

Enhancing Entrepreneurship and Employment : Creativity And Constraints

Elvy Maria Manurung¹, Inge Barlian¹, Catharina Badra Nawangpalupi¹
^{1,2,3}Parahyangan Catholic University (UNPAR), Indonesia
¹Corresponding author's email: *elvymaria {at} unpar.ac.id*

ABSTRACT--- *Over several decades significant change in economic has occurs in several countries, especially in Asia. Entrepreneurship has become an important issue to foster employment in economic development. The same phenomenon happened in Bandung as one of the cities in Indonesia, which is recognized as one of the creative cities in Southeast Asia in 2007 and 2011. Young entrepreneurs are classified a creative group that occupies 60% of the total population. How young entrepreneurs cope the constraints and several factors that trigger their creativity is the focus of this study. This research was conducted with qualitative methods using in-depth interviews and focus group discussion. Six factors of Moeran's theory of creativity is used as framework to see what factors play significant role in several creative industries observed. Thirteen young entrepreneurs representing six creative industries were observed and interviewed. Findings from interviews were discussed in the focus group with four experts. The research results showed consistency with Moeran theory, with one additional factor as uniqueness of Bandung.*

Keywords--- *creativity, constraints, entrepreneurship.*

1. INTRODUCTION

Over the past three decades, the world economy has changed a lot. This phenomenon is seen both globally and locally. Significant economic changes that occur in several countries, including countries in Asia such as China, India, and South Korea have shown a very rapid growth rate. Entrepreneurship is becoming an important issue in many countries to support economic development. The same phenomenon occurred in Indonesia, especially in Bandung. Around the 1980s, Bandung known as 'Paris Van Java' or 'Flower City' was not as dense as it is today. The population of Bandung was 240,000 in 1940, but now it is already 2.4 million when at the beginning, it was designed for 500,000 residents. Fortunately, 60 percent of the population is creative young people. In the city of Bandung, reside many young art lovers community --music and movies, fashion lovers, creator of graphic design, and culinary enthusiasts in Bandung (Kamil R., FGD in 2013).

A research on the role of young people in entrepreneurship and regional economic development has been done by Manjusmita Dash and Kulveen Kaur (2012) in Orissa, India. They found that entrepreneurship by young people in recent years have managed to boost competition and improve economic development in that area. Entrepreneurship among young people is rarely explored; even policies and programs are often made to be applied to all (one size fits all). The emergence of entrepreneurship by young people is caused by, among others, the high unemployment among young people and social gap between them.

Research in India (2012) resulted in findings on reasons behind entrepreneurship increment by young people, on the obstacles and challenges that hinder or motivates young people to start their business, as well as on assessment of their performance. A similar study was also conducted by Baker (2008) in the article "Fostering a Global Youth Spirit of Enterprise". Baker describes the challenges faced by young unemployed people and how young people deal with these challenges. Baker examined the possibility of collaboration between public and private sectors to achieve social and economic changes.

This research looks at the contribution and role of young people in Bandung in the development of creative entrepreneurship, how the creative efforts established and has survived so far, and what the success factors are or persisting conditions for creativity in every business being investigated. In other words, how young people play their roles in entrepreneurship, and its factors/restrictions determining it are the heart of attention in this study.

2. REVIEW OF LITERATURE

In a research article entitled "Perspectives in Business Anthropology: Cultural Production, Creativity and Constraints" in 2011, Brian Moeran argued that the words *creative* or *creativity* has other different meaning when attached to the boundaries that works in the creativity. Being *creative* does not merely mean being innovative, talented, and so on, and

occurring in an empty space with in the absence of process. Moeran emphasized that creativity in cultural products is limited by a number of factors and the agreements in each and has to do with the social system in which the creative process (lasting cultural products) happens, it becomes important to study.

Moeran found six limiting and challenging factors in creative process, namely: (i) the materials and techniques/technologies utilized, (ii) the time to produce the product, (iii) the place where the product is made, (iv) the social environment and the people involved in the process, (v) the aesthetic or representational held/recognized, and (vi) the availability of funds which functions as economic constraint. In short, Moeran tried to reveal creative process that occurs in business ethnography which varies in the form of the cultural products.

Creativity is unique, but the impact can be devastating not only to the way-habit-patterns of human life socially, culturally and politically, but also on the economic growth of the nation. The term *creative* appeared around 2001 when John Howkins argued that new economy has emerged around creative industries controlled by the law of intellectual property such as patent, copyright, trademark, royalties, and design. The creative era focuses on the creation and exploitation of intellectual property such as works of art, movie and TV programs, software, games, or fashion design, and includes creative services such as advertising companies, publishing, and design. Creative era arrived in the third millennium wave which was characterized by increased prosperity and by emerging new needs to find meaning when experiencing and consuming goods/services. Design workers are now replacing the knowledge workers to produce goods and services with full meaning and uniqueness (Simatupang T., 2007, 2010).

In Indonesia, the creative industries, according to the Ministry of Trade of Indonesia (2007), are recognized as follows:

“Creative industries are derived from the utilization of creativity, skills and talents of individuals to create wealth and jobs”.

Based on data from the Ministry of Commerce, the gross value added of creative industry sector increased significantly from IDR 256,848 billion in 2006 to IDR 297,557 billion in 2007 and in 2008 achieved IDR 360,663 billion. These data shows the development of positive national creative industries. Creative Industries sector contributes 7.8% or IDR 235,633 billion to national GDP, the 6th in rank, higher than the average contribution of the construction sector, finance, real estate and business services, transport and communications and electrical power, gas and cleanwater.

3. RESEARCH METHODOLOGY

The research was conducted with qualitative methods, using in-depth interviews and observations of young creative entrepreneurs (*creative entrepreneur*) selected from some sector of creative business. Interviews were conducted to the selected young entrepreneurs to explore the business profiles, reasons behind their involvement in the business, as well as the dominant factors that pushed and limited the creative process.

There are six creative sub-sectors observed, namely : (1) fashion, (2) handcrafts, (3) product design, (4) music, (5) movie, and (6) culinary; and eleven informants have been interviewed. In addition, focused group discussions have conducted with four experts in April and December 2013.

4. RESULT AND DISCUSSION

Based on observations and interviews, a description of the characteristics of each sub-sectors describe as follows:

- Fashion Group : RL, RpC, and AM.

	<i>“RL”</i>	<i>“RpC”</i>	<i>“AM”</i>
Field of Business-Sector	Boutique of Moslem clothings	Boutique of Moslem clothings	Purse, Backpack and Wallet
Age of the Business	10 years	5 years	4 years
Place of business	Living house	Living house	Rent room
Owner and age	Lenny Puspawati (40's)	Antik Bintari (40)	Aditya (20's)
Owner's education	Master of Political Science	Master of Development Study	Bachelor of Product Design
Amount of employee	People	5 people	2 people
Production System+ Marketing	Human intensified, sewing machine+ information technology	Human intensified, sewing machine+ information technology	Human intensified, sewing machine+ information technology
Organization and Management	Run by owner with the help of husband and employee	Run by oneself, with the help of older sister and daughter	Run by oneself, with the help of employee
Material Resource	Local, International	Local, International	Local
Target and Orientation of the Market	Middle-High to High Class	Middle-High	Middle-High

• Handcraft Group : Tbc, CSP, and MJ

	“Tbc”	“CSP”	“MJ”
Field of Business-Sector	Community-based book store, handcraft, from soil and paper (book separator, etc), etc	Various knitting handcraft: tissue case, bags, water dispenser cover, etc. Core businessInti; community empowerment	Jewelry made from natural stones, such as neckless, etc
Age of the Business	+/- 13 years	+ 7 years	+ 6 years
Place of business	Living house	Living house	Living house
Owner and age	Tarlen (30’s)	Grace Mamboo (50’s)	Irmina (30’s)
Owner’s education	Graduate in Communication Science	Graduate in Chemistry, Researcher of <i>Material-Science</i>	Graduate
Amount of employee	5 people	None. Empowering surrounding citizens and sharing order to them	None
Production System	Home-made	Home-made	Home-made
Organization and Management	Run by oneself, with the help of employee	Run by oneself	Run by oneself
Material Resource	Local	Local, International	Local
Target and Orientation of the Market	Middle-High, domestic	All layers of demography, domestic and abroad, wide <i>range</i> of price	All layers of demography, domestic and abroad

• Music and Movies Group: Bk, PP, and JS

	“Bk”	“pp”	“JS”
Field of Business-Sector	Creative (heavy metal band)	Creative(pop-indie band)	Creative(movie production)
Age of the Business	+/- 18 years	+ 5 years	+ 12 years
Place of business	Private music Studio	Music Studio owned by Producer	Production House owned by Producer
Owner and age	Eben (30’s)	Yossi (30’s)	Key Simangunsong (40’s)
Owner’s education	Graduate	Master of Political Science	Graduate of Architecture
Amount of employee	None (<i>team-work</i>)	None (<i>team-work</i>)	None (<i>team-work</i>)
Production System	Knowledge intensified, technology intensified	Knowledge intensified, technology intensified	Knowledge intensified, technology intensified

• Culinary and Design Group: RK, and KM

	“RK”	“KM”
Field of Business-Sector	Oriental Dish	Comic Design
Age of the Business	+ 10 years	+ 20 years
Place of business	Rented Outlets	Living house
Owner and Age	Renaldo Panggabean (40’s)	Toni Masdiono (50’s)
Owner’s education	Master of Management	Master of Art and Design
Amount of employee	+ 50 people	None (<i>team-work</i>)
Production System	Human intensified, simple machinery	Knowledge intensified, technology intensified
Organization and Management	Run by oneself, with the help of wife and employees	Run by oneself, once in a while with the help of friends and students
Material Resource	Local	Local
Target and Orientation of the Market	Local	International

5. CONCLUSION

Interviews have been conducted in 2013 from April to December. Summary of interviews after associated with six factors framework of Moeran, that plays important role in the creative process of business, are as follows:

❖ Compliance with the framework of Moeran¹

a. Financial Limitations :

"We do not want to push ourselves to take a loan to foster our progress and growth. Many have proposed some soft loan to us. The thing is we do not want it. ... our ideology is to stand on our ground, on our own feet, with our strength and develop. We decided, we will move from that point, from what we have on hand. If we have only 10 thousand rupiahs, we start business with that amount. Later on, our mentality will develop and get stronger naturally. We will start a 100 thousand rupiahs business only when we already have the 100 thousand rupiahs..."(Tbc, August 26, 2013)

"In my business, advertising can be higher than the cost of production. Sometimes, our products should have been cheaper; but became more expensive. For example, in one exhibition we had to pay 12million rupiahs for rent, not to mention the transportation cost, and extra accommodation cost when the exhibition were held outside town. In the past, not only once we had to prepare a year in advance. It could happen only in keeping relation with others. So, we have to think how to display our product without it..." (MJ, September 6, 2013)

"We have some experiments on funny behavior. We tried running the business with keeping no money, or at least in a very limited amount (the minimum condition). Well, only one of us succeeded as far as I remember. And to our surprise, the business was successful. He really committed to it. His mentality and endurance were formed during the process....."(AM, October 18, 2013)

b. Limitations of materials, technologies, or worker :

"How we cut our fabric is also important. The skilled cutters know just how to produce more. Once, a friend of mine came from America. Based on my daughter advice, I made some pillow cases, bags and tissue case of calico cloth. To my surprise, people there just loved. They like things made of calico hand-made, rattan... there are still more segment to be found. We need only to be creative. When the price is suitable, that's it."(CSP, September 6, 2013)

"We were flooded with orders. The workers came and went. It was hard for hand-made business like ours, for it required skilled people. During the Ied holiday, or other holidays, all workers were off. And, they only returned when they ran out of money. So, we had to think seriously how to keep some of them during the holidays in case some main orders could not wait ..."(CSP, September 6, 2013)

c. The limited of time:

"...I sent my work abroad. Indeed many orders for cartoons products came from other countries such as America to cartoon makers in Indonesia. I myself received many orders today from Singapore. This always happened: when an order was dealt, the fulfillment would be a challenge. There is no forgiveness for lateness. Lateness meant loss of order. Now, the internet help us with the business very much. But also the internet makes the customers very sensitive with time. What was one week in the past, now become one day, even some time one hour or so...(KM, September 8, 2013).

"The challenge is how to cope with low season after the peak. It was the case with fashion business. During the Ied Mubarak day, order was great. After that, next to nothing. The challenge was to maintain some order during the low season. Also when the gas price was up or the value of dollar is up. We must think hard" (RL, August 26, 2013)

d. Limitations of the place or location:

"Tbc once started a business in Denpasar (Bali) in 2003 and lasted only until 2006 as I remember. It gave us a lesson that is to start a business based on community we must pay attention to the local culture. Besides Denpasar, a friend of mine once started a community-based business in Balikpapan (Kalimantan). Both ended up. The main difficulties in Denpasar was the strong cultural background, The Banjar Culture. When you offer

1(i) the materials and techniques/technologies utilized, (ii) the time to produce the product, (iii) the place where the product is made, (iv) the social environment and the people involved in the process, (v) the aesthetic or representational held/recognized, and (vi) the availability of funds which functions as economic constraint.

something new with a push, they will resist. People of Balikpapan, an oil city, go to Jakarta for their entertainment. So, we need to think hard how to run the business in a place like those...."(Tbc, August 26, 2013)

e. **Social environment (people surrounding):**

"When it came to government ...unbelievable! Although you have paid much money (for the hotel, transportation, man hour, etc), the result was a big nothing. They never keep their promise. So, if you want to do business, fight for it on your own. Never count on help from any body..."(CSP, September 6, 2013)

"Creative Industries was behind the success of Korea's rise from the critical period of the 1998. They have a body by the name KOICA. It is embodies all creative industries in Korea, including the music, up to the promotion. They are well prepared not just beginners. Its promotes them everywhere around the world. That is the reason for their rapid rise..."(KM, September 6, 2013)

f. **Recognized Social Representations (Aesthetics):**

"Wrong choice of color can be serious. Color determines the targeted class. For example, basic colors tell about low class market, while mixed color ethnic, and soft color high class people. There are many things that determine the life of products..."(CSP, September 6, 2013)

"Now, I sell at the range of Rp200 – 600 thousands, targeting students market and young workers, or fresh graduate at the average. Canvas which is rough is used for the basic cloth."(AM, Oktober 18,2013)

❖ **Non-compliance with the framework Moeran:**

Network

"It's not the case in Bandung. People in Bandung like to meet, and that's just beneficial, welcome curiosity and trial and errors in starting new emerging business until time let everyone know that doing business is not as easy as they think in advance. There are three big communities of entrepreneurs in Bandung: HIPMI, JCI and Ngadu Ide. I chose Ngadu Ide due to its freedom from politics just like the two others. We, young people, prefer non-formal setting..."(AM, October 18, 2013)

"Network is important. A friend of mine has a link to the ministry of KUKM. On observing our products that I would exhibit, he said that he would help market the products. From there I get link to Carrefour, a free space to exhibit, and was granted mebeluair..."(CSP, September 6, 2013)

"It happened that we were seen by the Kadin officers and offered to be a member. We were not required to pay the membership charge. Also, after that event, we were frequently offered various trainings. Though not all suitable to our business, still we can get networking and experiences. That experience gave us spirit. I have to go on this business. The opportunity is already there..." (MJ,September 6, 2013)

"Building network in other cities is important for Tobucil. Besides in Bandung, we have friends in Yogyakarta and Jakarta. We in the network still keep in touch with each other. If we are going to Jakarta for example, we try to read the changes that take place there, who the key players are; which community plays which store. We try to read the movement there. As simple as it is, we try to maintain the relationship..." (Tbc, August 26, 2013)

6. INTERPRETATION AND SUGGESTION

The results of the interviews and interpretations are summarized as follows:

1. Innovation is perceived by the performer as new ideas that should continue to emerge and grow along the creative effort and get bigger. Innovation is perceived as new designs that suit market tastes in fashion case (Muslim clothing, bags, and accessories). Innovation is associated with creativity that can emerge and continue to grow in a supportive working environment.
2. Dominant factors that drive the emergence of creative process in the six sub-sectors studied with the use of Moeran framework and the interpretation of the interview results indicate compliance with the six-factor constraints and triggers of creative process as showed by Moeran framework. These six factors are:(i) materials and techniques/technologies used, (ii) the limitation of time, (iii) the place or city, (iv) the social environment or people who involved in the process, (v) recognized aesthetic or representational , and (vi) the availability of funds as an economic constraints.
3. In addition to the six important factors of Moeran , this research also found another key factor that is important to the creativity process, namely: (i) the atmosphere of the city and networking or network.
4. Technology plays an important role in generating and maintaining creativity process in those businesses. This was revealed in an interview with young entrepreneurs, and in the focus group discussions, and also discussions

at the conference. Thanks to the information technology, the business process and transactions could run faster, and business networking could also be created through the technology. However, the same technology could also block business due to ideas or new designs theft done efficiently and effectively through the technology. Instead of being hampered by the negative side of technology, the perpetrators are motivated to bring forth new ideas that differ from previous ideas and they are not afraid unrivaled.

Moeran framework about creative process is renewed by findings of this research as follow :



Figure 1. Moeran's Framework of Creativity Process and Constraints

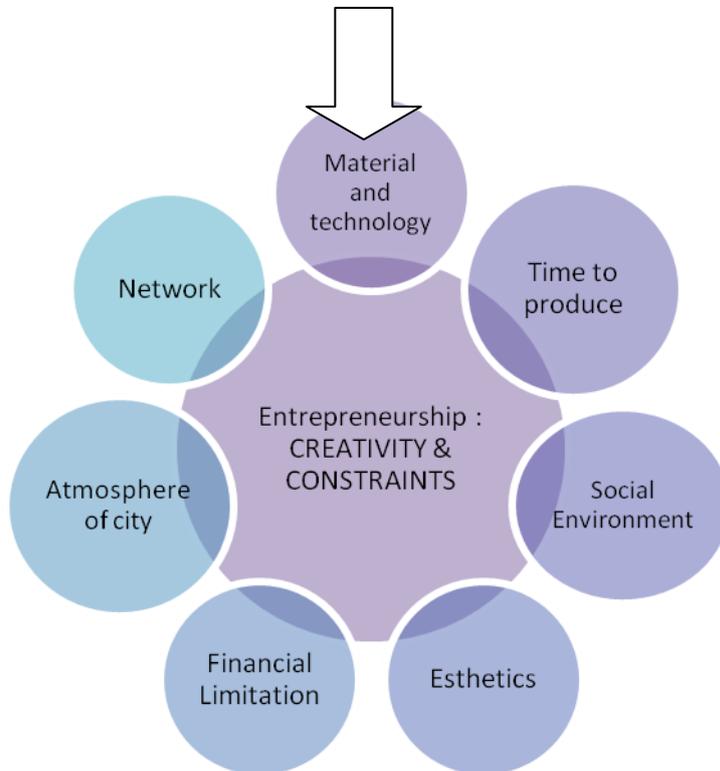


Figure 2. Our New Model of Creativity Process and Constraints

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