

# Indonesia's Economic Diplomacy in Strengthening the Creative Economy Industry Market in Southeast Asia

R. Dudy Heryadi  
Shanti Darmastuti  
Ardli Johan Kusuma

DOI: <https://doi.org/10.37178/ca-c.23.1.232>

---

*R. Dudy Heryadi, Universitas Padjadjaran, Bandung, Indonesia*  
[dudy.heryadi@unpad.ac.id](mailto:dudy.heryadi@unpad.ac.id)

*Shanti Darmastuti, Universitas Pembangunan Nasional Veteran Jakarta, Jakarta, Indonesia*

*Ardli Johan Kusuma, Universitas Pembangunan Nasional Veteran Jakarta, Jakarta, Indonesia*

---

## Abstract

*The Creative Economy Industry is one of the sectors that supports Indonesia's economic growth. The contribution of the creative economy industry is visible from its contribution towards the GDP and the rate of employment. The development of the creative economy industry, whether it's within the domestic market, or international market, is inseparable from economic diplomacy conducted by one country. Southeast Asia is a potential area to become a target market for Indonesia's creative economy industry. Therefore, this study was conducted to analyze the economic diplomacy carried out by Indonesia in strengthening the creative economy industry market in Southeast Asia. By using literature study, data related to Indonesia's creative economy such as policies and forms of economic diplomacy are gathered from research reports, journal articles, books, and official government websites as well as articles on the internet. Data analysis was carried out since the first time the data collection process was carried out. The results of the study indicate that Indonesia has carried out a number of economic diplomacy activities which include exports promotion, involvement in various regional and global forums, as well as bilateral cooperation with ASEAN member countries. In addition, cooperation between the government and creative economy industry players at the domestic level is also one of the strategies in supporting economic diplomacy activities.*

**Keywords:** Creative Economy Industry, Economic Diplomacy, Market, Southeast Asia

## Introduction

Global trade is currently marked by the increasing number of exports of the creative industry from several countries. As part of driving economic growth, governments in several countries are actively making policies to support the development of the creative economy industry market, both at the domestic and international levels. The development of the creative economy sector at the global level is also marked by the contribution of this sector to the employment rate. The development of the creative economy industry market on the international level is inseparable from economic diplomacy conducted by one country. Promotional activities in increasing exports and cooperation with other countries are a real form of economic diplomacy carried out by the countries involved. In conjunction with this,

several countries have made policies to expand the creative economy industry market on an international level.

Several studies discuss market expansion policies and the promotion of creative industries in the global market. Research on Indonesia's strategy in the creative industry sector in the ASEAN Economic Community (AEC) explains that in the AEC, the Indonesian government has implemented several strategies for marketing creative industry products abroad such as organizing international festivals and events in the country as well as participation in international festivals and events [1]. A form of support for strengthening the creative industry market at the global level is also apparent in Japan. JETRO provides support to the creative industry to be able to penetrate foreign markets. The existence of JETRO offices abroad can certainly help in promoting Cool Japan, a form of Japanese creative industry, to the world. Several forms of support are provided by JETRO such as the facilitation of the Japan Booth at exhibitions abroad in the creative industry sector. Some of the industries on display include fashion (textiles, apparel, etc.), Japanese design (design items, furniture, etc.), agricultural and food products as well as content (films, music, anime, manga, etc.). Not only in the form of exhibitions, but JETRO also facilitates business meetings between Japanese and foreign companies that can help the development of small and medium enterprises [2, 3].

Government support for the development of the creative industry at the international level is also apparent in the Chinese government, one of which is in the music industry. The policy of joint venture marks the success of the culture industry in China. In this case, the joint venture here is a form of a joint venture between global record companies and music industry companies in China. The development of the cultural industry is considered as an effort to promote a country's national image and promote soft power. The nation branding method is one of the efforts to mobilize soft power and this can be done through the development of the cultural industry. Therefore, promoting nationalism is an important part of promoting creative industries. Creative industries such as films, comics, music, games, and animation are examples that can be used to promote nationalism [4-6].

Regarding nation branding, the Japanese government in 2005 used "Cool Japan" as the slogan of nation branding. Then in 2010, the Japanese government established a Creative Industries Promotion Office under the auspices of the Ministry of Economy, Trade, and Industry. This policy is seen as the government's efforts to use the cultural industry as part of Japan's new growth strategy. The re-branding policy through 'Cool Japan' is seen as a form of government effort in promoting Japan not only as a strong country in the technology and manufacturing industry but also as having strength in the creative industry. Re-branding activities are carried out by developing foreign markets and holding international events aimed at disseminating information about the Japanese creative industry abroad. Activities involving cooperation between existing ministry institutions in the successful promotion of creative industries in foreign markets are also carried out. Thus it can be seen that the government is internationalizing the creative industry to enter new markets abroad [7-9].

The creative industry export strategy becomes a focus for the Ukrainian government. In this case, through the Export Strategy of Ukraine: Strategic Trade Development Roadmap for 2017-2021 and Action Plan framework, the export strategy is carried out using a five-year action plan. The strategy is used through various forms of consultation between domestic stakeholders including the public and private sectors. Structuring and increasing competitiveness in foreign markets are some of the basics in strategy formulation. The strategies undertaken include: 1) promoting internationalization by orientating the creative industry towards exports; 2) creation of a supportive business environment, and 3) ensuring consolidation among all sectors related to the development of the creative industry export market. Real steps in implementing this strategy are carried out through the protection of intellectual property rights and the promotion of e-commerce. Promotion through the media, membership in international associations, and participation in international events are also part of the government's strategy. In addition, collaboration with several organizations in Europe such as Reimages, Cinema Net Europe, and Europa Cinemas is a strategy for

promotion in the international audiovisual market (Ministry for Development of Economy, Trade and Agriculture of Ukraine, n.d.).

From the description above, it can be seen that several countries have made several policies in the expansion of the creative industry market abroad. It can be seen that the policies implemented emphasize promotional efforts, up to the re-branding policy. However, the works mentioned above have not specifically discussed one country's economic diplomacy in strengthening the creative economy industry market at the regional level. Therefore, this study aims to provide an analysis of Indonesia's economic diplomacy in Southeast Asia related to the creative economy industry.

### **Literature Review**

Economic diplomacy is inseparable from promotional activities carried out by the government, whether it is promotions in the fields of trade, investment, technology, or several other sectors such as tourism, education, training, promotions related to encouragement for innovation, cooperation with foreign partners [10]. Economic diplomacy carried out by one country has many purposes, for example; economic diplomacy is used as a tool to facilitate political and strategic goals as well as economic diplomacy related to export promotion and aims to strengthen industry which will ultimately have an impact on the prosperity of a country. Discussion about economic diplomacy involves various kinds of interests of one country and the tools used in it. For example, in economic diplomacy, there are cooperative efforts between the government and the business world that aim to achieve commercial goals in advancing national interests. The form of activity related to this is the promotion of trade and investment [11-13]. Thus, it can be seen that economic diplomacy is related to all forms of state activities, both in the form of promotions in the fields of trade, investment, and sectors that can encourage innovation and cooperation with other countries. Various state interests are the factors behind these activities. However, in general, the economic prosperity of one country is the foundation for a country to carry out economic diplomacy.

There are several issues in economic diplomacies, for example; trade diplomacy which includes negotiations on economic agreements and free trade, commercial diplomacy including several activities such as export promotion, tourism, investment, and business advocacy, and the last is in the form of development cooperation in the form of assistance on development, sciences and technology and other forms of technical cooperation [14].

In conjunction with economic diplomacy which touches upon the promotion of sectors related to innovation, this study sees that the promotion of the creative economy sector is an important part in the implementation of one country's economic diplomacy. The need for international markets is one of the important domains in the development of a country's creative economy industry. In addition, the creative economy is one sector that becomes a priority for a country in economic development. Therefore, many countries have developed various policies in developing the creative economy sector.

Continuous economic development based on creativity is one of the fundamental concepts in the creative economy. Utilization of creativity and the creation of innovation through technological developments becomes one of the keys to the economic value of a product or service. Through this creativity, competition at the global level is not only based on the quality and price of one product but also based on imagination, creativity, and innovation. Creativity, innovation, and invention are the three basic things in the creative economy. The ability to produce or create something unique, fresh, and generally accepted is the key to creativity. While innovation emphasizes activities to produce a product or process that is better, added value, and useful. This of course is based on the transformation of ideas in developing pre-existing inventions. Whereas invention is based more on creating something that has never existed before [15]. The creative economy sector can be seen as a value chain. The value chain here covers ideas from product manufacture up to distribution and consumption. So that in this value chain there are various activities from generating concept, production, and distribution to consumers [10, 16].

Many studies have already discussed state policies in the development of the creative industry. For example, the development of the creative culture industry can be seen in Beijing, China. In order to develop the creative culture industry, the government uses several strategies such as: 1) Encouraging investment in the creative culture industry. In this case, the government issues investment guidelines in sectors in the creative culture industry such as the development of internet-based animation and games, television programs and filmmaking, advertising, trade of antique goods, and art and intellectual property publishing; 2) Fund support for the development of the creative culture industry. The Beijing Municipal Government allocates 500 million RMB annually for the development of the creative culture industry, and 3) the Development of a workforce who has talent in the creative culture industry [17].

Concerning the creative industry, the City of Shanghai in 2005 included the creative industry as part of its economic development strategy. Several creative industry clusters were developed and the Shanghai Creative Industries Center (SCIC) was established by the city government which aims to promote the creative industry [11]. One of the main elements in the creative industry is digital creation which is part of the development of creative industry products. In its development, the creative industry has had a redefinition along with the development of technology and knowledge. The creative industry is not only related to material artifacts that can be traded but also has a contribution to the development of knowledge and involves human interaction in it [4]. In addition, the creative industry emphasizes industries that encourage innovation and change in the economy. New ideas as well as science and technology are part of the development of the creative industry. Creative content as well as from a single commodity production model is also one of the characteristics of the creative industry [15].

The government's policy in developing creative and cultural industries can be seen from the changes in Japanese national policies in the late 1980s after the collapse of the Japanese bubble economy. The Japanese government began to focus on policies to develop industry at the international level that could encourage economic development. Several policies were made to develop the creative industry, such as grants in the arts to support more creative activities. This policy has an impact on the development of creative spaces such as art galleries which in the 1990s has increased in number [7].

From the description above, it can be seen that the creative economy industry as one of the sectors that contributes to the development of the country has become a priority sector in state policy. The form of creative industry development that can provide benefits to the country's economy is carried out through various forms of policy. Policies in the form of financial support, the formation of industrial clusters, encouraging increased investment in the creative industry sector in increasing the capacity of human resources in the creative industry sector. Along with the dynamics of the global economy that is developing, one country has an interest in developing the creative economy sector in the international market. In connection with this, this study uses economic diplomacy as one of the policies taken by the state in developing the creative economy industry in the international market both through promotion and cooperation between countries.

## **Method**

This study uses a literature study in collecting data related to government policies in the creative economy industry, Indonesia's creative economy conditions, and government policies in encouraging the strengthening of the creative economy industry market in Southeast Asia. Materials related to these topics were obtained from government regulations, journal articles, research reports, books, and sources from the internet. The data obtained are then identified and grouped based on the topics above. Data analysis was carried out since the first time data collection was carried out. Economic diplomacy is used to analyze forms of government policies in strengthening the creative industry market in Southeast Asia.

## **Results and Discussion**

### **Creative Industries in the Indonesian Economy**



Economic growth for a country is one of the interests that becomes a priority. The state will use all available resources to achieve economic growth as expected. This also applies to Indonesia as a country, which of course also has an interest in continuing to increase its economic growth. One of the areas that become the foundation for Indonesia's economic growth is the creative economy industry. Industries that focus on the role of individual creativity in creating goods or services of economic value are indeed quite strategic for Indonesia. This is certainly supported by the fact that Indonesia is the fourth most populous country in the world, with a population of 273,523,615 [18]. The creative industry certainly has a different characteristic from other industries that are based on natural resource exploitation. The creative economy industry relies more on the quality of human resources because this industry relies on creative ideas from the human mind.

When it comes to the creative industry in the Indonesian economy, in the context of historical practice, actually has been around for a long time. Even before Indonesia's independence, the creative industry was practically implemented. In seeing this, we can take an example of how the creative industry is carried out by the community in several regions in Indonesia. For example, the fashion industry, in this case, batik, in the northern coastal area of Java, which was later known as Pekalongan batik motifs, has been recorded in history since the early 1800s [19-21]. Then we can also see the history of the wood carving crafts industry from Jepara. The furniture industry, which is included in the craft industry category within the framework of the creative industry in Jepara, has existed since Jepara was still part of the Kalinyamat kingdom which had a golden age in the 16th century. The furniture carving industry from Jepara is carried out from generation to generation and persists to this day. In fact, wood carving crafts from Jepara have now entered the international market, where exports of wood carving crafts from Jepara have entered 113 countries in the world. In addition, Jepara is currently getting the nickname "The World Carving Center" [16, 22]. The history of the Pekalongan batik fashion industry and the wood carving craft industry from Jepara shows that in practice, the creative industry in Indonesia existed long before Indonesia's independence.

Although in practice it has been done for a long time, in the context of the use of creative industry terminology, in Indonesia it is still relatively new. The concept of "creative industry" became popular in Indonesia since the 6th President of Indonesia, Susilo Bambang Yudhoyono, who in 2005 emphasized the importance of developing an industry based on crafts and creativity. Since then, the word creative economy or creative industry has become popular [23]. In the following years, the creative industry became stronger as a part of economic development in Indonesia. Even in 2009, a policy in the form of Presidential Instruction No. 6 of 2009 was issued, concerning the development of the creative economy in 2009–2015. At that time the president had ordered all ministries and state institutions, even the president also instructed all regional heads, both regents, mayors, and governors to support the 2009-2015 creative economy development policy, in essence, the president wanted economic development efforts based on individual creativity and skills to produce creative goods or services that have economic value for the welfare of society. In this policy, the creative industries in Indonesia are divided into several sub-sectors including advertising; architecture; art and antique goods market; craft; design; fashion; film, video, and photography; interactive games; music; performing arts; publishing and printing; computer services and software; radio and television; and research and development.

The potential of the creative industry has also become a fairly popular issue in the era of President Jokowi. After Jokowi was elected as the 7th president of Indonesia, it did not necessarily make the enthusiasm of developing the creative economy industry in Indonesia to decline. With the potential for a fairly high number of human resources, even President Jokowi believes that the creative economy industry in the future will become the backbone or main pillar of the Indonesian economy. This belief was then followed up by President Jokowi by issuing Presidential Regulation No. 6/2015 concerning the establishment of the Creative Economy Agency on January 20, 2015. This institution is a non-ministerial body that is expected to function to improve the creative economy industry in Indonesia [20, 21].

In its development, the creative economy industry in Indonesia is seen as having a strong economic "ecosystem" relationship with the tourism industry in Indonesia. Indonesia's tourism attraction is seen as being able to provide impetus to the development of the creative economy industry. To respond to this, Jokowi issued Presidential Regulation Number 69 of 2019 concerning the Ministry of Tourism and Creative Economy. This policy indicates that creative industry affairs are merged with tourism affairs under the coordination of the Ministry of Tourism and Creative Economy (Kemenparekraf). Understanding of the creative economy industry has developed. In this case, the sub-sector which was previously only divided into 15 fields, later developed into 17 sub-sectors. This is inseparable from technological developments which then give rise to new creativity in the creative economy industry. The creative economy sub-sectors include Game Developers; Architecture; Design interior; Music; Art; Product Design; Fashion; Culinary; Film, Animation and Video; Photography; Visual communication design; Television and Radio; Crafts; Advertising; Performing Arts; Publishing; and Applications. The facts have shown that the creative economy industry has had an impact on the Indonesian economy in general. The creative economy industry has become one of the sectors that drive Indonesia's economic growth.

This can be seen from the contribution of the creative economy sector to GDP and employment rate. For example, in 2019, the creative economy sector contributed 7.26% to GDP and contributed to the employment rate by 15.21%. Meanwhile, the contribution to non-oil and gas exports in 2019 was 12.62%. Thus it can be seen that the creative economy sector has great potential in national economic development [1, 10]. Even in 2020, the contribution of the creative economy sector to GDP is 1100 trillion rupiah [21]. In addition, the creative economy industry also has a positive influence on employment [24]. This contribution from the creative economy industry sector emphasizes that this sector cannot be underestimated, and efforts must continue to make strategies to maximize the potential for the development of the creative economy sector.

Of the 17 sub-sectors in the creative economy industry in Indonesia, three sub-sectors then contribute quite a lot of foreign exchange to the Gross Domestic Product (GDP) in Indonesia. Referring to the data released by Kompas.com media from the Central Statistics Agency (BPS) data, the three sub-sectors that contributed the highest were the fashion, culinary, and crafts sub-sectors. The culinary sub-sector contributes 41 percent to GDP, the fashion sub-sector contributes 17 percent to GDP, and the crafts sub-sector contributes 14.9 percent to GDP. In addition, the export value of the three sub-sectors is also quite high. The fashion sub-sector reached an export value of 11.9 billion US dollars, the crafts sub-sector reached an export value of 6.4 billion US dollars, the culinary sub-sector reached an export value of 1.3 billion US dollars [2, 5].

Although data has shown that the creative industry has made a real contribution to the economy in Indonesia, there are still many challenges that then become an obstacle for creative industry entrepreneurs to develop their businesses. Some of the obstacles that are often faced are related to production management and also the marketing of the products produced [8]. The lack of capital owned by business actors also makes business development more difficult to develop. In developing the creative economy industry, the government needs to make extra efforts to provide full support to creative industry business actors, if you want this creative industry to become one of the pillars of the economy in Indonesia. Support programs in the form of mentoring and improving the quality of business actors need to be taken seriously and evaluated continuously. This needs to be done because there is still assistance from government programs for creative industry business actors who cannot in actuality overcome the challenges faced by business actors in the field [22].

### **Market Potential of Indonesia's Creative Economy Industry in Southeast Asia**

Indonesia benefits from being geographically located in a strategic area. In addition, Indonesia is also part of the Southeast Asia region, which is one area that has the potential for profitable market opportunities for producing countries in the world. This condition should

be utilized by Indonesia in developing the market for products from the domestic creative industry to reach international markets, especially markets in Southeast Asia. The Indonesian government itself has seen a great potential to make the Southeast Asia region a target market for the creative industry. Economic and political conditions in this region which tend to be stable, coupled with a fairly high population, open up opportunities for the distribution of creative industry products from Indonesia [25, 26].

The facts show that countries in the Southeast Asian region are able to show stable performance in both the economic and political fields, which then makes the international community view the Southeast Asian region as an ideal region for economic activities. This is evidenced by the entry of the Southeast Asian region as a prima donna area for investors to invest. Even the data shows that since the economic crisis in 1997-1998, foreign direct investment into Southeast Asia has increased almost four times. Not only that, from 2010 to 2012, four countries in the region, namely Vietnam, Indonesia, Thailand, and Malaysia, were included in the top 20 countries receiving foreign investment. Judging by the results of a survey conducted by the United Nations Conference on Trade and Development (UNCTAD) in 2013-2015, it shows that countries in the Southeast Asian region are a priority as a destination for foreign direct investment, for multinational companies. The interest of capital owners to invest in the Southeast Asian region cannot be separated from the objective conditions that show stable economic growth, as well as stability in the security and political fields in this region [2, 5].

Apart from relatively stable economic and political conditions, the Southeast Asia region is also an area that has tremendous market potential. We can see this great potential from the demographic conditions of this region which has a population of 617 million people, or equivalent to 8.8 percent of the world's population. In addition, it is predicted that by 2030 the middle-class population will reach 500 million people, and 65 percent of that figure is the population of the Southeast Asian region. In addition, this regional market has the characteristics of first-time buying customers, the market character of "first-time buyer" will be very profitable for the creative economy industry, the majority of which are goods or services that fall into the category of secondary needs. The character of the first-time buying customer is influenced by the growth of the middle-class community in the Southeast Asia region, which of course has a direct effect on the purchasing power of the general public in this region [1].

The large market potential in the Southeast Asian region is supported by the increasing number of facilities and infrastructure that support the development of the quality of life of the people in Southeast Asian countries, such as improving the quality of education and health facilities, which in turn has an impact on improving the standard of living and the perspective of people who are starting to open awareness. to accept the growing development of globalization. Awareness or openness to the globalization process creates a feeling of shared identity among people in Southeast Asian countries who are members of the Association of Southeast Asian Nations (ASEAN) organization [7, 8].

The existence of the ASEAN framework, which is the organizational institution that oversees the countries in the Southeast Asian region, makes the framework of cooperation between its member countries easier to implement. ASEAN can be a medium to facilitate communication to reach agreements in order to increase cooperation, especially in the economic field. This condition is certainly a great opportunity for Indonesia. This is because Indonesia itself is one of the most influential countries in the region. For this reason, the market potential in the Southeast Asia region can be utilized optimally as a marketing target for the Indonesian economy, especially for creative industry products. In addition to ASEAN as the parent organization of the Southeast Asian region, within the framework of cooperation established by ASEAN countries, the potential for free markets in this region is wide open. ASEAN has an agreement mechanism for the ASEAN Free Trade Area (AFTA), which is a form of cooperation in the trade and economic fields that was agreed upon by ASEAN member countries on January 28, 1992, during the fourth ASEAN Summit in Singapore. Initially, the implementation of this agreement was planned to be fully implemented in 2008, but in fact, it was accelerated to 2003. The main objective of this agreement is to increase the economic competitiveness of ASEAN countries, by making

this region a production base for the world market to attract investment and increase trade among ASEAN members. In addition to AFTA, in 2015 ASEAN member countries also agreed on the implementation of the ASEAN Economic Community (AEC), namely an agreement on the establishment of a single market, integration with global markets, increasing regional competitiveness, and equitable development of countries in this region. The main objective of this agreement is to increase the flow of goods, services, investment, skilled labor, and increase trade in the Southeast Asian region.

Under the ASEAN framework and all the instruments of agreement in it, the market potential in the Southeast Asia region is very open for Indonesia's creative industries. Barriers to international trade in this region have been very minimal with the presence of a framework of agreements between its member countries. Indonesia can take full advantage of these conditions to distribute creative industry products. This opportunity is also supported by the fact that so far Indonesia has taken advantage of the market potential in the Southeast Asian region. We can see this, for example through data released by the Central Statistics Agency (BPS) which shows that the value of Indonesia's exports to countries that are included in the Regional Comprehensive Economic Partnership (RCEP) is US\$ 91.43 billion in 2020 or 55.54 % of total national exports. RCEP is an economic partnership between ASEAN member countries plus 5 ASEAN FTA dialogue partners, namely the People's Republic of China, South Korea, Japan, Australia, and New Zealand [16]. The high value of Indonesia's exports to RCEP countries, in which the majority of ASEAN member countries are present, shows how the market potential in Southeast Asia and its surroundings is very profitable for Indonesia. For this reason, there needs to be better strategic efforts to further maximize the potential of the Southeast Asian market for Indonesian production, especially in the field of the creative economy.

### **Indonesia's Economic Diplomacy in Strengthening the Creative Economy Industry Market**

In order to strengthen the market for the creative economy industry, the Indonesian government has taken several policies that can be seen in the framework of economic diplomacy. In this case, the economic diplomacy carried out in this sector is aimed at increasing exports, promoting the creative economy to cooperate with several ASEAN member countries. Not only at the regional level, in an effort to promote the creative industry the government itself is also active in global-scale meetings that focus on efforts to develop the creative industry.

As one of the driving forces in economic growth, the Indonesian government is active in developing the creative economy industry market abroad. The increasing demand for the creative economy market has an effect on increasing the export performance of Indonesia's creative economy. In increasing the export market, the promotion of creative economy products is carried out through exhibitions, festivals, and social media. In addition, training in marketing and branding also needs to be given to creative industry players. The provision of incentives in creative industry export activities is also one of the policies to increase exports. In connection with this, the development of the quality of the creative industry is also a major concern to be able to attract consumers abroad [16]. Promotional efforts are one of the policies carried out to increase exports. Upgrading the skills of creative industry players is also a concern of the government so that they can produce more innovative products. Through more innovative creative economy products, it is hoped that it will attract consumers from abroad. Strengthening the association of Indonesian creative economy product export associations is also an important step in increasing exports of the creative economy industry. In addition, increasing creativity is also the key to encouraging increased exports [2]. In this case, for example, the Ministry of Trade signed a memorandum of understanding (MoU) and cooperation agreements with four creative service associations, such as the Indonesian Game Association (AGI), the Indonesian Comics Association (AKSI), the Indonesian Licensing Merchandising Industry Association (ALMI), and the Indonesian Association of Merchandising Industry. Animation and Creative Indonesia (AINAKI). Efforts to encourage the export of Indonesia's creative services to the global



market are the foundation of the implementation of this cooperation. Key points in this collaboration include facilitation of promotion, increasing capacity, provision of business infrastructure to strengthen the database [12]. Thus, it can be seen that in increasing exports of creative industries, it is necessary to support cooperation between the government and industry players. This is as contained in the characteristics of economic diplomacy that the involvement of stakeholders such as the government, the private sector, civil society is important in order to maximize national profits in all fields of economic activity [20, 23].

A form of effort to develop the creative economy in the Southeast Asian region, the Indonesian government encourages creative economic cooperation within ASEAN countries. A concrete step in an effort to encourage this cooperation is the implementation of the ASEAN Regional Workshop on Creative Economy in Nusa Dua Bali on 4-5 September 2019. The formulation of strategies, steps, and efforts in developing and promoting cooperation is one of the foundations in strengthening the creative economic capacity in the area. In addition, through this collaboration, it is hoped that the issue of the creative economy will become one of the priority issues in ASEAN economic development [5]. As a form of continuous event, it is planned that in November 2021, Indonesia will again hold the ASEAN Regional Workshop on Creative Economy in Bali. Through this event, it is hoped that there will be an agreement from government stakeholders who handle the creative economy in ASEAN to encourage the development and strengthening of the creative economy in the future by placing the creative economy as a sustainable issue that can provide benefits [17]. Indonesia also initiated the implementation of the ASEAN Creative Economy Business Forum which is planned to be held in November 2021. The purpose of this activity is to accelerate the implementation of the ASEAN Comprehensive Recovery Framework. Digital transformation in concern of improving the digital economy, especially in the creative economy sector, is also on the agenda of this forum. Through digital transformation, it is hoped that it can increase the capacity of creative economy actors with cooperation between ASEAN member countries [18].

In addition to holding the ASEAN Regional Workshop on Creative Economy, in 2018 Indonesia also hosted The World Conference on Creative Economy (WCCE) which was held in Bali on 6-8 November 2018. This forum was attended by representatives from the government, international organizations, entrepreneurs, media, think tanks, experts, and the community in the creative economy. Through this activity, networks are developed between local and global creative economy actors which in turn can encourage the development of Indonesia's creative industries [15]. The government's commitment to developing the creative industry at the global level can also be seen from the initiation of the Indonesian government in the implementation of the Friends of Creative Economy (FCE) meeting on November 11, 2020. This meeting was attended by 55 countries and 8 international organizations. Participants of this meeting consisted of governments, international organizations including the United Nations and ASEAN, academics, and creative economy actors. One of the agendas of this meeting is to identify several international programs and initiatives to implement the international year in achieving the Sustainable Development Goals (SDGs) in 2021. International collaboration is a factor that encourages the development of the creative industry, especially during the post-covid-19 economic recovery period [5, 11, 12]. Indonesia's involvement and role in various regional and global forums in the creative economy sector is a step for economic diplomacy to strengthen its role in ASEAN. Not only strengthening the role, but Indonesia's involvement can also encourage a kind of multi-stakeholder cooperation in developing Indonesia's creative economy in the international market, especially in Southeast Asia.

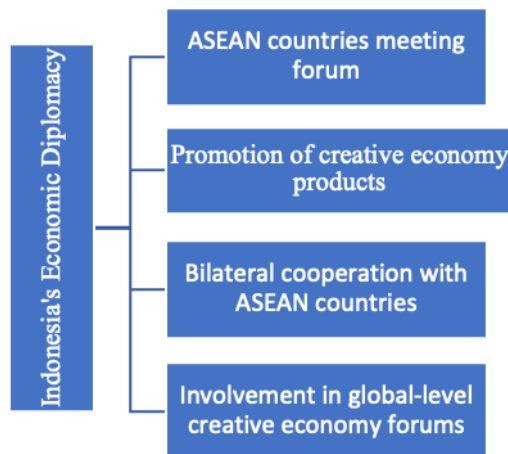
Bilateral cooperation with ASEAN countries is also carried out by the government in order to strengthen the promotion of the creative economy industry, one of which is the Philippines. The potential for cooperation between the two countries has been discussed since 2019. One of the steps taken in initiating this form of cooperation is to organize a webinar on "Promoting Indonesia and The Philippines Cooperation in Creative Economy in the New Normal". Through this activity, it is hoped that there will be forms of cooperation ideas that can be developed to develop the creative industries of each country. The

Philippines' five creative industry sectors, such as advertising, film, animation, game development, and design, are the driving force behind the country's creative industry. In addition, human resources are the strength of the Philippines' creative economy. Therefore, through cooperation, it is expected to increase the capacity of human resources in the creative economy sector in Indonesia [2, 10, 15].

In addition to the Philippines, bilateral cooperation is also carried out with Thailand. This was marked by the signing of a Memorandum of Understanding on cooperation in the creative industry on May 13, 2019. Through this collaboration, Indonesia and Thailand agreed to collaborate in the creative industry. The form of collaboration is carried out through the development of human resources as well as in the form of joint project implementation. Furthermore, as the implementation of this MOU, a concrete program is designed in the fields of knowledge exchange and experts, photography, design, music, and animation [20, 22, 23].

From several forms of economic diplomacy carried out by Indonesia in strengthening the creative economy industry market in ASEAN, it can be seen that the government has carried out various policies ranging from export promotion, involvement in various forums at the regional level, as well as bilateral cooperation with ASEAN member countries. The following is a picture that shows the form of Indonesia's economic diplomacy activities in the creative economy sector:

Picture 1  
Indonesia's Economic Diplomacy in Southeast Asia in the Creative Economy Industry Sector



Source: data processed by researcher, 2021

From the picture above, it can be seen that Indonesia has carried out various forms of economic diplomacy in developing and strengthening the creative economy sector in Southeast Asia. However, in this case, these forms of activity require continuous monitoring of the activities carried out. The success of economic diplomacy that is carried out needs to be seen from the implementation of every idea or agreement that arises from every form of activity carried out. For example, in terms of cooperation forums of ASEAN countries, a real commitment is needed in developing creative industries at the regional level. Export promotion as part of economic diplomacy requires cooperation between domestic stakeholders in developing the creative economic industry market abroad, especially in Southeast Asia.

**Conclusion**

One of the areas that become part of the foundation for Indonesia's economic growth is the creative economy industry. Industries that focus on the role of individual creativity in

creating goods or services of economic value are indeed quite strategic for the Indonesian state. The importance of the creative industry in the Indonesian economy can be seen from the contribution of the creative economy sector to GDP and employment. In relation to the international creative economy market, Southeast Asia is a potential area for Indonesia's creative economy sector. Economic and political conditions in this region which tend to be stable, coupled with a fairly high population, open opportunities for the distribution of creative industry products from Indonesia.

In order to strengthen the market for the creative economy industry in Southeast Asia, the Indonesian government has carried out various activities such as promotion of exports, involvement in various forums at regional and global levels, as well as bilateral cooperation with ASEAN member countries. Cooperation between the government and creative industry players at the domestic level is also one of the strategies to encourage increased exports. In the implementation of economic diplomacy, it is necessary to continuously monitor the implementation of the programs that have been agreed upon in meetings or bilateral cooperation that has been carried out.

## References

1. Utomo, A.P., *Indonesia's Creative Industry Development Strategy in Facing the ASEAN Economic Community*. Jurnal Ilmu Hubungan Internasional, 2016. 5(4): p. 1-365.
2. Madelan, S., *Optimizing Indonesia's Creative Economy Product Exports Towards Increasing Competitiveness*. Business Economic, Communication, and Social Sciences (BECOSS) Journal, 2020. 2(3): p. 273-284. DOI: <https://doi.org/10.21512/becossjournal.v2i3.6658>.
3. Darmayanti, N., L.A. Africa, and T. Mildawati, *THE EFFECT OF AUDIT OPINION, FINANCIAL DISTRESS, AUDIT DELAY, CHANGE OF MANAGEMENT ON AUDITOR SWITCHING*. International Journal of Economics and Finance Studies, 2021. 13(1): p. 173-193.
4. Fung, A., *BRICS/ strategizing for creative industries in China: Contradictions and tension in nation branding*. International Journal of Communication, 2016. 10: p. 18.
5. Karimi, M.S., Z. Yusop, and S.H. Law, *Location decision for foreign direct investment in ASEAN countries: A TOPSIS approach*. International Research Journal of Finance and Economics, 2010. 36(1): p. 196-207.
6. Fejzaj, E., I. Kapaj, and A.M. Kapaj, *PUBLIC DEBT AND FACTORS INFLUENCING THE REAL GDP GROWTH: CASE OF ALBANIA*. International Journal of Economics and Finance Studies, 2021. 13(1): p. 110-127.
7. Morgner, C., *Governance and policy development of creative and cultural industries in Japan*, in *Routledge handbook of cultural and creative industries in Asia*. 2018, Routledge. p. 43-56. DOI: <https://doi.org/10.4324/9781315660509-4>.
8. Netrawati, I.G.A.O., I.G.P.B. Suastina, and J. Ali, *Hambatan Dalam Pengembangan Ekonomi Kreatif di Kabupaten Lombok Tengah (Studi Kasus Pada Perajin Kain Tenun Tradisional Dusun Sade)*. Jurnal Media Bina Ilmiah, 2019. 14(4). DOI: <https://doi.org/10.33758/mbi.v14i4.343>.
9. Gaba, F., S.H. Dunga, and E.H. Redda, *ADAPTING THE UNDP MPI TO DEVELOP A NEW MULTIDIMENSIONAL MEASURE OF CIRCUMSTANTIAL POVERTY FOR HARARE PROVINCE, ZIMBABWE*. International Journal of Economics and Finance Studies, 2021. 13(1): p. 259-283.
10. Rana, K.S., *Serving the private sector: India's economic diplomacy*, in *The New Economic Diplomacy*. 2016, Routledge. p. 125-141.
11. O'Connor, J. and X. Gu, *Creative industry clusters in Shanghai: a success story?* International journal of cultural policy, 2014. 20(1): p. 1-20. DOI: <https://doi.org/10.1080/10286632.2012.740025>.
12. Permata, C.P., et al., *BOOK CHAPTER: Bengkulu Goes Forward to Build Indonesia*. 2021, Yayasan Corolla Education Centre.
13. Hariani, S. and A. Fakhrorazi, *DETERMINANTS OF FINANCIAL REPORTING QUALITY: AN EMPIRICAL STUDY AMONG LOCAL GOVERNMENTS IN INDONESIA*. International Journal of Economics and Finance Studies, 2021. 13(2): p. 82-107.
14. Margiansyah, D., *Revisiting Indonesia's Economic Diplomacy in the Age of Disruption: Towards Digital Economy and Innovation Diplomacy*. Journal of ASEAN Studies, 2020. 8(1): p. 15-39. DOI: <https://doi.org/10.21512/jas.v8i1.6433>.
15. Pitts, F.H., *A hidden history: defining and specifying the role of the creative industries*. Creative Industries Journal, 2015. 8(1): p. 73-84. DOI: <https://doi.org/10.1080/17510694.2015.1048068>.
16. Resti, I.L.V. and A.K. Monika, *CREATIVE ECONOMIC EXPORT POTENTIAL IN 2019*. Jurnal Ekonomi dan Pembangunan, 2020. 28(1). DOI: <https://doi.org/10.14203/JEP.28.1.2020.29-40>.

17. Chou, T.-L., *Creative space, cultural industry clusters, and participation of the state in Beijing*. Eurasian geography and economics, 2012. **53**(2): p. 197-215. DOI: <https://doi.org/10.2747/1539-7216.53.2.197>.
18. Winkler, C.G., *The Quest for Japan's New Constitution: An Analysis of Visions and Constitutional Reform Proposals 1980-2009*. Vol. 12. 2012: Routledge.
19. Noh, S., et al., *Perceived racial discrimination, depression, and coping: A study of Southeast Asian refugees in Canada*. Journal of health and social behavior, 1999: p. 193-207. DOI: <https://doi.org/10.2307/2676348>.
20. Rossy, A.E. and U. Wahid, *Analysis of the Contents of Sexual Violence in Online Media Reporting, Detik.com*. Jurnal Komunikasi, 2015. **7**(2): p. 152-164.
21. Sugiarto, E.C., *Indonesia's Future Creative Economy*. Retrieved from, 2018. **28**.
22. Rohmah, U., A.J. Kusuma, and F. Rohilie, *The Government's Efforts in Increasing the Burnt Batik Industry in Pati Regency through the Creative Economy Program*. JIP (Jurnal Ilmu Pemerintahan): Kajian Ilmu Pemerintahan dan Politik Daerah, 2017. **2**(2): p. 119-134. DOI: <https://doi.org/10.24905/jip.2.2.2017.119-134>.
23. Roosdiantoro, I., A.Z. Tn, and F.R. Djoemadi, *Indonesia's Economic Growth Before and After the Enforcement of AEC*. CALYPTRA, 2019. **7**(2): p. 4095-4109.
24. Aisyah, H. and Y.E. Anroni, *ANALYSIS OF THE ROLE OF THE CREATIVE INDUSTRY SECTOR ON LABOR ABSORPTION IN INDONESIA*. Procuratio: Jurnal Ilmiah Manajemen, 2018. **6**(3): p. 272-277.
25. Anugrah, I.S. *ASEAN Free Trade Area (AFTA), Regional Autonomy and Trade Competitiveness of Indonesian Agricultural Commodities*.
26. Florida, R., *The flight of the creative class: The new global competition for talent*. Liberal education, 2006. **92**(3): p. 22-29.