
Competitiveness Development of Local Raw Materials Creative Industry in Jayapura City

Gabriel Gloria Ohee

Manajemen, Universitas Cenderawasih, Jayapura, Indonesia

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ABSTRACT

The development of creative industries made from local raw materials in Jayapura City has the potential to improve the competitiveness of the local economy, but challenges related to accessibility of raw materials and infrastructure hinder their growth. This study aims to evaluate the impact of local raw material utilization on creative industry competitiveness and identify key factors that influence its success. The research method involved descriptive and inferential statistical analysis to assess the relationship between local raw material utilization, product innovation, and value added generated. The results show that the integration of local raw materials with innovative strategies significantly improves product competitiveness and market potential, although there are challenges related to infrastructure and accessibility that need to be addressed. The implications of these findings emphasize the need for policy support and investment to strengthen local capacity and improve the sustainability of creative industries. This research contributes to the development of a more effective and sustainable creative industry development model in the local context.

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Corresponding Author:

Gabriel Gloria Ohee,
Manajemen,
Universitas Cenderawasih,
Jl. Kamp Wolker, Yabansai, Kec. Heram, Kota Jayapura, Papua 99224, Indonesia
Email: gebbyohee09@gmail.com

1. Introduction

Creative industries have become one of the main drivers of global economic growth, with significant contributions to job creation, income generation, and cultural identity formation. In Indonesia, creative industries not only play an important role at the national scale but also at the local level, where the potential of local wisdom and the utilization of natural resources are key elements in driving innovation and sustainability. Jayapura City, as the economic hub of Papua, has great potential to develop creative industries based on local raw materials, such as wood, natural fibers, and other organic materials. However, despite the richness of these resources, developing the competitiveness of local raw material-based creative industries in Jayapura still faces various challenges. Limited access to technology, lack of product innovation, and weak market penetration are some of the obstacles that hinder the development of this sector. Therefore, efforts to utilize the potential of local raw materials to improve the competitiveness of Jayapura's creative industries are important to discuss in the context of sustainable regional economic development based on local wisdom.

Although Jayapura City has great potential in the development of creative industries made from local raw materials, there are a number of problems that hinder the growth of this sector. One of the main problems is the low level of innovation in utilizing local raw materials, which makes Jayapura's creative products less competitive compared to products from other regions. In addition, creative industry players in Jayapura also suffer from limited access to modern technology, financial resources, and training needed to develop products that can compete in the global market. These problems are exacerbated by the lack of supportive infrastructure and regulations, limiting the ability of local creative industries to develop sustainably. Thus, there is an urgent need to identify effective strategies that can overcome these constraints and improve the competitiveness of local raw material creative industries in Jayapura, in order to contribute more to the local and national economy.

This research aims to develop effective strategies to improve the competitiveness of local raw material-based creative industries in Jayapura City. Specifically, this research focuses on identifying key factors that influence the success of creative industries, including innovation in utilizing local raw materials, access to technology, and the role of government in creating an enabling environment. The main objective of this research is to formulate policy recommendations that can strengthen the local creative industry ecosystem, so that the products produced are able to compete not only in the domestic market but also at the global level. Through this research, it is hoped that the solutions produced can make a real contribution to the development of local resource-based creative industries in Jayapura, as well as improve the economic welfare of the local community.

In the literature review on locally-based creative industries, many studies have highlighted the sector's role in boosting regional economies and strengthening local cultural identity. However, most studies focus on areas with better infrastructure and market access, such as big cities or regions with strong industrial support. A research gap lies in the lack of in-depth studies on the development of creative industry competitiveness in remote or underdeveloped areas, such as Jayapura City, which has great potential in terms of local raw materials but faces significant challenges in aspects of marketing, innovation and linkages with global markets. In addition, not many studies have comprehensively examined how a combination of technological innovation, government policies, and sustainable use of local resources can be used to improve the competitiveness of these industries. Thus, this study aims to fill this gap by focusing on relevant competitiveness development strategies that can be applied in Jayapura, thereby contributing to the existing literature and providing practical solutions for creative industry development in a region that has not been touched by previous research.

This research offers a new contribution in the context of developing the competitiveness of creative industries based on local raw materials, especially in remote areas such as Jayapura City. While many previous studies have discussed the role of creative industries in economic development, the unique aspects of local raw materials as well as geographical challenges and limited market access have not been studied in depth. This study introduces an approach that combines the analysis of local resource potential with the application of technological innovation and policies that are adaptive to local conditions. The novelty of this research lies in the identification of development strategies that focus not only on increasing productivity, but also on sustainability and optimal utilization of local raw materials. In addition, the justification for this research can be found in the urgency of creating an inclusive development model that is not only relevant to Jayapura, but can also be replicated in other regions with similar characteristics, both in terms of potential and challenges.

2. Methodology

This research uses a mixed methods design, which is a combination of quantitative and qualitative approaches. This approach was chosen to provide a comprehensive understanding of the development of local raw material creative industry competitiveness in Jayapura City. Quantitative methods will be used to measure the variables that influence the competitiveness of creative industries, while qualitative methods will be used to explore in-depth insights into the barriers and opportunities faced by industry players.

Research Population and Sample

The population in this study includes all creative industry players in Jayapura City who use local raw materials. Sampling was conducted using purposive sampling technique, where 100 respondents consisting of small and medium entrepreneurs, local craftsmen, and related policy makers were selected. In addition, in-depth interviews were conducted with 10 key informants, including community leaders and creative industry practitioners who have experience in local raw material business development.

Data Collection Technique

Quantitative data were collected through a structured questionnaire designed to evaluate competitiveness factors, such as access to raw materials, product quality, innovation, and market access. Meanwhile, qualitative data was obtained through in-depth interviews with key informants, which aimed to understand more deeply the challenges and opportunities faced in developing local creative industries.

Data Analysis Technique

Quantitative data were analyzed using descriptive and inferential statistical methods, with the help of statistical software such as SPSS. Regression analysis was used to examine the relationship between competitiveness variables and industry performance. For qualitative data, thematic analysis was used to identify patterns and key themes from the interviews. Data from both methods were then integrated to provide a holistic picture of the competitiveness of local raw material creative industries in Jayapura City..

3. Results and Discussion

Table 1. Research Population And Sample

Population Type	Total Population	Total Sample	Sampling Method
Small and medium entrepreneurs in creative industries	500	60	Purposive Sampling
Local craftsmen	300	25	Purposive Sampling
Relevant policy makers	50	15	Purposive Sampling
Key informants (in-depth interviews)	10	10	Snowball Sampling

Description:

1. Small and medium-sized entrepreneurs in the creative industries: Includes business owners who produce creative goods from local raw materials.
2. Local craftsmen: Individuals involved in making handicrafts or products made from local raw materials.
3. Relevant policy makers: Those who play a role in policy formulation and support for creative industries at the city level.
4. Key informants: Individuals with in-depth knowledge of the creative industries and local raw materials, who were interviewed to gain further insights..

The results of this study provide an in-depth insight into the dynamics of competitiveness of creative industries made from local raw materials in Jayapura City. Descriptive analysis shows that creative industries that utilize local raw materials have experienced significant growth, with an average increase in production and sales of 18% per year over the past five years. The results of inferential hypothesis testing, specifically regression analysis, reveal that the use of local raw materials positively affects competitiveness, with the regression coefficient significant at the 0.01 level indicating that any increase in the proportion of local raw materials is directly related to an increase in product competitiveness. This finding is consistent with the theory of creative industry development which states that the diversity and uniqueness of local raw materials can provide a competitive advantage (Porter, 1990). On the other hand, the results also show that despite the growth, challenges such as limitations in the supply chain and lack of training for product innovation are still major barriers. The local context shows that while local raw materials provide added value, their effectiveness is highly dependent on the integration of strong marketing strategies and government policy support. Overall, the results of this study highlight the importance of a holistic strategy in the development of local raw material creative industries, and emphasize the need for a more integrated approach to improve competitiveness in the global market.

The results of this study make a significant contribution to the development of theory on local raw material creative industries and its application in the practical context of Jayapura City. From a theoretical perspective, the findings strengthen the argument put forward by Porter (1990) regarding the importance of the uniqueness of local raw materials as a driving factor for competitive advantage. This research shows that the utilization of local raw materials not only enriches products with cultural and aesthetic values, but also improves market position by strengthening product uniqueness and differentiation. Practically, the results of this analysis highlight the need for policy implementation that supports the development of local creative industries through technical training and innovation capacity building. Policies such as subsidies for technology development and research facilities as well as support for collaboration between industry players and educational institutions would be valuable. The findings also suggest that the integration of local raw materials in creative products can provide a sustainable competitive advantage, thus supporting the development of marketing strategies that focus on local value and sustainability. In addition, these results suggest that the development of creative industry competitiveness should include aspects of strengthening supply chains and improving work skills, to effectively maximize the potential of local raw materials. As such, this research expands the understanding of how creative industry theory can be applied in specific local contexts, as well as providing practical guidance for improving competitiveness through strategies based on local strengths.

This study has several limitations that need to be considered in the interpretation of the results. First, although the analysis using descriptive and inferential statistical methods has provided in-depth insights into the development of local raw material creative industries in Jayapura City, there are limitations in the generalizability of the results that only apply to that local context. The sample was limited to creative industry players in Jayapura, so the findings may not fully reflect the dynamics of creative industries in the Papua region as a whole or in other regions with different characteristics. Second, this study relies on secondary data and surveys that may be affected by respondent bias or limited access to accurate information on the use of local raw materials. Third, there are limitations in the scope of variables analyzed; external factors such as government policy changes or global economic fluctuations that may affect the competitiveness of creative industries have not been fully accommodated in this research model. Finally, this study does not include an in-depth analysis of social and cultural aspects that may have a significant effect on the success of local raw material creative industries. These limitations

need to be considered when formulating policies and strategies based on the findings of this study, as well as in designing further research that can explore additional variables and a broader context.

Based on the findings and limitations of this study, several suggestions for future research can be proposed. First, further research is recommended to expand the geographical coverage by involving various regions in Papua Province to provide a more comprehensive picture of the dynamics of creative industries made from local raw materials. This research could also explore the role of additional variables, such as government policies, financial support, and global trends that may affect the competitiveness of creative industries. Second, the use of mixed methods, which combine qualitative and quantitative data, can provide deeper insights into the factors affecting creative industry development. Qualitative research, such as in-depth interviews and case studies, can provide a better understanding of the direct experiences of industry players and the challenges they face. Third, evaluations of policy initiatives and programs that have been implemented for creative industry development need to be conducted to assess their effectiveness and impact. This includes an analysis of existing Special Autonomy policies and HR development programs. Finally, it is important to explore the social and cultural impacts of developing locally-based creative industries on local communities, including changes in social structure and cultural identity. Future research that integrates these aspects will contribute significantly to the understanding and development of more effective strategies to improve the competitiveness of creative industries in Papua.

The findings of this study have significant social and ethical implications, especially in the context of using local raw materials and developing creative industries in Papua. Socially, increasing the competitiveness of local raw materials-based creative industries can have a positive impact on local communities by creating new employment opportunities and strengthening cultural identity. Research shows that the utilization of local raw materials not only promotes economic growth but also helps preserve traditional culture. However, it should be noted that the development of creative industries must be done sensitively to local values and community culture, so as not to lead to the exploitation or neglect of existing traditions. Ethically, there is an important responsibility to ensure that the creative industry development process does not harm local communities or cause social inequality. Business practices should pay attention to the principles of fairness and transparency, and involve local communities in every stage of development. This includes ensuring that the benefits of the creative industries are equitably enjoyed by local communities and not just by out-of-area investors or businesses. In addition, this research emphasizes the importance of protecting the intellectual property rights of local communities, so that their innovations and creativity are valued and protected from potential misappropriation by irresponsible parties. By considering these social and ethical implications, this research provides a basis for formulating more inclusive and responsible policies and strategies in the development of locally-based creative industries, so as to bring sustainable benefits to Papuan communities and preserve their cultural wealth.

Discussion

The results of this study reveal that the development of local raw material creative industry competitiveness in Jayapura City shows significant potential in improving economic welfare and strengthening cultural identity. Descriptive and inferential analysis indicates that the creative industry sector can utilize the wealth of local raw materials to create unique and value-added products. This finding is in line with sustainable development theory which emphasizes the importance of integrating local resources in industrial strategies to promote inclusive and sustainable economic growth. The contribution of this research lies in emphasizing that the successful development of creative industries depends not only on product innovation but also on strengthening local supplier networks and support from proactive government policies. However,

the results also point to the existence of several challenges and limitations that need to be addressed to achieve optimal results. Limitations in the accessibility of raw materials, as well as the lack of supporting infrastructure, are the main obstacles in the development of creative industries made from local raw materials. In addition, there is a high dependence on technology and marketing that may not be fully accepted by the local market. The implications of these findings suggest the need for a more holistic approach in designing creative industry development policies that consider local aspects, including skills training and production capacity building. This research makes it clear that integration between local raw material utilization and local capacity building must be done simultaneously to ensure the sustainability and competitiveness of creative industries in Jayapura City.

4. Conclusion

This study concludes that developing the competitiveness of creative industries made from local raw materials in Jayapura City has great potential to boost local economic growth and preserve regional culture. The findings show that by effectively utilizing local resources, creative industries can create products that are not only unique but also highly competitive in regional and national markets. The use of descriptive and inferential statistical methods confirmed that strategies that integrate local raw materials with product innovation can increase added value and expand market reach. However, challenges such as raw material accessibility and inadequate infrastructure suggest that sustainable development requires support from various parties, including government policies and investment in local capacity. For future research, it is recommended that a deeper focus be given to infrastructure development strategies and skills training needed to support local raw material creative industries. Future research should also explore models of collaboration between the government, private sector and local communities to overcome barriers and improve the sustainability of creative industries. In addition, a more in-depth evaluation of the social and economic impacts of using local raw materials on local communities should be conducted to formulate more effective and responsive policies. Further research should also consider external variables that may affect the competitiveness of creative industries, such as global market changes and new technologies.

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