

The cooperation of the government and digital media industry in social development (a study in Cirebon city, West Java, Indonesia)

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Abstract. This study explores the role of government in encouraging and providing a model of economic growth, including in the field of micro, small, and medium enterprises. The case studied in this research is the digital media industry. It could be a potential in creating public welfare. The questions in this research are about how to model a development of community-based digital media industry in Cirebon City, West Java; whether the government could bring people to the digital media industry to foster a productive economic society; and how the community appreciates and becomes a part of the digital media industry. By using descriptive and qualitative methods, this study finds that the government has sufficiently active roles in the development of the digital media industry in the society. The society itself has already been open-minded in responding the government's programs and the development of contemporary technology, such as in the field of selling goods and services. Still, some obstacles might continue to be refined for the success of the community's digital media industry.

1. Introduction

In last decades, the figure of poverty in Indonesia has been significantly decreasing. Notwithstanding, it is predicted that this decline will hamper the future. Those, who are in several years ago be able to exit from the poverty, are those who live in the line of poverty which means that no need to strongly support to put them pot from the poverty. However, in line with the decline of those groups, the other groups that locate in the lowest part of the poverty line ought to be helped to rise and exit from the poverty. This is more difficult and will result in the decline of the poverty line which processes slower than before.

Accordingly, all of the developmental potentials ought to be deployed so it can fight the poverty. The government, in this case, has conducted some ways to invite and give a model of economic growth, including micro, little, and medium enterprises. One of the enterprises is digital media industry. With the presence of digital media, the people in villages can do online transactions, which can encourage economic growth and at the same time fight the poverty.

Central Body for Statistics (BPS) notes that according to the data in 2015, the figure of poor people in Cirebon City reaches 109.250 inhabitants, as it increases 6.548 inhabitants compared to 2011 which only reached 102.702 inhabitants. If we make an average, every year the figure of poor people increases 1.309 inhabitants [1]. This is strange enough, as Cirebon City has so many advantages, such as the job opportunity.



The potential can appear in every developing profession. People's job now becomes so complex. The thing that can contribute to people's job nowadays is not only from the agriculture sector, trades, and governmental offices but also creative economies. The variety of people's job becomes an important part that has to be noticed and developed in every its potential and creative opportunity in society. The problem of unemployment and poverty are a dangerous problem which has to be solved. Here, it is required creativity to develop the various potential to make people wealthier. Therefore, community development through digital media becomes an interesting phenomenon as a support to develop people's economics, especially creative economies.

Cirebon, in the regard of creative economics, has had a longstanding potential, such as *batik* industry. Moreover, in terms of the location, Cirebon is a connector to Jakarta, West Java, and Central Java. Cirebon also has water territory and has been a harbor city. No wonder of then the top university like Bandung Institute of Technology (ITB) establishes its branch campus there.

Seen in this background, thus, the research tries to observe more closely the condition of society's economic development, especially in the perspective of Cirebon's stakeholders such as the local government, and local businessman, especially digital media industry.

2. Theoretical Framework

Community economic change by Lindell and Perry is defined as a process in which the local society form an organization to develop a partnership which connected each other for a profitable business. In community economic development, the more people involved in community change, the more organization take the effort to encourage the community's goals as a whole [2].

There are several characteristics of community economic development program, which is: 1) it is multifunction with a comprehensive strategy for any ongoing program to distinguish from individual economic development program or community improvement efforts, 2) it integrates economic goals and social goals to further revitalize the community, 3) it bases its operation on the principle of empowering more people through organizational and community development as a whole, 4) its process aims to generate an analysis from strategic planning which is different from opportunistic strategy and unsystematic, 5) it uses financial management approach which is used by business world to develop asset ownership and to obtain support from various financial partners, and 6) it is public for any entity whose orientations are either profit or public, the nature of public becomes the program's center of attention [2].

The economy is one of social science branches which specifically study human or group behavior to fulfill their need which is relatively unlimited, but the tools are limited [3]. In other words, economic problems emerged from the scarcity. Scarcity is inevitable, and indeed it is the core problem of economy.

Society development is an empowerment effort utilizes their capability and potential. In this case, society is both participant and connoisseur of development. Society development is sometimes seen as the opposite of top-down approach through which everything is determined from outside.

In society development approach, 1) it is oriented on the need, either material or non-material need, 2) it utilities indigenous people including their vision and mission about the future, 3) independent, which means it is based on its power and resource, 4) ecologist which rationally and intentionally uses the resource, and 5) based on structural transformation, which means there is a change in social relation, economic activity, and power relation.

The primary objective of the social organization is the development of dignity and the satisfaction in participation. Although there are different views, from both of terms can be taken the same concept which is the process focusing on local activity. As argued by Dunham on the definition of social development, 'community development can be tentatively defined as a process designed to create conditions of economic and social progress for the whole community with its active participation and the fullest possible reliance upon the community's initiative.' [4]

The argument above asserts that social empowerment is aimed to improve economic and social condition as a whole by using active participation based on people's initiative. In reality, social development ought not to develop only people's economic potential, but also their dignity, confidence, and the existing value in the society. Empowerment as a social and cultural concept in development

based on the society does not only develop and embed economic surplus value, but also social and cultural surplus value [5]. Thus, there are four directions in understanding social development, which is a process, a method, a program, and a movement [6].

People live in a social group that wholly creates a system. The system can be simply defined as an interaction, or bonding, or relationship, of some smaller elements, which creates a bigger unit and more complex characteristic. Therefore, the economic system is the interaction of small economic units (between customer and producer) to a bigger economic unit in one certain region [3].

Concerning creative economics, this economic concept in a new economic era that intensifies information and creativity by using an idea and stock of knowledge from the human resource as the main productive factor. The structure of global economics experiences a quick transformation as becomes the basis of human resources, from peasantry era to industrial era and information. Alvin Toffler (1980) in his theory divides economic civilization into three waves: agriculture wave, industrial wave, and information economic wave. Then it is predicted that the fourth wave is the wave of creative economics that is oriented on idea and creativity.

According to an economist Romer, an idea is a very important economic commodity and is even more important than objects in mainstream economic models. In the world with the physical limitation, the invention of big ideas as the invention of millions of small ideas enable economic growth to develop. The idea is an instruction that makes us combine the limited physical resource becomes more valuable. Romer also argues that a state can become poor because its society does not access to the idea used in national industry [7].

A Nobel winner in economics, Robert Lucas, says that the power to move economic growth in city or rural can be seen from the level of cluster productivity in talented people and creative people or people who can use their knowledge. Creative industry firstly includes advertisement, architecture, art and antique market, handicraft, design, fashion, film, video, software, music, show, publication, computer, TV, radio, etc., and now includes technological development such as application in a smartphone, and so on [8].

United Nations Conference on Trade and Development defines creative economic as 'an evolving concept based on creative assets potentially generating economic growth and development' [9].

In Indonesia, in the blueprint of *the Development of Indonesian creative economy 2025*, creative economy is defined as 'a new economic era after agriculture economy, industrial economy, and information economy, which intensifies information and creativity by using idea and knowledge from human resource as the main productive factor in its economic activity' (www.dg.or.id).

Here, the development of the creative economy is supported by launching the program of Indonesian Design Power (IDP) in 2006. IDP is a program to increase the competitiveness of Indonesian products in the domestic or global market. In the period of last ten years, creative economic sector massively develops in several big cities. Through the initiative of youth community in several cities, like Jakarta, Bandung, and Yogyakarta, creative industry has developed and increased people's economy.

In supporting the potentials, it is needed synergy among government, business sector, and young intellectual concerning the creative economy. That is one of a recommendation from the blueprint above.

3. Method

This research on the digital media industry's contribution to improving people's wealth uses the qualitative method. According to Taylor and Bogdan, qualitative research is conducted by observing the activity of a certain social group, which through the observation, the social group tries to articulate in detail through its behavior and people associated with the activity [10].

The qualitative approach also focuses on subjective meaning, definitions, metaphors, symbols, descriptions on a specific case in the research. The approach is chosen so this study gets detail and deep picture on certain phenomenologist social symptom. Based on the aim, the research is categorized in descriptive research, which tries to draw specific details of a situation, setting, or social relations in the research scope [11].

In this research, the researcher place himself as the insider who attempts as far as possible to be empathy (or self-protection in the role and object's perception) to reflect the subjectivity of research object.

The research also uses the case study as the method. According to Bloor and Wood [12], the case study is an exploration of a bounded system. The case study can be conducted on an individual, man group, the environment, and social organization. This method is seen to be effective as it can search motives behind empirical social facts.

Through the case study, the explanation in the research is the facts found during the research and the explanation of research result will be conducted based on qualitative and quantitative, if any, data.

The research requires data collected from developmental actors who engage in the synergic program between the government and digital media industry. Besides, the research also interviews some actors in various activities, the Government of Cirebon City, Industrial and Trade Agency, or other agencies, and private sector who participates in the activity.

The research takes West Java as the location to get some models on social development based on digital media developed synergically by the government and media industry. The data about the impact of the program on people's wealth in West Java is searched by triangulation.

4. Result and Discussion

The globalization on media makes information is not only obtained via paper-based media such as newspaper, magazine, and so on, or electronic-based media such as television and radio. Globalization has created the internet that is seen as interactive media which can also function as media that provides various information including news, even business. Nowadays, everyone can make a news report freely on the internet.

In news level, some websites have emerged and become one of the causes on the emergence of online journalism which can replace the traditional and conventional journalism. It is because people none become not satisfy to the existing media which sometimes has a certain tendency [13]. On the internet, some news portals emerge at international, national, and local level.

At the business level, the digital media industry has started to reach trade services on basic needs, such as clothing, food, information technology, and so on. Nowadays, people just simply access the internet to seek what they need, and then order and pay for it, and finally, wait for the item in their house. The system works as well in the service sector. The advertisement can be seen on the internet. People who are interested in the advertisement on the internet can contact and pay a transaction. No wonder if, as a result, the use of advertisement on the road has decreased.

The consumptive change from conventional media to new media is reasonable. With the advantage of its speed, online media becomes more accessible. Most of the people like information or news that can be easily and quickly obtained. With the development of information technology in last decade, some new media appear in the communication sector. This is considered to be a new era in communication. Of course, the massive development can be gradually utilized by people. Especially in the process of information spreading done by press media.

In this busy era, there are many information users who want to obtain information practically and quickly. Most of them prefer to stay on the couch and to buy a newspaper. The emergence of online media has become a threat and a challenge. It is inevitable that the spread of information via the internet will become the main commodity in the media industry. This is also admitted by the General Deputy of WTO that "the internet owns potentials for people' life, connecting remote markets, and creating a completely new market, gathering people in distant, and helping them share information [14].

The business world in Indonesia has also started this development. Many kinds of the industry both goods and services have long involved in the development of this digital world. Moreover, for things that are not previously thought, the development also takes place such as delivery service. In digital transportation business, Uber and Gojek have become well-known. Therefore, via this new media in the virtual world, there have been many service provider ready to help the consumer. There are also many online shopping sites which impressively help to trade goods and service such as Bukalapak, Alfa Cart, Tokopedia, Blibli, and so forth.

Community media has also developed though not so extensively as do the mainstream media for they have to compete with the existing mainstream media. Community radio has become the popular one since television community is limited in terms of channel provision. Community radio has significantly developed and already played important role in grassroots dynamics. The problems lay in the complicated process to obtain the broadcasting permit. Although the Broadcasting Laws have already admitted the importance of this radio community as a non-profit broadcasting institution, real support from the Government is still questions regarding the complicated process to obtain the broadcasting permit which consequently inhibits its development.

From the field, we found that the dynamics of the media industry is highly related to the development of media policy. In many cases, government as the regulator face difficulty in harmonizing the regulation and the rapid development of the media industry itself. Each party has their interpretation towards the Law which seen to be multi interpretation. On the one hand, this law promotes democratization and multiculturalism via media, but on the other hand, it does not specify the real implementation. This vague regulation gives freedom to the media, which can then allow businesses to use public goods without firm control of the government. Another law such as the Law of Information and Electronic Transaction has also threatened people's rights to participate in media and has already eliminated society from their role media controller.

We also found that the development of media industry is not necessarily following media infrastructure development and our society's media literacy. Although the business of industry has developed, the is still uneven. There is an astonishing discrepancy in the distribution of media infrastructure between the developed business communities with the developing ones. This discrepancy is not only related to the rapid growth of new media and digital media that require internet access, but also in the conventional media. This results to information discrepancy which is getting higher. Community media can and already become the alternative to provide relevant information for the local community. However, it still faces the difficulty of complicated regulation and the competition with other profit based channel.

The progress of media and communication technology changes not only the sphere of media industry but has also opened a wider room for society to participate in media through the internet and social media. The Internet seems to become the main room through which the society can communicate limitlessly. Rooms such as blog and social media sites and microblogging have allowed society to create their public space and link each other. With 64% of internet user utilize social media, it is unsurprising that some social movement and activities are organized via social media. Information via social media has impressively spread and thus the mainstream media refer to it. The Internet has become an important infrastructure when media industry must face the new challenge in media technology: convergence and digitalization.

Convergence and digitalization are two challenges for media in the future. They have compelled and will always press the media industry to create a multi-platform business which will surpass the conventional media. This will result in an integration of content provider industry with telecommunication industry as a way to create multi-platform technology-based media. Thus, government works together with state-owned enterprise and communication business parties which have given many CSR like internet infrastructure. Media convergence has compelled the industry to prepare their infrastructure because it inevitably plays an important role. Unfortunately, its effect on society and their rights in media have not fully become a concern. In relation with digitalization, even though society has various channel to choose, it is still unclear about the infrastructure which can enable society to access them and the provision as well.

The findings also show that the proper development of media industry requires media infrastructure and media literacy of society. The development of the media must be oriented to educate society by providing public-oriented information and public space to allow society participation. If the government facilitate society's right and work more public-oriented, we can expect to see media play the more significant role as a public medium. Apart from its marginalized status, community media offer an alternative: serve and run by the community. This can be a sample of work model to raise public media in Indonesia: TVRI and RRI which is owned by the state must fundamentally be

reformed and revitalized as national community media. It is an urgent need not only to improve the media literacy of society but also to fulfill society rights.

In Cirebon, West Java, as a response to society will take an effort, Government has facilitated a creative community. It is called Cirebon Urban Creative Center. In Cirebon, it has massively developed in the last ten years. One of its goals is to accommodate communities and is responsible for human resource development as it is expected to trigger community-based creative economic growth. The membership is open to the public either from inside or outside Cirebon City. In its development, CUCC has become a part of information and socialization center for creative industry both regionally and nationally. CUCC also becomes a destination of industry visit and field practice for vocational schools and universities from all over Indonesia and has also become a research and incubation site.

Creative House is one of the iconic facilities in Cirebon City. The city council makes it as the center of creative industry development. It is expected that it can be a creativity center either nationally or internationally. The building has facilities for public service or display room for general service information and room to introduce Technology Information world to society, commerce, and a research and development room for telematics industry. It will also provide room for Research and Development Studio in terms of informatics and telecommunication, facilities for TI expertise, computer room to access technology development, and a workshop room for TI and activities of CUCC communities. There are also display room and multi-media simulation (auditorium), seminar room, discussion and meeting room, and space facilities of the film, animation, design, and TI infrastructure.

In its course, developing creative industry in Cirebon City, CUCC obtains support from the City Council. Given the size and complex needs in carrying out each of these activities, CUCC also collaborates with Government Agencies, Educational Institutions, and Private Parties.

These activities include job training conducted by the Office of Social Workers and Transmigration (Dinsosnakertrans), which now has been extended to the skills of information technology such as mobile phone service. The Ministry of Communication and Information (Kominfo) has implemented the Certification of Indonesian National Work Competency Standards (SKKNI) which examines the areas of Junior Multimedia, Graphic Design, Video Editing, Infographic, Communication Graphic, and Photography. For Cirebon, the Ministry of Commerce has also made Digital SME Village as a center of commerce for small and medium enterprises with the digitalization guided by Telkom. Private parties such as Bank Central Asia (BCA) have also conducted business coaching to the people of Cirebon, which is by organizing Workshop on Batik Technique. Similarly, the digital media industry such as Facebook also takes part to develop the economic community of Cirebon, by organizing digital marketing workshop (in collaboration with Ikatan Wanita Pengusaha Indonesia, IWAPI). As for other digital media industry such as Bukalapak.com has participated in the success of Media School Seminar in Cirebon City by sending its CEOs to participate and share the experience in the digital business. These activities are examples of how stakeholders for community advancement synergize together in real and sustainable activities.

To sum up, the Government role is important in adapting to current development, so it is not left behind. By doing so, society can rely on Government to meet their needs. It is also applied in the business world. The digital media industry has demonstrated its role in encouraging people to take advantage of the latest technological developments for various profitable businesses. Thus, the community has also been able to improve themselves or promote themselves to become entrepreneurs. So the ideal to become an independent society (self-reliant society) can be done.

5. Conclusion

Based on the description and explanation above, in this study can be concluded as follows: 1) the government in charge in social development in Cirebon City is the Government of Cirebon City itself through its Social, Worker, and Transmigration Agency. The city government has collaborated with other governmental institutions to develop Cirebon City like the Ministry of Communication and Information, the Ministry of Trade, etc., and also private sectors such as Telkom, Bank Central Asia (BCA, and even the digital media industry like Facebook or Bukalapak.com, 2) to develop creative industry, permanently, the government and other stakeholders in Cirebon City have to create a creative

committee, which is Cirebon Urban Creative Center (CUCC) with a Creative House as the center of its activity, 3) the aim of the corporation between the government and industrial sector is to help people to enter into digital industrial age like cooperation with the telecommunication company, and also to train people digital management. It is because, without digital management, the industry will eventually be bankrupt as experienced by small conventional industries, and 4) with the enormous of cooperation between the government and digital media industry, the people will actively participate in economic activity so that it can improve the state independence.

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