



Implementation of Creative Economy Development Policy in Supporting the Competitiveness of Local Products

Lili Suryani¹, Novelma Lastri², Dede Mirza³

Sekolah Tinggi Ilmu Administrasi Lancang Kuning Dumai, Indonesia

Corresponding Author: Lili Suryani, lilisuryani@stia-lk-dumai.ac.id

ARTICLE INFO

Keywords: Policy Implementation, Creative Economy Development, Competitiveness, Local Products.

Received : 8, September

Revised : 22, September

Accepted: 24, October

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ABSTRACT

This study analyzes the implementation of creative economy development policies in enhancing the competitiveness of local products in Pekanbaru. Using a qualitative descriptive case study approach, data were collected from government officials, creative MSME actors, and industry associations through interviews, observation, and documentation. The findings show that while various facilitation and support programs have been implemented, challenges remain in inter-agency coordination, limited financing, and suboptimal digital technology use. The study concludes that these policies positively influence creative economy growth but have yet to achieve sustainable competitiveness. It contributes to business administration studies by integrating public policy and competitiveness strategies, offering practical recommendations for strengthening the local creative economy ecosystem.

INTRODUCTION

Today's global economic developments show that creativity, innovation, and cultural values are the new foundation in driving modern economic growth. The creative economy, which includes sectors such as design, fashion, film, culinary, handicrafts, and digital technology, has experienced rapid growth and contributes significantly to the Gross Domestic Product (GDP) of various countries (UNCTAD, 2022). At the global level, the contribution of the creative economy reached an export value of more than USD 1.1 trillion in 2022 and continues to increase in line with the development of digital technology and a knowledge-based economy (UNESCO, 2023). Countries such as South Korea, the United Kingdom, and the United States have made the creative economy a sustainable development strategy to increase the competitiveness of domestic products (Howkins & Geng, 2022). This phenomenon shows that the ability to create added value based on creativity is no longer just a complement, but rather the core of economic competitiveness in the era of industry 4.0 and society 5.0 (Higgs & Cunningham, 2023). In this context, innovative local products become a symbol of economic power and the nation's cultural identity.

Indonesia has extraordinary potential in the development of the creative economy because of its cultural wealth, creative human resources, and diversity of local wisdom that can be a global selling point. Data from the Ministry of Tourism and Creative Economy shows that the contribution of the creative economy to national GDP will reach more than 7.5% in 2023 with labor absorption reaching 23 million people (Ministry of Tourism and Creative Economy, 2023). The culinary, fashion, and craft sectors are the three largest contributors and are the backbone of creative MSMEs that support the regional economy (Rahmawati et al., 2023). However, the competitiveness of Indonesian local products still faces major challenges, especially in terms of quality, innovation, branding, and international market penetration (Setiawan & Nugroho, 2022). This gap is exacerbated by weak policy support, limited access to financing, and low adaptability to digital technologies, which are the main keys in global competition (Zhang & Kim, 2023). Therefore, the strategy of strengthening the creative economy ecosystem is very important so that local products are able to compete sustainably.

The Government of Indonesia has initiated various policies to strengthen the creative economy sector, such as the establishment of the Creative Economy Agency (Bekraf), the development of priority subsectors, and cross-sector collaboration through the "Creative Indonesia" program (Kemenparekraf, 2023). However, the success of these policies is highly dependent on the implementation process at the regional level, which is often not effective. Many regions experience coordination constraints between institutions, limited resources, and suboptimal infrastructure and technology support (Hapsari et al., 2022). In addition, there is still a gap between ambitious policy goals and the realities of implementation on the ground, especially in empowering creative MSMEs and expanding global market access (Liu & Chen, 2021). This shows that although the policy framework already exists, its effectiveness in increasing the competitiveness of local products has not been maximized. Thus, studies that

explore the implementation of policies comprehensively become very relevant to answer these challenges.

Globally, the experience of various countries shows that the success of creative economy development is not only determined by the innovation of business actors, but also by the quality of government policy implementation. The UK, for example, has succeeded in making the creative sector the largest contributor to services exports through fiscal policy support, business incubation, and digital technology integration (Flew & Cunningham, 2022). South Korea also integrates the creative economy with a cultural export strategy through Hallyu, which has succeeded in raising the added value of local products to penetrate the global market (Kim & Lee, 2023). In contrast, developing countries often face structural barriers such as weak governance, lack of government-private collaboration, and low institutional capacity (Miller et al., 2023). Lessons learned from these countries show that effective policy implementation is the key to transforming creative potential into concrete economic competitiveness.

In the national context, various previous studies have examined aspects of the creative economy from the perspective of innovation, digitalization, and empowerment of MSMEs. For example, Rahmawati et al. (2023) emphasize the importance of digital branding in increasing market access for local products, while Setiawan and Nugroho (2022) highlight the role of collaboration in expanding marketing networks. However, most of these studies have not explored in depth the relationship between public policy implementation and increased competitiveness of local products. Research by Liu and Chen (2021) in China, for example, shows that the success of the creative sector is not only influenced by internal factors of the industry, but also by the effectiveness of government policy implementation. Thus, there is a research gap that needs to be filled, namely a study that comprehensively analyzes how creative economy policies are implemented at the regional level and how it affects the competitiveness of local products.

This research seeks to fill this gap by focusing on the analysis of the implementation of creative economy development policies in supporting the competitiveness of local products in Pekanbaru, Riau Province. This city was chosen as a case study because it has great creative economy potential, but it has not been fully explored optimally. This research will examine three main aspects: (1) the process of implementing policies carried out by local governments, (2) the obstacles faced in their implementation, and (3) the real impact felt by creative business actors. With this approach, the research is expected to provide a more comprehensive empirical picture of the dynamics of creative economy policy implementation at the local level.

Theoretically, this research contributes to the development of public administration science and creative economy studies by integrating policy implementation theory with the concept of local product competitiveness. This research also broadens the understanding of how policy interventions can affect the dynamics of the creative industry in developing countries, while providing empirical evidence from the Indonesian context which has been relatively

underrepresented in the international literature. The results of this study are expected to enrich academic discourse on the role of government in supporting innovation and strengthening competitiveness through public policy (Flew & Cunningham, 2022).

Practically, the results of this study have important implications for policy makers, business actors, and other stakeholders. The research findings can be the basis for formulating strategies to strengthen the creative economy ecosystem through improving institutional coordination, providing inclusive financing, and accelerating digital transformation. In addition, the resulting recommendations can help local governments develop policies that are more responsive and adaptive to the needs of creative business actors. Thus, Indonesian local products are not only competitive in the domestic market, but also have a greater opportunity to penetrate the global market in a sustainable manner.

THEORETICAL REVIEW

The Role of the Creative Economy in Increasing the Competitiveness of Local Products

The creative economy has become a major force in driving economic growth based on innovation and local culture, while increasing the competitiveness of products in domestic and global markets. According to Florida and Mellander (2022), the contribution of the creative economy to global economic growth has increased significantly due to its role in creating added value through ideas, design, and creativity. In Indonesia, the sector contributes more than 7% to national GDP and creates millions of jobs, demonstrating its potential in strengthening local economic resilience (Ministry of Tourism and Creative Economy, 2023). Local products that utilize creativity in design, packaging, and marketing are proven to be better able to compete in a highly competitive global market (Nugroho et al., 2023). In addition, the transformation of the creative economy also strengthens cultural identity and increases the selling value of local products through unique differentiation (Howkins, 2021). Therefore, strengthening the creative economy is not only an economic strategy, but also a sustainable development strategy that expands export opportunities and global competitiveness (Bakhshi et al., 2022).

Implementation of Government Policies in Creative Economy Development

The role of the government is crucial in creating an ecosystem conducive to creative economic growth, especially through strategic policies and regulations that support innovation. The government can encourage this sector through incentive programs, financing support, training, and integrated marketing facilities (UNCTAD, 2023). Studies by Pratt and Jeffcutt (2022) show that the successful implementation of creative economy policies depends on cross-sector coordination, public-private collaboration, and adaptation to global market dynamics. In Indonesia, policies such as the development of a digital ecosystem and the incubation of creative businesses have shown a positive impact on increasing the capacity of creative MSME actors (Suharto et al., 2024). However, challenges still arise in the form of complex bureaucracy, budget constraints, and low digital literacy among small business actors (Chen & Li,

2023). Thus, effective policies must be inclusive, flexible, and oriented towards strengthening capacity and market connectivity for creative economy actors.

Digitalization and Innovation as Drivers of the Creative Economy

Digital transformation is a key element that accelerates the growth of the creative economy and opens up wider access for local products to global markets. Digital technology allows business actors to innovate in design, production, distribution, and marketing efficiently and at low cost (Kong et al., 2023). E-commerce platforms, social media, and artificial intelligence technologies have changed the pattern of interaction between manufacturers and consumers, while expanding market reach (Zhao & Zhang, 2024). According to Choi and Kim (2022), the integration of digital technology in business strategies increases competitiveness by up to 35% compared to conventional methods. In Indonesia, the use of digital technology by creative MSMEs is still uneven, so training and infrastructure support are needed to optimize their potential (Rahman et al., 2023). The effective implementation of digitalization not only improves production efficiency but also allows product diversification and the creation of new value relevant to global market trends (Bellini & Pasquinelli, 2023).

Collaboration and Ecosystem Network in Strengthening Local Products

Collaboration between stakeholders is an important strategy in building a sustainable and highly competitive creative economy ecosystem. According to Comunian and England (2022), collaboration between the government, academia, industry, and the creative community creates synergies that accelerate innovation and increase product competitiveness. In many countries, it is proven that strategic partnerships can expand market access, strengthen technological capacity, and improve product quality through the exchange of knowledge and technology (Lee et al., 2023). In Indonesia, collaboration between creative MSME actors with digital platforms and the private sector has significantly increased the export of creative products in the last five years (Wibowo et al., 2023). Collaborative ecosystems also create more efficient distribution networks, facilitate access to financing, and encourage the creation of products that match international market demand (Carvalho & Costa, 2022). Thus, strengthening collaborative networks is a fundamental strategy in the development of a globally-oriented creative economy.

The Impact of the Creative Economy on Local and Global Economic Sustainability

The creative economy contributes significantly to inclusive and sustainable economic development both locally and globally. The sector not only creates economic value through innovation, but also promotes social inclusion, community empowerment, and cultural preservation (UNESCO, 2023). According to Bakhshi and Cunningham (2023), the contribution of the creative economy to global GDP continues to increase and is the main driver of post-pandemic economic growth. In Indonesia, the creative economy plays an important role in expanding the regional economic base and reducing inequality

through job creation in the informal sector (Suryana et al., 2023). In addition, the creative economy encourages the adoption of green economy principles and sustainability in the production process, which is a competitive advantage in the global market (Santana & Almeida, 2022). Therefore, the sustainable development of the creative economy is an important pillar in realizing national economic independence while supporting the global development agenda.

METHODOLOGY

Types and Approaches to Research

This research uses a descriptive qualitative approach with a case study design, because it aims to understand in depth the process of implementing creative economy development policies in supporting the competitiveness of local products in Pekanbaru. A qualitative approach was chosen to obtain a contextual, in-depth, and comprehensive picture of policy dynamics from the perspective of the actors and stakeholders directly involved (Creswell & Creswell, 2023). The case study is seen as relevant because the focus of the research is directed at one specific location and phenomenon, namely the implementation of policies by the Riau Provincial Tourism and Creative Economy Office and its impact on creative business actors in the region. This method allows researchers to explore the implementation process in detail through social interaction and subjective meanings of informants (Yin, 2021). This approach is also in line with recent research trends in public policy studies and creative economy development that emphasizes more on understanding processes than just measuring results (Bryman, 2022). Thus, this study not only captures the facts, but also analyzes the context and meaning behind the policy implementation process.

Population and Sampling Techniques

The research population includes all parties directly involved in the implementation of creative economy development policies in Pekanbaru, including government agencies, creative micro, small, and medium enterprises (MSMEs), as well as associations of creative industry players. Given that the qualitative approach emphasizes the depth of information, the sampling technique is carried out by purposive sampling, which is the deliberate selection of informants based on knowledge, experience, and relevance to the phenomenon being studied (Palinkas et al., 2021). A total of 15 key informants were involved in this study consisting of 5 officials from the Riau Provincial Tourism and Creative Economy Office, 7 MSME actors in the creative economy sector, and 3 representatives of creative industry associations. This amount is considered adequate to achieve data saturation, which is a condition when the information obtained has been repeated and no longer provides new findings (Guest et al., 2023). The selection of informants allows researchers to gain a diverse and holistic view of the policy implementation process, the obstacles faced, and their impact on the competitiveness of local products.

Data Collection Techniques and Instruments

Data was collected through participatory observation, in-depth interviews, and documentation to obtain a comprehensive picture of policy implementation. Interviews were conducted in a semi-structured manner using interview guidelines developed based on public policy implementation theories and previous research results (O'Leary, 2022). Observation was carried out by observing socialization, training, and facilitation activities carried out by local governments for creative economy actors. Documentation includes analysis of policy documents, annual reports of relevant agencies, and official publications of local governments. The validity of the data is maintained through the triangulation technique of sources and methods, while the credibility of the data is strengthened through the process of member checking to informants to ensure the accuracy of the researcher's interpretation (Lincoln & Guba, 2021). This multimodal approach ensures that the data obtained is rich, in-depth, and contextual, while reinforcing the validity of the research findings.

Research Procedure

The research process is carried out in four main stages systematically. First, the preparation stage which includes the preparation of research designs, the formulation of interview instruments, and the management of research permits to related agencies. Second, the data collection stage, namely the implementation of in-depth interviews, observation of creative economy activities, and the collection of policy documents and statistical data related to the creative economy sector in Pekanbaru. Third, the data processing stage which includes transcription of interview results, classification of data based on theme, and organizing data into analysis categories. Fourth, the analysis and interpretation stage, namely inductively synthesizing data to identify patterns, relationships, and meanings in policy implementation (Nowell et al., 2022). During the research process, researchers maintain research ethics by ensuring the confidentiality of informant identities, obtaining voluntary participation consent, and avoiding conflicts of interest. This structured procedure ensures the reliability of the research process as well as the credibility of the results obtained.

Data Analysis Techniques

Data analysis was carried out inductively using a thematic analysis model developed by Miles, Huberman, and Saldaña (2020), which includes three main stages: data reduction, data presentation, and conclusion drawn. At the data reduction stage, the researcher screens and groups relevant data from interviews, observations, and documentation into categories that match the focus of the research. The data presentation stage is carried out by compiling a thematic narrative that describes the process of implementing policies, obstacles, and their impact on the competitiveness of local products. Finally, the conclusion drawing stage is carried out iteratively to ensure consistency between the empirical findings and the theoretical framework used. The analysis process is assisted by NVivo 14 software to facilitate systematic data coding and theme mapping (Zamawe, 2022). This analytical approach ensures that the findings produced are

valid, traceable, and have both theoretical and practical relevance in the context of creative economy development at the local level.

RESEARCH RESULTS

Creative Economy Development Policy Implementation Process

The results of the study show that the process of implementing the creative economy development policy in Pekanbaru has been carried out through various strategic steps designed to strengthen the local creative economy ecosystem. Based on interviews with five officials of the Riau Provincial Tourism and Creative Economy Office, the local government prioritizes facilitation programs to increase human resource capacity, develop marketing networks, and provide institutional support through easy access to licensing and financing. The training and mentoring program for creative businesses is one of the main instruments in this strategy because it is considered to be able to increase the competitiveness of small and medium business actors to be ready to face regional and national market competition. As conveyed by one of the officials, *"We focus on strengthening the capacity of creative economy actors through training that is relevant to market needs and building a wider promotional network"* (P2, interview July 8, 2025).

Other findings also show that the implementation process pays close attention to the collaboration aspect, as expressed by other officials, *"We began to involve the creative community in the planning stage so that the programs carried out were really in accordance with the needs of the field"* (P5, interview July 10, 2025). However, the implementation has not been optimally carried out as a whole because there is a significant gap between the strategic plan and the realization of policies at the operational level, especially in the dissemination of program information to business actors and the effectiveness of cross-agency coordination. However, the policy direction in general is considered to have provided a strong foundation in directing the growth of the creative economy sector in Pekanbaru towards increasing the competitiveness of local products.

Obstacles and Challenges in Policy Implementation

This study identifies three main obstacles that significantly affect the effectiveness of the implementation of creative economy development policies. First, obstacles to coordination between agencies are the most frequently mentioned issues by informants. Programs run by local governments sometimes experience overlap and lack synergy with other agencies, causing inefficiencies in their implementation. One of the officials stated, *"There are still differences in priorities between the agencies involved, so the implementation of programs is often not well coordinated"* (P4, interview July 11, 2025). Second, limited financing is a significant obstacle because most programs only rely on limited local government budget allocations, making support unable to reach all creative actors equally.

The MSME actors interviewed revealed that financial assistance is often insufficient to develop their businesses. As expressed by one of the business actors, *"We urgently need more sustainable capital assistance, because without it it is difficult to increase production capacity"* (U3, interview July 14, 2025). In addition,

other obstacles that arise come from regulatory factors that have not been adaptive to industrial developments, as expressed by representatives of the association, *"Existing regulations are not flexible enough to support the innovation of new business models that develop in the creative sector"* (A1, interview July 15, 2025). These obstacles show that despite well-designed policies, implementation effectiveness still faces structural and technical challenges that need to be addressed urgently.

The Impact of Policy Implementation on Creative Economy Actors

Despite a number of obstacles faced, the implementation of creative economy development policies in Pekanbaru has proven to have a significant positive impact on business actors and the development of the sector as a whole. Based on the results of interviews with seven MSME actors, the policy provides real benefits in terms of increasing business capacity, expanding market access, and increasing product added value. The government-initiated training and workshop programs contribute to improving managerial skills, design innovation, and more effective marketing strategies. One of the business actors stated, *"After attending training from the office, we better understand how to manage a business professionally and utilize digital media for promotion"* (U5, interview July 17, 2025).

Other findings show that government support also encourages the birth of new productive collaborations, as expressed by other actors, *"We are now easier to work with other industry players after being facilitated in various events and business forums"* (U6, interview July 18, 2025). The participation of business actors in government-facilitated exhibitions and festivals also opens up new business cooperation opportunities and expands product distribution networks. Another impact is the increasing contribution of the creative economy industry to the regional economy, which is reflected in the increase in the number of MSMEs that operate sustainably and begin to penetrate the national market. These findings show that although the implementation of the policy is not perfect, the role of the government remains crucial in creating an environment conducive to the growth and competitiveness of the creative industry.

The Role of Technology and Innovation in Increasing Competitiveness

The findings of the study show that the use of technology and innovation has become a strategic element in increasing the competitiveness of the creative economy sector in Pekanbaru. The integration of digital technology, both in terms of production, distribution, and promotion, has been proven to encourage operational efficiency and expand the market reach of creative business actors. Based on the results of interviews with seven MSME actors, the majority of actors who actively utilize technology such as e-commerce, social media, and digital marketing platforms have experienced a significant increase in turnover and product visibility. The local government through the Tourism and Creative Economy Office has also initiated various digital marketing training programs, creative content management, and facilitation of access to the marketplace as part of a strategy to increase competitiveness. One of the officials stated, *"We strive so*

that all business actors can optimize digital technology, from branding to online transactions, because it is the main door to a wider market" (P3, July 9, 2025 interview).

In addition to the marketing aspect, innovation in the production process also contributes to improving the quality and differentiation of local products. Some business actors who have adopted digital-based design and production technology are able to create products with higher added value and in accordance with the tastes of the global market. Creative business actors also utilize simple analytics technology to understand consumer trends and design more targeted sales strategies. One of the MSME actors said, *"After utilizing data from social media, we can know which products are in the most demand and when is the best time to promote"* (U2, interview July 13, 2025). However, the research also found that the level of technology adoption is still uneven across all creative economy subsectors. Some micro business actors experience obstacles in accessing digital devices and still have limitations in technology literacy. Representatives of creative industry associations added, *"Some business actors in the traditional sector are still reluctant to switch to digital platforms because they feel that they do not have enough skills"* (A3, interview July 16, 2025).

This gap in the use of technology indicates an urgent need to expand the scope of technical and sustainable training and mentoring. Local governments need to strengthen digital infrastructure, especially in areas with limited internet access, so that digital transformation can be adopted comprehensively. Cross-sector collaboration is also an important factor to accelerate technology adoption, for example through partnerships between the government, educational institutions, and technology industry players in providing training, technical guidance, and digital business incubation. This approach will allow small businesses to not only survive, but also thrive in an increasingly competitive and digitized market. Thus, technology and innovation not only act as operational tools, but also become a catalyst for structural transformation that can bring Pekanbaru's creative economy sector to sustainable competitiveness at the national and global levels.

Impact on the Competitiveness of Local Products and the Regional Economy

Overall, the results of the study show that the implementation of creative economy development policies has a significant impact on increasing the competitiveness of local products and regional economic growth. Creative products from Pekanbaru are now not only showing an improvement in quality and differentiation, but also experiencing a surge in added value that makes them more competitive in the domestic market. The local government has recorded an increase in the number of creative MSMEs that have succeeded in expanding their market reach to the national level, and some have even exported on a limited scale. This increase is in line with strategic efforts to strengthen promotional networks, provide exhibition platforms, and support collaboration between business actors and the creative community. One of the business actors revealed, *"After participating in promotional programs and exhibitions, our products began to be looked at by buyers from outside the province and several large distributors"* (U4, interview July 18, 2025).

In addition to the aspect of increasing sales, cross-sector collaboration facilitated by the government also creates a creative economy ecosystem that is more adaptive to market changes. Partnership networks between MSMEs, associations, and the private sector play an important role in expanding business collaboration opportunities and increasing innovation capacity. Representatives of creative industry associations also highlighted that synergy between the community and the government plays a big role in connecting business actors with new market opportunities. As one of the community representatives said, *"The collaboration facilitated by the government makes it easier for us to collaborate with other business actors, including from outside the region, which was previously difficult to reach"* (A1, interview July 19, 2025). This not only has an impact on the scale of individual businesses, but also contributes to regional economic growth in aggregate. Data obtained from the Tourism and Creative Economy Office shows an increase in the sector's contribution to the Gross Regional Domestic Product (GDP), which is an important indicator for the success of policy implementation.

However, the findings of the study also reveal that strengthening competitiveness is still partial and uneven across all subsectors, especially in traditional-based sectors that have not been fully integrated in the digital ecosystem. One of the officials emphasized the importance of a long-term strategy in addressing the gap, *"We see the need for a different approach to the subsectors that are still lagging behind, for example by providing more intensive assistance and encouraging partnerships with digital industry players"* (P5, interview July 21, 2025).

This condition shows the need for a more targeted follow-up strategy in terms of financing support, strengthening digital literacy, and cross-sectoral policy integration. Local governments need to evaluate the effectiveness of programs that have been running, as well as design new interventions that are more responsive to the needs of creative business actors in various subsectors. With this step, it is hoped that the creative economy sector will not only contribute to increasing the competitiveness of local products, but also become one of the main drivers of regional economic growth in the long term. This success will also strengthen Pekanbaru's position as one of the centers for creative economy development at the national level, which is able to compete and adapt to the dynamics of the global market that continues to grow.

DISCUSSION

The results of the study show that the implementation of creative economy development policies in Pekanbaru has been carried out through a series of strategic steps that include strengthening the capacity of human resources, facilitating market access, institutional support, and providing access to financing. The policy is designed to build an adaptive and highly competitive creative economy ecosystem in dealing with domestic and global market dynamics. This approach is in line with the view that effective creative economy policies must combine aspects of skills development, product innovation, and collaborative networking to create sustainable added value (Flew & Cunningham, 2022). In addition, the importance of the role of local governments

as facilitators in building a creative ecosystem is also emphasized in international literature which states that the success of this sector is highly dependent on the synergy between regulations, empowerment programs, and the involvement of business actors (Li, 2024).

Although policy implementation has provided a clear direction, the results of the study also show that there is a gap between planning and implementation at the operational level. One of the factors that contribute to this gap is the weak coordination between agencies involved in the preparation and implementation of programs. Suboptimal coordination often leads to policy overlap, delays in implementation, and low program effectiveness in the field. This condition is consistent with the findings of previous studies that state that cross-sector governance is a crucial element in the successful implementation of public policies in the creative economy (Liu & Chen, 2021). Therefore, a more structured and collaboration-based coordination mechanism is needed so that program synergy can be realized to the maximum.

Financing constraints also emerged as a significant challenge in policy implementation. Reliance on local government budget allocations often limits the scale and reach of programs, so not all creative economy actors can access support equally. This problem shows the importance of innovation in financing mechanisms, including through public-private partnerships, the establishment of creative funds, and the development of microfinance schemes tailored to the characteristics of the creative industry (Loots, 2022). Global studies also confirm that adaptive and sustainable financing is key to driving the growth of the creative economy sector in developing countries (Zhang & Kim, 2023).

The digitalization aspect is another important finding in this study. The use of digital technology has proven to have a strategic role in increasing the competitiveness of local products through expanding market access, distribution efficiency, and strengthening marketing strategies. Business actors who integrate technology into their business models tend to be better able to adapt to changing market demands and take advantage of digital economy opportunities. These findings support the argument that digital transformation is a key catalyst in driving the growth of the creative industry, especially in a post-pandemic era that is increasingly dependent on digital ecosystems (Kong et al., 2023). However, low digital literacy and limited infrastructure are obstacles that need to be overcome so that the benefits of technology can be felt equally by all business actors.

The impact of the policy on the competitiveness of local products showed positive and significant results. Creative products from Pekanbaru have increased in terms of quality, innovation, and added value which makes them more competitive in both domestic and international markets. This is in line with the theory that innovative capacity development and product differentiation are the main strategies in increasing the competitiveness of the creative industry (Howkins, 2021). In addition, increasing collaboration between business actors, associations, and governments has created a business ecosystem that is more adaptive and resilient to global market dynamics. This condition also contributes to regional economic growth, which is reflected in the increase in the number of

MSMEs that develop sustainably and the contribution of the creative sector to the Gross Regional Domestic Product (GDP) (UNCTAD, 2022).

Despite showing a positive trend, strengthening competitiveness is still uneven across all creative economy subsectors. Traditional-based sectors such as local handicrafts and culinary still face major challenges in adopting digital technologies and accessing a wider market. This shows the need for a more adaptive and segmented policy strategy according to the characteristics of different subsectors. Local governments need to design more specific interventions, such as digitalization programs tailored to the level of technological readiness of business actors, as well as providing flexible financing support for subsectors with smaller business scales (UNESCO, 2023). With this approach, the creative economy sector can grow in a more inclusive and sustainable manner.

Conceptually, this study strengthens the understanding that the implementation of creative economy development policies does not only depend on the quality of planning, but also on the effectiveness of implementation and adaptability to changes in the external environment. The success of implementation is highly determined by the synergy between the government, business actors, industry associations, and the community as part of the creative ecosystem. This is in line with an ecosystem approach that emphasizes the importance of multi-stakeholder collaboration in driving the growth of the creative sector (Miller et al., 2023). Thus, creative economy development policies must be seen as a sustainable process that requires evaluation, innovation, and strategic adjustments in order to have a long-term impact on the competitiveness of local products and the regional economy.

In terms of limitations, this study has several limitations that need to be considered in the interpretation of the results. First, the data used is more focused on the Pekanbaru area, so generalization of findings to the context of other regions needs to be done carefully. Second, this study focuses on qualitative analysis so that it has not quantitatively measured the influence of policies on creative economy growth in aggregate. Third, the dynamics of rapid technological and market changes can also affect the relevance of research results in the long term. However, these limitations open up space for further research to expand the scope of the region, integrate quantitative methods, and test more adaptive policy models. Theoretically, this study contributes to enriching the literature on the implementation of creative economy policies at the local level with an ecosystem and collaborative approach. Practically, the results of the study provide strategic recommendations for local governments, business actors, and industry associations to design policies, empowerment programs, and collaborative strategies that are more targeted in increasing the competitiveness of the creative economy sector.

CONCLUSION AND RECOMMENDATION

This study concludes that the implementation of creative economy development policies in Pekanbaru has made a real contribution to increasing the competitiveness of local products, although the results are not even across all

subsectors. The local government has implemented various strategic programs such as capacity building training, promotion facilitation, provision of market access, and institutional support that encourages the creation of a more adaptive and innovative creative economy ecosystem. The results can be seen from the improvement in quality, differentiation, and added value of creative products that are able to compete in the domestic market and even penetrate the export market on a certain scale. However, policy implementation still faces a number of structural challenges such as limited financing, weak cross-sector coordination, and low digital literacy that hinder the overall optimization of the sector's potential.

Theoretically, this study enriches the literature on the implementation of creative economy policies by emphasizing the importance of ecosystem and collaborative approaches in encouraging the competitiveness of local industries. Practically, the results of the study provide strategic recommendations for local governments to conduct periodic evaluations of programs that have been running, strengthen inter-agency coordination, and integrate cross-sector policies so that the impact is more optimal. For business actors and industry associations, this study emphasizes the importance of digital technology adoption, product innovation, and partnership networks as a strategy to survive and grow in global market dynamics. With strong synergy between all stakeholders, the creative economy sector has great potential to become the main driving force for regional economic development while strengthening the position of local products at the national and international levels.

FURTHER STUDY

Future research could focus on evaluating the long-term impact of creative economy development policies on the sustainability and competitiveness of local industries in Pekanbaru and other regions. Comparative studies across provinces or cities could provide a broader understanding of how governance capacity, institutional collaboration, and digital infrastructure influence policy effectiveness. Further studies might also explore the role of digital transformation and innovation ecosystems in enhancing creative entrepreneurs' resilience and market reach. In addition, employing participatory and mixed-method approaches could offer more comprehensive insights into how creative actors, local governments, and private sectors can co-create inclusive and sustainable creative economy strategies.

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