includes the characteristics and character of development based on three main things; community-based, local-resource-based and sustainable (Ismail Firdaus dkk, 2008, p. 45).

Islam recognizes the existence of a social responsibility, the Qur'an has given instructions as stated in Qs.al-Qashash verse 77 which reads:

وَابْتَغِ فِيمَا آتَاكَ اللَّهُ الدَّارَ الْآخِرَةَ وَلَا تَنْسَ نَصِيبَكَ  
مِنَ الدُّنْيَا وَأَحْسِنْ كَمَا أَحْسَنَ اللَّهُ إِلَيْكَ وَلَا تَبْغِ  
الْفُسَادَ فِي الْأَرْضِ إِنَّ اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ

Meaning: *But seek, with the (wealth) which Allah has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this world: but do thou good, as Allah has been good to thee, and seek not (occasions for) mischief in the land: for Allah loves not those who do mischief.* (Qs. al-Qashash: 77).

The government is starting to look at the creative industry as an alternative to the wheels of the economy that will continue to spin. The Ministry of Commerce said that the creative industry is an inseparable part of the creative economy. The creative economy can be said to be a supply and demand transaction system that originates from economic activities driven by the industrial sector called the creative industry. Creative industries include 16 sub-sectors: culinary, architecture, product design, interior design, graphic design, film, animation and video, music, fashion, performing arts, games and applications, craft, audio and television, visual arts, advertising, photography, and publishing.

The Indonesian government sees that various sub-sectors in the creative industry have the potential to be developed because the Indonesian people have

creative human resources and a rich cultural heritage. In addition, the creative industry can also contribute in several aspects of life. Creative industries need to be developed in Indonesia because they have an important role in the economic development of the country and the region. *First*, the creative industry sector contributes significantly to the economy, such as increasing employment opportunities, increasing exports, and contributing to GDP. *Second*, create a positive business climate that has an impact on other sectors. *Third*, build national image and identity such as tourism, national icons, build culture, cultural heritage, and local values. *Fourth*, based on renewable resources such as science and increased creativity. *Fifth*, create innovation and creativity which are the competitive advantages of a nation. Finally, it can provide positive social impacts such as improving the quality of life and social tolerance.

One area that develops its economy with a local creative economy is Lampung Province, by utilizing natural resources (SDA) in every district in the province. For example, banana chips, dodol from papaya and bananas, mineral water drinks, karawang water drinks, marning corn, and various other snacks, both at the city level such as Bandar Lampung City and in various regencies in Lampung Province such as Pringsewu Regency..

The role of the Government in empowering the creative economy-based industrial community is a concern to be studied with regard to the achievements that have been achieved by various districts in Lampung Province. The provincial government is also required to shape and change the mindset of the people in order to achieve a higher quality standard of living that is not only renewable, but also unlimited, namely ideas, talents, and creativity. Therefore, in this study the author wants to see further about the role of the Lampung Provincial government in empowering the creative economy-based industrial community in Lampung Province in the view of Islamic economics. Researchers will also be more specific in examining the extent of the role of the Lampung provincial government in empowering the creative economy. Do not let the community walk alone without any touch, role or empowerment from the government, especially in the form of public policy.

## **2. LITERATURE REVIEW**

### **2.1. Government Role**

The formation of regional government in accordance with the mandate of Article 18 of the 1945 Constitution is the basis of various laws and other laws and regulations governing regional government. These laws include: Law Number 1 of 1945, Law Number 22 of 1948, Law Number 1 of 1957, Law Number 18 of 1965, Law Number 5 of 1974, Law No. Number 22 of 1999 and finally Law Number 32 of 2004. The purpose of regional formation is basically intended to improve public services in order to accelerate the realization of community welfare as well as as a means of political education at the local level.

### **2.2. Empowerment**

Etymologically empowerment comes from the basic word "power" which means strength or ability. Starting from this understanding, empowerment can be interpreted as a process towards culture, or a process to obtain power/strength/ability, and/or a process of giving power/strength/ability from parties who have power to parties who are less or not yet empowered (Ambar Teguh Sulistiyani, 2004). While Edi (2009: 210) gives an explanation about empowerment is a way by which people, organizations, and communities are directed to be able to control (or have power over) their lives.

Empowerment is a concept related to power. The term power is often synonymous with the ability of individuals to make themselves or others do what they want. This ability is good for self-regulation, managing other people as individuals or groups/organizations, regardless of the needs, potentials, or desires of others (Ibid, n.d., p. 49).

Empowerment is a process to give power to the weak (powerless), and reduce power (powerful) so that there is a balance. Similarly, according to Rappaport, empowerment is a way by which people, organizations, and communities are directed to be able to control or have power over their lives. Empowerment refers to the ability of people, especially vulnerable and weak groups so that they have the strength or ability to fulfill their basic needs, and reach productive resources that enable them to increase their income and obtain the goods and services they need (Edi Suharto, 2005, pp. 58–59). Economics as an attempt to use resources rationally to meet real needs is inherent in human nature. Without

realizing it, everyday human life is dominated by economic activities.

Empowerment in Islam is comprehensive (holistic) concerning aspects and basic joints of life (<http://lppm.uhamka.ac.id/2016/12/05/pemberdayaan-dalam-persepektif-islam>). Empowerment in Islam is also a way to change people from being unable to become empowered both economically, socially and culturally. So, what is meant by empowerment in this study is a series of activities to strengthen the power or empowerment of weak groups in society and provide the ability to be independent of the existing creative potential of the community so that they can develop so as to realize prosperity.

### **Empowerment Principle**

Empowerment activities are based on needs, problems, and potential targets, The target of empowerment is as a subject or actor in empowerment activities, empowerment means re-growing local values, culture and wisdom that have noble values in society, empowerment is a process that takes time, so it is done gradually and continuously, mentoring or coaching activities need to be carried out wisely, gradually, and continuously, empowerment cannot be done from just one aspect, but needs to be done holistically, empowerment needs to be done to women, especially teenagers and young mothers as a big potential in boosting the quality of family life and poverty alleviation, empowerment is carried out so that people have the habit of continuing to learn, lifelong learning/education, empowerment is directed at mobilizing the widest possible active participation of individuals and society.

## **3. RESEARCH METHOD**

### **3.1. Types of Research**

This research is direct research or called field research, research carried out on the actual community in order to find facts that exist in the community regarding the problems that occur (Marzuki, 2005, p. 14). In this case the researcher in collecting valid data, the researcher took directly from the research location related to the problem, in Lampung Province. The nature of this research is descriptive, meaning that this research is carried out as a data collection activity by describing it as it is without being accompanied by reasons, views or analysis from the author himself (Bachtiar, 1997, p. 60). In this study, the author describes the state of the object, the role of the

government in empowering the creative economy of the community in the Province of Lampung.

### **3.2. Method of Collecting Data**

Observation is a method of collecting data through direct observation. Observations are carried out by collecting data directly from the object of research, not only limited to observations but also recording in order to obtain more concrete and clear data (Ahsanuddin Mudi, 2004, p. 44). In this study, the author uses non-participant observation, which means that if someone makes an observation (*observer*) does not take part in the livelihood of the object or people being observed (*observed*) (Cholid Narbuko dan Abu Achmadi, 1997, p. 98). This method is used to explore data related to the role of the Lampung Provincial Government in Empowering the Creative Economy in Lampung Province.

Interview According to Mardalis that interview is "a data collection technique used by research to obtain oral information through conversing and face to face with people who can provide information to the research". This opinion states that the interview method is a conversation with a specific purpose, the conversation is carried out by two parties: the interviewer (interviewer) who asks questions and the interviewee who provides answers (Mardis, 2004, p. 64). The type of interview that the author uses in this study is a guided free interview, namely "a combination of unguided and guided interviews". So the interviewer only makes the main points of the problem to be studied, then in the process the interviewer must be good at directing the interviewee (Kartono, 1996, p. 207). The documentation method is one of the data collection methods used in social research to trace historical data. Documentation is another name for a document. Essays, text books, newspapers, articles, magazines, politics, advertisements, real pictures, and the content of almost every type of visual communication can be analyzed in various ways (Imam Gunawan, 2013, p. 176).

### **3.3. Method of Analyzing Data**

Data analysis is a process that takes into account how data is organized, organizing what is there into patterns, categories, and a basic sequence. The analytical technique used in this research is descriptive qualitative analysis. This data analysis technique describes, interprets and describes the data collected systematically. To present the data to make it more meaningful and easy to understand is to use

the Thematic Analysis from Miles and Huberman (Emzir, 2010, p. 129).

## **4. ANALYSIS RESULTS AND DISCUSSION**

### **4.1. Government Efforts in Empowering Creative Economy-Based Industrial Society in Lampung Province**

Empowerment is both a process and a goal. As a process, empowerment is a series of activities to strengthen the power or empowerment of weak groups in society, including individuals who experience poverty problems. The need for empowerment efforts is based on the fact that the position of the majority of the community in demanding their rights and carrying out their obligations is indicated by their lack of access to several facilities, such as information, technology, business capital, law, and moreover the ability to control. These various access weaknesses begin with the low level of education owned by the community, especially in rural areas (Mikhael Wurangian, n.d., pp. 7–8).

Bandar Lampung City Government and Pringsewu Regency Government still have limitations in issuing policies in the form of regional regulations. For this reason, crucial things, such as the creative economy sector, are still part of the Tourism Organization. So the creative economy sector is currently part of the tourism department. However, according to the Chairperson of the Pringsewu Regency Tourism Drive Group "The impact of Regional Autonomy, we as the sons of the region are extraordinary and support the formation of a creative economy". Although local governments have not been very productive in making public policies, the empowerment of the creative economy is welcomed by all elements of society. According to the Head of the Creative Economy Division of the Pringsewu Regency Tourism Office, "Pringsewu is only known as an ordinary craftsman. So that it really supports the formation of a creative economy community starting from the village based on the aspirations of the council so that the District declares one vote". This means that the role of the Pringsewu Regency government in the form of public policies regarding the creative economy which is part of the tourism sector has not been regulated in detail.

### **4.2. Village Community Empowerment**

The Developing Village Index (IDM) classifies Villages into five statuses, namely: (i) Very Disadvantaged Villages; (ii) Disadvantaged Villages;

(iii) Developing Villages; (iv) Advanced Village; and (v) Independent Village. Various efforts to eradicate disadvantaged villages have been carried out, both through the village gate program from 2015 to 2019 which is the flagship program of Lampung Province, as well as various village development programs and activities financed by village funds.

The number of Active Cooperatives in Lampung Province, both cooperatives under the authority of the National, Lampung Provincial Government and Regency/City Governments throughout Lampung Province, has increased since 2013, from 1,940 cooperative units to 3,121 active cooperative units in 2016 or 58.6% of total cooperative units in Lampung Province. However, in 2017 the number of active cooperatives decreased to 46.27% of the total cooperative units or 2,471 units.

The number of Micro, Small and Medium Enterprises (MSMEs) in Lampung Province has increased every year. In 2015 the number of MSMEs in Lampung Province was 61,947 MSMEs spread over 15 regencies/cities. This number increased to 95,158 MSMEs in 2016 and 157,922 MSMEs in 2017. Based on the type, 47 percent or 2513 units of Cooperatives in Lampung Province are Consumer Cooperatives, namely Cooperatives whose members are consumers by carrying out buying and selling consumer goods.

#### **4.3. Supporting and Resisting Factors of Government in Empowering Industrial Community Based on Creative Economy**

The government has an interest in empowering the creative economy-based industrial community to be more creative and productive. As a stakeholder, the government functions to carry out regulations, services and coordination. The Creative Economy Efforts of the Regency Industrial Community have full support from the government, seen from the efforts of the Community Empowerment Service in collaboration with the Cooperatives and Creative Houses Service in monitoring local village potentials that can be developed into creative products that can be produced and developed to advance the village economy.

The public has an interest in participating in the empowerment of industrial communities based on the creative economy, and business ownership. The community must be able to partner, adapt, develop their own business by changing their mindset that what they do must have added value and quality. The Village Government is also the driving force behind

the empowerment of creative economy-based industrial communities to become Regulators, Dynamizers, as well as facilitators.

#### **4.4. Resisting Factor**

Human resources play an important role in the village development process. The higher the quality of human resources, the more it encourages the progress of a village. However, in this study, human resources are an obstacle to empowering industrial communities based on the creative economy. "The quality of human resources is still low, not yet professional, and the conservative paradigm of society is still afraid to try and lazy to seek insight". Lack of capital, especially financial capital for the procurement and financing of creative economy operations. Lack of financial capital will hinder creative economic activities, especially to realize ideas into real creative economy products (Suryana, 2013, p. 205).

#### **4.5. The Role of Local Governments in Empowering SMEs from an Islamic Economic Perspective**

##### **a. Tawhid**

Tawhid is the foundation of Islamic teachings. Allah is the ultimate owner, humans are only given the mandate to have temporary possessions as a test for them. Because to Allah SWT we will be responsible for all our actions, including economic and business activities.

##### **b. Distribution Justice**

Unequal distribution of aid issued by local governments. This far-reaching comparison leaves a sense of injustice in the hearts of people who do not get assistance, while their economic and work conditions are the same. When viewed from an Islamic point of view, this condition is not in accordance with the principles of Islamic economic empowerment, one of which is justice, which means that it comes from the word *Adl* (fair) which means putting things in their place, and giving something only to those who are entitled to it and treating it accordingly with the position.

##### **c. Independence**

Programs such as entrepreneurship training for SMEs which are programs to improve and develop existing human resources in micro, small and medium enterprises to be able to run their businesses independently.

**d. Togetherness**

Programs run by the government can foster self-confidence in their abilities because with these programs they can improve performance in developing abilities or expertise and the business undertaken.

**e. Balance**

Balance is a basic value that influences various aspects of a Muslim's economic behavior. The principle of balance, for example, is manifested in simplicity, frugality, and avoiding waste. The balance in question is the balance between the interests of the world and the hereafter, the balance between individual interests and the public interest, and the interests between rights and obligations.

**5. CONCLUSION AND SUGGESTION**

**5.1. Conclusion**

Based on the data analysis conducted by the author, the role of the Regional Government in empowering the creative economy in urban districts, especially Pringsewu Regency, there are four namely: Increasing wareness and skills training, giving assistance, promotion and marketing, capital Loans from The Role of the Local Government (Koperindag Office) in empowering patchwork SMEs is in accordance with the empowerment strategy: motivation, awareness raising, self-management, resource mobilization, and network development. However, based on research, there is still a lack of supervision (responsibility) from the government so that new problems arise.

The Islamic Economics Review on the empowerment of patchwork SMEs in Sukamulya village is in accordance with the principles of Islamic economics: Tawhid, Togetherness, Justice,

Productivity and Ownership. With conformity to the principle of Islamic economic empowerment, it will produce results that are in accordance with Islamic law. However, there are still many injustices in the distribution of aid from the Koperindag Office.

**5.2. Suggestion**

Based on the results of research and discussion, suggestions that can be submitted are: For Local Governments (Department of Cooperatives, MSMEs, Industry and Trade): Relevant offices in charge of empowering the creative economy should have a *database* (providing assistance), relevant offices in charge of empowering the creative economy must provide accurate information to all communities, relevant offices in charge of empowering the creative economy must tighten supervision in carrying out the program (providing assistance, etc).

For further researchers, they should expand their research so that more complete information is obtained about creative economy empowerment in each district city of Lampung Province.

**6. REFERENCES**

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