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**A Tale of Wedding Pictures
A Study Case of Youth Entrepreneurs in the Creative
Economy in Makassar, Indonesia**

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Today's classic was yesterday's innovation

-Charles Landry

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List of Acronyms

ADB	Asian Development Bank
Bekraf	Badan Ekonomi Kreatif (National Bureau of Creative Economy)
F8	Festival of 8
GDP	Gross Domestic Product
GRDP	Gross Regional Domestic Product
LPS	Local Production System
UNESCO	United Nations Educational, Scientific and Cultural Organization
UCCN	UNESCO Creative City Network

Abstract

Since 2009, the government of Indonesia see the creative economy as an opportunity to increase its GDP. However, the creative economy is a new sector and there still many things to explore in this sector. Not only the central government, but several local governments also try to develop their creative economy in the hope it will contribute to their local economic development. Makassar is one of those cities that try to develop this sector. This sector is attracting people to becoming an entrepreneur, because the barrier for entering this sector is relatively low. Many young people is seeing this as an opportunity, and try becoming an entrepreneur. This paper tries to identify which conditions enable youth entrepreneurship development in the photography sub-sector of the creative economy in Makassar, Indonesia. This paper also tries to identify what is the roles of the government to promoting the youth entrepreneur in the creative economy, identify in what ways do market structures contribute to the emerge of an entrepreneur, and what is the growth trajectory of these entrepreneurs. The study is conducted in Makassar where both local government and central government had not to intervene the sub-sector photography. The methodology used in this study is qualitative interview and case study; with government officials, youth entrepreneur in photography, and ex-costumer as the primary respondent. The study also uses government document as a secondary data. The results of the study are first, the government still has a small role in the development and growth of youth entrepreneur. Second, the moment of the advancement of technologies, modern social interaction, and the increase in living standards (economy growth) in Makassar are perfectly matched with the appearance of the creative economy. Also, third, the youth entrepreneur in the creative economy is growth-oriented, who are graduate from the survival entrepreneur because of the support from the entrepreneurial ecosystem.

Relevance to Development Studies

The creative economy becomes more and more important in the last twenty years. Many developed and developing countries give more attention to this sector, and there only a few countries that success to develop it. Every country has a different approach on how to govern this sector, definition and classification (sub-sector). The creative industries have a different approach from agriculture, manufacturing, and high end-service sector where it has a low barrier and more inclusive to young people for them to work or becoming an entrepreneur. What makes it different is the primary resources of this sector is creativity, intangible and renewable resources. Nowadays, there are a lot of people work in this sector. There are still a few studies to see how the creative economy contribute to the welfare of the people. The study is important to see how these youth entrepreneur use this opportunity and how the

government reacts to this new sector . Especially when different regions act or need a different approach to develop this sector.

Keywords

Creative economy, youth entrepreneur, entrepreneurial ecosystem, growth-oriented entrepreneur

Chapter 1

Introduction

As is also the case in many other developing countries, the youth makes up about one-third of the Republic of Indonesia's population. Of this segment of the population, 16.97% of the youth (15-29 years of age) are currently unemployed (Central Bureau of Statistics 2018a:93). The youth is mainly divided into two big groups—those who are still pursuing education (higher education), and those who have already entered the job market. In the end, those who are still pursuing education will eventually enter the job market. Unemployment among the youth is a complicated issue; both on the demand and supply side of labour, problems are evident. Because of the rate of unemployment, the youth is being forced or encouraged to enter the world of entrepreneurship, and the creative economy sector is one of the options most promoted by the government.

As an alternative, the Indonesian government under Joko Widodo has prioritized infrastructure. The cabinet is attempting to shift its focus to infrastructure because it sees that development is unequal and that only Java Island is being prioritized; thus, it has attempted to ensure the even distribution of development across Indonesia's islands (Warburton 2016; Lane 2015). By building infrastructure, the government hopes to stimulate economic activity. The government has also focused more attention on the creative economy.

However, youth unemployment remains a great challenge. Without clear strategies by the government to reduce the rate of unemployment, the youth themselves search for an alternative to generate income. They use their informal knowledge, social networks, and other skills to become entrepreneurs. Creative industries become one of the top choices for the youth to start their own business because of its low barriers of entry and close relations to their lifestyle and hobbies (National Bureau of Creative Economy 2018:12). Technological advances have also played an important role in attracting the youth to create a business, like online culinary delivery services, the sale of cheap laptops and pirated software for graphic design, affordable equipment like cameras, and other things related to photography and videography.

However, a lack of understanding of how the market operates forces some young entrepreneurs to cease their business activities after a while, or they keep going with their business, but only generate a small amount of income. If they innovate and improve their services, on the other hand, they might have a better chance of developing their business. Entrepreneurs when starting off face structural and strategic barriers, and additional challenges exist for those who attempt to create a business in the creative industry. In a sense, the youth need to overcome two main challenges. The first challenge is a lack of social networks in the creative economy; networks are crucial for running a business. The second challenge is related to knowledge of how the market works—while not everyone knows how the market works, they become entrepreneurs regardless. They cannot run their business without information and knowledge about what is happening in the market, and eventually cannot generate an income, then lose the interest in running the business.

So, with the increasing number of unemployed youth, the creative economy suddenly appears to be one of the alternatives for solving this long-lasting issue, but there insufficient research has been done to assess the actual potential of this sector. Today, the creative economy is becoming more important than before, especially after the fourth revolution of information and technology. The general idea of the creative economy is that people use their imaginative creativity instead of traditional land, labour, and capital as the input of production (Howkins 2013; Potts et al. 2008; Landry 2012:33). In 2015, *Badan Ekonomi Kreatif Nasional* (the National Bureau of Creative Economy; hereafter Bekraf) stated that the total Indonesia GDP of the creative industry is USD 18,16 million, with 15 million people working in this sector (National Bureau of Creative Economy 2017b:2). This is surely a great contributor to the development of Indonesia.

Intuitively, the creative economy could be a solution to youth unemployment or a way for youths to support themselves in between jobs. Both strategic and structural (capital and skill barriers) requirements are relatively low. There are several advantages for young people to enter the creative economy. First, the need for capital like places/office, tools, and equipment is relatively low. Most of the creative industries are heavily dependent on intangible goods such as creativity instead of on tangible goods such as tools and equipment. Second, young people nowadays are more familiar with today's technology and how social media works. Furthermore, technology becomes more inclusive and cheaper. As stated above, the creative economy builds on the social network market; with the use of social media, the market is simply expanded, and it's only a matter of young people turning this information into knowledge that can lead them to innovate and use it as a source of an income. Above all, this is one of the paths to a decent living. Not all young people will enter the world of entrepreneurship, but it is one of the solutions for youth unemployment. In addition, the creative economy has a high value-add. Every sub-sector in the creative economy is linked; for example, photography is one way of visual presentation, and it could enhance productivity in other sub-sectors.

The creative economy has become more and more important in the last ten years. The creative industries have a different approach from agriculture, manufacturing, and high end-service sector where it is more inclusive for young people. Many developed and developing countries pay more attention to this sector. There are debates among scholars about whether or not the government has a significant role in this creative economy, since it is quite a new sector (Kim 2017:327-328; Lange et al. 2008:544). This research will try to give a clear picture of how the government takes the lead and actively implements a program to boost the creative economy rather than to give it up to market.

The study takes place in Makassar City, Province of South Sulawesi, which the government at the national scale has not prioritized to increase the productivity of the creative economy. At the local government level in Indonesia, the officials have tried to stimulate the growth of the creative economy (Fahmi et al. 2015). But photography has not been considered an important/priority sector for development. Therefore, this study takes place where there has not been a single policy from the government to enhance this sub-sector.

1.1 Research Questions

In this research paper, the main question is:

Which conditions enable youth entrepreneurship development in the photography sub-sector of the creative economy in Makassar, Indonesia?

Three sub-questions have been formulated to help guide the research. First, *what is the government's role in the development and growth of youth entrepreneurs in the creative economy?* Second, *in what ways do market structures contribute to the emerging of youth entrepreneurs in the creative economy?* Demand is an important factor for creative industries; how demand shapes supply is another matter. It is also important to mention that the rise of purchasing power of the middle class creates an opportunity for entrepreneurs. Because of the difference of the market, suppliers (youth entrepreneurs) must have a different approach to their consumers. People who enter the creative economy are young people, but how they use this opportunity and what are their existing capabilities before becoming entrepreneurs? Every young person in every city has different skills, traits, or educational backgrounds, but what is needed for them to enter the creative economy? It is also important to find out their motivations for becoming entrepreneurs and what they did before (their educational background, level of welfare, employment status, etcetera).

Third, *what are the growth trajectories of youth entrepreneurs in the creative economy?* The last sub-question tries to understand how youth entrepreneurs behave in their own business, who succeeds, and why. Do they try to improve their business and compete with each other, or do they only run a business to sustain themselves? Do they create jobs for others?

The three sub-questions in the research paper together look at the relations of all the stakeholders of the creative economy. The first sub-question tries to identify the role of the government in the creative economy. The second sub-question tries to understand under what conditions supply and demand contribute to the emergence of youth entrepreneurs. The last sub-question attempts to understand how youth entrepreneurs develop their business in the creative economy.

1.3 Research Methodology

The methodology that is used in this research paper is a case study with qualitative interviews and secondary data that together provide clear background information to triangulate the data. I chose to collect primary data rather than to conduct a desk study. There are not much research has been done on this theme, because it is relatively new, especially in the context of Indonesia.

The study will also look deeply into the contemporary phenomenon of the emergence and development of photography in Makassar, Indonesia. The case study can create a reliable claim for the results of the study (Gerring 2007:49). Through a case study, we can examine

the current conditions/dynamics of the stakeholders in particular places. In this study, the government, youth entrepreneurs, and ex-customers are considered the main stakeholders in Makassar's creative economy. Makassar is not a priority area for increasing creative economy productivity by the central government. And it is important to see how the creative economy grows before the intervention of the government.

Based on the conditions in the field, semi-structured interviews were conducted, where the interviewer prepares a list of questions and schedules a meeting with the interviewee (Bernard 2011:158). Interviews were conducted with the central government (Bekraf), the local government (Tourism and Creative Economy Office and Manpower Office of Makassar City), young entrepreneurs in the creative economy, and customers that have already used the services of a young entrepreneur. There were no major problems with collecting data, since it is my own country and I am quite familiar with government regulations for collecting research data. Some of the respondents that are youth entrepreneurs are friends of mine. In the process of collecting data, both friends and other respondents seemed to answer what I wanted to hear. However, this problem could be overcome by asking the same questions with different sentences multiple times until I could be sure that the answers that respondent gave were true and unbiased.

1.3.1 Data Sources

Interviews were first conducted with government officials in Jakarta and Makassar. In Jakarta, I directly sent a letter and proposal for interviewing officials of Bekraf. I had to wait at least three weeks for them to respond, and an interview was granted with the Director of Bekraf. For Makassar, I decide to interview the Head of the Bureau of Creative Economy in Tourism and Creative Economy of Makassar. It was quite easy to schedule the meeting for an interview due to having had an inside contact in this office. Here, two interviews were conducted and a seminar held by the local government for promoting the Creative City Network of UNESCO were attended.

A total of four interviews were conducted with government officials: two were conducted with officials working at Bekraf and the Tourism and Creative Economy Office, respectively, in July 2018; and two with the Tourism and Creative Economy Office and Manpower Office, respectively, in August 2018. Initially, I thought that it was necessary only to interview the two offices directly related to the creative industry. However, at the end of the second round of interviews with the Tourism and Creative Economy Office of Makassar, they advised me to also interview the Manpower Office of Makassar.

In early August, I had started to interview photographers in Makassar. Because of my previous job as a photographer, it was easy for me to contact photographers. It is not hard to search for a photographer that already owns a production house. The photographers I selected were youths (between 16 and 30 years old) or older who own a production house or work as freelance photographers. After having contacted more than 20 photographers, eight photographers that met my criteria were interviewed.

I spent approximately 1.5-2.5 hours interviewing each photographer. Some of them do not have a studio or office, so we set up a meeting in a café. None of the photographers had difficulties understanding my questions and gladly helped me with my research, especially with questions related to youth unemployment, employment, and entrepreneurship. In late August, I also conducted a second round of interviews with four photographers so that I could probe some subjects of interest more deeply.

In late August, after finishing the first round of interviews with photographers, I then started to contact ex-customers (persons who had used the services of a photographer for their wedding). In Indonesia, there are traditional and international weddings. These two types of wedding ceremonies have different steps/procedures, and it can be said that traditional weddings follow the Islam tradition and international weddings the Christian tradition. Every city/regency/province has its own way of celebrating wedding ceremonies. With these two types of wedding in mind, I tried to interview a total of four people—two people for each type of wedding.

Because of the limitations of my contact with people that had gotten married over the last five to six years, I used a snowball technique to find ex-customers. Before I went with this plan, I also thought that is better for me to ask past customers of photographers that I had already interviewed. However, this was not possible, because some of them did not want to be interviewed. After I collected contacts, it was possible for me to interview four people that got married in different years (2012, 2015, 2016, and 2018). Interviews took around 1 hour to 1.5 hour.

In studying the role of the government in the creative economy, interviews were supplemented by official documents and seminar and workshop materials. At the national government level, of interest is the way in which the creative economy works and the government's policy related to the creative economy; at the local government level, of interest is the way in which the local government reacts to the creative economy as an opportunity for growth.

1.4 Research Paper Structure

This paper consists of six chapters. Chapter 1 introduced the problem and intent of study. Chapter 2 will focus on the theoretical framework of this research paper. The theories used for this study are those on the creative economy, youth unemployment, entrepreneurship, and social capital and clusters. Chapter 3 will focus on the background information of the creative economy in Indonesia and how the local government tries to intervene in the creative economy. It will regard the actions of the central government (Bekraf) and the local government (Manpower and Tourism and Creative Economy Office of Makassar). Chapter 4 will focus on the market structures of the creative economy; this chapter will explain what the real conditions in Makassar are and how they promote the creative economy. Chapter 5 will focus on youth entrepreneurs in particular—how they work and develop their businesses. Last, the conclusion of this research paper is presented in Chapter 6.

Chapter 2

Looking at the Creative Economy Entrepreneur

2.1 The creative economy and the creative city

Various terminologies are used to refer to the creative economy, such as ‘the creative economy’ or the ‘creative industry’. Howkins (2013:6-7) explains the creative economy as a structure of the production, exchange and use of the products of creative goods, whereas the creative industry is a classification of sub-sectors that have been defined by each country. Later, the creative industries define sub-sectors of the creative economy. In addition, each nation has a different definition of the creative industry. UNESCO defines creative industries as “those in which the product or service contains a substantial element of artistic or creative endeavour”, encompassing “a broader range of activities which include cultural industries plus all cultural or artistic production, whether live or produced as an individual unit” (as quoted in OECD 2014:32).

This means that the creative economy has its origin in the cultural economy, which later gets added value through the artistic process of an individual. The products are important for developing countries. From 2003 to 2012, the total export of creative goods from developing countries increased from USD 87 billion to USD 272 billion (UNCTAD 2015:vii). Developed countries already implemented policies allowing for the creative economy in major cities, and have thereby already generated abundant revenue (OECD 2014:39).

The unique feature of the creative economy is the way in which the market integrates with social networks and how creative industries could consist of one person or a team (Howkins 2013:54; Potts et al. 2008; Comunian 2011; Tschang 2014:476). The creative industry is heavily dependent on socio-economic activity, word of mouth, individual taste, culture, and fame. Both production and consumption are constructed by feedbacks; their market is dominated by information and feedbacks rather than inherent preferences and price signals (Potts et al. 2008:169-170). This means that if past customers are satisfied with the quality of service of an entrepreneur, they might give positive feedback and use word of mouth to tell their friends about it. In addition, they might make use of their services again in the future.

Some scholars still have the opinion that the creative economy does not fit an industrial framework and should be seen as a part of the manufacturing and services sector. Others argue that the creative economy could not be classified as part of the manufacturing and services sector, even though they share some similar characteristics, because it has different features of input, process and output (Potts and Cunningham 2008; Cunningham 2009; Potts 2009; Potts et al. 2008). More specifically, Potts argues that the creative economy could hardly be included in the industrial framework for two main reasons. First, the creative economy bears many similarities to the service sector. And, second, creative economy production is so vast, and the view of individual ideas and culture as public goods is changing (Potts et al. 2011:96).

At the local level, the idea of a creative city is affecting several cities, both in developed and developing countries. Local governments view this as a new opportunity for developing their economic activity (Pratt and Hutton 2013:87; Comunian 2011:1158; Kim 2017:326). One of the ways to see the creative city is as an alternative of a city's development agenda – with the rise of technology, the government already identifies an alternative to industry as the foundation for developing a city (Comunian 2011:1166). The first government that tried to embrace this concept of the creative city was the Italian government, which branded its cities as creative cities (with pizzas and cafés) that would act as an alternative to the industrial cities that developed after World War II (O'Connor and Shaw 2014:170).

Later, the British government under former Prime Minister Tony Blair found that five percent of the UK's national income is derived from creative products. Most of the income comes from London, where 500,000 people work in the creative sector. After he found that the creative industry has potential, Tony Blair created an initiative to develop the creative economy (Flew 2011:9; de Peuter 2011:418). The consequent success of the creative economy in London ensured that the creative economy gained popularity at the global level. Cities from both developed and developing countries have tried to develop their creative economies based on the culture and technology that they currently have.

It is interesting when a rural area tries to adopt a creative economy, because creative economies usually grow and are sustained in urban areas or major cities. The creative economy can develop in cities because

cities provided social networks long before the internet was invented and their networks are richer, more diffuse and more multi-sensual than the most active Facebook can create. These incidental serendipitous meetings may lead nowhere or may lead somewhere interesting (Howkins 2013:216).

Howkins argues that the creative economy can grow much better in cities because of the role of entrepreneurs who use their networks and opportunities for generating an income. An entrepreneur can find whatever (s)he needs in the city, because the market is quite concentrated in urban areas, which is not the case for rural areas. Adding to Howkins's argument, Elsa Vivant also said:

metropolitan areas are melting pots for a varied, highly specialized, skilled and available workforce. A metropolitan area, with its large network of suppliers, clients, partners, sub-contractors and laborers, promotes better business exchange. It facilitates information sharing and the implementation, organization and management of project-based activities; a workers' flow and the sharing of skills between companies is made possible (Vivant 2013, 58).

Howkins and Vivant thus make similar points that the creative economy sees fertile growth in cities, where large networks of the information, producers' needs like skilled labour and production input, and a wide range of customers can be found.

In this study, the creative economy is considered a new sector (distinct from the agricultural, manufacturing, and services sectors) that could be developed more. The creative economy does exist because of the advancement of technology. However, the creative economy is defined in every country or even in every city. Based on its development, more opportunities are created by this new sector, but, on the other hand, the rise of this creative economy also leads to several problems.

2.2 Youth unemployment and entrepreneurship

Youth unemployment proliferates for several reasons, first, due to the demographic structure of a country and the relation between young people and others in terms of labour supply. Second, due to economic growth and the structure of the economy. Third, due to the different rights and obligations related to full- and part-time jobs. Fourth, due to the divergence between vocational and general education and in-job learning. Last, due to policies related to the labour market, young people who cannot complete general education and/or vocational training are disadvantaged (Zimmerman et al. 2013, 16). These factors are relatable to the conditions facing the youth of Indonesia.

There at least four reasons for the existence of entrepreneurship. First, because of the demand factor or economic opportunities – people who can identify opportunities in the market can easily create businesses by providing services or by innovating (Thai and Turkina 2014:492; Stuart and Sorenson 2005:212; Jones et al. 2015:7). Second, because of the supply factors or the availability or abundance of resources and abilities that are already present. Third, because of backing by the government; governments usually create events for startups or provide some incentives for startups. Also, the government creates regulations that ease the opportunity for people to create a business. The last reason is because of culture – culture can provide an understanding of how businesses work and a social environment for starting a business (Thai and Turkina 2014:493; Jones et al. 2015:8). For example, Japanese, Chinese, Jewish, and Lebanese people are known for their commerce-related skills, and it is through their own culture that they require knowledge of entrepreneurship (Zimmer 1986, 7).

To enter a specific industry, entrepreneurs need to circumvent specific barriers. Bain argues that there are two types of barriers across the industry: structural and strategic. Structural barriers refer to complexity and capital, while strategic barriers can be defined as competition in the existing market (Lofstrom et al. 2014:234). Apart from structural and strategic barriers, there are also financial and cognitive barriers. Financial barriers are related to access to credit – it is not always possible to access credit. The other barrier is cognitive; the cognitive barrier still needs to be placed in context. The relation between the cognitive barrier and entrepreneurship is rather complex. Some people may not become entrepreneurs because they receive a high salary (Thai and Turkina 2014:491), and others may become

entrepreneurs because they have the necessary knowledge to generate an analytical, strategic, and critical plan for their business (Loftstrom et al 2014:233).

Entrepreneurship is important for developing countries, because it might lead to economic growth and development through employment and the earning of a decent living, despite the ongoing debate on the role of entrepreneurship and small- and medium-sized enterprises (SMEs) in economic growth. It is hard to see how entrepreneurship feeds into economic growth; Wenneker and Thurik try to define this relation (1999). There is a causal link between the revolution of technology (ICT) and competition that leads to better economic performance. The revolution of technology makes it easier for entrepreneurs to innovate, and innovation creates competition in the field (Cattani et al. 2015:75). With this opportunity arise some of them could be classified as gazelles “who share some characteristics with these top performers such as education, language skills, sector choice and some basic management abilities, but who are not (yet) successful” (Grimm et al. 2012:3). Nevertheless, it is difficult to see the relation to the aggregate of national income, because trying to link entrepreneurship to economic growth is like putting individual effort at the micro level into a firm effort at the macro level (Wennekers and Thurik 1999, 47-48). Apart from such difficulties, entrepreneurship does contribute to economic growth through the creation of innovation, with existing technology leads to healthy competition in the market that later will lead to development and economic growth. The East Asian Miracle is proof that entrepreneurship and SMEs do have an important role in the sense of improving a country’s economy (Liang 2004).

2.3 Social capital and clustering

To generate income, businesses may find it helpful to cooperate. Schmitz (1999:465) said that small businesses could develop their production if they work together by clustering. Furthermore, he describes the importance of clustering by saying that

clustering opens up efficiency gains which individual enterprises can rarely attain. These gains are captured in the concept of collective efficiency, defined as the competitive advantage derived from local external economies and joint action (Schmitz 1999:466).

Small businesses could cooperate horizontally and vertically, as well as bilaterally and multilaterally. For horizontal cooperation (between companies), bilateral means two individual businesses cooperate, for instance by sharing equipment they have and collaborating to create a new product. Multilateral cooperation on the other hand means multiple businesses work together, for example through creating a business association to control prices. At the vertical level (from input production to output sellers), it is important for them to cooperate to improve the components that are needed (bilateral cooperation) and create alliances to make communication and production more efficient (multilateral cooperation) (Schmitz 1999:469).

Lazzeretti et al. (2008) studied the importance of clustering in the creative and cultural economy in Italy and Spain to identify the difference between a cluster and the extent to which it affects the economy. The study begins by identifying Creative Local Production Systems (Creative LPSs) to identify patterns of local production. They found interesting differences between Italy and Spain, even though the creative economy of both countries have almost similar traits. With clustering or creative/cultural economic production (Creative LPSs), Italy had 62 Creative LPSs, of which 42 were traditional creative LPSs, 11 were traditional non-creative LPSs, and 9 were diversified. Spain on the other hand had 25 Creative LPSs, of which only 17 were traditional creative industries and 9 were diversified industries (Lazzeretti et al. 2008:564-565). This study shows that clusters are important for business, because it could lead to the emergence of other businesses and an increase in production and job openings. The presence of the cluster is important to develop the creative economy's products; both vertical and horizontal cooperation is needed.

2.4 Entrepreneurial ecosystems and photography

It is important to identify the ecosystem of a sector of business in order to enhance its performance. The ecological system or ecosystem is a community of organic components that work together in a complicated environment (Acs et al. 2017, 2). The notion of an ecosystem is derived from the biological field of study; Audretsch and Belitski (2017) and Acs et al. (2017) tried to introduce it into the field of entrepreneurship to explain which and how different factors contribute to the emergence of entrepreneurship. Later, the Indonesian government tried to adapt the concept to better understand a sector or business components. Audretsch and Belitski state that a

entrepreneurial ecosystem framework determines who becomes an entrepreneur, how an individual's perception supports entrepreneurial decision making in the area, and how various domains affect entrepreneurial action and outcomes of the ecosystem (Audretsch and Belitski. 2017:1031).

Using this definition, the above mentioned study continues to examine the contribution and the linkage of six factors to the creative economy: culture and norms; physical infrastructure and amenities; formal institutions; information technologies and the internet; the melting pot index; and, lastly, demand and workforce to entrepreneurship (Audretsch and Belitski. 2017:1034-1037). The study was conducted in 70 cities in Europe through random interviews with 500 citizens. The study shows that information and technology are essential for the emergence and development of entrepreneurship. Nevertheless, each factor is important, and every city has a different nature (Audretsch and Belitski 2017:1034-1050). Audretsch also emphasizes that it is essential to identify the ecosystem based on the local context (Audretsch and Belitski 2017:1031). By localizing the space of the research, we can see the relevance of each factor for the general population of each city.

For Indonesia, in the strategic development of the national photography sector, the government, photography as subsector of the creative economy has an ecosystem consisting of the creative value chain and nurturance environment. This ecosystem is needed for photography to develop and contribute more to the creative economy. The creative value chain is divided into two parts: first is the process of creation, where a producer researches an idea and identifies whether there is a market for it or not. The second part of the creative value chain is the final product, which is the photo itself. However, there are several regulations regarding rights and the purposes of the photo itself. The rights for using a photo are various – it could be for exclusive use (where only certain people can use it); for non-exclusive use (where the photographer could sell it to anyone); a license fee can be asked (where the photographer gets royalties from people using his/her photo); it could be for limited use (where the photographer agrees to his/her photo being printed in several ways); it could be related to the data range (the payment of photos is dependent on how long the photo is being used); and it could be for unlimited use. The last part of the creative value chain refers to distribution: usually, the photographer releases his/her photo through CD/DVD, hard disk, flash disk, or even as a print (Ministry of Tourism and Creative Economy 2015:29-42).

The second part of the ecosystem is the nurturance environment. The nurturance environment is one of the important factors that leads to the development of the creative economy. In photography, the environment could be divided into four aspects, which are appreciation, education, consumer, and archive. Appreciation is important, because it could raise the quality and the competence of the photographer. It is believed that making a society literate and awarding the photographer could increase the appreciation of photography. The second aspect is education; formal and informal education are important to improve both the quality and the competence of the photographer. Education must relate not only to the way in which the camera works and the composition of photos, but also to management and business skills. The third aspect is the consumer; consumers could be divided into co-operations, organizations, and individuals. Consumers are important, because they use the product and will drive the market. The last aspect of the nurturance environment is the archive. This aspect is unique and quite different from other subsectors of creative industries. The photographer tends to use the internet or cloud storage to save their photos, but they do not only use it for saving, but also as their portfolio or their gallery on the internet (Ministry of Tourism and Creative Economy 2015:42-50).

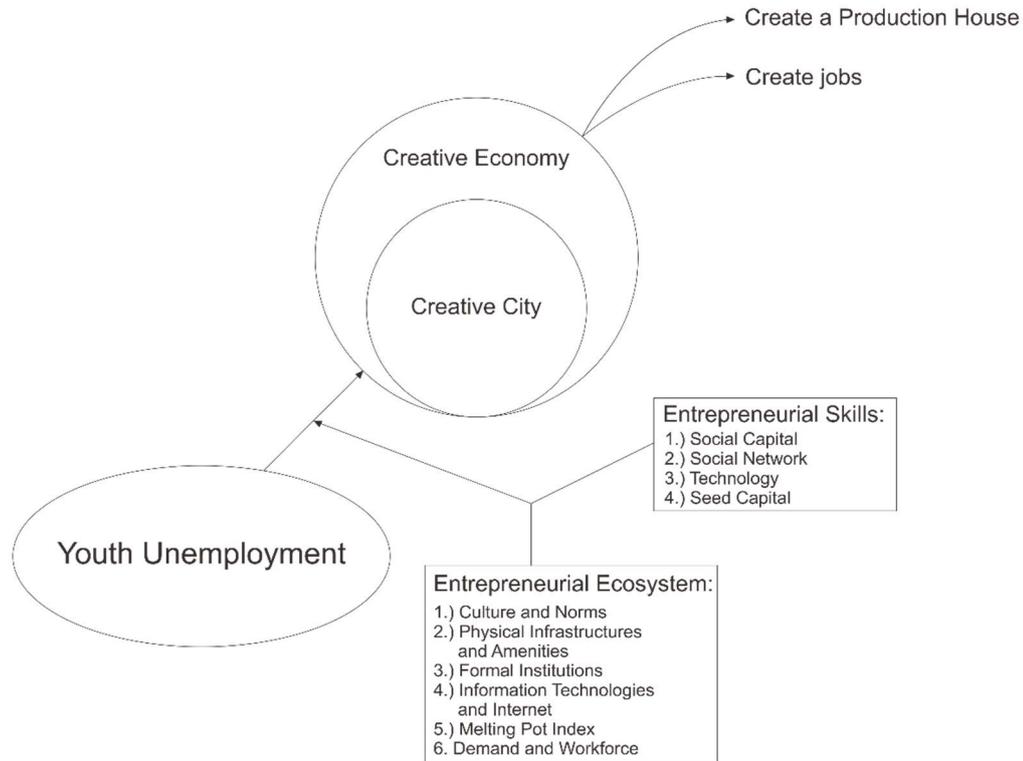
Figure 2.1 Photography Entrepreneurial Ecosystem



Source: Ministry of Tourism and Creative Economy (2015).

The consumer plays an important role in shaping the market structure. The characteristic of the consumer in the creative economy is quite different from other sectors; it is called the social network market (Gandini 2016; Vivant 2013:61; Potts et al. 2008; 2011). Social network markets can be defined as “the set of agents and agencies in a market characterised by adaption of novel ideas within social networks for production and consumption” (Potts et al. 2011:98). According to this definition, social networks are also linked to social capital and clusters where entrepreneurs that work in the same sector are sharing information and work together. Social networks could work as feedbacks and price signals because creative products are mainly marketed through word of mouth, taste, novelty, and fame (Potts et al. 2011:93; Potts et al. 2008:169-170). Gandini said that this feature could also be called the reputation, relating to concentrated opinions or judgements about something and information that can be accessed publicly (Gandini 2016:30). Consumers of creative economy products do not use or purchase products just because of the function of the goods; they also consider the aesthetic value, the creativity behind the product, its novelty, and the popularity of the product itself.

Figure 2.2 Creating jobs in the creative economy



Source: Own Elaboration

It is argued here that the creative economy is an alternative solution to youth unemployment that through entrepreneurship leads to the creation of new businesses as youth entrepreneurs create their own production houses (self-employed) and also leads to the creation of job opportunities for people. The creative economy is closely related to today's lifestyle, which is why many youths are comfortable working in this sector. However, for creating a production house and jobs, they need entrepreneurial skills and require support from the entrepreneurial ecosystem. Most of the people in creative economy did not last long in the industry because they lacked skills and/or the ecosystem did not support them. The entrepreneurial skills they need are social capital and cooperation with each other (clustering), social networks, skills to utilize technology, and the collection and use of capital. In addition, entrepreneurial skills create a conducive environment in which their business can grow. Apart from that, youth entrepreneurs need to overcome barriers to start their business.

Chapter 3

Indonesia's creative economy – the role of the government

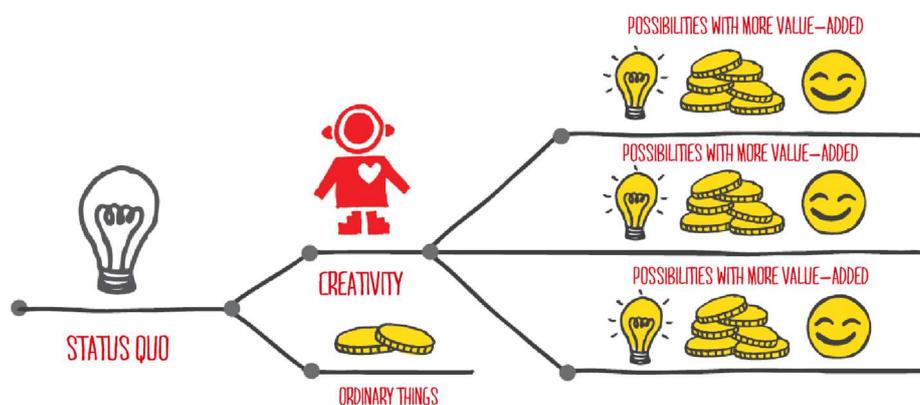
3.1 Central government

For the government of Indonesia, the creative economy is a path to development through the use of intangible resources in the form of creativity. With creativity, people can add value to something ordinary to create high-value products. It is also believed that the creative economy plays an important role for several reasons. First, because of its contribution to the economy (specifically to GDP and employment). Second, because of its contribution to the national image and identity of a country or city—the creative economy could be a national tourism brand, a national icon, and could build the existing culture with local wisdom. Third, the main input of production of creative economy is art and that is a renewable resources. Fourth, innovation and creativity is always present, leading to the generation of a demand for the outputs of the creative industry. And, last, the creative industry has a social impact, not just from the economic perspective—the creative economy can improve social welfare, reduce inequality, and increase tolerance to one another (Ministry of Tourism and Creative Economy 2014:41).

The creative economy has become more important in the last ten years. In 2009, the government of Indonesia started prioritizing the creative economy, and in 2011 it was included in the policy of the Ministry of Tourism and Creative Economy. Later, in 2015, the government created a National Bureau of Creative Economy (Bekraf) for

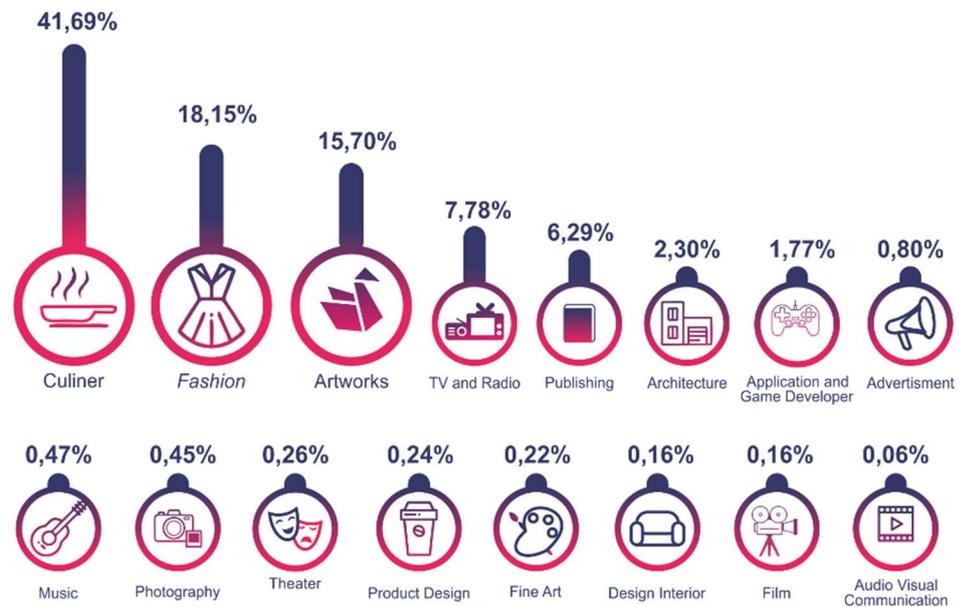
1. Increasing the growth of the creative economy's GDP, so that it gradually became higher than the growth of national GDP; and
2. The realization of Indonesia's creative products that are known and popular in the global market (National Bureau of Creative Economy 2017b).

Figure 3.1 Possibilities of creativity



Sources: Ministry of Tourism and Creative Economy (2014:10)

Figure 3.2 Contribution each sub-sector in the creative economy's GDP



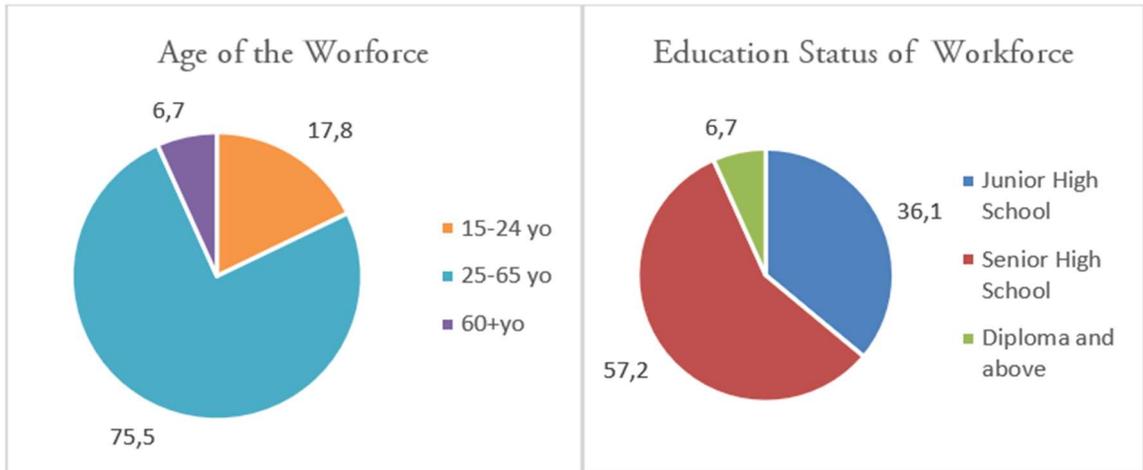
Source: National Bureau of Creative Economy (2017a).

In the *Rencana Strategis Bekraf 2015-2019* (Bekraf's Strategic Plan 2015-2019) (National Bureau of Creative Economy 2017b:1), the creative economy is classified into 16 sub-sectors. The 16 sub-sectors are: (1) architecture; (2) interior design; (3) AV design; (4) product design; (5) film, animation, and video; (6) photography; (7) arts and crafts; (8) culinary services; (9) music; (10) fashion; (11) application and games development; (12) publishing; (13) advertisement; (14) television and radio; (15) theatre; and (16) fine art. The total GDP of the creative economy increased from IDR 784.82 billion in 2014 to 852.24 billion in 2015 (a 8.59% annual increase), and the culinary, fashion and fine art sub-sectors dominated (National Bureau of Creative Economy 2017a:4). These three sub-sectors dominated because of their capability to export their output production. In 2015, photography comprised only 0.45% of the total creative economy sector in terms of its contribution to the creative economy's GDP. Even though the difference between the top three sub-sectors and other sub-sectors is quite large, this does not mean that other sectors did not grow, or that fewer people are paying attention to other sub-sectors. The top three sub-sectors have a big contribution to the creative economy's GDP because of their products that can be exported, unlike other sectors (National Bureau of Creative Economy 2017a).

The creative economy has become an important sector not just because of its contribution to GDP, but also because it creates a new opportunity for entrepreneurs and for employment, especially for the youth. In 2016, the Indonesian government conducted the *Survey Khusus Ekonomi Kreatif* (Special Survey for the Creative Economy). From the results of the survey, it can be seen that the workforce is not highly educated. Half of the people who work in the creative economy sector only completed their education at the senior high school

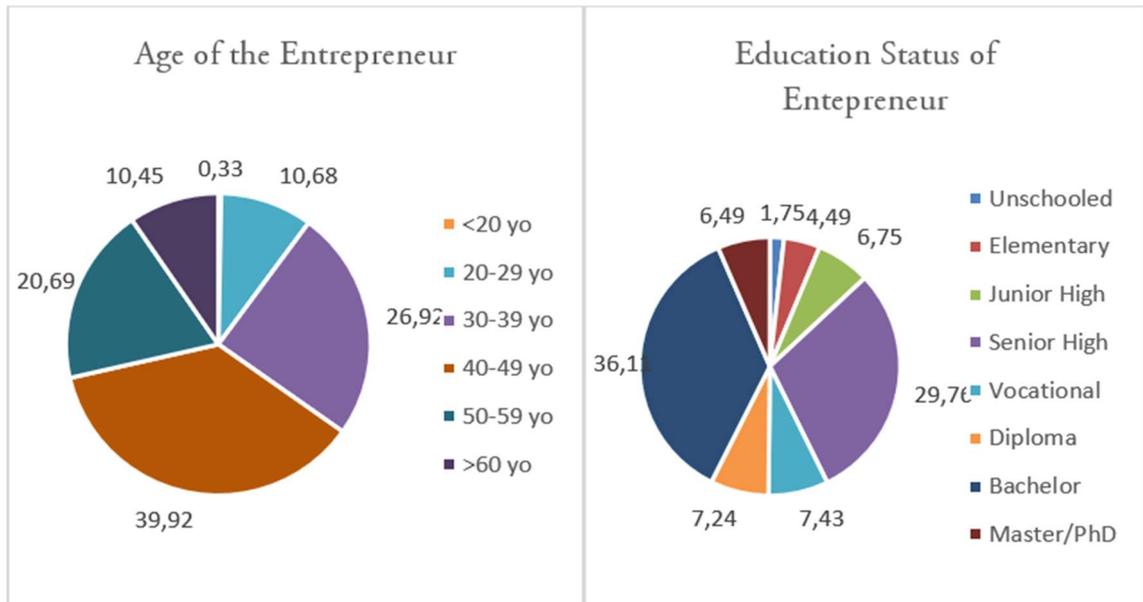
level. Most entrepreneurs fall into the age category 30-39 years of age and 40-49 years of age (totalling 57%), while those falling into the age categories younger than 20 years of age and 20-29 years of age only make up 11% of the total. In terms of education, 65.68% of entrepreneurs have finished senior high school or have obtained a Bachelor's degree (National Bureau of Creative Economy 2017b:12). The growth rate in 2011-2016 of workforce in creative economy is 4,69% per year (National Bureau of Creative Economy 2017c:xxxii)

Figure 3.3 Workforce in Creative Economy



Source: National Bureau of Creative Economy (2017a).

Figure 3.4 Entrepreneurs in Indonesia's creative economy



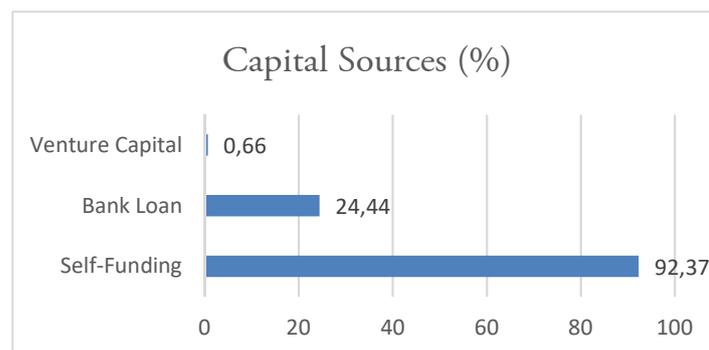
Source: National Bureau of Creative Economy (2017a).

Young entrepreneurs (less than 20 years of age or between 20 and 29 years of age) become interested in starting a business for four reasons, according to the Director of Education, Research and Development for Bekraf:

First, due to their social environment—their social environment like family becomes the most important part when they decide to become an entrepreneur. The family who already has a background in business will also motivate their child to continue with an existing business or to create a business. Not just motivating them, the family could also become a source of capital for those who want to start their business. Second, due to their friends—sometimes friends provide them with an opportunity to create a business and become their first clients. Third, due to the choice of higher education; usually, before they continue their life in higher education, they have already decided whether to become an entrepreneur or to work with someone in the office. And the last factor is their perception of working in an office. The youth today prefers target-oriented work instead of fixed office hours, and they want to use their creativity and manage their own time.¹

In other words, for many young people who start businesses, the office culture with its fixed office hours and structures is not appealing. Young people want to work based on a target with flexibility in terms of working hours, and the creative economy and the informality of working as entrepreneurs appeals to them. The challenges for them are mainly access to capital, markets, networks, and their ability to take risks. Even though one of the main challenges is access to capital, most of the businesses in a creative economy are self-funded (Figure 3.2).

Figure 3.5 Capital Sources of Creative Economy Business in 2016



Source: National Bureau of Creative Economy (2017a).

Almost 30% of people who only finish their senior high school education started a business. Also, the source of capital for most of the creative economy is from self-funding (92.37%), while 24.44% of (aspiring) entrepreneurs attempt to access credit from the bank and only 0.66% of creative economy entrepreneurs make use of venture capital to fund their businesses

¹ Fieldwork interview with Rusiawan, Bekraf in Jakarta (30 July 2018)

(National Bureau of Creative Economy 2017a:14). The graphs show that education and capital are not issues for entrepreneurs who want to start their business in the creative economy.

Bekraf tries to facilitate youth entrepreneurship mostly through programs, according to the Director of Education, Research and Development for Bekraf:

In the Directorate of Education, there are programs to promote entrepreneurship through education and short courses. In the Directorate of Access and Capital, they promote entrepreneurship by selecting and preparing talented youths, training them with technical guidance, which means that they will later compete at the national or international level for funding programs. There is also another incubation program, but the incubation program takes a lot of time. For example, one year in wall (in the class) and another one year out-wall (in the field).²

To intervene in the growth of the creative economy, Bekraf chooses five provinces that have the potential to work together with the local government to accelerate creative economy production. “We could only cover five provinces based on their GRDP (Gross Regional Domestic Product) because of the limitation of the budget”, Bekraf’s Director of Education, Research and Development said in an interview.³ The creative economy budget and local government budget is completely separated. If any city wants to improve its creative economy, it needs to coordinate with Bekraf and form a partnership.

3.2 Local government

Makassar is one of the important cities for East Indonesia because of its geographic location; it is not part of West Indonesia (a region that is more developed than the east), but it is close to the western part of Indonesia. It becomes one of the gateways to East Indonesia; many important state owned-enterprises, private companies, and NGOs are based in Makassar, but work in the eastern region of Indonesia. Moreover, the economic growth of Makassar is quite stable and people’s living standards are increasing.⁴

Since the twentieth century, people have developed a demand for entertainment and leisure, and it is due to the significant growth of the economy that people are able to spend more on such activities, products, or services (Bakker 2015:352; Landry 2012:31-32). With the high growth rate of the economy of Makassar (see table 3.1), people in this city have started to consume more products of the creative economy. Cities are important for the creative economy because of wide and heterogenous networks, the presence of consumers, the presence of supporting businesses, companies and freelancers, and the presence of communities, which enable those working in the creative economy to share ideas, knowledge, and information

² Fieldwork interview with Rusiawan, Bekraf in Jakarta (30 July 2018)

³ Fieldwork interview with Rusiawan, Bekraf in Jakarta (30 July 2018)

⁴ Fieldwork interview with Rahman, Manpower Office of Makassar, in Makassar (20 August 2018)

(Howkins 2013:216; Vivant 2013:58; Lorenzen and Frederiksen 2008:160; Landry 2000:35). The metropolitan city is the place where so many people from different backgrounds meet each other, exchange information, work together, compete, and innovate, making cities and the creative economy bound to each other.

Table 3.1 Statistics of Makassar

Description	Number
<i>Total Population 2016 (Thousand)</i>	1.469,6
<i>Total Population 2016 Age 15-30 (Thousand) (% from total population)</i>	490,2 (33,4)
<i>Youth Employment 2016 Age 15-30 (Thousand) (%)</i>	153,2 (31,2)
<i>Total Width</i>	175km ²
<i>Internet and Electricity (Coverage)</i>	100%
<i>International Airport</i>	1
<i>GRDP Constant Price 2015 (IDR Billions)</i>	88.750
<i>GRDP Constant Price 2015 (USD Millions)</i>	1.187,6
<i>Per-capita /year (IDR Millions)</i>	87,39
<i>Per-capita/year (USD Thousand)</i>	5,7
<i>Growth Rate (%)</i>	
<i>2013</i>	8.55
<i>2014</i>	7.39
<i>2015</i>	7.46
<i>2016</i>	7.99
<i>Top distribution of Regional GRDP in 2016 (%)</i>	
<i>1st</i>	Processing Industry (20)
<i>2nd</i>	Large and Retail Trade (19)
<i>3rd</i>	Construction (17.1)

Sources: Central Bureau of Statistics (2018b).

Through tourism and the creative economy office, the local government of Makassar prioritizes the development of three creative economy sub-sectors—the culinary, fashion, and film sub-sectors, as a public servant in the Creative Economy Bureau explained:

We could only pick three of the 16 sub-sectors in the creative economy, because we want to gather and use our resources, focusing on these three sub-sectors. But this is only for a certain period: if the ecosystems within the sub-sector (that we have focused on) can sustain

themselves, then we will move into another sub-sector. The three sub-sectors we choose are based on the potential that they already have and an upcoming trend within the society.⁵

These three sub-sectors make a big contribution to the GRDP through a growing number of culinary, film-related, and fashion products. The strategy of the Tourism and Creative Economy Office for Makassar amounts to initiating activity in a specific sub-sector and then moving on to another sub-sector as soon as the sub-sector is growing sufficiently.⁶ Mainly the local government tries to intervene in the sub-sectors mentioned above by creating space for entrepreneurship and promoting it through networks, for example through small- and large-scale expositions. A public servant in the Creative Economy Bureau said that

out of all policies, there are two major ways for the local government to develop its creative economy sector: through hosting a big event named the F8 (Festival of 8), and through attempting to form an international network created by the UNESCO's Creative Cities Network. The F8 is a large-scale event held annually since 2015, aimed at promoting and creating a space for creative economies of Makassar to build their networks. This event is centred around food; fashion; fiction writers and fonts; fine arts; film; flora and fauna; a fusion of music; and folks, hence the name F8. Originally, this event promoted tourism in Makassar but, later, it became one of the ways to promote Makassar's creative economy.⁷

Apart from the F8, the local government also tried to join the UNESCO Creative City Network (UCCN). By being part of the UCCN, the local government would be able exchange resources within the network. The purposes of the UCCN is to "...strengthen cooperation with and among cities that have recognized creativity as a strategic factor of sustainable development as regards economic, social, cultural and environmental aspects" (UNESCO 2016:6). Today, more than 116 cities in 54 countries are part of the UCCN, and Makassar's local government also tries to become part of the network.

Nevertheless, not all of Indonesia's creative economy is included in the UCCN – only seven sub-sectors are included: arts and crafts; design; film; gastronomy; literature; media arts; and music. As the Head of the Creative Economy Bureau said:

Makassar tries to enter the field of gastronomy to enhance its products quality so that it is possible for Makassar to market its culinary sector at the international level. Even though it

⁵ Fieldwork interview with Sau, Tourism and Creative Economy Office of Makassar in Makassar (6 August 2018)

⁶ Fieldwork interview with Sau, Tourism and Creative Economy Office of Makassar in Makassar (6 August 2018)

⁷ Fieldwork interview with Sau, Tourism and Creative Economy Office of Makassar in Makassar (6 August 2018)

only focuses on the development of one sub-sector, it is believed that every sub-sector in the creative economy is linked together; consequently, if one sub-sector had been improved, other sectors will also automatically follow.⁸

To join the UCCN, the local government needs to improve stakeholder participation in the creative economy. However, this cannot be done by the government itself, requiring support from the academic society, the private sector, and the community. Therefore, the Penta helix (Figure 3.6) is crucial for creating a conducive environment to allow the creative economy to develop, as the Head of the Creative Economy Bureau explained:

The academic society needs to conduct research on the creative environment and make suggestions to the government. The community needs to create collaborative events with other interest groups to encourage the city's creativity. Businesses need to improve, develop, and market their creative economy products, also giving assistance and funding to new businesses. Last but not least, the government's job is to create space or to create incentives to stimulate the growth of new businesses, create a conducive environment for the businesses, and maintain the synergy of these four stakeholders.⁹

In terms of its policy on entrepreneurship, the local office focuses only on the marginal and rural area, where there many people did not continue their education. "A total of 81% of people in the age group 16-30 are workers or entrepreneurs in the creative economy," said the head of the Creative Economy Bureau.¹⁰ The number is quite high, indicating that the creative economy is an attractive choice for youth entrepreneurs in Makassar. Nevertheless, the local government can only provide limited training to those who want to create a business in the creative economy. When it comes to photography, the local government's activities are limited to the organization of jamborees and expositions. A public servant working in the Manpower Office said that

in the past seven years, there is an increasing number of criminal/security issues in Makassar, and most of the perpetrators are young people. So, the government tries to reach them and train them to develop their capabilities so they can sustain themselves and reduce criminal/security activities ... Entrepreneurship could be a way to solve youth unemployment. An entrepreneur will need 2-5 people to work. This could be an opportunity to create jobs. And it

⁸ Fieldwork interview with Malik, Tourism and Creative Economy Office of Makassar in Makassar (15 August 2018)

⁹ Fieldwork interview with Malik, Tourism and Creative Economy Office of Makassar in Makassar (15 August 2018)

¹⁰ Fieldwork interview with Malik, Tourism and Creative Economy Office of Makassar in Makassar (27 July 2018)

should not be disturbed. For a business that has profit less than IDR 30 million (EUR 1,800) per month, the government does not force them to register themselves as a business, and they do not have an obligation to pay taxes.¹¹

The local government plays a passive role in stimulating business for businesses. Until now, there are no clear strategies for the local government of Makassar to identify informal entrepreneurs. Moreover, the local government is dependent on data from the statistic office.

3.3 Limitations of the government

Pratt and Hutton (2013) attempt to search for and classify the relations of the creative economy and city, showing that the creative economy and cities are related in five ways: (1) global cities and the cultural economy; (2) the cultural-historic city; (3) culture as a hook for foreign direct investment; (4) culture as social regeneration; and (5) culture as industrial policy (Pratt and Hutton 2013:90-91; O'Connor and Shaw 2014:166). Similar to Pratt and Hutton, the local government of Makassar sees the relation of city and creative economy as an industrial policy, meaning that the local government sees an opportunity to improve its economy through the creative economy, because it recognizes the uniqueness of the culinary, fashion, and film sectors that have already become popular nationally and have a conducive environment for producers. Culture becomes a critical factor when we talk about the creative economy, and when the local government integrated the creative economy into the tourism sector, these two sectors no longer could be separated.

¹¹ Fieldwork interview with Rahman, Manpower Office of Makassar, in Makassar (20 August 2018)

Figure 3.6 Penta helix for Developing Creative Economy Sector



Sources: PowerPoint presentation from Hambali, Seminar in Makassar to UCCN, 15 August 2018

The creative economy not only entails working for profit; there are also people who work or have an interest in the creative economy but do not pursue profit, and both groups are dependent on each other (Pratt and Hutton 2013:92-93). There are three examples of the co-dependence of those pursuing and not pursuing profits. First, freelancers as independent creatives, where they do not always work for a business and can finish a specific task. Second, the creative economy does not have a strict structure or relationship to another sector, and the main activities of the creative economy also are not bound by physical and virtual locations. Third, the creative economy makes an impression on other sectors, including on the input, production, output, and distribution (marketing) of any sector (Pratt and Hutton 2013:92-93). The community plays an important part, because they form groups because of similar interests, the desire to share information, and the desire to improve their skills. For example, the main purpose of photo clubs is to share technical information and sometimes do photo hunting together and to provide some feedback to one another. The club as a collective does not search for jobs, but some of the members do. That is why the community also plays an important part.

The creative economy has dynamic relationships, networks, inputs, processes, and outputs of their products (O'Connor and Shaw 2014:167-168; Bakker 2015:However, the local government of Makassar has failed to understand these dynamics. An annual large festival like the F8 and the attempt to enter the UCCN do not indicate responsiveness to changes within the creative economy. The festival is important for the creation of a new network for consumers and all related business, but it is an annual event, and the main purpose of this festival is to promote tourism in the city. Again, the UCCN for now is more like an effort to get acknowledgement of the city at the international level, and the government believes that investment will follow this acknowledgement.

Changes keep occurring in the creative economy. For example, in the culinary sector, people either eat in, take food away or resort to delivery—a deal is made between two parties.

Today, third parties specialize in delivery services and work more efficiently. As further illustration, the distribution services in the music, film and video sub-sectors are changing; where, before, people bought music or films in the form of compact disks (CDs), they now buy digital versions or even subscribe to streaming platforms (such as Spotify, Netflix, or YouTube). These changes mainly involve third parties. That is why there is no single policy to intervene in the growth of the creative economy (Pratt and Hutton 2013:89)

Table 3.2 Changes in the production process of the creative economy in Indonesia

Sub-Sector	Phase	From	To	Notable Platform
Culinary	Distribution	Delivery by themselves	Third-party delivery	Go-jerk and Grab
Music, video and film*	Distribution	CD and digital version	Streaming	Spotify, Joox, Netflix, and YouTube
Publishing	Distribution	Printed book	E-Book	
Photography	Input (Customer)	Printed advertisement	Social media and network	Instagram and Facebook
Graphic Design	Input (Customer)	Printed advertisement	Social media and network; freelance website	Instagram, Facebook, Sribulancer, and Freelancer Indonesia
Gaming	Output	CD (Physical)	Digital	Steam, PlayStation Store, Google Store, and Apps Store

Source: Own elaboration from observation

*Three different official sub-sectors

The government needs to identify more of the characteristics of each sub-sector in the creative economy and then needs to introduce policies that allow for a sudden change in the production process rather than to depend on an annual event and UCCN. For instance, work related to the creative economy is more like knowledge-based work and flexible, where entrepreneurs are more bound to targets than to office hours (de Peuter 2011:419). These days, websites act as platforms for finding and posting jobs that freelancers will apply for. This innovation changes the process of creative economy production and also gives rise to several problems. This phenomenon could be called a ‘gig economy’ (Scasserra 2018). Several scholars argue that this kind of innovation favours neoliberalism, resulting in a lack of social protection and vulnerability (Martinez Dy et al. 2018:587; Gandini 2016; de Peuter 2011). Usually, precarious work does not require a high level of skills, and most of the youth who cannot find a job or are still studying view precarious work as an opportunity while they have both limited time and skills to meet their living expenses (Yasih 2017:34). With these types of work, they cannot plan their future because of low wages and they do not have social security; the only way they can survive is by depending on their relatives in emergencies

(Yasih 2017:34). If the government does not have any specific policy regarding these types of work, more people, especially the youth, will choose these ways of precarious work and will become more vulnerable in the future.

Still, there are three major problems for Bekraf and the local government. First, Bekraf and the local government work independently—they do not cooperate to increase, stimulate, or develop the creative economy in Makassar. Bekraf directly intervenes in creative economy production without a local government. Second, most of the people who work in the creative economy are difficult to find because they did not register their business. They did not register themselves because they do not think it necessary, or even see it as a burden. It is difficult for the detect and measure their production (Cunningham and Potts 2015:388). But that does not mean they try to hide their existence; in contrast, they try to indicate their existence in social media to get customers. Their ‘invisibilities’ create a problem where the government needs to create a strategic policy for them. For that reason, both central and local government cannot support them and conduct a suitable policy.

Lastly, the government is more closed, while the creative economy needs more openness from the government. The openness entails the government opening its mind to allow for possible changes in structures, conditions, production processes (input, process, and output), and development policy from society, business, or the government itself, because the creative economy would not be fixed in the one particular space and time (O’Connor and Shaw 2014:168). The government and creative economy are working at two different speeds. While the government works on the policy, the creative economy already finds a new way (innovates) to produce its products. There are many alternatives ways to manage the creative economy. Government intervention in the creative economy is either decentralized, as in Britain or Germany, or more centralized, as in South Korea. (Kim 2017:327-328; Lange et al. 2008:544). In addition, the Indonesia’s government needs to find its most suitable type of intervention.

Chapter 4

The Creative Economy and the Photography Sub-Sector in Makassar

Photography as sub-sector of the creative economy has gained popularity in Makassar due to the city's high economic growth rate and its high population. Extravagant weddings have become popularized and commonplace for city residents, with residents willing to spend high amounts of money on weddings, including on wedding photography.

4.1 Photography as sub-sector of the creative economy

In Indonesia, people, especially the youth, view the photography sub-sector of the creative economy as a source of employment; this is evident when regarding the increasing number of youth entrepreneurs in this sub-sector. However, it is not possible to determine the exact number of entrepreneurs, for two reasons: First, it is relatively easy to enter and exit this sub-sector; and, second, youth entrepreneurs are usually part of the informal economy, meaning that they do not necessarily register themselves and do not always stick to the required regulations (Thai and Turkina 2014,:490-491). However, the increase in youth entrepreneurs is evident when regarding social media (Instagram and Facebook), as social media is an easy way for entrepreneurs to market themselves and their work. While the youth are mainly engaged in landscape photography, in order to generate an income they resort to wedding photography.

Regarding photography, the Indonesian government identifies eight types of photographers: stock photographers, photography bureaus (brokers), event organizers (photo tours or travel photography), retail photographers (weddings and other events), freelance photographers, individual photographers, in-house photographers, and photography schools (Ministry of Tourism 2015:58-61). Generally, wedding photography (retail photography) comprises two branches: pre-wedding and wedding photography. Pre-wedding events usually take place in scenic locations, in cities, or in places that have meaning to the clients. Pre-wedding photographs are used at a wedding, for wedding invitations, or for wedding reminders. Regarding the wedding itself, photos serve as memories for family members, relatives, and other guests. It is also important to highlight that photography includes the making of videos, both at the wedding and pre-wedding events. The rates for pre-wedding and wedding photography differs: pre-wedding photography can cost between IDR 600,000 (EUR 35) and IDR 11 million (EUR 633), depending on the quality of the photographs or the market itself (with well-known photographers earning more). The cost of photography during the wedding also varies, from IDR 4 million (825 Euro) to IDR 35 million (EUR 2,065) (see Table 5.1). Usually, wedding photography in a city with a greater number of tourist sites is more expensive, because wedding guests can also participate in other activities and are rather assured of getting customers.

The competition among photographers becomes more intense if closely observed; entrepreneurs compete by trying to innovate and by increasing the quality of their photographs. Photographers usually start with just one camera and take pre-wedding photos that look similar to others' work, but later on they innovate by making use of drones for aerial photography or underwater cameras in instances where pre-wedding events take place near water sources. Photographers may also start out by taking standard photographs, and may later move on to other activities, such as making save-the-date videos or photographic highlights of the event.

Because the creative economy is still quite a new concept, there is still debate among scholars about how to govern it. However, it is certain that the number of people working in the creative economy has increased over the last decade. The Indonesian government has also started to pay more attention to the creative economy, which young people have started to identify as an opportunity for employment.

4.2 The structure of the photography market

Photography is an important part of the wedding ceremony; therefore large amounts of money are usually spent on wedding photography. Both wedding and pre-wedding photography is considered important; during the pre-wedding event, the customer explores both the creativity of the self and of the photographer – with unlimited possibilities. From the customer's point of view, the pre-wedding event serves several purposes, as ex-customer Nune said:

The photos become a decoration in the wedding reception and could be a source of information (about who is married, as some of the wedding invitations do not have a picture of the couple) for the guests.¹²

Elvira, another ex-customer, said:

The purpose of the pre-wedding event is that it is a precondition for the wedding ceremony. The social media plays an important role for this purpose. I am uploading my photos and the process of the photography in my social media to provide information to my relatives and friends that we will hold a wedding ceremony soon. Another purpose is that it is a moment for the couple to spend time together and explore their creativity. With this opportunity, a couple could try to do what they want for their pictures.¹³

¹² Fieldwork interview with Nune, in Makassar (6 September 2018)

¹³ Fieldwork interview with Elvira, in Makassar (5 September 2018)

Others also point out that some couples want choose the option of an outside photo session because they want to explore and want to challenge themselves; others want indoor sessions because it is much simpler, but that does not mean that there is limit to possibilities (some are dressed in traditional costumes, work attire, or both). Depending on the budget, is it possible to hold the pre-wedding photo session in a photography studio, at iconic places across the city, outside of the city, at a popular tourist destination (in other cities), or even abroad. The pre-wedding photo session is an important part for them, because is it a short getaway for them after the long preparation and before the ceremony.¹⁴

Differing from the pre-wedding moment, the wedding ceremony comprises several steps, generally divided into three agendas (a day with the family, the wedding ceremony, and the reception). The couple cannot explore their creativity in this part; photographers mostly take candid pictures, so they only need to smile all the time. During this part of the wedding, the photographer focuses not just on the bride and the groom, but also on the guests, attempting to capture the atmosphere of the wedding. However, photographers need to ensure that the photos are of a high quality, since weddings are considered once-in-a-lifetime moments.

Nevertheless, this is not the case for every wedding—before 2013 or 2014, when the functions of mobile phones were limited and social media did not play such a prominent role, photography served only as a decoration (the first function). As ex-customer Nune said:

I am glad we held our wedding ceremony in 2012. We see how difficult, complicated, and costly it is today. If we were to hold the wedding ceremony today, the price might have been multiple times as much ... in 2012 there were fewer photographers, and one could see whether they had a good reputation by determining whether they had a studio.¹⁵

Apung, a photographer, said of the pre-wedding event:

The original purpose of pre-wedding pictures is for the bride and groom to try out their outfits and makeup. It is such a waste if they do not take a picture, so they take the pictures. They put the pictures in the venue as decorations. With today's social media, people could simply upload their pictures on social media, not just at the wedding venue.¹⁶

Before 2013 or 2014, the option of photographers was limited; one way to search for a photographer was to find one who had a studio or office. There was also no pressure in capturing the wedding to the extent that it is done these days. As Erul the photographer said, "Today,

¹⁴ Fieldwork interview, in Makassar (27 August - 6 September 2018)

¹⁵ Fieldwork interview with Elvira, in Makassar (5 September 2018)

¹⁶ Fieldwork interview with Apung, in Makassar (13 August 2018)

the wedding becomes one of the indicators of your status in society”.¹⁷ Thus, many people do not hesitate to spend their money on a spectacular wedding ceremony in order to show off.

Choosing a photographer is not an easy job; the interviewees indicated that there are four ways for them to search for the right photographer. First, through social networks, where feedback from their close relatives matters or where their friends or relatives are connected to a photographer. This makes the process quite easy, because they are not spending much time searching for the right one. Second, through social media: with the increasing use of social media, many photographers use social media to display their portfolios and contact details. One can easily see which style is suitable to their needs and can contact them for further information, for example to determine availability or to access a price list. The third is through wedding expositions, which are held regularly in Makassar. A venue or promotor sometimes holds a wedding exposition, for example with an event organizer, a photography company, or vendor of wedding decoration as their customers. A family that will soon hold a wedding ceremony usually goes to an exposition, because it provides a space for all the service providers in the wedding industry to offer their services to potential customers. The last one is similar to the wedding expo—through an event organizer (EO). The EO’s work is to plan, execute, and coordinate the entire process of the wedding ceremony; this means that they also provide information regarding the production house that they have worked with before and can recommended it to their customers.¹⁸

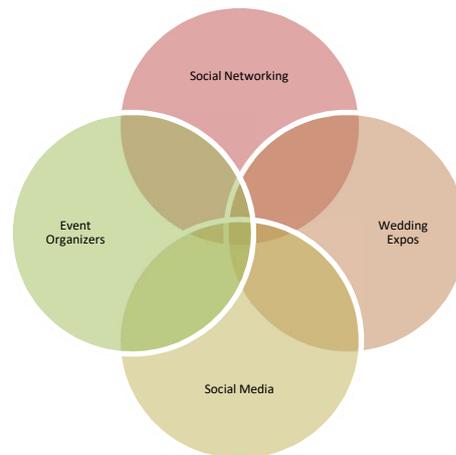
Through social networking, there are two ways to secure a photographer: to either look at the past photos of relatives/friends, or to be friends with a photographer. If clients like the photos of their friends, they usually inquire about the photographer and ask for their contact details. In the case that they have already befriended the photographer, photographers are able to identify upcoming weddings and can ask couples whether they can act as their wedding photographer. On the other hand, on social media couples can search for photographers using hashtag features, or can regard their online portfolios. If they like a specific photographer’s style, they can contact them, ask for a price list, and can negotiate the price.¹⁹

¹⁷ Fieldwork interview with Erul, in Makassar (28 August 2018)

¹⁸ Fieldwork interview, in Makassar (27 August - 6 September 2018)

¹⁹ Fieldwork interview, in Makassar (27 August - 6 September 2018)

Figure 4.1 Ways of Identifying a Suitable Photographer



Source: Own elaboration from findings.

The budget they allocate for wedding photography varies, also depending on their socio-economic background and purchasing power; some of them are willing to pay IDR 12 Million (EUR 710) for their wedding photography, while others will pay IDR 100 Million (EUR 6,000).²⁰ They are aware of the high cost of wedding photography, but are willing to incur the expense if they consider it to be worthwhile. Nonetheless, they could spend a great deal of money on wedding photography, because it is such a vital part of the entire ceremony.

4.3 Supply availability

Most photographers have had a background or interest in art and events since a young age, whether because of the influence of their parents (parents' hobby), or due to the influence of the social environment while pursuing formal education. Formal education (high school and the pursuing of a Bachelor's degree) is only good for social networking.²¹ However, this does not apply to entrepreneurs who completed a Bachelor's degree in economy science or communication science. For example, Nupi the entrepreneur said, "I took accountancy at the university level, and I can use the knowledge to run and improve my business".²² Certain interviewers were of the opinion that informal education like short trainings, workshops, and internships are more important due to applicability of the skills that they gain from training. For them, training in digital marketing and photography techniques is essential. Apart from informal education, they also learn by themselves through freelance work or other production

²⁰ Fieldwork interview, in Makassar (27 August - 6 September 2018)

²¹ Fieldwork interview, in Makassar (5 August - 3 September 2018)

²² Fieldwork interview with Nupi, in Makassar (18 August 2018)

houses, or through Google or blogs (later they would come to improve their skill through YouTube).²³

The need for capital to start the business in the photography sector is not high as for other businesses. Mostly, they receive their capital from their parents, or they ask their friends to borrow equipment without having to pay them.²⁴ Most of them start with one camera and then get internships or freelance work with another photographer that already owns a production house, and they can then save money to buy new equipment, where after they can start searching for customers. The advancement of technology also contributes to their work. Nowadays, photographers can access more affordable cameras with great technical specifications for starting out as photographers.²⁵

The government did not play a key role in helping them to start a business. While the government conducted workshops, only one of the eight photographers interviewed in this study participated in these workshops.

4.4 Opportunities and overcoming barriers

As Thai and Turkina (2014) have argued, entrepreneurship is either demand- or supply-driven. Three important elements of the market structure (demand-side) promote the emergence and development of youth entrepreneurs in the creative economy, especially in the sub-sector of photography. The three elements are: 1) the awareness of the society of digital media, reputation, and feedback; 2) the merging of culture and modern social interaction; 3) the middle class's purchasing power. First, prospective customers initiate their search for photographers mainly by first exploring the credentials and work of the photographer, including their reputation, or by regarding feedback from past customers or relatives (Potts et al. 2011:97; Gandini 2016:29). The main characteristic of the creative economy customer is that they are well informed. They seek information about the photographer first through social networks or social media platforms.

With the advancement of technology, usually creative economy producers and consumers depend on ranked digital algorithms like Google Search. The purpose of the rank is to build trust in people who are the object of searches, based on the feedback of the people who have already used their services or goods (Gandini 2016:31). However, there is no digital platform that provide a ranking of photographers in each city or at the national level. Everyone has a different taste and imagination, so that feedback is only basic information.

The second element is related to the merging of culture or traditions with modern technology and social interaction (Landry 2012:139). The wedding ceremony itself is important for people and, if possible, they will spend a great sum of money on the wedding ceremony. When a social media platform like Facebook and Instagram became more common because of the advancement of technology, society became more aware of their relatives,

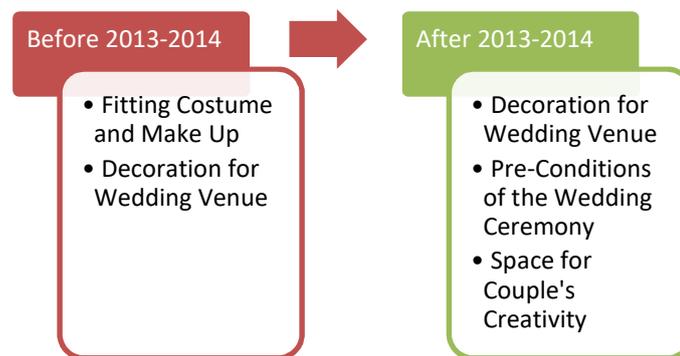
²³ Fieldwork interview, in Makassar (5 August - 3 September 2018)

²⁴ Fieldwork interview, in Makassar (5 August - 3 September 2018)

²⁵ Fieldwork interview, in Makassar (5 August - 3 September 2018)

family, and friends. People use social media to reach, share, or inform their friends of their activities. Social media changed the function of the pre-wedding after 2013 or 2014. The consumer desires to use the service (wedding photography) for the announcement of their upcoming wedding and to provide them with an opportunity to unleash their creativity. They want to express themselves through social media because people judge other people according to their lifestyle (Ansori 2009:91); they try to use social media to send a message about their social status.

Figure 4.2 The Effect of the Advent of Social Media on Pre-Wedding Events



Source: Own elaboration from findings.

The last element is the spending of the middle class. There are many definitions of the middle class; for example, the middle class could be classified according to income or history (Kharas 2010:11; ADB 2010:5). The Asian Development Bank (ADB 2010:5) define that “the middle class as those with consumption expenditures of \$2–\$20 per person per day”. From a historical perspective, the middle class in European history are a group of people who are in between the noble and peasant classes (Kharas 2010:11). Apart from the definition, the middle class plays an important role in the growth of the economy, usually having a common lifestyle where they can afford things such as housing, education, investment, work, retirement, et cetera (Kharas 2010:7). The information provided by media such as television or the print media has a significant impact on their consumption and behaviour patterns (Ansori 2009:91). When pre-wedding and wedding photos became more common, and the middle class could afford it, the consumption of this service also increased, creating a conducive market structure for youth entrepreneurs in the creative economy. It is also important to mention the effect of the last global crisis (of 2008) on the Indonesian economy. It was shortly after this crisis that the Indonesian government started prioritizing the creative economy. Therefore, Indonesia’s creative economy has never been subjected to a crisis—the country’s creative economy was founded in a period when the country had been experiencing rapid economic growth, both at the local and national level. If a crisis or recession were to occur in Indonesia, the performance of the creative economy could be affected. Drawing on the case of Argentina, Zurawicki and Braidot (2005) argue that crisis times force people to spend less money on cultural goods (in this context referring to products or services forming

part of the creative economy), and basic needs become essential. Despite the possibility of being affected, the creative economy is a broad sub-sector; nevertheless, the impact is still questionable.

Bain explains that there are “two barriers that people need to pass if they want to start their business, first is the structural barrier and the second one is the strategic barrier” (Bain 1955, quoted in Lofstrom 2014: 234). As young entrepreneurs said, and as visible in statistics regarding the sources of capital of the government (Figure 3.2), the structural barrier of access to capital is overcome through accessing social networks. In addition, young entrepreneurs can learn skills associated with the trade through the Internet or freelance work at other, well-established production houses. People who start a business in the creative economy do not truly require a large amount of capital, which is why they are able to fund the businesses themselves. Because they only need a relatively low amount of funds/capital, when they fail, their impact is not as severe. Other businesses on the other hand require much capital, and their failure may lead to permanent damage.

Similar to structural barriers, strategic barriers relate to the conditions and information of the market. By the time entrepreneurs start their own ventures, they do not know or understand the conditions of the market, but they take a risk to start their own business. Most of them start by using their social networks to search for customers; young entrepreneurs are thus able to overcome the strategic barrier by means of accessing social networks. When it comes to social networks, they can only make use of social networks that are strongly interdependent; the stronger the relationship between networks, the stronger their ability to pass along information, exchange content (reciprocity), or share a particular talent that not everyone has (Zimmer 1986:11). When they have the talent, knowledge, and skill, they can easily turn it into an opportunity by capitalizing on it (Gandini 2016:3; Svejenova et al. 2015:189).

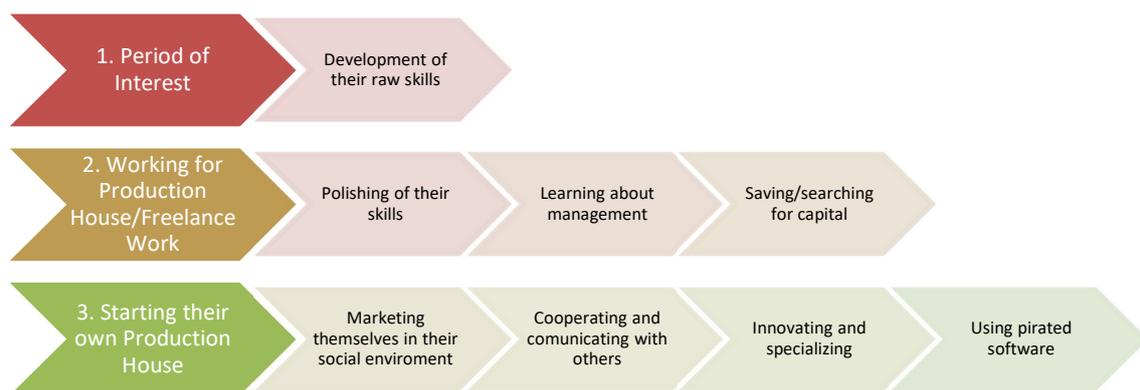
Chapter 5

Youth Entrepreneurs in Photography

5.1 Growth Trajectory of the Youth Entrepreneurs in Photography

The entrepreneurship process of most photographers follows a trajectory with three phases: 1) the period of interest, where they start to develop their interest, 2) working under a production house or doing freelance work, where they upgrade their individual skill and searching for capital and 3) founding a production house. During the period of interest, the photographer starts paying attention to photography; because most interviewed photographers were born in the late 1980s and early 1990s, they have moved beyond photography as a hobby to focus more on the technological side of photography.²⁶ The technology of photography is still quite complicated, and not all photographers have technologically advanced equipment. They initially become interested in doing photography as a hobby, learning photography from their parents who practice photography as a hobby, or in their social environment, where for instance many photography clubs have been formed since the popularization of the camera. Eventually, a camera becomes affordable, and they are able to purchase a camera and practice using it; photographers teach themselves to take photographs by reading blogs, thereby starting to develop their raw skills in photography.²⁷ The photographer that the writer had been interview begin their interest where social media not a part of social life, so they have limited space to publish their works.

Figure 5.1 Phases of the Youth Entrepreneurship in Photography



Source: Own elaboration from findings.

²⁶ Fieldwork interview, in Makassar (5 August - 3 September 2018)

²⁷ Fieldwork interview, in Makassar (5 August - 3 September 2018)

After they develop their raw skills and if they maintain interest, they begin to utilize their hobby to generate an income, thereby they start to work for a production house or do freelance work for production houses, television, or the print media. Working for a production house or doing freelance work is time intensive, and photographers during this stage of the entrepreneurship process work very hard. Amal the photographer for example said that:

I was asking my senior in university for a job, and he asked me to become a cable man. When they found out that I could use a camera, they decided that I would be in charge of the camera (photos and videos). When I became in charge of the camera, my boss then suggested me to another production house, and then I became a freelancer.²⁸

Holding the same opinion, Nupi said, “In 2010, I was working for both a local and national magazine, taking pictures and doing editing work. I did spend a lot of my time there, but it was worth it.”²⁹ Even though it requires hard work, photographers seemed to prefer working hard, because as freelancers, they would be mentored in using a camera and in the use of editing software. This opportunity was quite rare for those photographers who do not have many friends (who do not have strong social capital), because job opportunities travel through word of mouth. While polishing their skills, they also learn how to manage a production house, which becomes very important for those photographers who want to own their own production house.³⁰ This becomes a type of free education where you can learn about networking, marketing, financing, and the management of a production house.

When it is time for them to start their own business, they use their savings, which they get from their parents (one of the photographers was funded by a scholarship).³¹ Several pulling and pushing factors influence the level of ease with which they can start their business. Pushing factors refer to readiness (in terms of capital, equipment, and skills), while pulling factors refer to requests by friends or family members to do photographic tasks as favours to them. Whether they are pulled or pushed, what is clear is that they use their social environment to start and run their production house.

To stay in business, they need to innovate, and they innovate mostly by exploring new locations, creating promotions, or developing their own photography style. As Nupi said:

We are the first ones in Makassar that offer a cinematic video for weddings, and we have gotten many jobs, even though the price is higher ... mostly, we search a place for photo shoots, and we need to consider many factors, such access to locations, safety, duration, concept, and weather.³²

²⁸ Fieldwork interview with Amal , in Makassar (12 August 2018)

²⁹ Fieldwork interview with Nupi, in Makassar (18 August 2018)

³⁰ Fieldwork interview, in Makassar (5 August - 3 September 2018)

³¹ Fieldwork interview, in Makassar (5 August - 3 September 2018)

³² Fieldwork interview with Nupi, in Makassar (18 August 2018)

Sandy, a photographer, said that:

Most of the photographers in Makassar follow the trend in Bandung and Bali [the top two cities when it comes to creativity]. Aside from the trend, we can search for an older trend and just mix it with our creativity, which is what I do today in my business.³³

Nupi and Sandi have different opinions on the innovation process; however, they agree that they need to spend a lot of time coming up with creative ways to express themselves so that it's not just a monotonous process, but so that it is also a creative process.

The last characteristic of this phase is that they tend to stay in the informal sector and use the pirated versions of editing software.³⁴ Even if they have a sufficient income, they won't register themselves, because they do not have any important or urgent need to access bank services (for example to access credit) or other government facilities (procurement or projects). Regarding this, Amal the photographer said:

I do not register my business ... if I have sudden needs like buying a new accessory or I need to repair my camera, then I use my savings or even borrow from my friends. I do not really need credit from the bank, because I have savings and with every job, we allocate money for urgent needs.³⁵

All of the interviewed photographers did not register themselves as taxpayers, which means that they all work in the informal sector. They use pirated software for the same reason—they do not have an interest in buying or subscribing to the original product, because it is not considered important. Besides, it is easy to access pirated versions of software.³⁶

Regarding social networking or social capital and social media, photographers have divided opinions. It seems that each photographer pays more attention to one or the other. One says that social networking or social capital plays a more important role throughout the entrepreneurship process, while social media on the other hand can serve to display one's portfolio, reaching many people who use social media applications. All photographers agree, however, that customer feedback is important, because later, ex-customers bring them clients (word of mouth)³⁷. Some of the photographers even stated that more than 40% of their ex-customers were referred to them by friends.

³³ Fieldwork interview with Sandy, in Makassar (14 August 2018)

³⁴ Fieldwork interview, in Makassar (5 August - 3 September 2018)

³⁵ Fieldwork interview, in Makassar (28 August 2018)

³⁶ Fieldwork interview, in Makassar (5 August - 3 September 2018)

³⁷ Fieldwork interview, in Makassar (5 August - 3 September 2018)

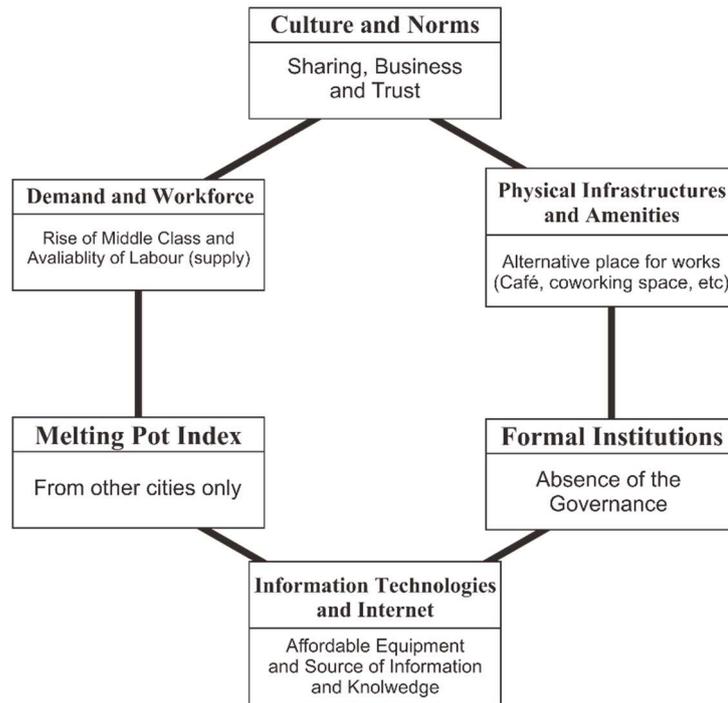
5.1.1 The Entrepreneurial Ecosystem

In the previous section, I described how youth entrepreneurs grow in small steps. This connects to the entrepreneurial ecosystem idea in terms of the support and resources they find in their immediate entrepreneurial environment. Based on the Audretsch's idea of the entrepreneurship ecosystem, there are six factors that support entrepreneurship in the certain regions: "culture and norms, physical infrastructures and amenities, formal institutions, information technologies and internet, melting pot index, and lastly demand and workforce" (Audretsch and Belitski 2017:1034). First, the culture and norms are important in that they determine the relationship between all of the related stakeholders and the way in which the business is running (Audretsch and Belitski 2017:1035; Thai and Turkina 2014:493; Jones et al. 2015:8). In this particular industry, the culture of sharing and learning together is crucial—photographers share information like how to take photos, how to edit, how to search for customers, how to find freelancers, where to print the output, and where the trusted camera shops are. Culture also brings them to collaborate or to share or assign jobs in instances where they are busy.³⁸ The second factor is physical infrastructure and amenities, where cafés, galleries, coworking spaces, roads, iconic buildings, and popular spots play important roles (Audretsch and Belitski 2017:1036). Not all of the photographers own a studio, so they choose cafés or coworking spaces for meeting customers and for work. Most of them do not need a studio, because they work in the venue of the event, but they need spaces for sharing, for work, or for meeting customers.³⁹ The third factor is formal institutions; this is where the government plays an important role. Youth entrepreneurs can run their businesses without thinking about their taxes, because the government has not truly adapted the conditions of the creative economy. For this reason, photographers can run their businesses and improve their productivity. In terms of wedding photography, copyright is not an important issue, unlike in the fine arts or music sectors. Fourth, information technologies and the Internet support the entrepreneurship ecosystem—the availability of newer and cheaper technologies and the Internet make the creative economy possible (Cattani et al. 2015:75; Howkins 2013:139). It is undeniable that youth entrepreneurs started their businesses with affordable equipment, and that one of their sources of learning is the Internet. The advancement of technologies and internet not only affects their skills, there also many e-commerce websites that they can use to buy equipment or accessories for their jobs. To put it differently, they are not really dependent on camera shops in their city anymore, as they can buy from shops in another city through the Internet.

³⁸ Fieldwork interview, in Makassar (5 August - 3 September 2018)

³⁹ Fieldwork interview, in Makassar (5 August - 3 September 2018)

Figure 5.2 Entrepreneurial Ecosystem



Source: Own Elaboration based on Audretsch and Belitski (2017)

Fifth, the Melting Pot Index forms part of the entrepreneurship ecosystem. “Melting Pot Index as a proxy for diversity, tolerance and integration” (Audretsch and Belitski 2017:1037). People’s openness and tolerance help to enhance their creativity and innovation (Howkins 2013:59). However, the Melting Pot Index is less important for Makassar, as it does not receive many visitors from other cities. The last factor forming part of the entrepreneurship ecosystem is the demand and workforce, which refers to a rise in the middle class’s purchasing power and the availability of youths who search for jobs, creating opportunities for youth entrepreneurs to grow (see Chapter 4).

5.1.2 Growth-oriented entrepreneurs

Based on the classification of survival or growth entrepreneurs, youth entrepreneurship in the photography sub-sector is growth oriented. Berner et al. (2012:387) stated that the growth-oriented entrepreneur is mainly a ‘small-scale business, opportunity-driven, micro-accumulation, have barrier to entry, willingness to take risks, specialise, and could accumulate the income they got’. Growth-oriented youth entrepreneurs have at least five employees and could hire freelancers. They do not need credit from the bank, depending on their friends if they have urgent job-related needs, and they could expand their business with their savings. These youths become entrepreneurs because they have the ability and the equipment, while the market demands these types of products.

Table 5.1 Interviewed Photographers' Profiles and Monthly Income

No.	Nick Name	Age	Gender	Active Since	Jobs/Month	Price Range (IDR) (Euro)	
						Pre-Wedding	Wedding
1	Mupe	27	M	2016	15-30	600k – 6,000k (35-350)	N/A
2	Sandy	29	M	2009	1-3	2,500k – 20,000k (150 – 1,180)	6,000k – 20,000k (350 – 1,180)
3	Erul	30	M	2010	5-8	1,500k – 7,000k (90 – 410)	4,000k – 10,000k (235 – 590)
4	Nupi	27	F	2013	4-11	4,000k – 11,000k (235 - 650)	14,000k-16,000k (825 – 945)
5	Amal	26	M	2014	3-5	5,000k – 10,000k (295 – 590)	15,000k – 35,000k (885 – 2,065)
6	Didiet	29	M	2007	2-4	3,500k – 10,000k (205 – 590)	15,000k – 35,000k (885 – 2,065)
7	Apung	30	M	2010	1-4	3,500k – 8,000k (205 – 470)	13,000k – 20,000k (765 – 1,180)
8	Oca	25	F	2016	6-9	N/A	4,000k – 14,000k (235 – 825)

Sources: Own elaboration from findings.

The income they get from the jobs is higher than the regional minimum wage (for Makassar it is IDR 2,700k, or EUR 160 per month) (Governor of South Sulawesi 2017). Interviewed photographers acknowledge that their living standard is also increasing with their income.⁴⁰ Thus, even though they say it is sufficient, their living standard is much higher if they compare it to their living standard before they started their business. For example, before they started, they did not own motorcycles or cars, and now they could afford it. The government classifies the youth as those in the age group 16-30 years old (Ministry of Tourism and Creative Economy 2014:87); however, my respondents are closer to the upper limit of the age category, because at the age of 16 or 20, they were still working as freelancers or for production houses (phase one in figure 5.1).

5.2 Production process and clustering

This part is also still connected with the third phase of the growth trajectory (see figure 5.1), which refers to cooperation and communication. In the production process, photographers need to create networks or maintain their relationship with other production houses and other supporting businesses. The interviews reveal that most of the interviewed youth entrepreneurs felt the need to cooperate and maintain their relationship with other production houses, supporting businesses, and freelancers.⁴¹

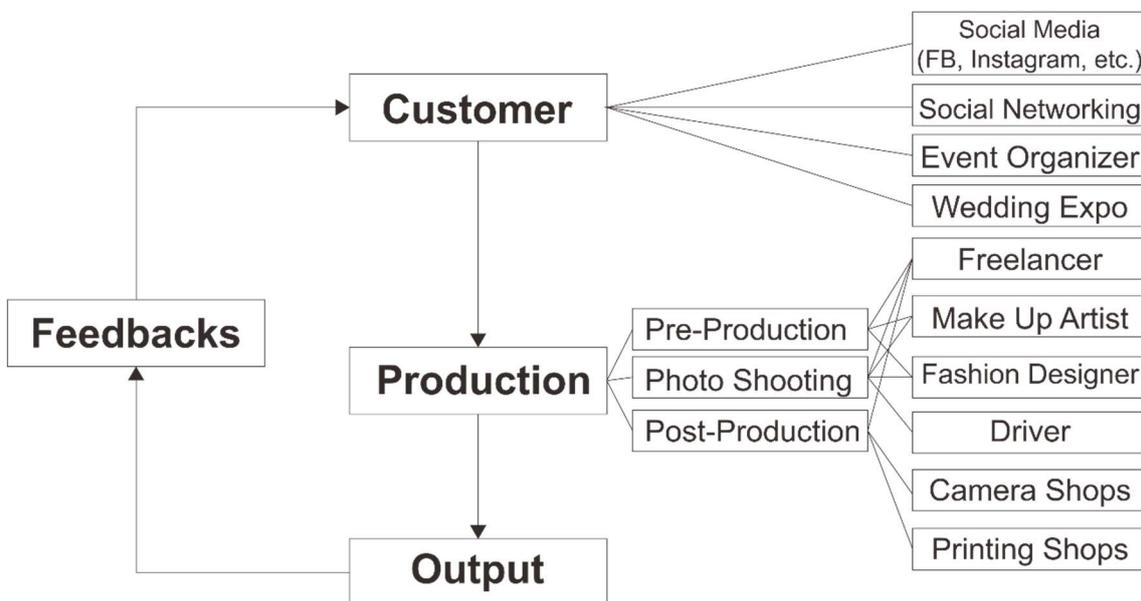
⁴⁰ Fieldwork interview, in Makassar (5 August - 3 September 2018)

⁴¹ Fieldwork interview, in Makassar (5 August - 3 September 2018)

5.1 Production process

The production process of photography consists of a process of finding customers, a pre-production process, a production process, a post-production process, and a feedback process. In the beginning, they search for customers through social networks, social media, event organizers, and wedding expositions. Their customers could be from their past customer networks, someone who had already heard of their production house, or had heard of their production house through social media advertisements (Facebook or Instagram). For photographers with a studio, the customer needs to make a reservation and cannot just drop by and have a photo taken. It is also possible for them to reject potential clients or to suggest another production house if they have many jobs. Even though they do not have specified working hours, they also work by hours or target to manage their time better.⁴²

Figure 5.3 Production Process of Wedding Photography



Source: Adapted from De Propris and Hypponen (2008).

Before the production process commences, photographers need to prepare everything; this is the moment for creativity and consultation with customers. This is not a job that can happen in two or three days—they need to brainstorm, research, and discuss their expectations. After they have agreed to certain things, such as the photography location, the kind of attire, the kind of property required and the type of pictures desired, they need to contact other supporting businesses, such as makeup artists, bridal shops, or transportation providers, if necessary. If they need something like equipment or if they do not have services that a customer wants, they gladly ask for help and cooperate with other production houses.⁴³

⁴² Fieldwork interview, in Makassar (5 August - 3 September 2018)

⁴³ Fieldwork interview, in Makassar (5 August - 3 September 2018)

Figure 5.4 From Idea to Result



Source: Own elaboration from findings.

After everything has been set up and they agree to the terms (have signed a contract), they start the production process. The production processes of pre-wedding and wedding events are similar. For pre-wedding events, photographers could spend one to three days taking pictures in different spot/locations, with much preparation; for wedding events, on the other hand, the production house is not involved in the pre-production process, but rather explores the venues and the customers' needs. During pre-wedding events, the focus is on the couple, while during wedding events, the focus is on the atmosphere and the wedding itself.⁴⁴

⁴⁴ Fieldwork interview, in Makassar (5 August - 3 September 2018)

Figure 5.5 Examples of Indoor Pre-Wedding Events



Source: Nupi and Mupe (2017)

Figure 5.6 Examples of Outdoor Pre-Wedding Events



Source: Nupi, Apung and Amal (2017)

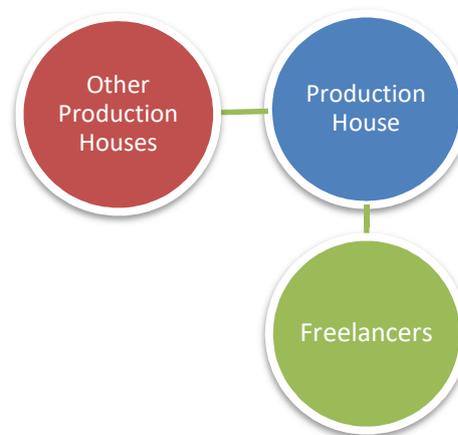
The post-production process takes place after the production process, and mainly comprises the editing of photos and their publication. The editing part could take one to three weeks for pre-wedding events and two to five weeks for wedding events. After the editing process, photographers show the photographs to the customers, who will then select the pictures that will appear in the album. Even though photographers are from Makassar, they

prefer to print the albums in other towns or cities, particularly in Jakarta and Bandung, because the print quality is better in these cities.⁴⁵

Finally, the last process is providing the output (the album and soft copy of the photos) to the customers and receiving feedback.⁴⁶ As explained at the above, feedback is very important, because it could lead to greater exposure of the production house in the market. Feedback comes not only from output, but also the entire production process. For most people, this is once-in-a-lifetime event, and they need to savour the moment.

5.2 Clustering

Figure 5.7 Clustering in Production Houses



Sources: Own elaboration from findings.

5.2.1 Vertical and Horizontal Clusters

In the clustering process, there are two types of cooperation: vertical and horizontal cooperation (Schmitz 1999:469). Based on the findings, horizontal cooperation can be viewed as joint actions between a specific production house and other production houses. They cooperate by sharing equipment, customers, specialities, and information. One production house cannot provide all the services required, which is why they need to cooperate to reduce their externalities and increase their income. They cannot give all the services in photography sub-sector, for example, studio photography, underwater photography, aerial photography, etc. A production house tends to specialize their services. If they have a customer, and the customer wants underwater photography while they do not have the equipment, the production house happily give the jobs with another production house that have the equipment for it. Another example is when a production house gets a big

⁴⁵ Fieldwork interview, in Makassar (5 August - 3 September 2018)

⁴⁶ Fieldwork interview, in Makassar (5 August - 3 September 2018)

job, they ask another production house to work together and share the profit. In return, they will also do the same if someday they have similar conditions.

On the vertical cooperation side, freelancers are involved in the input of production. The cooperation with freelancers could also affect the process of production, and their value is based on their fees and skills. Most of the freelancers are youth who still pursue their education, so they do need money, but not much because they are still live with their parents. When they have skills, they could work as a freelancer, and their fee is quite low. The production houses employ them because their salary is relatively low, and the freelancers need them because they need an income and to improve their skills or even learn management skills. They have a relatively low salary because they not fully develop their skills in photography. They are dependent on each other, and they need to maintain their relationship so that they can work better together.

5.2.2 Freelance and Precarious Work

The production house sees freelancers as an important asset, even though they do not employ them permanently. The creative economy is closely connected to precarious work, with precarious work referring to “all forms of insecure, contingent, flexible work—from illegalised, casualised and temporary employment, to homeworking, piecework and freelancing” (Gill and Pratt 2008:4-5). Because the creative economy is a knowledge-based economy, people work according to targets and not according to office hours (de Peuter 2011:422). That is why production houses or creative economy entrepreneurs are more in favour of paying freelancers on a day-to-day basis. On the other hand, freelancers also agree and accept their conditions because they need the money, skills, or networks. Their fee as a freelancer is around IDR 500,000 to 1 million per day (around EUR 30-60 per day), and they need to improve the skills and quality of their output, or risk not being hired again.⁴⁷ If we compare it to Makassar’s minimum payment regulations freelancers only need find 3-5 jobs, as freelancers with eight hours at most per day can get the city’s minimum payment (IDR 2.700k) (Governor of South Sulawesi 2017).

Photography is somewhat precarious in that the jobs are flexible and photographers with their own companies usually do not have any social security. But in the creative economy, they are accumulating their skills which they can utilize to graduate from survival entrepreneurs to growth-oriented entrepreneurs. This means that the creative economy is a sector where you could start as a precarious worker and could eventually become a growth-oriented entrepreneur. With opportunities to work as freelancers, they can save their money and start their own production house. It is different kind of precarity in comparison to cleaning work, for example, where most people who work do not develop any skills. More importantly, even though photographers may work as freelancers, not all people could enter and apply for jobs; they need specific skills. Freelancing is a second phase (on the growth trajectory) for those who want to create their own production house, but not every freelancer wants to create a production house. In fact, most of the photographer that I have interviewed

⁴⁷ Fieldwork interview, in Makassar (5 August - 3 September 2018)

were freelancers in another production house. Some freelancers just did it as a hobby and to make money from it. It is also particularly suited to those youths that still study, as they can generate an income from it. In this case it is simply a hobby that generates an income.

Chapter 6

Conclusion

The photography sub-sector is a new sector that the government still needs to recognise and include in its policy on the creative economy. This paper tries to first, identify what the government's roles in the development of the creative economy and the growth of youth entrepreneur In Indonesia's creative economy, the government could have a more significant role than it is today, for the developing the creative economy sector and the youth entrepreneur. This sector emerges because of the creativity and advancement of technology, and as long as creativity is produced, and technologies are advanced, the changes are absolute. The government could intervene in the creative economy sector to make it grow much faster.; however, today, the central and local governments are quite slow to respond to changes in the creative economy, which creates an unregulated market. The government however also does not have any alternative way to identify youth entrepreneurs, especially in the case that the central and local governments do not cooperate.

Second, is to analyse how does the market structure contribute to the emerge of youth entrepreneur in the creative economy. The creative economy can only be fostered because of other sectors where people who purchase these products are middle class with stable jobs and income. Creative economy products are not something people need on a daily basis; they are semi-luxurious products or activities with the aesthetic value of art and culture, but which are more affordable. With the current conditions of the market (sustained growth above the nation's growth rate), entrepreneurship opportunities remain available and even increase. The moment of the advancement of technologies, modern social interaction, and the increase of living standards (economy growth) in Makassar are perfectly matched with the appearance of the creative economy. People could and begin to spend more on this semi-luxurious activity. On the other hand, youth entrepreneurs develop their skills in photography and could afford the equipment. Moreover, of course, they need to overcome certain barriers; the strategic (capital and skills) and structural (market conditions) barriers themselves are quite low in comparison to those of any other sector, and they can be overcome with help from their networks (family and/or friends).

Third, is to analysis the growth trajectories of youth entrepreneur in the creative economy. Most of the young people are attracted to these sectors because it suits their lifestyle, and it is a hobby that generates an income. The support of the ecosystem also plays a crucial role in enabling the youth to become entrepreneurs in the photography sub-sector. They begin to acknowledge their interest and develop their skills, later beginning to work under a production house as a freelancer. In these periods, there are possibilities for them to graduate from survival entrepreneurs (freelancer) into growth-oriented entrepreneurs and create their own production house. This is because, even though they work as freelancers, they keep learning about both the skills and the management aspects of a production house (on-the-job training). As they run their own production house, they need to cooperate with other production houses and freelancers. Because production houses consist of small numbers of

employees, limited equipment, and limited skills sets or areas of speciality, they need to cooperate with other production houses. Also, freelancers are an essential part of the production house. The entrepreneur could not pay them regularly every month, so the option of hire freelancers is a suitable option for a production house.

If we bring it back to the relation of creative economy to youth unemployment, the creative economy does open opportunities and creates jobs for people and especially the youth who are still following an education (senior high school and higher education). Not everyone can become an entrepreneur in the creative economy, but entrepreneurs may create jobs for others. Several essential characteristics are important for making it in this sub-sector: a high motivation for learning and sufficient skills to manage a business. The study found that young entrepreneurs accumulate profits, but do not require any bank loans or credit. Instead, they depend on to each other (production houses). There is one of many ways to solve youth unemployment. However, most of them develop because they could exploit freelancers—young people who need to generate an income with limited skills. Both of them are dependent on each other, and there are no formal regulations that bond them; only norms and culture bond them.

From the study, we could see that the government have not played an important role even though they already create a national bureau. To make the creative economy have a better performance, this study suggested multiple policy implications. First, the government needs to adapt the way in which they are conducting policies in terms of the creative economy. The changes in the creative economy occur so fast—every year there are new inventions that could change part or the entire creative economy production process. Second, the government needs to find a new, creative way to detect entrepreneurs so that they can create suitable policies to encourage their productivity and create more jobs. Entrepreneurs themselves do not try to hide their existence, but they also do not feel obliged to register their business. Third, the local government should focus more on providing youth entrepreneurs with trainings they require (workshops, seminars, and free classes), rather than to focus on an annual event. Fourth, the local government and central government need to work in synergy in the creative economy. They cannot work separately: the central government is necessary because of its resources, and the local government is necessary because the city belongs to it, and it knows how the populations behave (ecosystem). If they could work together and optimise the entrepreneurial ecosystem and clustering of the creative economy, there would be the possibility that their interferences would be more likely to obtain a positive result.

Because it is a new sector, there are still many things need to be found in the context of development studies. Further research is needed to first, find how dependent this sector to freelancer and how is it affecting the worker conditions. Is it still count as a precarious worker or is it a stepping stone for another opportunity. Second, finding a new way or a creative way for governing these fast changes sector. The innovation of this sector and the government work in two different speeds, and it is important to search a way to follow the dynamics of the creative economy

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Appendix 1 - List of Questionnaire

<i>Stakeholder (Sub Research Questions)</i>	Related questionnaire
1. <i>Government Officials (1st)</i>	<ul style="list-style-type: none"> a. How do you define Indonesia's creative economy? And how the government see this as an opportunity for grow in the sense of tackling the youth unemployment? b. What do you think is the factors for the creative economy to grow? Formal/Informal education, infrastructures, or else? c. How do you see the relation between the creative economy and youth entrepreneur? Especially in the subsector of Photography. d. How do the government see the roles of the youth? What do you think is the risk and the opportunity for them and Indonesia's creative industries? e. Is there any specific policy, training, or program to enhance this young entrepreneur? f. How do the government see the importance of tourism in the creative economy? g. In the sub-sector photography, how do the government see the risk and the opportunities for the youth? Are there any particular policies to stimulating the growth of young photographer? h. What do you think the relationship between the creative economy, young employment, and photography? i. What is office relation to Bekraf/Local office?
2. <i>Youth Entrepreneur (2nd & 3rd)</i>	<ul style="list-style-type: none"> a. What is your background/are you doing before becoming an entrepreneur in the creative economy? b. How do you see yourself when you are looking for work?

- c. How does the formal education prepare you for the creative economy? Is there any informal education (training, intern, or appendance) that you take part?
- d. How do you get the requirement capital (equipment) before you start?
 - i. Does social media have an important role in your business?
 - ii. Name branding?
 - iii. How do you see the market before you join?
 - iv. Does social networking with past costumer help your business (feedbacks)?
 - v. Does the equipment for your business be difficult to get/purchase?
- e. Does tourism have an impact on your business? How is it affect your business?
- f. What exactly are you looking for by entering this kind of business?
- g. What are the main challenges of working in the creative economy? And how do you solve it?
- h. Why do you need travelling?
- i. How do you see the customer?
- j. Do you did innovate something about your products? Or is it stay as same as you start? What about an assistant or another person you work with?
- k. How's your income from doing this? Is it enough for decent living from where you live? And about your standard of living?
- l. What do you think an important factor that would encourage and accelerate the growth of the creative economy?
- m. Government involvement in your business?
- n. Do you join other community?
- o. How many people/freelancer have you work with?
- p. How are your cooperation with another production house?
- q. Is there any difference before and after of social media appearances?

3. *Ex-Costumer*
(2nd)

- r. How do you calculate your price range?
 - s. Is the local economy affect your business?
 - t. Are you also cooperate with other business? E-commerce or other creative sub-sector?
 - u. How is your opinion about credit from a bank?
 - v. What makes you think you want to stay in the informal sector?
-
- a. How do you know this person (entrepreneur) and contract him as your photographer?
 - b. What is your consideration in picking this city as a place for your photos?
 - c. How do you choose the production house? Is the feedback from your family/relative is important?
 - d. Is there any factor that you need before you hire the photographer?
 - e. How important the photography at your wedding?
 - f. How do you feel about the quality of photos you got?
 - g. Other than a photographer, what kind of creative economy do you use?
 - h. Does the price justify?

Appendix 2 - List of Interviewee

1. Government

<i>No.</i>	<i>Name</i>	<i>Office</i>	<i>Position</i>	<i>Date of Interview</i>
1.	Wawan Rusiawan	National Bureau of Creative Economy	Director of Education, Research and Development	30 July 2018
2.	Amalia Malik Hambali	Tourism and Creative Economy Office of Makassar	Head of Creative Economy Bureau	27 July & 15 August 2018
3.	Rini Tenri Sau	Tourism and Creative Economy Office of Makassar	Creative Economy Bureau	6 August 2018
4.	Rahman	Manpower Office of Makassar	Head of Job Placement and Expansion of Job Vacancies	20 August 2018

2. Youth Entrepreneur

<i>No.</i>	<i>Nick Name</i>	<i>Age</i>	<i>Since</i>	<i>Date of Interview</i>
1	Mupe	27	2016	11 August 2018
2	Sandy	29	2009	14 August 2018
3	Erul	30	2010	13 & 28 August 2018
4	Nupi	27	2013	18 August 2018
5	Amal	26	2014	12 & 28 August 2018
6	Didiet	29	2007	14 August 2018
7	Apung	30	2010	16 August & 3 September 2018
8	Oca	25	2016	5 & 27 August 2018

3. Ex - Costumer

<i>No.</i>	<i>Name</i>	<i>Year of the Wedding</i>	<i>Date of Interview</i>
1.	Nune	2012	6 September 2018
2.	April	2014	30 August 2018
3.	Gaby	2016	27 August 2018
4.	Elvira	2018	5 September 2018