

THE EFFORT OF LOCAL GOVERNMENT TO DEVELOP CREATIVE ECONOMY OF EMBROIDERY INDUSTRY SECTOR FOR SUPPORTING REGIONAL COMPETITIVENESS IMPROVEMENT

(Study on Department of Industry and Trade of Pasuruan Regency)

UNDERGRADUATE THESIS

**An Undergraduate Thesis for Bachelor Degree of Public Administration
At Faculty of Administrative Science-University of Brawijaya**

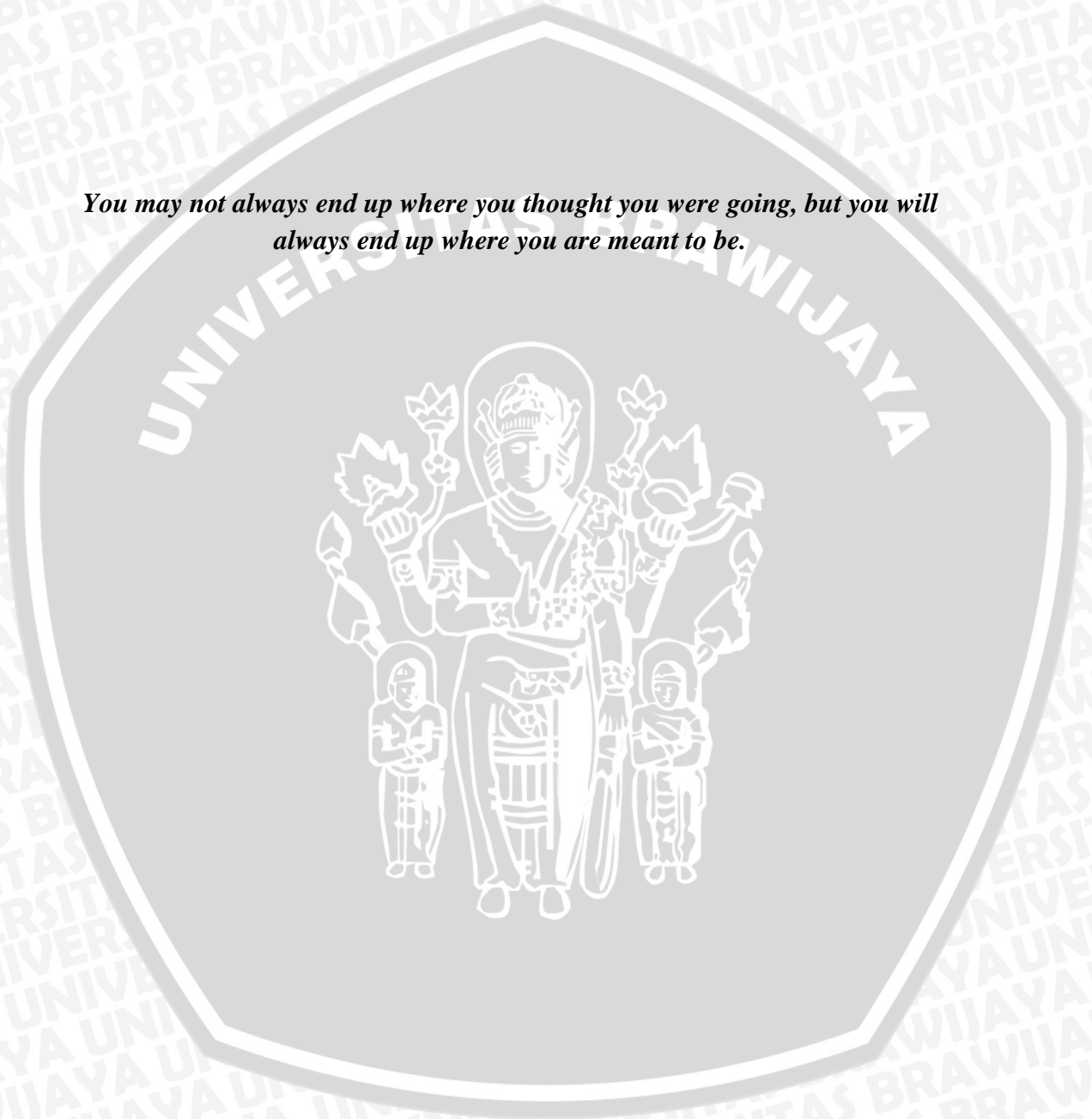
**IKA YUNI STYAWATI
NIM.115030100111032**



**UNIVERSITY OF BRAWIJAYA
FACULTY OF ADMINISTRATIVE SCIENCE
DEPARTMENT OF PUBLIC ADMINISTRATION
MALANG
2015**

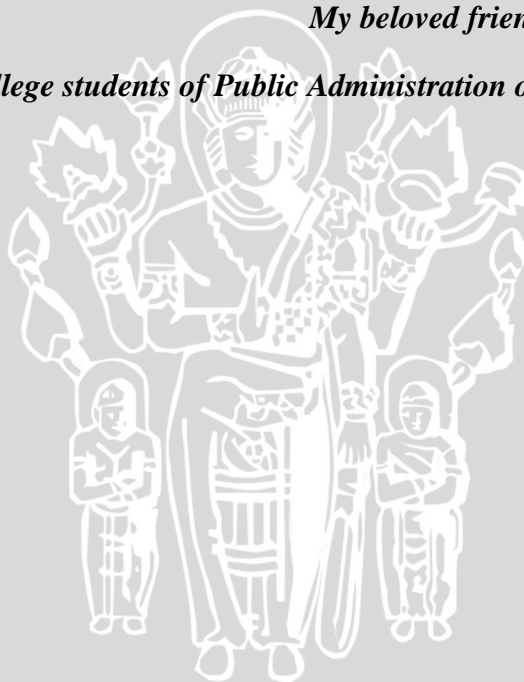
MOTTO

*You may not always end up where you thought you were going, but you will
always end up where you are meant to be.*



DEDICATION

I dedicate this undergraduate thesis for
My beloved parents which has become the biggest motivator in my life
The only beloved brother for the love and support
My beloved friends for the support
All of college students of Public Administration of 2011 generation



APPROVAL SIGN OF UNDERGRADUATE THESIS

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DEVELOP CREATIVE ECONOMY OF
EMBROIDERY INDUSTRY SECTOR FOR
SUPPORTING REGIONAL COMPETITIVENESS
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and Trade of Pasuruan Regency)

Created by : IKA YUNI STYAWATI

NIM : 115030100111032

Faculty : ADMINISTRATIVE SCIENCE

Department : PUBLIC ADMINISTRATION

Malang, April 29th 2015

Adviser Committee

Head of Adviser Committee

Member of Adviser Committee


Prof. Dr. Sjamsiar Sjamsuddin

NIP. 19450817 197412 2 001


Dr. M. R. Khairul Muluk, S.Sos, M.Si

NIP. 19710510 199803 1 004

ENDORSEMENT SIGN

It has been maintained in front of the panel of examiners of undergraduate thesis,
Faculty of Administrative Science, University of Brawijaya, at:

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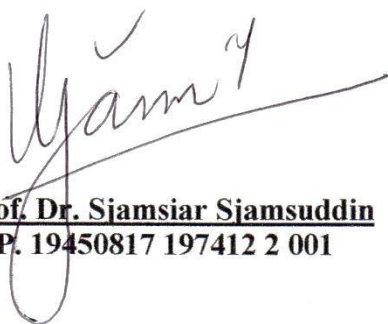
An Undergraduate Thesis

On Behalf of : Ika Yuni Styawati

Title : The Effort of Local Government to Develop Creative
Economy of Embroidery Industry Sector for Supporting
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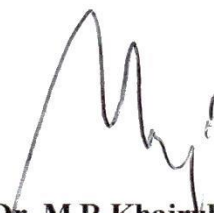
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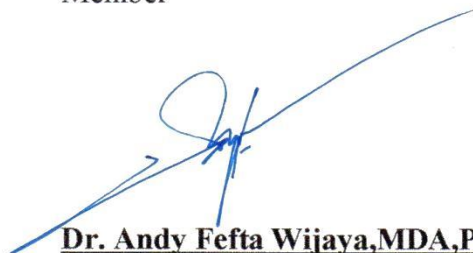
Prof. Dr. Sjamsiar Sjamsuddin
NIP. 19450817 197412 2 001

Member



Dr. M.R. Khairul Muluk, S.Sos, M.Si
NIP. 19710510 199803 004

Member



Dr. Andy Fefta Wijaya, MDA, Ph.D
NIP. 19670217 199103 1 000

Member



Dr. Alfi Haris Wanto, M.AP, MMG
NIP. 19810601 200501 1 005

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I declare genuinely that along to my knowledge, in this undergraduate thesis there is no scientific paper that proposed by other parties to get the work or opinions ever written or published by another person, except written quoted in the text and referred to the source of and reference.

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Name : Ika Yuni Styawati

NIM : 115030100111032

SUMMARY

Ika Yuni Styawati, 2015, **The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement (Study on Department of Industry and Trade of Pasuruan Regency)**. Head of Advisers: Prof. Dr. Sjamsiar Sjamsuddin, member: Dr. Mujibur Rahman Khairul Muluk, S.Sos., M.Si., 165 pages + xviii

Creative economy is part of global economic wave in the 21st century which uses the creativity as the main capital. The main activity of creative economy is creative industry that combines the creativity, skill and capability to generate wealth and employment. The government realize that creative economy include creative industry is potentially developed in order to support the improvement of regional competitiveness. Regional competitiveness is kind of the capability of regional economic to reach high level of living growth and sustainability with stay open with domestic and international competitiveness. The development of creative economy is also mandated in the Instruction of President Number 6 of 2009 about Creative Economy Development that Support the Policy of Creative Economy of 2009-2015. The Law Number 3 of 2013 about Industry also strengthen the importance of industry development because it state that the National Industry driven the National economy and it is expected can increase welfare and prosperity of the people. So, the government must develop the creative economy include creative industry to improve the regional competitiveness. This research is intended to describe and analyse the effort of Local Government to develop creative economy of embroidery industry sector for supporting regional competitiveness improvement as well as the supporting and restriction factors of this effort which is study on the Department of Industry and Trade of Pasuruan Regency.

The research is kind of qualitative research which uses descriptive approach. The analysis data method which is used in this research is qualitative data analysis of Miles and Hubberman (2013:14) which consist of three components of analysis such as data condensation, data display and drawing and verifying conclusion. The analysis is conducted after getting data from the literature and research.

Based on the research and observation, the effort of local government to develop creative economy of embroidery industry sector for supporting regional competitiveness improvement which study on Department of Industry and Trade consist of several strategies such as social assistance, promotion (marketing), training, licensing of industry establishment, product quality development and strengthening the association. The development effort has been implemented well

and it is proved that this effort has assisted the embroidery entrepreneurs to be developed. The development strategy itself is strengthened by the coordination among related actor such as coordination about the distribution of goods and competency of industry. This coordination is intended to optimize the development strategy on embroidery industry for supporting regional competitiveness of Pasuruan Regency. In this case, DISPERINDAG as the actor which implements the development effort face several obstacles but there are also supporting factors that can strengthen the development effort itself.

Author has proposed suggestion relate to the research. The suggestion is about how to optimize and strengthen the effort to develop embroidery industry in order to support regional competitiveness and how to minimize the restriction factor of the development effort. DISPERINDAG is also expected engage the association ASPENDIR to integrate the development under this management based on applicable law and regulation.

Keyword: *Development, Creative Economy, Creative Industry, Regional Competitiveness, Local Government*



PREFACE

Praise of author toward Allah SWT, who has given grace and mercy, therefore author could finish undergraduate thesis entitled “The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement (Study on Department of Industry and Trade of Pasuruan Regency)”

This undergraduate thesis as the final exam proposed to fulfil the requirement for obtaining undergraduate degree of Public Administration in Faculty of Administrative Science in University of Brawijaya Malang.

The author realizes that this undergraduate thesis would not be possible without help and support from several parties. Therefore, in this opportunity the author would like to thank the honourable:

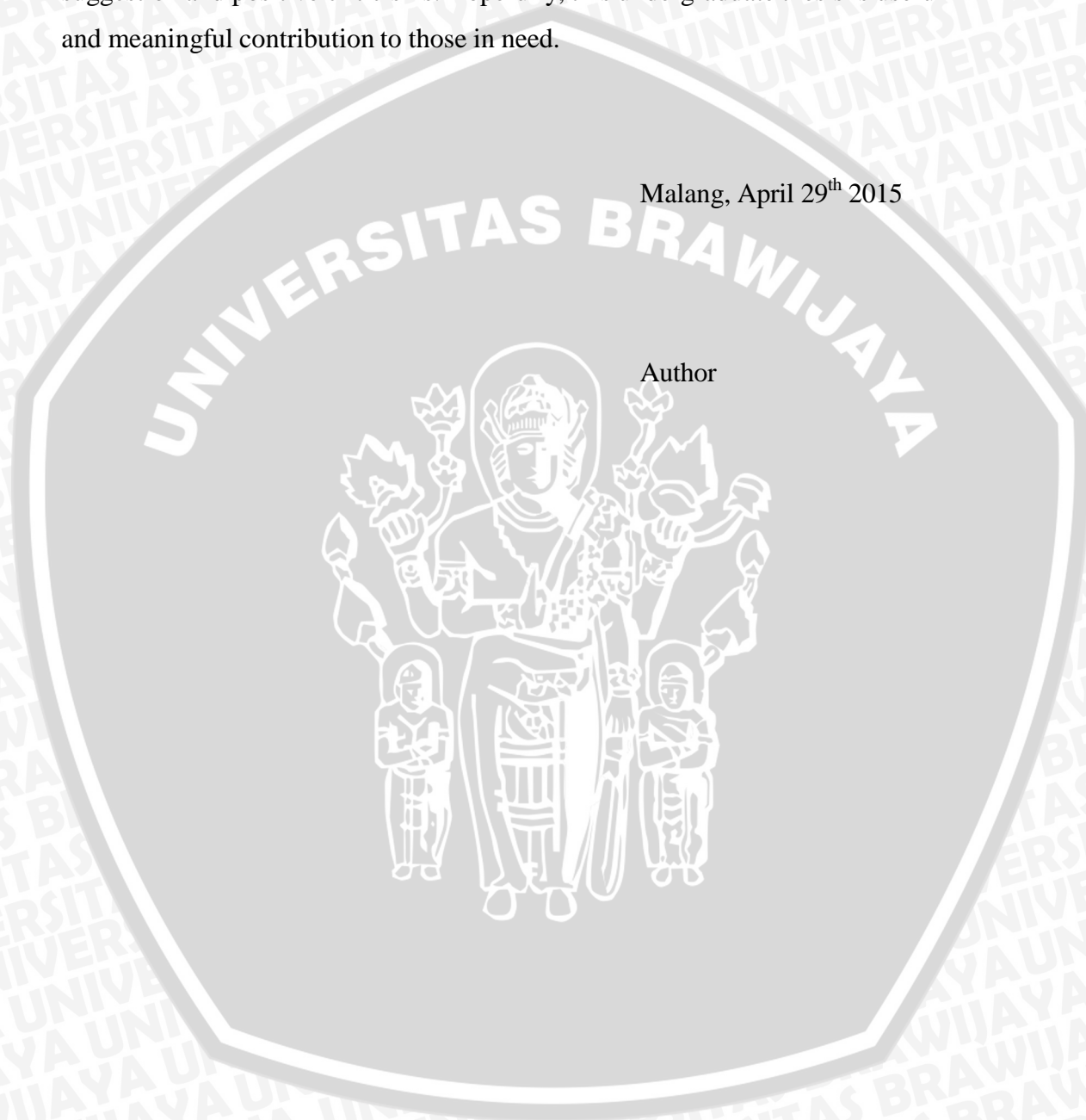
1. Mr. Prof. Dr. Ir. Mohammad Bisri, M.S. as the Rector of University of Brawijaya
2. Mr. Prof. Dr. Bambang Supriyono, M.S. as the Dean of the Faculty of Administrative Science, University of Brawijaya
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For the perfection of this undergraduate thesis, author very expects the suggestion and positive criticisms. Hopefully, this undergraduate thesis is useful and meaningful contribution to those in need.

Malang, April 29th 2015

Author



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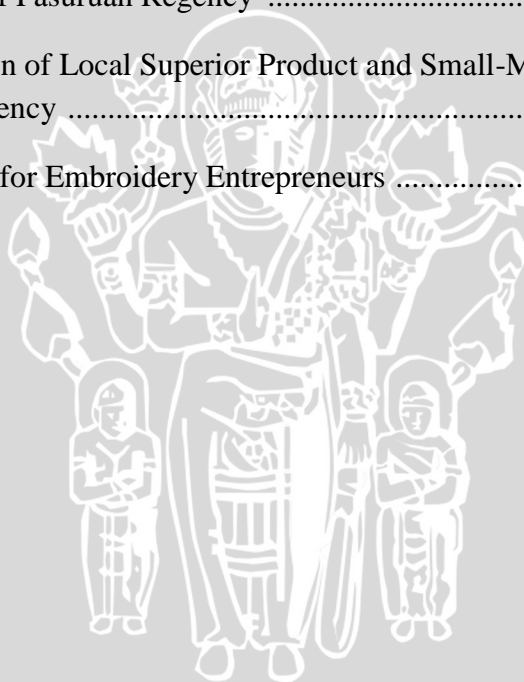
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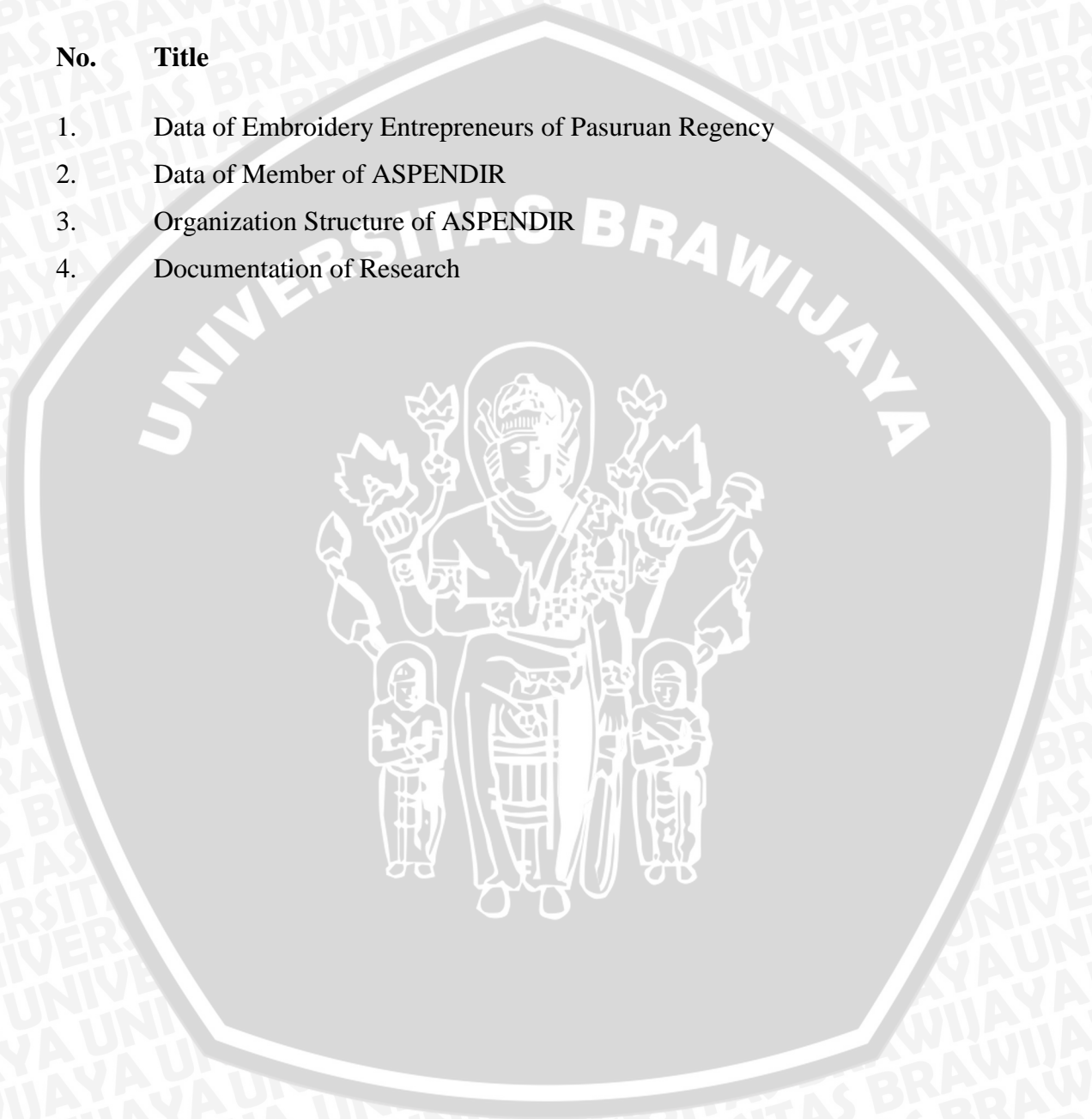


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CHAPTER I

INTRODUCTION

A. Background

Development is needed for the state to improve living quality of the people. Development is not only measured by economic indicator but non-economy indicator such as level of literacy, education, conditions, and health service quality as well as housing providing. The main goal that will be achieved in the development of the nation is about living standard improvement. It can be seen from poverty reduction, job creating and income generating. According to Siagianin the Suryono (2010:2) development is the effort to achieve the growth and change which has been planned and consciously implemented by the state to be modern in nation building. So, the development can be concluded as changing from less desirable thing to be something more desirable. In the globalization era, the development must follow the development of times based on growth and change. The development is also mandated in the Law number 25 of 2004 about System of National Development Planning explain that the way of development planning to achieve long term development planning, short term and annual development planning which is implemented by government both central government and local government with community involvement. The involvement of the community is kind of the factor and indicator of success of the

development itself because there is empowerment aspect in the development which is expected giving positive impact to the social living.

In the 21st era, there are transformations in the economic development. There are several kind of economy wave that start from agriculture economy, industrial economy, information economy and creative economy. The movement from agriculture to the industry and information is kind of renewal of economic development which previously based on the natural resources become human resources-based. The industrialization creates pattern of work, production, distribution and new technology discovery. Another impact is the competitiveness which makes the industry maintains the existence and competitiveness in the market both domestic and international. The last movement of economic wave is creative economy which uses creativity as the main capital. Creative economy adopts creativity to create economic values of the product. According to Howkins (Suryana, 2013:3) creativity is part of global economic wave in the 21st century. John Howkins (The Creative Economy, 2004) also argues that creative economy is about *How People Make Money From Ideas*. It relates to economic activity which is empowering the creativity and it can create the ideas to make economic values of the product. The main activity of creative economy is creative industry. UNESCO (United Nations Educational, Scientific and Cultural Organization) (www.unesco.org) defines creative industry as sectors of organized activity whose principal purpose is the production or reproduction, promotion, distribution and/or commercialization of goods, services and activities of a cultural, artistic or heritage-related nature. So, creative industry combines the creativity, skill and

capability to generate wealth and employment. According to Suryana (2013:97) creative industry is formed by creative culture, that is culture which combine creation, product and commercialization. Innovation and creativity is the key of creative industry and it influences each other. Creative economy is also adopted for develop art-cultural product of the region with several innovation in order to create economic and commercial values. So, creativity is part of global economic wave in the 21st century.

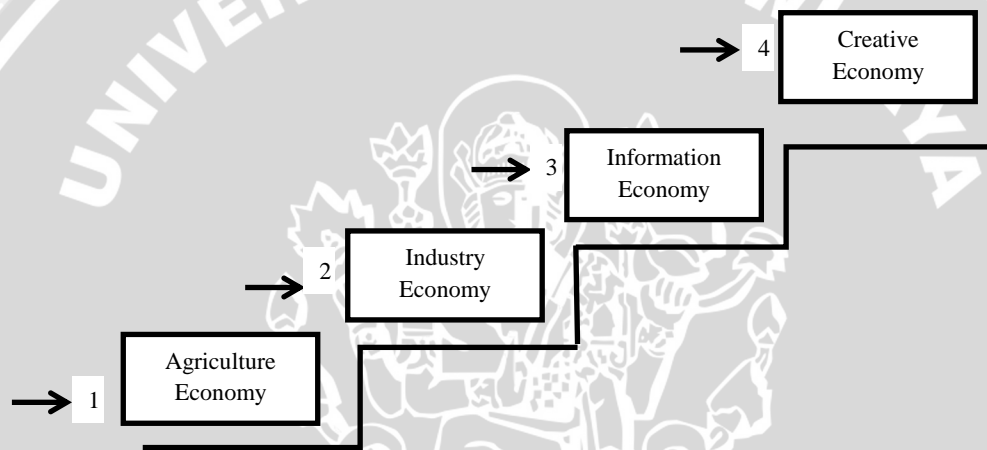


Figure 1: Orientation Shift and Economy Wave

Source: Department of Trade, Development of Indonesian Creative Economy 2005, 2008 (Suryana, 2013:3)

Creative economy drive the nation to be highly economic growth through creation of income generation, job creation, export earning, technology development, intellectual property and so on. The economic values itself are created by the using of creativity and innovation creating through the development of technology. The development of creative economy needs good performance of involvement of four main actors such as government, scholar, businessman and community which each actor has their own role to develop

creative economy. According to Department of Trade of Indonesia, creative economy which is driven by creative industry consist of several sectors such as advertising, architecture, art, craft, design, fashion, film, music, publisher, and so on. It is potentially developed for supporting the competitiveness of the nation. Government play important role in developing the state include developing creative economy to strengthen the competitiveness. This effort is kind of important things to face globalization era which is realized as policy making and make national innovation system to support the development of national competitiveness. The national competitiveness is supported by regional competitiveness which asks the productivity of the region. Regional competitiveness is important because in the globalization era, the region must be able to compete each other to develop their region. According to Dahuri (www.rokhimdahuri.info) the development of region is determined by several factors while the region itself is able to empower potency of the region, human resources and natural resources productively and efficiently in order to create sustainable economic development. The region must also be able to develop economic competitiveness and generate income for the people in the area. Piter (2002:15) defines regional competitiveness as “The capability of regional economic to reach high level of living growth and sustainable with stay open with domestic and international competitiveness”. Regional competitiveness development is influenced by increasing of local productivity and local revenue. The goal of regional competitiveness development is increasing income per capita and income generation of the region based on living standard. Local government

need certain development strategic to improve regional competitiveness by empowering local potential such as development of creative economy.

In the local level which refers to smaller administrative authority, the strengthening of regional competitiveness is important in order to support national competitiveness. Local government play important role in the strengthening regional competitiveness. The authority of local government to manage the government affairs based local autonomy is regulated in the Law number 5 of 1974 about The Specifics of Local Government, then enhanced by Law number 22 of 1999 and it is regenerated by Law number 32 of 2004 about local autonomy is kind of right, authority and obligation of autonomy region to manage and regulate the government affairs and the people based on the law. Local autonomy is also mandated in Constitution of Republic of Indonesia 1945 said that Local Government has authority to manage and regulate their government affairs based on autonomy principle. The transfer of authority from central government to local government which known as decentralization is opportunity and freedom to the region to conduct the regional autonomy. According to Smith in the Muluk (2009:55) said that

“Decentralization include several elements such as: firstly, decentralization needs area boundary which is based on the three things such as the pattern of social and economy living spatial, political identity and public service efficiency which can be conducted. Second, decentralization include the delegation of authority both authority of politic and bureaucratic.”

Local autonomy authorizes local government to manage their affairs include managing the development of creative economy. The Law number 32 of 2004 also explains that local government actively play the role in the development in any field. Local government has important role in developing creative economy which consist of catalyst-advocacy, regulator, consumer-investor-entrepreneur and public outreach. Local government must prepare the region to be the investment land and the industry development which is not hindered by area boundary. It needs effective and efficient strategy to improve the competitiveness of the industry. Actually regional competitiveness is more than the productivity of industry in a region but it is also about economic capability of the region as well as the capability of the industry itself. Based on the Law Number 3 of 2013 about Industry states that the National Industry driven the National economy and it is expected can increase welfare and prosperity of the people. What is instructed on the Law number 3 of 2013 is kind of instruction for the local industry drives local economic. The creating of social welfare includes the improvement of regional competitiveness which needs the openness of the competition both domestic and international.

Creative economy has contributed to Indonesian economic. Department of Trade of Indonesia registers fourteen sector which is include category of creative industry such as advertising, architecture, art, craft, design, fashion, film, video & photography, interactive games, music, performing art, publishing and printing, computer and software, television & radio, research and development. In 2004, the creative economy (<http://ekonomi.kompasiana.com>) is introduced by President

when the Department of Tourism and Creative Economy is formed. Considering the positive contribution of creative economy, Minister of Trade Mari Elka Pangestu creates the program of Design Power of Indonesia in 2006. Design Power of Indonesia is kind of government program which intended to improve Indonesian product to be international and national standard, compete and acceptable in the world market.

The potential of Indonesian creative economy is proved by the number of good professional man such as designer, artist, architect, musician, producer and film directors which is kind of creative economy actors. Furthermore, Indonesia also has so many superior products such as *batik*, *songket*, statue, furniture until the unique of creativity and tourism in Indonesia. The other countries in the world has also success story in developing the creative economy. England is one of the states which develop creative economy by developing Department of Culture, Media and Sports (DCMS). Another country has also the way to developing their creative economy (Putri, 2013:4) such as New Zealand by developing New Zealand Trade and Enterprise (NZTE), Singapore by developing Ministry of Information Communication and the Arts (MICA) which use the concept of Renaissance City, Media 21 as well as Singapore's Design, Malaysia also develop the creative economy through Malaysia Design & Innovation Centre (MDIC), Thailand by developing Thailand Creative & Design Centre (TCDC) and the last is China gradually try to create creative city and they have led the creative economic contribution.

Table 1. Contribution of Creative Economy of Indonesia during 2010-2013

Indicator	2010	2011	2012	2013
GNP constant (billion)	472.999	526.999	578.761	641.815
Export Values (million)	96.703	105.190	110.144	118.968
Contribution to the National Export (percent)	9,25%	8,78	4,71	8,01
Employment Absorption (people)	11.493.875	11.661.900	11.799.568	11.872.428
Contribution to the enterprise (unit)	5.263.458	5.331.713	5.398.162	5.420.165

Source : *Portal Indonesia Kreatif*

Based on the table relate to the contribution of creative economy of Indonesia during 2010 until 2013 shows that creative economy or creative industry contribute to the several aspect. First, creative economy is one of the contributor to the GNP which is every year having a progress. The creative economy of Indonesia is also become the contributor to the export values and national export. It means that creative economy product had has been exported to the several areas. The creative economy absorbs the number of unemployment through the creating of unit of enterprise. So, it can be concluded that creative economy has important role in contributing to the economy aspect until the improvement of living quality of the people.

The variety of cultural, the unique of natural resources, creative man and the larger domestic market are kind of the capital for creative industry existence in

Indonesia. The development of creative economy has been mandated in Instruction of President Number 6 of 2009 about Creative Economy Development said that Support the Policy of Creative Economy of 2009-2015 is the development of economy activity based on the creativity, skill and aptitude of individual to create individual resource creation and creativity which has economic value and influence the welfare of Indonesian people. The development of creative industry itself hopefully can support the improvement of competitiveness. Based on the report of World (WEF) in the Global Competitiveness Report 2014-2015 (World Economic Forum, 2014) from 144 countries, Indonesia ranked 34 on the competitiveness in the world. Indonesia ranked 34 on the competitiveness in the world. In the top 10, the highest rank is achieved by Switzerland then followed by Singapore in the second rank.

Global Top 10	
The Global Competitiveness Index 2014-2015	Global rank*
Switzerland	1
Singapore	2
United States	3
Finland	4
Germany	5
Japan	6
Hong Kong SAR	7
Netherlands	8
United Kingdom	9
Sweden	10

Source: The Global Competitiveness Report 2014-2015
Note: * 2014-2015 rank out of 144 economies

Figure 2 .Top 10 Global Competitiveness Index 2014-2015

Source: World Economic Forum, 2014

The top of the rankings continues to be dominated by highly advanced Western economies and several Asian tigers. For the sixth consecutive year Switzerland leads the top 10, and again this year Singapore ranks as the second-most competitive economy in the world. Overall, the rankings at the top have remained rather stable, although it is worth noting the significant progress made by the United States, which climbs to 3rd place this year, and Japan, which rises three ranks to 6th position

The competitiveness is important in order to face MEA (*Masyarakat Ekonomi Asean*) and AEC (*Asean Economic Community*). MEA and AEC ask the nation to be competitive because the competitor will come from all over the world. Government must protect certain sectors which relate to the national economy security based on the implementation of AFTA (Asean Free Trade Agreement). AEC and AFTA become the chance for businessman to go to international un order to expand the market. The policy of free trade of AFTA which determine that will be no tariff barriers (customs duties of 0-5%), or non-tariff barriers to ASEAN member countries. Common Effective Preferential Tariffs Scheme For ASEAN Free Trade Area (CEPT-AFTA) is a scheme to realize AFTA through tariff reductions of up to 0-5%, the elimination of quantitative restrictions and non-tariff barriers more. AFTA is expected can increase the performance trade activity of the nation include the trade of superior industry such creative industry.

The potential of creative economic is also had by Pasuruan Regency. Pasuruan Regency has variety of cultural, art, craft and tourism which can be developed for the capital of creative economy. Pasuruan Regency is recognized as one of

regency which concern on the creative cultural for supporting creative economic development. In the middle of 2014, Ministry of Social Welfare Agung Laksono visited Pasuruan Regency for appreciate the development of creative industry. The creative industry include SME (Small-Medium Enterprises) of Pasuruan regency have marketed the product in the market both domestic and international. The creative economy development contributes to regional economic and improves the social living of the people. The development itself needs the important role of local government based on the authority which decentralized by central government. Another impact of creative economy development is improvement of regional competitiveness. It is relate to the capability of Pasuruan Regency to reach the living growth and generate the income which stays open with domestic and international market. As presented in Local Government Regulation Number 2 of 2008 about Long Term Local Development Plan of Pasuruan Regency that

“Realizing the competitiveness and regional independence is kind of sustainable development in any sectors by optimizing the using and local potential, human resource development, sustainability and environment balancing, development generating and cooperates to strengthen the economic structure, develop science and technology in order to improve social welfare.”

The regional competitiveness of Pasuruan Regency can be seen from the regional economic. The indicator of regional economy is about the GDRP. According to Mr. Irsyad Yusuf as Pasuruan Regent's statement which is cited by Finance *Detik* Online Media (2014) that nowadays the economic growth of Pasuruan Regency is 6,97percent over East Java and National economic growth.

In 2012, despite of economic growth of Pasuruan Regency develop highly but the data from Agency of National Development Planning show that in 2011 the number of open unemployment in Pasuruan is increased about 4,83percent that before is about 3,49percent. Open unemployment itself is the people who really do not have a job. The Agency of Local Development Planning of Pasuruan Regency also shows the data about the number of poverty in 2012 is 177.000 people. So, highly economic growth doesn't mean that welfare is generated. Relate to the local industry performance especially for the export Pasuruan Regency is not developed significantly such be shown on the table below:

Table 2. Export Value of Pasuruan Regency

Year	The Export Value of Pasuruan Regency		
	Amount	Improvement	Percentage of Improvement
2008	451.933.516,00	9.295.400,43	2 %
2009	456.452.851,16	4.519.335,16	1 %
2010	461.017.379,67	4.564.528,51	1 %
2011	467.932.640,37	6.915.260,70	2 %
2012	472.611.966,77	4.679.326,40	1 %
2013	477.768.584,17	5.156.617,40	1 %
Amout	2.787.716.938,14	35.130.468,60	

Source: LAKIP of Pasuruan Regency 2013

Local government must improve the level of social living by developing the local potential such as development of creative economy which is potentially to be developed in this region. The effort of local government to develop creative economy is needed to support the improvement of regional competitiveness include reduce the poverty and unemployment, job creating, generating income, expand the scope and productivity of creative industry include the export. Embroidery is one of five superior products of Pasuruan Regency such as the embroidery itself, furniture, metal, ATBM or loom non machine and convection. Based on development target of Department of Industry and Trade of Pasuruan Regency to make the five local superior products into three main potential sector such as embroidery, furniture and metal until embroidery become the one priority to be developed. According to IMB (Medium-Large Industry) division of Department of Industry and Trade of Pasuruan Regency there are several consideration for choosing the embroidery as priority superior product. In 2014, embroidery industry has 1.318 units of Small-Medium Enterprises which spreads in 10 sub-districts in Pasuruan Regency. The largest industrial distribution area is Bangil with 236 units of industry and it has absorbed 1.248 people. The industry of embroidery absorbs about 1.890 people. Based on the consideration, embroidery industry becomes economic creative sector which is chosen to be developed. Another thing that being a consideration is embroidery is kind of cultural heritage which must be preserved. So, the effort of local government to develop embroidery industry is also considered as cultural preservation.

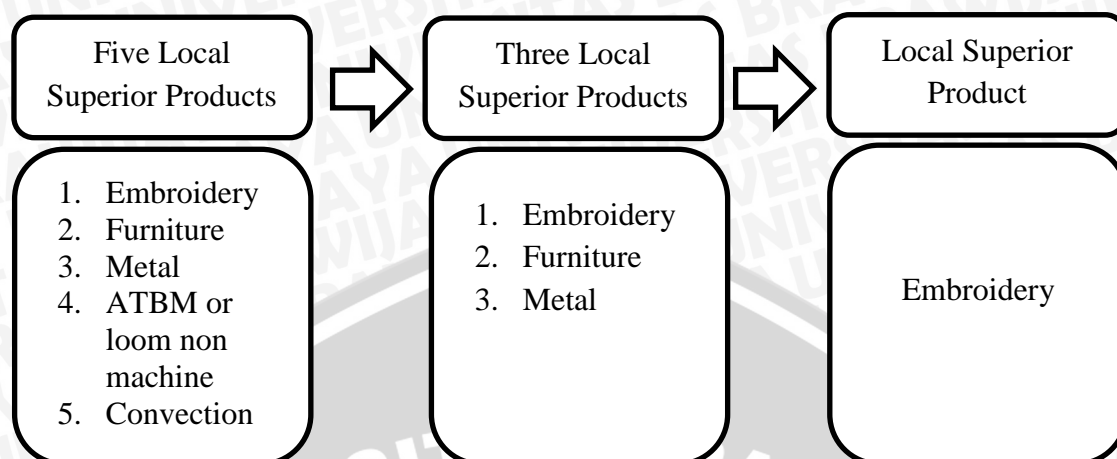


Figure 3. Local Superior Product

Source: Department of Industry and Trade of Pasuruan Regency

Table 3. The Number of Enterprises Unit, Employment and Industrial Distribution in 2013

No.	Industry/ Commodity	The Number of Industry (unit)	Employment (people)	Industrial Distribution Area (sub- district)	Raw Material	The Origin of Raw Material
1.	Embroidery	1.318	1.890	10	Fabric, Thread	Pasuruan, Surabaya
2.	Furniture	86	451	3	Wood	Bojonegoro, Jember, Kalimantan, dll
3.	Metal	196	1.126	2	Metal Ores, Scrap	Pasuruan, Surabaya
4.	ATBM (Loom Non-Machine)	73	365	3	Fiber, Fabric	Pasuruan, Surabaya
5.	Convection	183	1.135	5	Fabric, Tread, Accessories	Pasuruan, Surabaya

Source: Department of Industry and Trade of Pasuruan Regency

Embroidery industry is one of creative industry sector and local superior product which combines the value of economy and cultural creativity to be developed for supporting the economy of the region. Embroidery is kind of the art which is applied in a fabric. In Pasuruan, the art of embroidery itself is also applied in a variety of Muslim fashion, veil, *kopyah* and *mukena* Hajj, bed covers, table cloths, towels, purses, women's shoes, eating utensils and many more. Pasuruan Regency involves several components such as government itself, private sector and creative community as well as intellectual to sync the development of embroidery industry. Pasuruan Regency has associated the craftsmen of embroidery in an Association of Embroidery Businessman (*ASPENDIR*). Embroidery industry of Pasuruan Regency is spread in several sub-districts such as Bangil, Beji, Rembang, Pandaan, Gondangwetan, Lumbang and Kejayan and the main area which develops the embroidery industry is sub-district of Bangil. Based on the data of Local Government of Pasuruan Regency, the production of embroidery industry can achieve 829.800 pcs in a year and marketing scale include Bangil, Sidoarjo, Solo, Jakarta, and several area in Indonesia and also this product export to the Netherlands, Singapore, Malaysia, Brunei and several countries in the Middle East. The sales and export of embroidery product can be value-add for the local economic. Embroidery industry is needed to be developed in order to support local economic such as contribute to the local economy, reduce the number of poverty and unemployment based on creativity economy.

Based on the background, the researcher interest to the research of “**The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement- Study on Department of Industry and Trade of Pasuruan Regency**”.

B. Problem Formulation

Based on the explanation of research background, the problems which will be researched are:

1. How is the effort of Local Government to develop creative economy of embroidery industry sector for supporting regional competitiveness improvement?
2. What are the supporting and restriction factors in developing creative economy of embroidery industry sector for supporting regional competitiveness improvement?

C. Purpose of Research

Relate to the problem identification, the purposes of the study which will be achieved are:

1. To know and analyze the efforts of Local Government to develop creative economy of embroidery industry sector for supporting regional competitiveness improvement.

2. To describe and analyze the supporting and restriction factors in developing creative economy of embroidery industry sector for supporting regional competitiveness in Pasuruan Regency.

D. Contribution of Research

Hopefully the result of research of “The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement in Pasuruan Regency” can contribute to academic as well as practice and useful for the parties, such as:

1. Academic

- a. The result of the study is expected to contribute the theoretical for academic especially in the science development relate to creative economy development for supporting regional competitiveness improvement
- b. Giving the information and input to the people about creative economy and regional competitiveness.

2. Practice

- a. The result of study on the scientific development especially public administration focus on local economy potential.
- b. The result of study can be used as one of study material and information about creative economy and regional competitiveness.

E. Systematic of Discussion

The discussion systematic is kind of brief overview about chapter one and another chapter. The writing systematic in the study such as:

CHAPTER I

INTRODUCTION

In the preface explain about the Background of Study include the explanation about Problem Formulation, The Purposes of Study, The Contribution of Study to the academic and practice as well as The Discussion Systematic.

CHAPTER II

LITERATURE REVIEW

In this chapter explain the theory from any literature which is used for guidance in the process of study.

CHAPTER III

METHOD OF RESEARCH

The Research Method includes Type of Research, Research Focus, Location and Site of Research, Type and Source of Data, Data Collection Technique, Research Instrument and Research Analysis.

CHAPTER IV

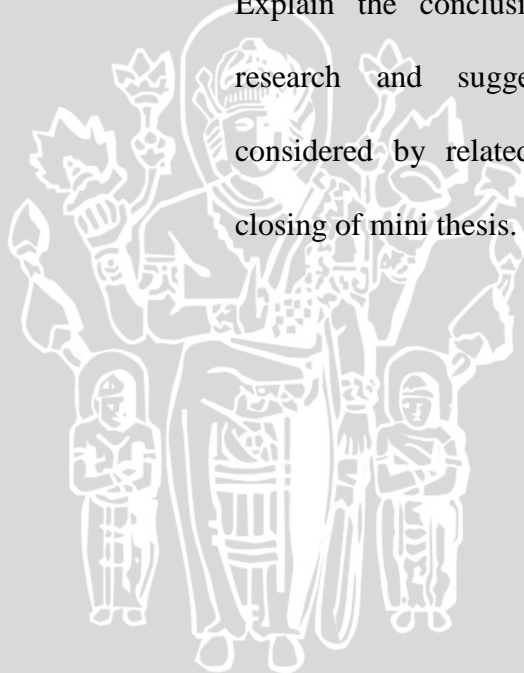
RESULT OF RESEARCH AND DISCUSSION

In this chapter explain the result of research and explanation which will be linked with the supporting theories.

CHAPTER V

CONCLUSION AND SUGGESTION

Explain the conclusion of the result research and suggestion which is considered by related parties and the closing of mini thesis.



CHAPTER II

LITERATURE REVIEW

Literature review is used to be reference and literature which support the research. The analyze of the research will be based on the theory. In this research, theoretical review include theoretical basis is the basis and guidance for analysis.

A. Local Government

Local government is kind of smaller administrative authority in the government which has their own affairs to be managed by themselves. Based on Constitution of Republic of Indonesia 1945, the implementation of local governance includes management and regulation the government affairs based on autonomy principle and *medebewind*. The task and function are expected to accelerate the realization of social welfare by improving public service, empowerment, and participation of the public as well as improving regional competitiveness by considering the principle of democracy, generating, equity, justice, privilege, and specificity of a region in the system of Republic of Indonesia.

According to Hossein in the Muluk (2009:57) Local Government is kind of concept which contains three meanings. Firstly, local government refers to local authority where there are requirement of officials based on election. Second, local government refers to the local governance which is implemented by local

government. It is relate to the authority of local government which will be determined by two principles. First, *the ultra vires doctrine* is about the implementation of local government action for function to give public service. The central government only accountable on the rest task of local government. Second principles are *general competence* and *open end arrangement* about the action which must be done by local government in order to meet the needs of region based on decision maker. In this principle the rest function and task are implemented by local government while central government has their own affairs.

According to Badrudin (2012:4) said that:

“Local government and House of Regional Representatives have authority to arrange policies and make easier economic interaction among local economic actors. The truth of local economic development is a process which is realized as the action of government and community in manage available resources and create a pattern of cooperation between local government and community to create job and stimulate the economic activity of the region”.

The third is about autonomous regions which is appear based on the aspiration and objective condition of the community in the certain area as a part of nation. According to Norton (Muluk, 2009:58) that autonomous regions relate to the boundary that will affect to the economy efficiency and democracy effectiveness. The transfer of authority to the local government, give chance to local government to manage and regulate the government affairs like regulated in the Law number 32 of 2004 about Local government article 10 verse 1 explained that local government authorize to regulate their own government affairs except government affairs which is regulated as central government affairs. In the article

10 verse 3 mentioned several affairs which does not include to be local government affairs, such as:

1. International/Foreign Politic.
2. Defence
3. Security
4. *Yustisi*
5. Monetary and National Fiscal
6. Religion

There are two kinds of affairs which is characterized as obligation and optional as regulated in the law number 32 of 2004. The obligation affairs of local government are:

1. Planning and controlling the development.
2. Planning, utilization, and controlling the spatial.
3. Conduct orderliness and social quite.
4. Provide public facilities.
5. Health management.
6. Conduct education and allocation the potential human resources.
7. Management the social problem across region/city.
8. Service of employment field across region/city.
9. Facilitate the development of cooperative, SME include across region/city.
10. Restraint living environment.
11. Service of defence include across region/city.
12. Service of demography and civilization.
13. Service of government administration.
14. Conduct investment administration include across region/city.
15. Another obligation affair is presented by the Law.

The optional affairs of government include mining, fishery, agriculture, plantation, forestry, and tourism. The autonomous is intended to differentiate the affairs between central government and local government in order to make local government independent and optimum to serve the public using available resources to achieve social welfare.

B. Theory of Development

1. Concept of Development

According to Ndraha in the Suryono (2010:1-2) development refers to the desire of the nation to achieve better future based on condition and their own way which create many concepts such as growth, reconstruction, modernization, westernization, social change, liberation, innovation, nation building, national development, development and guidance. Similar argument is also delivered by Siagian (Suryono, 2010:2) that development is the effort to achieve the growth and change which has been planned and consciously implemented by the state to be modern in nation building. So, the main ideas of development according to Siagian are (a) development is kind of continuous process, (b) development is kind of the effort which are consciously and continually implemented; (c) development is implemented in a plan and it is oriented to the growth and change; (d) development refers to the modernity; (e) the characteristic of modernity which will be achieved in the development are multidimensional, process and activity of development is intended to guide the nation in achieving the goals. Development itself has several dimensions such as area, natural resources, population, ideology, political, economy, social, culture, security and defense. So, according to Suryono (2010:4) there are several elements of development such as (1) The Change: change from less condition to be perfect condition; (2) The Goal: the direction of goal is implemented from, by, and for the people to preserve, welfare and better life; and (3) The Potency: potency of the people which is used for supporting development planning.

Korten (1984) explains that the basic assumption of development is the desire of the people to develop paradigm alternative which is not only oriented to the production and basic needs, but also the improvement of human potency. So, the people have their own potency to be developed for better condition which is started from less condition. The capability of man to make change on themselves is kind of the effort to make better future as argued by Bryant and White (Suyono, 2010:64) that make five implications of development such as:

- a. Development which means that optimally raise the human capacity, both individual and group;
- b. Development means that encourage the development of togetherness, value generating equity;
- c. Development means that entrust on the people to develop by themselves based on the capacity. The trust is realized as a chance of liberation for choose and authority to make decision;
- d. Development also means that raising of capacity to make independent development;
- e. Development can decrease the dependence of the state on another state, create mutual interdependence which profitable and honorable. The Bryant and White emphasize the concept of development on the people centered development which is focus on creating better future for the people.

2. Dimensions of Development Theory

According to Suryono (2010:69) the theory of development has three dimensions.

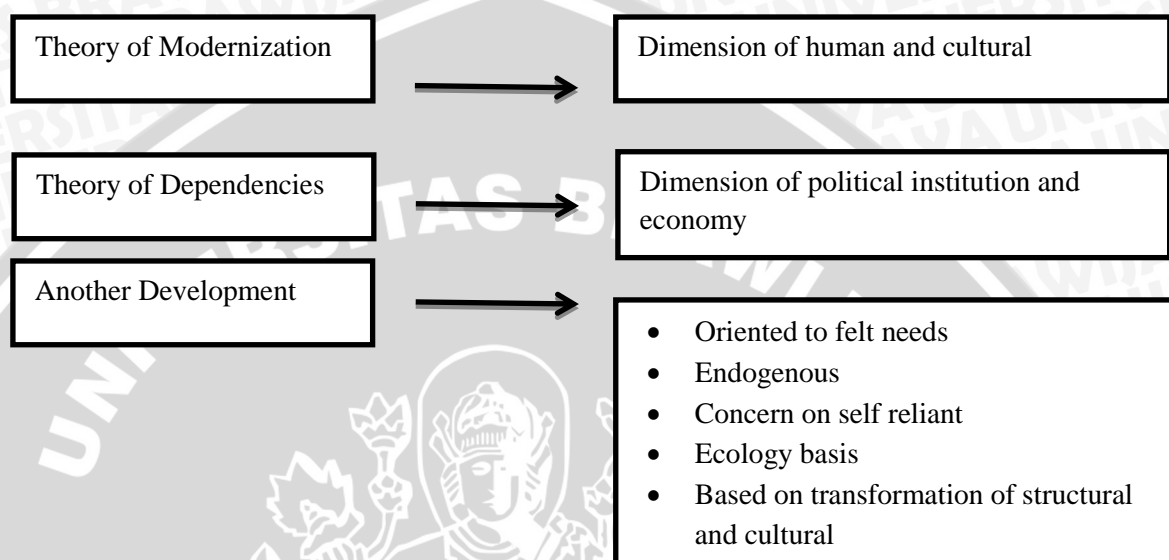


Figure 4. Dimensions of Development Theory

Source : Suryono (2010:69)

The first dimension of development theory is modernization theory which is according to Bert F.Hoselitz and WW. Rostow (Suryono, 2010:69) this theory emphasize on the social and political institution strengthening to support the process of development. The institution of social and political are needed to get capital and hire the labor both professional technician and entrepreneur. Max Weber also argue that theory of modernization emphasize on the values of social cultural such as religion and belief which influence the behavior of social economic in the development. The second, the part of dimensions of development theory is dependencies theory. This theory consists of several theories such as:

- i. Theory of Dependencies – Structural: this theory emphasize on the philosophy of materialism which is developed by Karl Marx. This theory shows the distinction between the capitalism which is developed in the imperialism country and imperialism affected country. The capitalism which is developed in the imperialism affected country is kind of bad capitalism that difficult to be developed and the poverty is kind of the impact of exploitative world economic. But in the imperialism country, the capitalism will be developed like in the developed capitalism country which has been practice free trade (Paul Baran, Raul Probisch)
- ii. Theory of Dependencies – Classic: this theory explains that pra-capitalism periphery countries have their own dynamic while it affects by capitalism country but it will be well developed (Andre Gunder Frank, Theotonio Dos Santos).
- iii. Theory of Post-Dependency: this theory is kind of the critic of dependency theory which comes from Marxism. One of the critics is the theory try to prove that dependency theory cannot develop the periphery country to develop the industry and it will threat the developed industry country (Bill Warren, Immanuel Wallerstein).

The last part of development theory dimension is about another development theory. The analysis and background are developed idea and model of development. Another development theory is needed to solve corresponding problem. So, it needs reconstruction of development mapping

in order to understand the theory of development and find new alternative of development concept.

3. Type of Development

Development has close relation with planning which is oriented to the growth and change. Tjokrowinoto in the Suryono (2010:47) said that there are nine types of development such as:

- a. Ideal type is able to control the growth and change of the system.
- b. Type of short term is able to control the growth but do not in the system change.
- c. Type of long term is able to control the system change but do not in the development.
- d. Type of failure which cannot control the growth and change although it has been planned.
- e. Type of environmental stimulus can focus on system change and ignore the important thing of planning and growth.
- f. Type of pragmatism concerns on the growth and system change but ignore the important of planning.
- g. Type of crisis concerns on the growth and ignore the important thing if planning and system change.
- h. Type of static society ignores all of the aspect of planning, growth and system change.

- i. Type of chaos is characterized as the phenomenon of confusion, hassle, angry, obstacle and stagnant.

C. Good Governance

1. Definition of Good Governance

Governance refers to the process of social political interaction between government and community in every field relate to public interest government intervention on this interest. In the other, the meaning of good in the “good governance” means that:

- i. The values that establish the desire or will and the values which can improve the people’s ability in achieving the goals, independence, sustainable development and social justice.
- ii. Functional aspect of governance which is effective and efficient in the duties implementation to achieve the goal (Sedarmayanti, 2009:274)
- iii. According to Kooiman (1993) governance refers to the process of political social interaction between government and community in every field which relate to the public interest and government intervention on these interest (Sedarmayanti, 2009:273)

Generally, governance means the quality of relation between government and community that is served and protected, private sector and society or community.

So, good governance define as process of good governing which involve related stakeholders in the activity of economy, political social and resource utilization such as natural resources, financial and human resources for public interest which is implemented based on the principles of justice, equity, equality, efficiency, transparency and accountability (World Conference on Governance, UNDP, 1999 in the Sedarmayanti, 2007:2).

OECD and World Bank define good governance as the implementation of development management and responsibility in line with democracy and efficient market, avoidance of incorrect investment allocation and corruption politically and administratively, implement budget discipline as well as political and law framework for entrepreneurial activity growth (Sedarmayanti, 2009:273).

2. Actors of Good Governance

According to Sedarmayanti (2009:280), the actors of good governance such as:

- a. State/government: conception of governance based on the state activity, but further than that by involving the private sector and civil society. The role of government through public policy is very important to face the irregularities that occurred in the market can be avoided.
- b. Private Sector includes active account of private sector in the interaction of market system, such as: trade industry, bank, cooperative include informal sector activity.

- c. Civil society: in the context of the state, it refers to the community or group includes individual or group that interact socially, politically and economically.

Good governance allows the equality between the roles of the three actors above. Such in the development of good governance capacity, there is changes in the distribution of authority from central government to local government, community, association and various institutions in society. This means that the government is not the only actor in decision-making, public and private sector also had a chance to be involved in decision-making process.

3. The Principles of Good Governance

- a. Public Participation

All of the people have a right in decision making process, both direct or through the organization that represent their interest. The participation is established based on the freedom of association and expression as well as constructively participate.

- b. The establishment of Rule of Law

The legal framework should be fair and enforced indiscriminately, include the laws which concern on human rights.

- c. Transparency

Transparency is built on the basis of free flow of information. The whole process of government, institutions and information should be accessible to interested parties, and the information provided must be sufficient to be understood and monitored

d. Concerned with the Stakeholder

Institutions and the whole process of government should try to serve all stakeholders.

e. Consensus-oriented

Good governance bridging different interests for the establishment of a whole consensus in terms of what is best for community groups, and if possible, a consensus in terms of policies and procedures.

f. Equality

All citizens have the opportunity to improve or maintain their wellbeing.

g. Effectiveness and Efficiency

The process of governance and institutions produce results according to the needs of citizens and society by using existing resources as optimal as possible.

h. Accountability

The decision makers in government, the private sector and community organizations are responsible both to society and to the institutions. Forms of accountability are different from each other depending on the type of organization concerned.

i. Strategic Vision

Leaders and the public have a broad perspective and far forward on good governance and human development, as well as the sense of what is needed to realize these developments. In addition they must also have an understanding

of the complexity of the historical, cultural and social basis for this perspective.

D. Creative Economy

1. The Nature and Core of Creative Economy

In fact, creative economy is kind of economic activity which emphasizes on the creative thinking to create something new and different which has value and commerce characteristic. In the creative Economy Report (Suryana, 2013:35), UNCTAD (United Nations Conference on Trade and Development) argue that

“Creativity in this context refers to the formulation of new ideas and to the application of these ideas to produce original works of art and cultural product, functional creations, scientific inventions and technological innovations. There is thus an economic aspect to creativity, observable in the way it contributes to entrepreneurship, fosters innovation, enhances productivity and promotes economic growth.”

Creativity has brought new idea to job creation through adoption of product of art and cultural as well as another creation. Finding of knowledge and technology drives creative economy to be contributor for the entrepreneurship, innovation stimulation, productivity improvement, and economic growth improvement. According to Power Design Job Group of Indonesian Trade Ministry in the *Pengembangan Ekonomi Kreatif Indonesia 2025* (2008:1) defines creative economy as new economy era which emphasize on creativity based on

stock of knowledge from human resources as the main production factor in the economy activity.

The main concept of creative economy relates to how creative economy is produced by collaboration to create the old one with new method. Creative economy also considered as a process to create new one thing, in addition something better and simple. According to UNCTAD (United Nations Conference on Trade and Development) and UNDP (United Nations Development Program) (Suryana,2013:36) in the Summary of Creative Economy, at the heart of the creative economy are the creative industries. UNESCO defines creative industry as industry which combine creativity, skill and capability to create wealth and job creation. The core of creative industry is creating process through research and development to create new commercial product.

According to KEA European Affairs (Suryana,2013:37) there are four kind of creativity which create creative economy such as(Figure 3) :

1. Scientific creativity
2. Economic creativity
3. Cultural creativity
4. Technological creativity

Scientific creativity relates to curiosity and research to solve the problem such as research of researcher and academic. Economy creativity is kind of dynamic process which concern on technology innovation, business practice, marketing to achieve economic competitiveness. In the analysis, creative

economy is created by cultural creativity which relate to cultural of the region such as heritage. Heritage is kind of originality of art and cultural and also creative industry. This is kind economy activity which combines the creativity of cultural, production and commerce to create economic values.

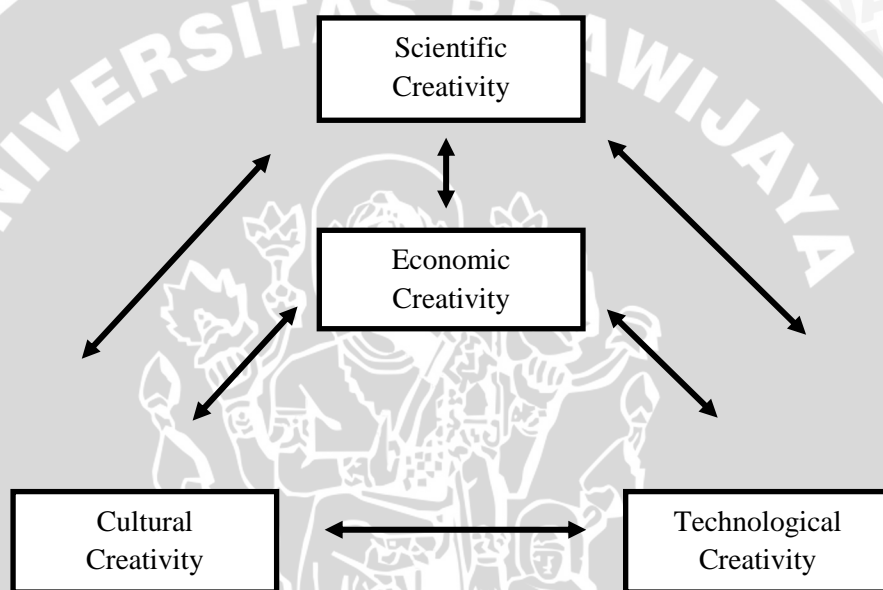


Figure 5. Creativity in Today's Economic

Source: UNDP and UNCTAD, Creative Economy Report (2008:9)

2. The role of Creative Economy

According to Suryana (2013:36) creative economy has important role in the global economy especially to create income generation, job creation, export earning, technology development, intellectual property and so on. Creative economy not only influences global economy but also regional economy. In the regional economy, creative economy is developed as industry creative based on

cultural creativity. Small-Medium Enterprise (SME) is kind of creative economy as well as creative industry development. SME also regarded as the engine of regional economic growth because SME has contributed to regional economic development and social welfare.

In the Summary Creative Economics Report, UNCTAD and UNDP which is cited by Suryana (2013:37) that creative economy has important role to drive economic growth such as:

1. Creative economy drives creating income, job creating, and export earning. Economy creative is also promotion media of social inclusion, cultural, and human resources development.
2. Creative economy brings up the economy, culture, and social aspect which correlate to technology, intellectual property and tourism destination.
3. The economy is kind of knowledge that relate to macro and micro dimension of economy itself.
4. The way to create multidisciplinary innovation policy respond, inter ministries action.
5. Creative industry is the engine of creative economy.

In the region, creative economy also has important role to realize social welfare such as job creation or unemployment reducing, local revenue improvement, income generation and poverty alleviation.

3. Creative Economy Actor

Creative economy development is influenced by the role of several actors such as intellectual, business, and government (Suryana, 2013:53). The actors are known as triple helix. Each actor has their own role to support the development of creative industry.

1. Intellectual is the actor who relates to the activity of research, development, teach and disseminate the knowledge and technology. Intellectual consist of cultural, artists, *punakawan*, sage, educators, author, researcher and so on. The role of intellectual are:
 - a. Disseminator of knowledge and technology.
 - b. Executive of knowledge and technology.
 - c. Creator of constructive value in the society to develop creative industry.
2. Business actors include businessman, investor, and new technology creator and also the consumer of creative industry. The role of business actor are
 - a. Create market, creative goods and service and job are kind of excellence center of creative product and service creator, market which absorbs creative product and service produced.
 - b. Create community and creative entrepreneur. Business is consider as the *engine* to create public space where there are activities happens such as idea sharing, monitoring of creative industry, business coaching or coaching of creative industry management.

3. The role of government are:

a. Catalyst and advocacy

The role of Government as facilitator and stimulator give challenge and support to improve the enterprise better. The action is realized as financial support, incentive, protection, and commitment of government to serve them well.

b. Regulator

As regulator, government make policy to create conducive business climate. The government must harmonize among the people, industry, intermediation, natural resources and technology to realize conducive business climate.

c. Consumer, investor, and entrepreneur

As investor, government must productively empower the creative industry (assets). Government also make policy relate their function as consumer. The policy is about using product of creative industry. As entrepreneur, government must be able manage the enterprise.

d. Urban planner

Government planning to creates creative city with creative climate. Creative city is important to attract the investor.

4. The result of actors collaboration

a. The strategy of national, regional, and sector.

b. Creating network or community.

- c. Policy/regulation/program/activity
- d. Creativity curriculum
- e. Creative product and service
- f. Creative job creation
- g. Creative entrepreneur
- h. Creative technology

E. Creative Industry

1. Definition of Creative Industry

There are several definition and boundary of creative industry according to the experts.

1. According to UNCTAD and UNDP in the Creative Economy Report, (2008,4) “Creative industry define as cycle of creation, production, and distribution of goods and service that use creativity and intellectual capital as primary inputs. They comprise a set of knowledge-based activities that produce tangible goods and intangible intellectual or artistic services with creative content, economic value and market objectives. Creative industries consist of vast and heterogeneous field dealing with the interplay of various creative activities ranging from traditional arts and crafts, publishing, music, and visual and performing arts to more technology-intensive and service-oriented groups of activities such as film, television and radio broadcasting, new media and design.”

2. According to UNCTAD (2008:33) there are several boundary and definition of creative industry, as follows:

- a. Creative industry is the cycle of creation, production, and distribution of goods and services that use creativity and intellectual capital as primary inputs.
 - b. Creative industry consist of a set of knowledge-based activities, focused but not limited to arts, potentially generating revenues from trade and intellectual property rights.
 - c. Creative industry comprises tangible product and intangible intellectual or artistic service with creative content, economic value, and market.
 - d. Creative industry is at the cross-road among the artisan, services, and industrial sectors.
 - e. Creative industry constitutes a new dynamic sector in world trade.
3. According to UNESCO, creative industry is the industry which combines creativity, skills, and capability to generate the wealth and employment. Creative industry is formed by creative cultural that is the culture which combines creation, product, and commercialization.

2. Classification of Creative Industry

Creative industry is kind of industry which combine creativity, skill, and capability to generate wealth and employment. The industry needs less capital of money and material so anyone can start the business with available capital. This industry is kind of flexible industry because more resistant to the external shock.

Creative industry itself has several model based on the several sector. According to UNDP and UNTACD (2008) there is several model of creative industry classification (table 2), such as:

Table 4: Creative Industry

<p>1. UK DCMS model:</p> <ul style="list-style-type: none"> • Advertising • Architecture • Art and antiques market • Crafts • Design • Fashion • Film and video • Music • Performing arts • Publishing • Software • Television and radio • Video and computer games 	<p>2. Symbolic texts model: Core cultural industries;</p> <ul style="list-style-type: none"> • Advertising • Film • Internet • Music • Publishing • Television and radio • Video and computer games <p>Peripheral cultural industries;</p> <ul style="list-style-type: none"> • Creative arts <p>Borderline cultural industries;</p> <ul style="list-style-type: none"> • Consumer electronics • Fashion • Software • Sport 	<p>3. Concentric circles model: Core creative arts;</p> <p>Core creative arts;</p> <ul style="list-style-type: none"> • Literature • Music • Performing arts • Visual arts <p>Other care cultural industries;</p> <ul style="list-style-type: none"> • Film • Museum and Libraries <p>Wider cultural industries;</p> <ul style="list-style-type: none"> • Heritage services • Publishing • Sound recording • Television and radio • Video and computer games <p>Related industries;</p> <ul style="list-style-type: none"> • Advertising • Architecture • Design • Fashion 	<p>4. WIPO copyright model: Core copyright industries;</p> <p>Core copyright industries;</p> <ul style="list-style-type: none"> • Advertising • Collecting societies • Film and video • Music • Performing arts • Publishing • Software • Television and radio • Visual and graphic art <p>Interdependent copyright industries;</p> <ul style="list-style-type: none"> • Blank recording material • Consumer electronics • Musical instrument • Paper • Photocopiers • Photographic • Equipment <p>Partial copyright industries;</p> <ul style="list-style-type: none"> • Architecture • Clothing, footwear • Design • Fashion • Household goods
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Source: UNDP, Economy Creative Report, 2008

Based on the Department of Trade of Indonesia there are fourteen subsectors of creative industry (Department of Trade of Indonesia, 2009:11), such as:

1. Advertising
2. Architecture
3. Market and Art Product
4. Craft
5. Design
6. Fashion
7. Film, Video, Photography
8. Interactive Games
9. Music
10. Art Performance
11. Publisher and Printing
12. Computer and Software
13. Television and Radio
14. Research and Development

3. The Role of Creative Industry

Creative industry has important role in the national and regional economy. According to Suryana (2013:101) the creative industry contributes to the living aspect both economy and non-economy. Economically, the role of creative industry is creator of business climate, job, innovation and creativity and renewable resources as well as positively contributes to the Gross National Product. There are several indicators which can be seen as creative economy contribution such as:

1. Contribute to the Gross National Product

Based on the data of Trade Department of Republic of Indonesia, creative industry has contributed to GNP of Indonesia during 2010-2013 are 472

million; 529 million; 578 million; and 641 million. In 2002 it is also contribute to Singapore economy 3% from GNP. According to World Bank in 1999 creative economy contributes 7,3% to the Global economy.

2. Create employment

Creative industry is able to create employment. Based on the report of Trade Department (2013), In 2013 Indonesian creative industry absorbs 11 million of employee.

3. Increase the export

The creative industry has contributed to the Indonesian export in 2013 is 8,01 percent. It seems there is significant percentage development from 2012 to 2013, nevertheless, the percentage during 2010-2011 is higher than 2013.

4. Improve business climate

The creative industry is used for investment stimulation by developing creative city which is followed by development of communication infrastructure and information with access facilitation. it also the interesting to attract investors.

5. Create business field

The development of creative industry contributes to the service and production sector. The created sectors both small and large scales are trade sector, distribution sector, construction sector, and tourism sector.

6. The impact of another sector

Creative industry creates new structure of industry such as new business field for supporting industry.

7. The impact of social aspect

Creative industry contributes to another social economy for example, improving level of living, social tolerance improvement, even improve image and identity of nation.

8. The impact of cultural preservation

The important role of non-economy of creative industry develops the culture, cultural heritage, and local values. Creative industry cultural-based creates strong basis of local cultural character. The creative industry struggle the right of intellectual property for cultural heritage and local wisdom.

F. Regional Competitiveness

1. Concept of Regional Competitiveness

UK-DTI (United Kingdom Department of Trade and Industry) defines regional competitiveness as the capability of region to generate income and high employment with stay open to the domestic and international competitiveness. While CURDS (Centre for Urban and Regional Studies) defines regional competitiveness as the capability of regional business or enterprise to generates high income as well as evenly distribution of income to the people. Regional

competitiveness is adopted by the concept of global competitiveness and the difference is about the scope of area.

Defining the concept of regional competitiveness must consider several things such as:

1. It is possible to define the competitiveness as economic capability than business or private sector because the competitiveness includes broader aspect than productivity or efficiency in the micro level.
2. Economic agent is not only business but household, government, and so on. All of them are integrated in the synergy economic system in order to reach broader scope of competitiveness concept.
3. The goal and result of competitiveness improvement are improve economic welfare of the people. Level of living is largest concept which is not only illustrated on a variable such economic growth. Economic growth is one of the aspects of economic development which is intended to improve level of living standard.
4. The keyword of competitiveness concept is "competition". There is role of openness to the relevant competition among competitor. "Regional Competitiveness" is loss of meaning in a closed economy system.

Based on the consideration, Regional Competitiveness defines as "The capability of regional economic to reach high growth of level of living and sustainability with stay open both to the domestic and international competitiveness" (Piter, 2002:15).

2. Indicators of Regional Competitiveness

Based on any literature, economic theory and any discussion of Piter (2002:16), there are several main indicator which determine regional competitiveness such as regional economy, openness, financial system, infrastructure and natural resources, science and technology, human resources, institutional, governance and government policy and also management and micro economy. Based on the research the indicator and sub-indicator of regional competitiveness which is suitable are:

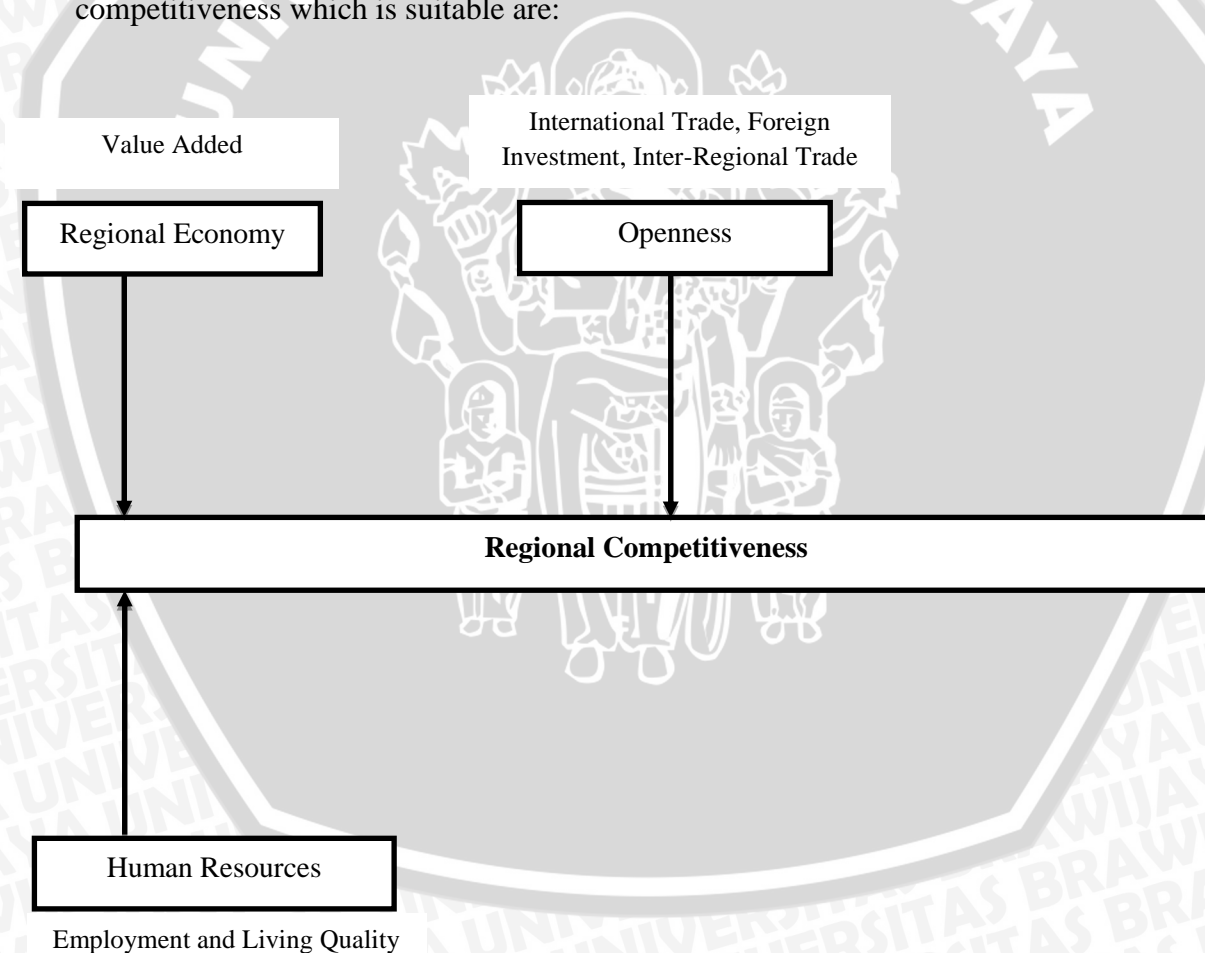


Figure 6. Indicator of Regional Competitiveness

Source: Piter (2002:16)

Each indicator is defined as follows:

1. Regional Economy

Regional economy is performance measurement of macro economy (regional) which includes creating of value-added, capital accumulation, consumption level, economic sector performance, and the cost of living.

The indicator of macro economy performance influence regional competitiveness through the principle such as:

- a. Value-added reflect short term economic productivity. It relates to the productivity of each sector which supports the regional economic.
- b. Absolute capital accumulation is needed to improve long term regional competitiveness. The capital is needed to support the regional competitiveness improvement such as attract the investor, stimulate the partnership between creative economy actors and private sector, and another activity attracting the capital for supporting development of regional competitiveness.
- c. Prosperity of region reflects the past economic performance. The prosperity can be seen from the gross domestic regional product per income.
- d. The competition is driven by market mechanism which improves regional economic performance. Tough competition of regional economic make the business more competitive both in the domestic and international competition.

2. Openness

This indicator relates to trading activity with another region within scope of national and international. The openness is also possible to create the movement of goods, capital and people. The indicator influences the competitiveness through the principle such as:

- a. The successful of a region in the international trading reflect the competitiveness of regional economic itself. The local product must compete with the product from another country in the international market. The competitiveness itself will be affected to the demand on the local product.
- b. The openness of the region on the trade both domestic and international will improve economic performance. The openness will affect the improvement of the competitiveness of local product.
- c. International investment efficiently allocates natural resources to all over the world. The investment itself is important to create the efficiency of resources in order to support the competitiveness.
- d. The competitiveness is driven by export relate to regional economic growth. The export of local product will improve local revenue and demand on the local product itself.
- e. Maintain high living standard which integrates with international economy. Local government must ensure that the people have good standard living quality and integrate with international economy. So,

local government needs the access for international economy to improve social welfare.

3. The indicator of human resources is intended to measure the availability and quality of human resources. Human resources factor influence the competitiveness based on the principle such as:

- a. The large number labor which is qualified will improve regional competitiveness. The labor is one of indicator which determines regional competitiveness because it shows that the regional has qualified human resources and shows that there is no more structural problem and also it show the level of index of human development.
- b. Training and education are the best way to improve quality of labor. Training and education can be provided by government collaboration with private sector or another agency to improve the capacity of the labor by transmitting skill and competence.
- c. The attitude and value which is adopted by employee also determine regional competitiveness. Good quality of the labor must be equipped by good attitude for highly competitiveness.
- d. Social living quality of the region determines regional competitiveness and vice versa. The high number of GDRP of the region shows that this region has high level of living quality although there are several cases which show that it needs income generating.

G. Potency of Local Economic

According to Suparmoko (2002:99) defines local economic potency as the economic ability of region which possible and feasible to be developed become source of livelihood for the local people even support local economic as whole to sustainably developed. Sumihardjo (2008:114) explains that local economic potency as the main local sector development which is reflected on the regional vision and mission of the Short Term Planning of Local Development and Long Term Planning of Local Development. This local development planning both long term and short term show the priority sectors of each regional program to strengthen the development of those main sectors. The sector which must be developed can be seen from the state budget. The programs and purposes of local development are reflected by state budget which is implemented if the budget is available. It consider as the effort of government to develop local potency which is reflected by local development planning. Local potency can be explored by analyzing the Gross Domestic Regional Product, component of human resources, technology and institutional system (Sumihardjo, 2008:12). From the analyzing, the main sector of a region will be known and it is kind of distinctiveness which does not available in another region.

Increasing the Gross Domestic Regional Product is the purpose of local economic development. In order to develop this kind of economic potential there are several strategies (Suparmoko,2002:99-100), such as:

1. Identify the sectors which have potency to be developed and consider the strength and weakness each sector.
2. Identify the low potential sector to be developed and find out the factors that influence lower potential sector.
3. Identify the resources (factors of production) include human resources and get ready to support development of related sectors.
4. Use the weighting model to find the strength and weakness of variables of each sector and subsector. Then, the superior sector will be found and it can be developed.
5. Finally determine the strategy to develop superior sectors which can attract another sector to be developed and it can be self-propelling and being sustainable development.

H. The Effort to Develop Creative Economy

1. The Importance of Creative Economy Development

According to Department of Indonesian Trade (2008:24) creative economy is needed to be developed because of several reasons, such as:

1. The contribution of creative economy to the several aspects such as:
 - a. Gross Domestic Product
 - b. Job creating
 - c. Export Earning

2. The social impact of creative economy which impact on:
 - a. The improvement of living quality
 - b. Social tolerance improvement
3. The stimulation of creative economy to the creativity and innovation, such as:
 - a. Encourage the creating of ideas and concepts
 - b. Values creating
4. Creating renewable resources based on creative economy, such as:
 - a. Renewed resources based on knowledge and creativity
 - b. Create green community
5. Creative economy encourage the creating of business climate:
 - a. Creating business field
 - b. The impact on another sectors
 - c. Expand the marketing network
6. Creativity encourages the image and identity of the nation by:
 - a. Tourism
 - b. National icon
 - c. Cultural and heritage
 - d. Local values

2. Develop the Creative Economy

The development of creative economy needs important roles of several related stakeholder. Department of Trade of Indonesia determines that there are stakeholders in the creative economy development which is known as triple helix.

Triple helix consists of government, private sector and community. The actors have their own task which is relate each other. In the creative economy, government must direct the private sector to be social welfare oriented. So, the private sector must empower the community in order to create creativity and productivity of the community and it is also kind of cultural and heritage preservation. In the other hand, private sector maintains the sustainability of the investment. The sustainability investment itself must include the community through partnership approach, adaptive pattern to the local community and develop the ownership and independency of the community. The community has also important role in participating, empowering, ownership of the enterprise.

According to Suryana (2013:58) the development of creative economy is driven by three driver factors, such as: technology, demand, and tourism. Technology is needed to create renewal, acceleration, and expansion. Technology also uses for creating new product in order to responses the demand. The highly demand will stimulate the creative economy more creative and innovative. Tourism drives the demand of creative economy because tourism is kind of promotion media of creative economic product. According to Department of Trade of Indonesia (Suryana, 2013:97) there are several aspects which must be considered for developing creative economy. First, find a new idea, art and technology for developing creative economy, Secondly, the excellence of economic product based on cultural and craft and then cultural heritage. The last is about ecotourism based on beauty of the nature.

There is distinction of the strategy to develop creative economy between in rural and urban area. According to Suryana (2013:207) creative economy in the rural area can be developed by creating manufacturing industries such as agriculture, plantation, fishery, marine, raising and mining. Training and facility are needed for developing the capacity of rural people in order to support the development of local potential. In the other hand, urban area needs guidance and strengthening for developing the informal sectors such as small and medium industries. The guidance itself is intended to support creating of new product and value added to create intellectual property. Both rural potential and urban intellectual must be empowered in order to support job creating and improve the income of the people as well as for supporting the development of creative economy.

3. Development Strategy of Creative Economy of Small Industry Sector

According to Sjaifudin (1995:66-75) there are several strategies to develop the creative economy especially on the sector of small industry. The strategy is expected can efficiently and effectively develops the industry. Based on the research, the strategy which is needed for supporting the development are:

1. Strategy of Financial Capacity Improvement

Temporary capital providing is kind of the strategy to improve the financial capacity of small industry. The commitment of government to provides the capital for the actor of small industry can strength the development of industry itself.

2. Marketing Development

The era of free market makes the integration between domestic market and international. The world becomes borderless because of the larger access to the market. It is also become the chance, challenge and threat for the actor of small industry because they have to compete with another actor both domestic and international scope. The strategy of marketing development such as:

a. Improve the Access of small industry to the Market.

The improvement of market access is creating the pattern of relation between sub-contract production and promotion. Subcontract is kind of cooperation between two company to make work contract relate to the order because of technical problem such as the demand more than production capacity of sub-contractor company. By the creating of sub-contract, the small industry will get positive impact like the guarantee of market and production continuity.

b. Market Protection

The protection of market can be seen from consumption. About 10percent of local government budget is used for the consumption of local product.

The government intervention also reflects on the export activity of the local product but it still lack of the understanding of technology that will be affected on the profit of small industry and the costs itself.

3. Human Resources Development

The development of human resources can be through formal education, improve the correlation between education and work field by internship in the research center and another action to develop human resources and technology.

4. Strategy of control and Regulation

The strategy of control and coordination consist of:

a. Regulate the licensing

The government regulate the development of small industry by providing the business licensing. There are three kind of business licensing such as business licensing include worthiness, location and environmental effect; industry licensing and also trade licensing. The licensing of business establishment shall not owned by small industry but they only need certificate about the business establishment.

b. Institutional function

This relates to the development of industry by providing training, controlling and partnership with private sector and non-governmental organization.

CHAPTER III

RESEARCH METHOD

A. Type of Research

Research method is important because it determines the research itself relate to the truth and scientific values for the research. The research of “The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement in Pasuruan Regency” is kind of qualitative research which uses descriptive approach. The qualitative research is chosen because the research will be more subjective based on the description and interpretation of informant. This method is also effective to find the perception because the observer

“The qualitative research which is intended to understand the phenomenon of what is experienced by the research subject such as behaviour, perception, motivation, action, and so on., holistically and description on the word and language in particular context that natural and use the variety of natural method (Moleong,2010:6).”

According to Bogdan and Taylor which is cited by Moleong (2004:4) explain that qualitative method is kind of a procedure of research which brings on the descriptive data in the form of written word and oral from the people and behaviour which can be observed.

In the qualitative method, the researcher will describe the research comprehensively by analyzing the phenomenon, event, attitude, thought of the individual and group which is gotten from interview data and documentation. The researcher will also describe and explain what is happening now on the description not in the numeral. Using qualitative method with descriptive approach is kind of appropriate research type to know about “The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement in Pasuruan Regency”

B. Focus of Research

Research focus is kind of data which is observed, collected, processed, and analyzed by the researcher in a certain research. Research focus considers as focus of the research to restrict the problem that will be observed in order to avoid the refraction in the data analyses. According to Moleong (2004:94) the function of research focus are:

- a. The determination of research focus can limit the study. So, the focus of research will make the research more focus and it does not need another field research to support the observation.
- b. Clear and appropriate determination of research focus will make the researcher appropriately decide where the data which will be used.

Based on the explanation, the research focus of “The effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement in Pasuruan Regency” are:

1. The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement of Pasuruan Regency, can be seen from:

a. Strategy to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement of Pasuruan Regency

- 1) Social Assistance
- 2) Marketing/Promotion
- 3) Training
- 4) Licensing of Business Establishment
- 5) Product Quality Improvement
- 6) The Strengthening of Association

b. Coordination to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement of Pasuruan Regency

- 1) Distribution of Goods
- 2) Competency of Industry

2. The Supporting and Restricting Factors in Developing Creative Economy for Supporting Regional Competitiveness Improvement of Pasuruan Regency.

a. Supporting factors

- 1) Internal
 - a) The Characteristics of Industry
 - b) Hereditary Workforce Skill
 - c) Market Network
 - d) Technology
 - e) Innovation of Product
- 2) External
 - a) Assistance from Related Actor
 - b) Facility
- b. Restriction factors
 - 1) Internal
 - a) Limited Access of Capital
 - b) Modest Skill of Labor
 - c) Modest Business Management
 - 2) External
 - a) Market Competition

C. Location and Site of Research

The location of research is place or even location where the research is happened. The researcher will do the research on the location that will be determined before based on the research purpose. From the research location will be gotten the data and information relate to the problem researched. In this

research, the researcher takes location in Pasuruan Regency because Pasuruan Regency is one of Indonesian Regency which concern on the developing creative economy. Pasuruan Regency has so many potential of creative economy such as art, culture, craft, tourism and small-medium enterprises. The creative economy development of Pasuruan Regency is intended to support the regional competitiveness such as reduce poverty and unemployment, job creating, income generating, and expand the scope and productivity of creative industry.

The site of research is the real place where the researcher catch the real situation relate to the object research. In this research, the sites of research are Department of Industry and Trade of Pasuruan Regency. This department are the parties which relate to the implementation of creative industry development effort for supporting regional competitiveness improvement of Pasuruan Regency.

D. Sources of Data

According to Lofland and Lofland (1984) which is cited by Moleong (2004:157), the main source of data in the qualitative research is the words and action and there is also additional such as written document, photo and statistic data. The result of research is obtained from two data sources, such as:

1. The Primary Data

Primary data is the data which is directly obtained from interview with informants that can give relevant and truly information in the real situation.

The primary data is written by written notes or recording a video/audio tapes,

take a picture or film. So, data source will be obtained through interview with Department of Industry and Trade and ASPENDIR as the Association of Embroidery Craftsmen as well as another informant which relate to creative industry development.

2. The Secondary Data

Secondary data is kind of data which is intended to complement the primary data from the literatures, documents, reports, archives which is related to the research. In this research, secondary data is obtained from documents of related agency, official note of public officer, and also another complement data which relate to the research, events in the real situation also become secondary data source through the observation.

E. Technics of Data Collection

Data collection is a process to find out the data in the field which suitable with research focus by using several techniques such as:

1. Interview

According to Moleong (2004:186) interview is the conversation which has certain intention between two parties such as interviewer who ask question and interviewee that give answer of the question. The researcher formulate problem and question to find out the answer of hypothesis which is arranged structurally. The interviewer must be able to create good relationship with

informant or interviewee in order to make the interviewee is willing to cooperate and provide actual information.

The researcher use interview method for finding out the data relate to the effort of local government to develop creative economy of embroidery industry sector for supporting regional competitiveness improvement in Pasuruan Regency. The information such as:

- a. Department of Industry and Trade, get information relate to the effort to develop creative economy of embroidery industry sector for supporting regional competitiveness improvement in Pasuruan Regency.
 - b. *ASPENDIR* (Association of Embroidery Businessman), getting information relate to the entrepreneur of embroidery in Pasuruan Regency.
 - c. Another related party to get supporting data relate to the research.
2. Documentation

The method of documentation relate to investigate written document such as books, magazine, document, regulation, Act, law, meeting report, daily report and so on. The researcher use documentation method to find out the document which relate to the effort of local government to develop creative economy of embroidery industry sector for supporting regional competitiveness improvement in Pasuruan Regency. The document related

such as regulation, law, meeting report, annual report, daily report, photos, and so on.

3. Observation

Observation is kind of observation which is doing deliberately, systematically on a social phenomenon with psychological symptoms to be recorded. The researcher also can directly observe symptom or process in this real situation, even being player or participant which includes in the process. The observation is done by the researcher in order to optimize the data relate to the effort of local government to develop creative economy of embroidery industry sector for supporting regional competitiveness improvement in Pasuruan Regency.

F. Research Instrument

Research instrument is kind of instrument which help the exploring the data in the research in order to make good research. According to Moleong (2004:169) in the qualitative research, human as research instrument is planner, implementer of data collection, data analysis, data interpretation, and in the last stage is reporter of the research. In the research, instrument of research are:

1. The research itself

Observe the phenomenon and interview the object relate to research focus.

2. Interview Guide

Interview Guide is used to list a question which has made before and using for interview the related party. In this research interview guide is used to interview the Department of Industry and Trade and ASPENDIR.

3. Field Note

Field note is kind of interview result note and observation during the research.

4. Documentation Method

Documentation method includes the documents in the research place or another place which consist of supporting data which is used as source of research. In the research, documentation method is realized as recording and photocopy of the data.

G. Data Analysis

According to Moleong (2004:280) data analysis is process of organizing and sorting the data within a pattern, category, and unit of basic explanation so the theme can be founded and formulate a work hypothesis which is advised by the data. Data analysis is process of implementation of conclusion which is made and use for resolve the research problem. Data analysis is conducted after getting data from the literature and research. According to Miles and Hubberman (2013:14) there are three components of the analysis, such as:

1. Data Condensation

Data condensation is kind of the process of selecting, focusing simplifying, abstracting, and/or transforming the data that appear in the full corpus (body) of written-up field notes, interview transcripts, document and other empirical materials. Data condensation is part of analysis which can transform the qualitative data in many ways such as through selection, through summary or paraphrase, through being subsumed in a larger pattern, and so on.

2. Data Display

In this stage, the researcher try to classified and present the data based on the main problem which begins with the coding on each sub-principle of the problem. Data display itself is intended to see the whole of picture or certain part of the picture. So, here in order to get field conclusion easier, then made a matrix or chat.

3. Drawing and Verifying Conclusion

The conclusion will be completed when the data collection is over depending on the size of the corpus of field notes, coding, storage and retrieval, methods used, the sophistication of the researcher and any necessary deadlines to be met. Conclusion is also verified as the analyst proceeds. Verification may be as brief as a fleeting second thought crossing the analyst's mind during writing. The verification is intended to assess the conformity with containing meaning in the basic concept. Every conclusion will be verified continually during the research.

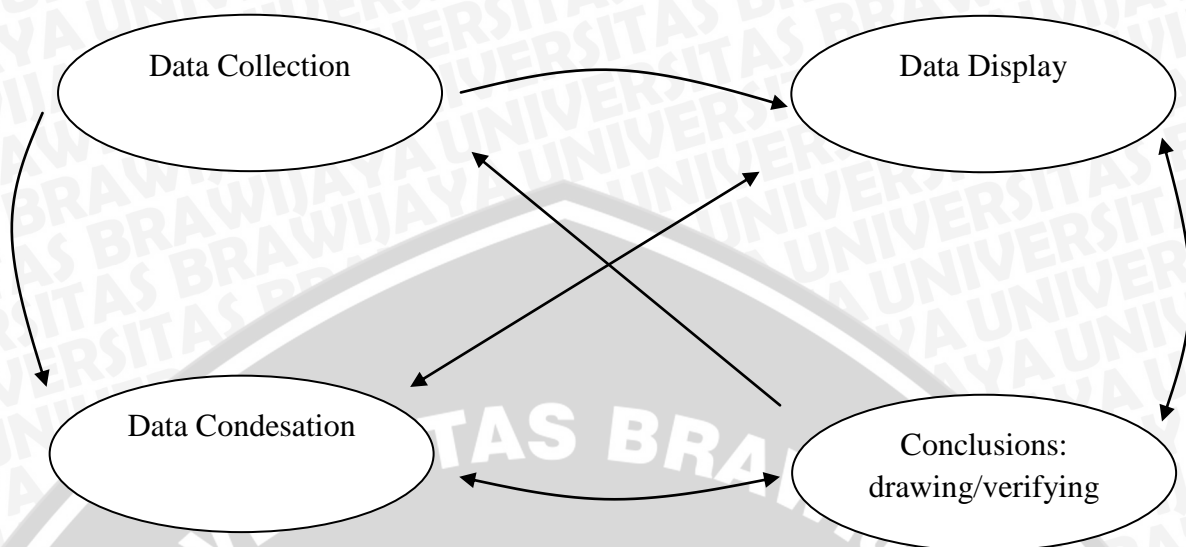
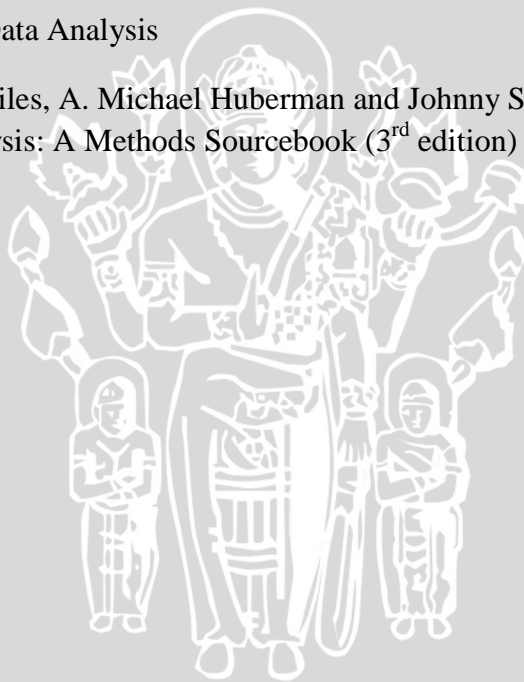


Figure 7.Qualitative Data Analysis

Source : Matthew B. Miles, A. Michael Huberman and Johnny Saldana (2013:14).
Qualitative Data Analysis: A Methods Sourcebook (3rd edition)



CHAPTER IV

RESULT AND DISCUSSION

A. General Overview of Site Research

1. General Overview of Pasuruan Regency

a. Brief History of Pasuruan Regency

The jubilee of Pasuruan Regency is regulated in the Law number 8 of 2007 which defines the jubilee of Pasuruan Regency on September 18th. The consideration of the decision is the history of Pasuruan Regency Establishment. The history of Pasuruan Regency began since the civilization of Kalingga Kingdom which is led by King Sima. In 742-755BC King Kiyen decided Po-Lu-Kia-Sien or Pulokerto which is one of village in sub-district of Keraton became capital city of Kalingga Kingdom. In 856BC, after the glory era of Kalingga Kingdom, there was Kingdom of Mataram *Kuno* under the authority of Sanjaya Dynasty which is led by King Rakai Pikatan. Sanjaya Dynasty especially King Balitung has left several inscriptions in East Java and Middle Java. In 929BC, Mpu Sindok as King from another family has shifted the government from Middle Java to the East Java. The capital city was located in Tawlang Kingdom or known as Tembelang Village in Jombang. Mpu Sindok has also left several inscriptions and one of the inscriptions was in village of Bulusari, sub-district Gempol which is stated about the command of Mpu Sendok for the people of Cungrang in *Bawang* area under *Wahuta Tungkal* to be *Sima* or *Tanah Perdikan*.

This inscription is converted by Yogyakarta's archaeologists as *Hari Jum'at Pahing, tanggal 18 September 929 Masehi*.

During the era of XII until XIVBC especially in the era of Majapahit, Pasuruan known as residential which is written by Empu Prapanca in the *Kitab Negara Kartagama*. In *bahasa*, Pasoeroean can be explained as ***pa-soeroe-an*** means the place where the plant of *suruh* growth or the collection of plant of *suruh*. The end of Majapahit Kingdom era, there was Islamic Kingdom such as Kingdom of *Demak Bintoro*, *Giri Kedaton*, *Pajang* and *Mataram*. Pasuruan has important role in developing Islamic religion in the era of XV of Demak. Grand Duke or *Adipati* of Pasoeroean has expanded his authority to the Kediri. The development of Pasoeroean under the authority of Untung Suropati is supported by Dutch to include them in the Mataram Kingdom.

In the Dutch era, the development of Pasoeroean is regulated in the *Staatblad* 1900 number 334 on January 1st 1901. It is regulated about the establishment of Pasoeroean Regency which is the area bordered with Madura, Hindia Sea, Kediri Resident and Surabaya. There are five main characters relate to the jubilee of Pasuruan Regency such as:

1. The oldest history
2. Written evidence and the oldest relics or heritage
3. The oldest residential
4. The oldest government structure which is Indonesia-centric
5. Respect to the local civilization

b. Geographical Condition of Pasuruan Regency

Geographically, Pasuruan Regency is located in between 112 0 33' 55" until 113 30' 37" East Longitude and 70 32' 34" until 80 30' 20" South Latitude. The regency is known as the area of industry, agriculture and tourism destination. The complex of Plateau of Tengger and Bromo Mountain is kind of tourism destination. The borders of Pasuruan area are:

- North : Sidoarjo Regency and Madura Strait
- South : Malang Regency
- East : Probolinggo Regency
- West : Mojokerto Regency

c. Topographical Condition of Pasuruan Regency

The condition of Pasuruan Regency consists of mountainous areas and lowland areas such as:

- a. In the south area consist of mountainous and the hills with the height between 186 meter up to 2.700 meter which extended from sub-district of Tuttur, Purwodadi and Prigen.
- b. In the middle area consist of lowland hilly with the height of 6 meter up to 91 meter and generally, this area is relatively fertile.
- c. In the north area consist of less fertile area with the height of land surface between 2 meters up to 8meters. The areas are extended from east area such as sub-district of Nguling to the west area like sub-district of Lekok, Rejoso, Kraton and Bangil.

The condition of earthen slope of Pasuruan regency can be classified into four classifications such as:

- a. The slope between 0-25degrees include about 20percent of area. This area is kind of lowland which is located in the north area.
- b. The slope between 10-25 degrees includes about 20percent of area. This area is kind of undulating plains which is located in the middle area.
- c. The slope between 25-45 degrees includes about 30percent of area. This area is correlated to hilly area of west area and east area.
- d. The slope more than 45 degrees include 30percent of area. This area is located in the south are which kind of mountainous area. Almost the land structure of Pasuruan Regency are Alluvial, Mediterian, Regosol, Labosal and Litasol, Grumasol and Andosal.

d. Demographical Condition of Pasuruan Regency

In 2013 the Agency of Statistic Centre noted that Pasuruan Regency is 1.556.700 people which consist of 769.700 men and 787.000 women with the population density 1.056 km². The variety of population are Javanese, Madurese, the Tribe of Tengger and several foreign born such as Chinese, Arabian and Indian with several kind of belief such as Islam, Protestant Christian, Catholic, Buddha and Hindu.

The condition of population based on the livelihood consists of Agriculture (33,98percent), Manufacturing Industry (24,69percent), Electricity, Gas, and Water (0,41percent), Trade, Hotel and Restaurant (17,79percent), Mining and

Quarrying (0,38percent). Construction (5,21percent), Finance, Rental and Service of the Company (0,33percent), Transportation and Communication (6,66percent) and also Service sector (10,55percent). The data is gotten from Economic National Survey.

e. The Administrative Government of Pasuruan Regency

Administratively, the area of Pasuruan Regency consists of:

- a. 24 areas of sub-districts
- b. 341 areas of villages
- c. 24 areas of urban villages
- d. 1.694 hamlets

Table 5. Sub-Districts of Pasuruan Regency

No	Sub-District	No	Sub-District	No	Sub-District	No	Sub-District
1.	Bangil	7.	Kraton	13.	Pohjentrek	19.	Rembang
2.	Beji	8.	Lekok	14.	Prigen	20.	Sukorejo
3.	Gempol	9.	Lumbang	15.	Purwodadi	21.	Tosari
4.	Gondang Wetan	10.	Nguling	16.	Purwosari	22.	Tutur
5.	Grati	11.	Pandaan	17.	Puspo	23.	Winongan
6.	Kejayan	12.	Paserpan	18.	Rejoso	24.	Wonorejo

Source : Pasuruan Regency Website

f. Economy of Pasuruan Regency

The local government of Pasuruan Regency stimulates the economic growth by making regulation and policy for supporting the participation of the people and empower the social economy through Small-Medium Enterprise and Trade-Industry, *BAPEMAS* as well as private sector in the activity of goods and service production. The GDRP will reflect the volume of economic structure, the economic growth and also the contribution of each sector to the GDRP. The sector which contributes to the GDRP of Pasuruan Regency include agriculture, mining and quarrying, manufacturing industry, electricity, gas and water, construction sector, sector of trade, hotel and restaurant, transportation and communication, sector of finance, rental and company's service and also service sector where manufacturing industry sector is the biggest contributor about 32,46percent (Based on the survey of Agency of Statistic Centre of Pasuruan Regency in 2012)

The economic performance reflects the economic growth of Pasuruan Regency. The last five years, the economy of Pasuruan Regency positively developed. It proves GDRP on the constant prices 7.793 trillion rupiah become 8.336 trillion rupiah in 2013. The improvement of GDRP during 2012 until 2013 is about 542.878 billion rupiah which is supported by the development of manufacturing industry about 169.159 billion rupiah. In 2013, the achievement of Local Revenue is about 278.165 billion rupiah with per capita income about 9.302 million rupiah.

g. The Population of Pasuruan Regency

Based on the data of BPN (Agency of National Land), BPS (Agency of Statistic Centre) and also Agency of Local Development Planning, the area of Pasuruan regency is about 1.474 km² which is populated by 1.556.700 people in 2013. From 24 sub districts, Lumbang is the largest sub district about 125,55 km² which is populated by 33,299 people or 265 people per km². The largest populated areas are sub-district of Pandaan, Pohjentrek and Gondangwetan and each population is about 2.542 people per km², 2.451 people per km² and 2.109 people per km². Based on the age, population of Pasuruan Regency can be classified such as age of 10-14 years old is 138.454 people, age of 25-29 years old is 135.818 people and the age more than 75 years old is 22.852 people.

h. Employment of Pasuruan Regency

Based on the data of Department of Industry and Trade of Pasuruan Regency shows that in 2013 the number of job seekers is 75.339 people. The demand of job vacancy is about 9.455 which is still applied about 4.581 people. Based the survey, the biggest number of job seeker is on October which is about 1.387, then in November is the month where 1.052 job seekers are joined in the company.

1. General Overview of Department of Industry and Trade

a. Vision of Department of Industry and Trade of Pasuruan Regency

Vision is kind of challenging description of future condition which is expected by government institution. Vision is also related to the direction and consistency of the government institution for being exist, anticipative, innovative and also productive. Essentially, vision of organization is intended to explore the future description which is realized as pure commitment.

The determination of vision is part of strategic planning which is important for the organization. The precious vision for government institution can accelerate the activity of government institution include strategic planning making, resources development, performance indicator development, performance measurement method, evaluation of performance measurement which will be integrated into synergy needed by the institution. The vision of Department of Industry and Trade of Pasuruan Regency is Realize the Prosperity based on Industry and Trade.

b. Mission of Department of Industry and Trade of Pasuruan Regency

Mission is something which must be done by government institution as the elaboration of the vision. Mission of Department of Industry and Trade of Pasuruan Regency are.

1. Develop and improve the industrial field

Pasuruan Regency concerns on the small industry which proves more resistant to global economic shock. The number of small industry is about 16.364 units which consist of micro industry and this industry has significant

impact on market share. In order to realize the mission, there are several task which must be done such as:

- 1) Encourage industry sector as local economic basis.
 - 2) Encourage the correlation between industry sector and another economic sector and correlation between upstream and downstream industry with considering the development based on environment.
 - 3) Encourage the quality improvement and product diversification.
 - 4) Encourage the industry distribution.
2. Develop and improve the trade field.

Trade field is kind of pillar of social economic improvement and resistance which is able to contribute to the local revenue and improve the social welfare. Structuring the local trade is started from normative and procedure process of license and product distribution service. In the future, the performance of trade concern on non-oil and gas sector which will be oriented to the local potency especially forest and agriculture products. It will be affected to the social economic and business chance as well as absorbing the employment for trade and product distribution sector.

c. The Purpose and Object of Department of Industry and Trade of Pasuruan Regency

The purpose is kind of something that will be achieved or resulted in long term or next five years. Department of Industry and Trade has to support and accountable on the purpose achievement of Pasuruan Regency. The purpose of Local Government which is in accordance with the authority of

Department of Industry and Trade is “Realize the prosperity of social economy through revitalization of village market and improve the productivity of sectors of agriculture, plantation, fishery and livestock”. Based on the mission, the purpose of Department of Industry and trade of Pasuruan Regency are:

1. Develop industry sector.
2. Realize trade sector development.

The object of Department of Industry and Trade are:

1. The development of industry sector through encourages industry growth.
2. The improvement of the number of any product trade. The improvement itself by improving export values and improving GDRP.
3. The improvement of product supervision. The indicator of this aspect are the number of supervision activity, follow-up percentage of handling supervision finding and percentage of price stability recommendation.

d. The Strategy and Policy of Department of Industry and Trade of Pasuruan Regency

Strategy is kind of the main requirement to achieve the goals and objects of organization. The strategy of Department of Industry and Trade of Pasuruan Regency which is described into several kind of programs and activities, such as:

1. Facilitate the development training and facility.

2. Develop and improve local market.
3. Facilitate development training, monitoring and service improvement on the legality of business as well as supervising improvement.
4. Create the comfortable, security and safety as well as the truth information.

Policy is kind of provision which is appointed to be guidance or direction in implementing program or activities to realize the object purpose, vision and mission. In this case, the policy of Department of Industry and Trade are:

1. Improve the production capacity and develop personal based on knowledge and technology.
2. Make the license easier by creating program of counseling and supervising of TDP.
3. Socialization of the Law number 2 of 1981 about legal metrology.

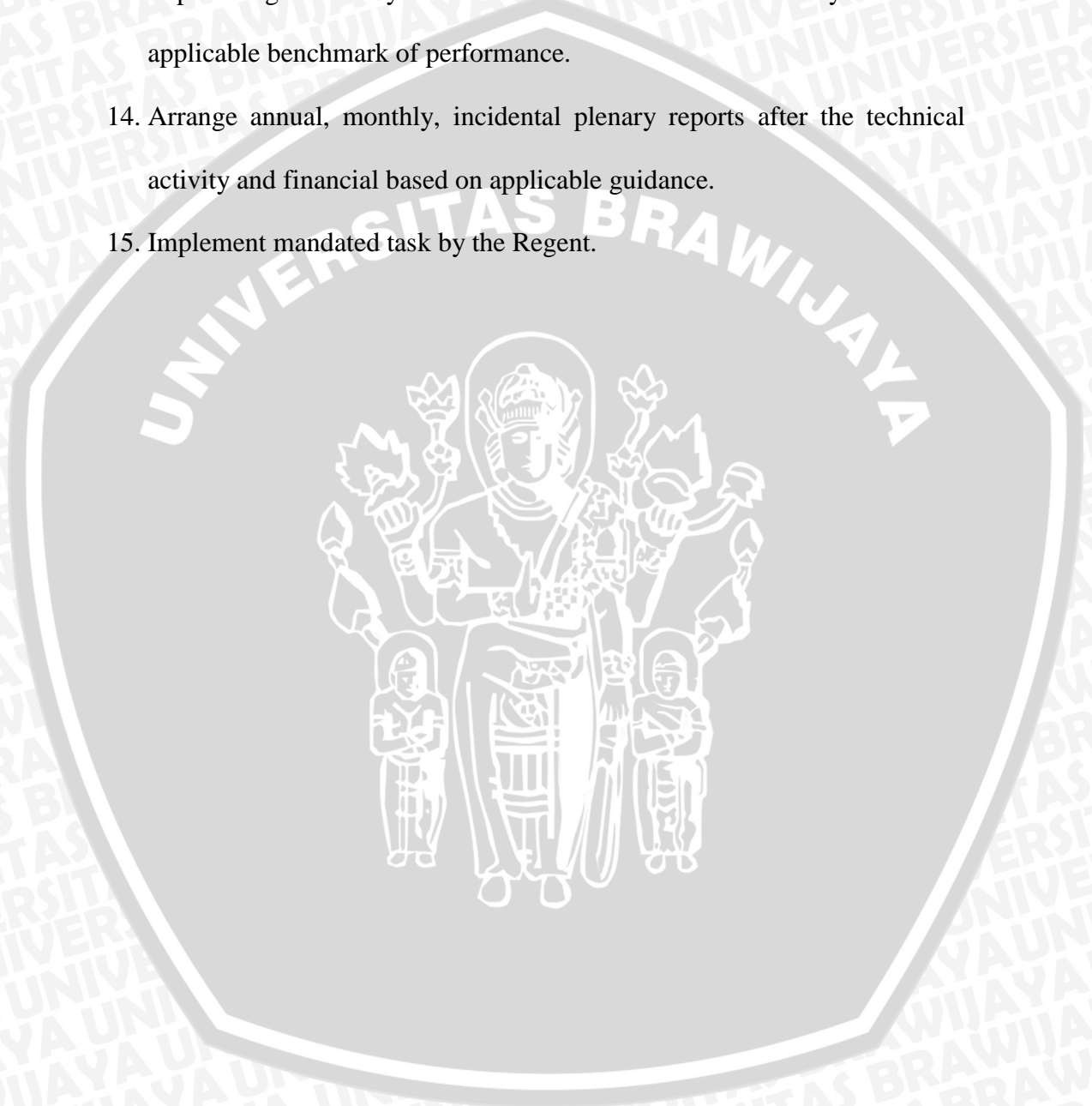
e. The Main Task and Function of Department of Industry and Trade of Pasuruan Regency

The main task of Department of Industry and Trade of Pasuruan Regency helps the Regent in implementing government affair related to the field of Industry and Trade based on autonomy principle and *medebewind* principle. In order to run their main task Department of Industry and Trade of Pasuruan Regency has several functions, such as:

1. Formulate long term, medium term and short term work program of industry and trade field and make a priority as presented by the Regent.

2. Make development budget planning as whole and integration of activity and performance benchmarks.
3. Make coordination with leader and horizontal coordination in every activity.
4. Organize every activity of industry and trade under work area of related to institution in order to realize the efficiency and effectiveness.
5. Create minimum service standard in the field of industry and trade based on standard operating procedures which is being local authority.
6. Implement the technical training for small-medium industry include industry of machine, metal, textile, chemical, agro, forest, transportation and telematics.
7. Implement the technical training for trade field include domestic trade, international trade and controlling and meteorology.
8. Implement the technical training for the field of small trade industry include small industry, small trade and facility and partnership.
9. Implement secretariat administrative training include arrange program and report, general administrative and personnel as well as financial administration.
10. Make a preservation and data collection of institution assets based on applicable guidance.
11. Implement the training of technical executor unit in the field of industry and trade under local authority.

12. Implement the training of functional personnel in the field of industry and trade under local authority.
13. Supervising on every technical and administrative activity based on applicable benchmark of performance.
14. Arrange annual, monthly, incidental plenary reports after the technical activity and financial based on applicable guidance.
15. Implement mandated task by the Regent.



f. The Organization Structure of Department of Industry and Trade of Pasuruan Regency

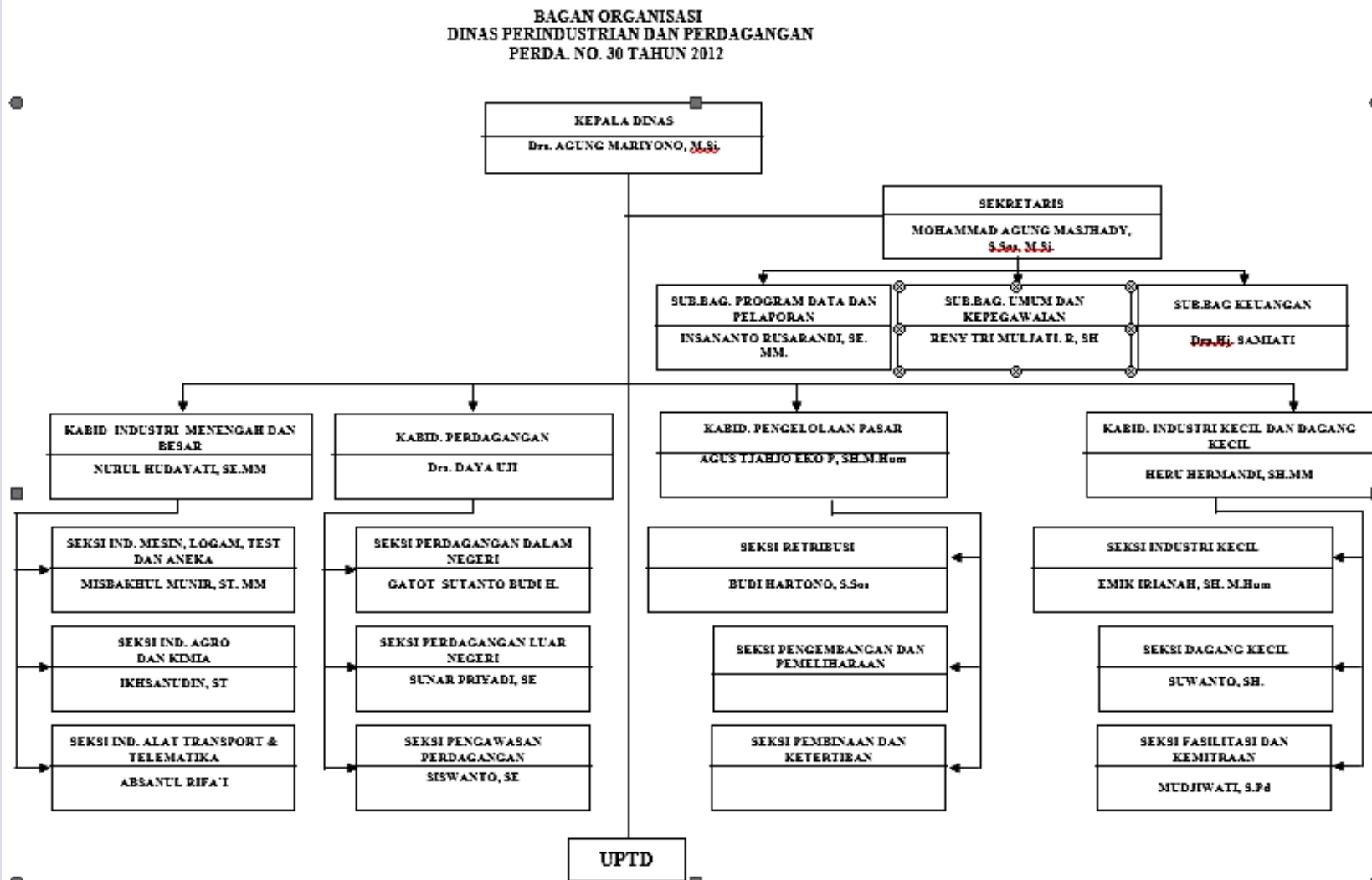


Figure 7. Structure of Organization

Source :DISPERINDAG Kab. Pasuruan

Organization structure of Department of Industry and Trade of Pasuruan

Regency:

1. The head of Department

Help the Regent in implementing government affair of industry and trade field based on autonomy principle and *medebewind*.

2. Secretary

Arrange the program and report, general affair and personnel as well as financial. Secretary supervise:

- 1) Sub-division of Data Program Reporting
- 2) Sub-division of General Affairs and Personnel
- 3) Sub-division of Financial

3. Division of Medium-Large Industry

The Division of Medium-Large Industry carry out the actictivity relate to the planning, organizing and controlling of the development of Medium-Large Industry. The industry include Industry of Metal Machine and Textiles, Industry of Chemistry, Agro and Forest Product, Industry of Transportation and Telematics based on the criteriamore than IDR 200.000.000 exclude land, building, and they must have legal document of the business based on applicable law or regulation. The division supervises several sub-divisions such as:

- a. Sub-division of Industry of Machine, Metal, Textiles and Various
- b. Sub-division of Industry of Agro and Chemistry
- c. Sub-division of Industry of Transportation and Telematics
Equipment

4. Division of Trade

The Division of Trade carry out the activity relate to the planning, organizing, and controlling of the development of the trade of Medium-Large include the Trade of Domestic, Trade of International and the trade must be based on the criteria more than IDR 200.000.000. The criteria exclude the land and building and there must be legal document of the business based on applicable law or regulation. The division is also accountable to control on the circulated goods and metrology supervision. . The division supervises several sub-divisions such as:

- a. Sub-division of Domestic Trade
- b. Sub-division of International Trade
- c. Sub-division of Trade Supervision

5. Division of Small Industry and Trade

The Division of Small Industry and Trade carry out the activity relate to the planning, organizing, and supervising on the development of Small Industry and Small Trade based on the criteria of investment up to IDR 200.000.000. The criteria exclude the land and building and there must be legal document of the business based on applicable law or regulation or even non-formal business legality and micro industry/household industry. The division supervises several sub-divisions such as:

- a. Sub-division of Small Industry
- b. Sub-division of Small Trade
- c. Sub-division of Facilitation and Partnership

6. Division of Market Management

The division of Market Management carry put the activity relate to management of market retribution, development and preservation of market, guidance and orderly of the market as well as street vendors in the market area.

The division supervises several sub-divisions such as:

- a. Sub-division of Retribution
- b. Sub-division of Development and Maintenance
- c. Sub-division of Guidance and Orderly

B. Data Display

1. The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness of Pasuruan Regency

Based on the guiding of the Development of Embroidery Industry there are two kind of the development effort that are the strategy and the coordination. Both of the strategy and coordination are intended to strengthen the capacity of embroidery industry for supporting the regional competitiveness of Pasuruan Regency.

a. Strategy to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness of Pasuruan Regency

Local government has important role in developing local potential. In this case, creative industry is one of local potential of Pasuruan Regency. Embroidery

industry as one of creative industry combines the creativity and culture which is potentially developed is able to compete in the domestic and international market. Local government and Department of Industry and Trade of Pasuruan Regency have responsibility to develop embroidery industry to support the improvement of regional competitiveness through the contribution to the regional economy, absorbing employee and living quality improvement and openness of industry to the domestic and regional market. The strategy to develop the embroidery industry for supporting regional competitiveness is realized in several supporting actions, such as:

1) Social Assistance

In the private sector, capital is everything or all of the goods within the company or industry itself which supports the income creation. So, the capital is important for the business actor in starting the business. The government interprets the capital as the activity of grant as well as social assistance which is regulated in the Regulation of Domestic Ministry number 32 of 2011 about Guidance of Giving and Social Assistance. The first strategy is needed in developing the creative economy of embroidery industry sector is capital. In this case, the capital activity is based on the available regulation such as stated by Sie of Industry of Machine, Metal, Text and Various of Division of Medium-Large Industry, Misbakhul Munir said that:

”Jadi salah satu kegiatan permodalan yang diberikan kepada pengusaha bordir itu bukan modal uang atau secara finansial atau modal cash tapi DISPERINDAG menyediakan bantuan sosial berupa alat-alat produksi. Meskipun pihak kami telah menyediakan alat-alat produksi tapi tetap

disesuaikan anggaran. Jika melihat peraturan yang berlaku terkait dengan bantuan sosial yang diberikan pada para pengusaha bordir itu bisa dibilang hibah. Hibah itu sendiri diberikan pada para pengusaha dengan tujuan agar mereka mampu mencapai tujuan bisnis mereka.” (Wawancara tanggal 19 Januari 2015)

“So, one of the activities of capital given to the embroidery businessman is not financial capital or cash money but DISPERINDAG provided social assistance such as the means of production. Although we have provided the means of production but it must be adjusted to the budget. If we saw the available regulation relate to the social assistance given, it could be considered as a grant. A grant itself is given to the embroidery businessman in order to support the achievement of their business goals.” (Interviewed on Januari 19th 2015)

Local government itself through Department of Industry and Trade of Pasuran Regency gave social assistance relate to the means of production for the embroidery craftsmen. The social assistance which is inteded to assist embroidery entrepreneurs is distributed to the association or known as Association of Embroidery Businessman (ASPENDIR). The means of production are distributed to the one place in order to integrate the using of this assistance. The means of production is put in the *Sentra Produk Unggulan* so every businessman who want to use this assistance can come to this place and ASPENDIR responsible for the distribution and using of the assistance. By distributing the social assistance relate the means of production to the ASPENDIR, its expected can be maximally used under the management of the association. In 2014, the means of production which has been distributed to the ASPENDIR were:

- 1) The computer embroidery machine 12 heads about 2 pieces
- 2) The manual embroidery machine about 14 pieces

- 3) The sewing machine about 4 pieces
- 4) The obras machine about 4 pieces
- 5) The zig-zag sewing machine about 2 pieces
- 6) The machine of mike up about 2 pieces

The means of production has been distributed to the ASPENDIR in order to support the development of embroidery industry under the association of the embroidery businessman itself. According to Department of Industry and Trade, there were about 104 embroidery businessman under the supervision of ASPENDIR which has been used the social assistance. Based on the observation of author, the distribution of the means of production to the ASPENDIR is also intended to integrate the embroidery entrepreneurs in using the social assistance so the advantage will be gotten in the larger scope. ASPENDIR itself is kind of organization for the embroidery entrepreneurs in Pasuruan Regency. ASPENDIR also has the duty for developing the art of quality embroidery which can be marketed both in the national and international market. In order to achieve this goal, it needs the maximum usage of the means of production for creating quality and competitive product but the problem is not all of the entrepreneur can use this assistance because of lack of coordination, This is also show from the interview between author and Yoenarti soewarno as the leader of ASPENDIR said that:

”selama ini alat-alat produksi yang diberikan DISPERINDAG itu sangat membantu. Alat produksi yang diberikan oleh pihak dinas itu sudah tergolong modern karena mesin bordir yang diberikan itu sudah berupa mesin komputer. Jadi dibawah asosiasi ini kita berusaha untuk memaksimalkan pemanfaatan mesinnya itu dalam menghasilkan produk bordir yang memang benar-benar berkualitas. Tapi tidak semua pengusaha bordir turut memanfaatkan bantuan ini karena kurangnya sosialisasi atas bantuan tersebut

dari pihak DISPERINDAG kepada seluruh pengusaha bordir yang tersebar di beberapa wilayah. Kami dari pihak ASPENDIR masih belum mampu untuk mengcover seluruh pengusaha bordir sehingga hal ini yang menjadi permasalahan.” (Wawancara tanggal 9 Februari 2015)

”all this time, the means of production given by DISPERINDAG was very helpful. The means of production given was kind of modern embroidery machine include computerize machine. So, under the association we tried to maximize the utilization of the machine in order to produce quality product. But, not all of the embroidery entrepreneur are able to us this assistance because the lack of socialization of DISPERINDAG to the all of embroidery entrepreneurs which spread in several areas. We are from ASPENDIR were not able to cover all of the embroidery industry so it becomes the problem.” (Interviewed on February 9th 2015)

The social assistance or grant from local government like the means of production is not also gotten under the management of the association but it can be proposed by themselves. Individually, the embroidery businessman can propose the proposal relate to the social assistance to the Department of Industry and Trade of Pasuruan Regency. The proposal must be approved by the government official in the lower level such as the chief of village and the head of subdistrict. It relates to the responsibility of the businessman which is proposed the proposal. Department of Industry and Trade of Pasuruan Regency have their own authority wheter to approve or reject the proposal such stated by Misbakhul Munir as Sie of Industry of Machine, Metal, Test and Various of Division of Medium-Large Industry:

”Jika ada beberapa pengusaha bordir yang ingin mendapatkan bantuan berupa alat-alat produksi juga, mereka bisa mengajukan proposal langsung kepada pihak kami. Tapi proposalnya tidak bisa disetujui begitu saja. Kita telah menetapkan beberapa kriteria. Jadi ini terkait apakah pantas pengusaha itu mendapat bantuan dari kami atau tidak. Proposal itu juga harus disetujui oleh pemerintah di tingkat terendah seperti kepala desa juga camat, agar nanti bisa dipertanggung jawabkan.” (Wawancara tanggal 9 Januari 2015)

"If there are several embroidery businessman want to get the assistance like the means of production, they can propose directly the proposal to us. Anyway, the proposal can not be approved, so there are several characteristics. It is relate to the appropriateness of the businessman to get the assistance from us. The proposal itself must be approved by the government at the lowest level such as teh chief of village and the head of sub-district relate to the responsibility." (Interviewed on January 9th 2015)

According to DISPERINDAG there are five characteritics which must be completed by the applicant such as:

- 1) The existence of business
- 2) Create the business group between 10-20 people
- 3) It has good cash flow
- 4) The industry is potentially developed
- 5) The clear market share of the industry

The first consideration is about the existence of business so it makes sure that the industry need to be helped through the social assistance relate to the the means of production. The next criteria is about social assistance proposal must be proposed by group of businessmen which consist of 10 – 20 people so the social assistance can be used together. It will be more effective because the local government distributes the assistance for business group. Another important thing is the industry must have good cash flow. Cash flow itself is about amount of cash in and out of the transaction from company or business itself. Cash flow reflects the position of business liquidity so it can be known wether the goods and service produce safely. In this case, good cash flow of the embroidery industry will also

reflect good liquidity so it deserves to get the assistance for supporting the industry development itself. The worthiness for getting social assistance is also assessed whether this industry is potentially developed or not. Local government concern on the industry which has good market share because it will be easier to market the product because of the clarity of market share. It needs the assistance from the local government to increase the production capacity which will be affected to the product sales. The entrepreneur which can not meet this requirement can not get the assistance and it is kind of the problem of the development. So, this entrepreneur will difficult to improve the capacity of industry because of the lack of capital.

Department of Industry and Trade of Pasuruan Regency has important role to facilitate the creative industry actor and bank relate to the loan. The needs of each industry are not the same. Along the development of industry will increase the needs of industry and it is happened to the embroidery industry. There are several banks offer the loan with lower interest such as Bank of BRI, BNI, and Mandiri. The lower loan interest becomes the attraction for industry actor in Pasuruan Regency. In this case, not all entrepreneurs deserve the loan so the bank or another institution which will offer the loan can get the data relate to this industry such as cash flow or another supporting data. The supporting data will help the loan provider to give the loan itself. Based on the observation of the author, small industry has simple business management and cash flow which is not good enough so it makes entrepreneurs can not access the loan.

According to Department of Industry and Trade of Pasuruan, the partnership with several banks or another loan provider in providing the loan or leasing is very helpful because the businessman can develop the industry without using the main capital. TELKOM is one of state owned enterprise which also provides the loan for embroidery businessman through the program of PKBL (*Program Kemitraan dan Bina Lingkungan*). Under the management of ASPENDIR, the loan of TELKOM is managed by ASPENDIR although this loan can not distribute to all of the entrepreneurs such stated by Yoenarti Soewarno, the leader of ASPENDIR:

"Sudah dari tahun kemarin tepatnya desember 2014 kami sudah mendapat pinjaman dana dari TELKOM. Itu sangat membantu sekali karena dengan adanya modal pinjaman kami mampu meningkatkan kapasitas usaha kami. Dana dari TELKOM itu sendiri cair setiap 3 bulan sekali. Di tahun lalu (desember 2014) kami sudah mendapat pinjaman dana sekitar 1 milyar. Di tahun 2015 ini, direncanakan kami akan mendapat pinjaman dana sekitar 2,7 milyar. Bunga yang diberikan hanya 0,6 persen jadi masih tergolong rendah dan itu sangat membantu sekali. Tapi karena hanya ada 104 pengusaha yang terdaftar di ASPENDIR sehingga pinjaman tersebut tidak dapat didistribusikan kepada semua pengusaha bordir". (Wawancara tanggal 9 Februari 2015)

"Already from the last year precisely on december 2014, we got the loan from TELKOM. It is really helpful because this loan helped us to increase the industry capacity. Last year (December 2014) we got the loan about 1 billion. In 2015, we will get the loan about 2,7 billion. The interest only 0,6 percent so it is kind of low interest and it is very helpful. But, the small number of embroidery entrepreneurs that only 104 entrepreneurs that enrolled in ASPENDIR so this loan can not distributed to all of entrepreneurs". (Interview on February 9th 2015)

Based on the observation from the author through the interview with Mrs. Yoenarti as the leader of ASPENDIR and also as the owner of Norrissa Miliarta Embroidery, the lower loan interest is very helpful for the embroidery

entrepreneurs especially in developing their business activity. But, lack of coordination make the loan can not assist all of the entrepreneurs.

The social assistance which is facilitated by DISPERINDAG is intended to develop embroidery industry in Pasuruan Regency. The development itself is also expected can support the improvement of regional competitiveness through the value added generated and market mechanism. Based on the statement of the DISPERINDAG to the author that the concern of DISPERINDAG to develop embroidery industry by providing social assistance is expected can increase the productivity of this industry itself which can affect to the contribution to the regional economy and expand the market. The data from DISPERINDAG shows the product of embroidery has had been exported to the several countries such as Netherlands, Singapore, Malaysia, Brunei and several countries in the Middle East. So, the competitiveness of embroidery industry will make the industry itself can penetrate the international market and they can compete with product from another country. According to the Sie Domestic Trade DISPERINDAG, Gatot Sutanto that:

"melalui industri bordir yang telah berjumlah 1.318 unit usaha tersebut diharapkan mampu meningkatkan produktivitas serta berkontribusi terhadap peningkatan pendapatan daerah. Produktivitas itu sendiri terlihat dari kapasitas produksi industri bordir dalam memenuhi demand atas produk itu sendiri. Dalam setahun industri bordir di Kabupaten Pasuruan mampu memproduksi lebih dari 829.800 pcs baik untuk di melayani permintaan pasar domestik dan pasar luar negeri." (Wawancara tanggal 23 Januari 2015)

"through 1.318 units of embroidery industries are expected to improve the productivity and contribute to the social income improvement. The productivity itself is reflected by the capacity of ebroidery industry production in fulfill the demand on this product itself. In a year, the

embroidery entrepreneurs can produce more than 829.800 pcs for meeting the demand of domestic and international market.” (Interviewed on January 23th 2015)

2) Promotion (Marketing)

Promotion or marketing is one of important activity in supporting the sustainability of the industry. In this case Department of Industry and Trade of Pasuruan Regency have several strategy to increase the product promotion and marketing both in the domestic market and international market. The first strategy is about encourage the marketing through the exhibition which is held in several area in Indonesia. The exhibition is kind of promotion media which is considered effectively introducing the embroidery to the several regions until states around the world. DISPERINDAG has held about eighteen times exhibition in a year relate to local superior product and small-medium industry include embroidery. Yoenarti Soewarno as the leader of ASPENDIR is also confirm that:

”penjualan produk kami baik di pasar domestik hingga ke luar negeri itu tidak lain karena didukung pameran tadi. Sehingga bagi kami pameran sangat berperan penting dalam mengenalkan produk kami pada masyarakat. Biasanya beberapa warga yang berasal dari luar Indonesia juga berkesempatan untuk mengunjungi pameran kami. Khusus untuk yang mengunjungi pameran bordir mereka tidak jarang membeli untuk dipakai sendiri atau juga untuk diual kembali.” (Wawancara tanggal 9 Februari 2015)

”Our product sales both in the domestic market until international market are supported by the exhibition itself. So, for us , the exhibition reallay important in introducing our product to the public. The foroeign people also often visited our exhibition. Espeially, the people who visited the embroidery exhibition usually bought for theirselves or for trading.” (Interviewed on February 9th 2015)

This proves that the exhibition can support the openness of the industry to the domestic and international market. The exhibition was held in several area in Indonesia and it is often visited by the people from another country. The leader of ASPENDIR also told the author that several people from Malaysia often visit the exhibition which is held by Local Government of Pasuruan Regency. So, the product of embroidery itself is often exported to the several country include Malaysia, Singapore, the Netherlands and Brunei. In the domestic market embroidery has been marketed to the several areas in Indonesia such as Bangil, Solo, Sidoarjo, Jakarta and another areas in Indonesia. Based on the data of Department of Industry and Trade of Pasuruan Regency, there are about eighteen times exhibition held in 2014 such as:

Table 6. The Exhibition of Local Superior Product and Small-Medium Industry of Pasuruan Regency in 2014

No.	The Exhibition	Date	Location
1	Pameran Parade Pangan Nusantara	15 - 19 Januari 2014	Lapangan Rampal Malang-Jawa Timur
2	Pameran Fruits and Flower Festival 2014	8 - 9 Maret 2014	Taman Dayu Pandaan, Pasuruan-Jawa Timur
3	Genduren Kakap	5 - 6 April 2014	Sentra Produk Unggulan Pasuruan-Jawa Timur
4	APKASI INTERNATIONAL INVESTMENT TRADE AND SUMMIT 2014	14 - 17 April 2014	JIEC Jakarta Pusat
5	Batik Bordir Aksesoris Fair	14 - 18 Mei 2014	Grand City Surabaya-Jawa Timur

6	Jewellery Fair	8 - 11 Mei 2014	Balai Kartini Jakarta
7	Gebyar Sambang Pasuruan	31 Mei - 09 Juni 2014	Sentra Produk Unggulan
8	Rakernas Dekranas	05 - 06 Juni 2014	JCC Jakarta
9	Pameran PDN Regional	19 - 22 Juni 2014	Lapangan Kanjuruhan Malang
10	Pameran Bromo Marathon	5 - 6 Agustus 2014	Tosari
11	Pameran Hari Jadi Pasuruan	12 - 14 Sept 2014	Candra Wilwatikta
12	Bromo Marathon	5 - 6 September 2014	Desa Telogosari Kecamatan Tosari
13	Pameran SMESCO	16 - 19 Oktober 2014	Pontianak Convention Center
14	Festival Batik	24 - 26 Oktober 2014	Universitas Muhammadiyah Malang
15	Pameran Bali Craft Invesment	27 - 30 Nop 2014	Mall Bali Galeria Kuta
16	Pameran Lombok Sumbawa Inafact 2014	30 Okt - 2 Nop 2014	Mataram Mall
17	Pameran Hari Pangan Sedunia Expo	6 - 11 Nopember 2014	Taman Maccini Sombala Makasar Sulawesi Selatan
18	Pesta Rakyat	29 Oktober - 2 Nopember 2014	Gajayana Malang

Source: Department of Industry and Trade

From the table can be seen that the agenda of exhibition is held almost in every month. Although the exhibition has not reached all areas in Indonesia but it can be sure that the introducing of the product has reached several area in Indonesia. One of the attraction of the exhibition is Local Government always cover the exhibition with different theme, so it attracts the visitor both local and foreign. The high interest of visitor encourage the introducing and demand of the product.

The marketing activity is also executed by online through the website of embroidery industry itself and supported by Local Government website. In the local government website, there is information relate to embroidery as local superior product and equipped with embroidery businessman profile. So, the introducing of embroidery product is also supported by Local Government. It is expected can increase the demand of the product itself.



Figure 9. Website of Local Government of Pasuruan Regency



Figure 10. Private website of Embroidery Entrepreneur for marketing online

Several embroidery industry have had private website but several of them do not have. In this case the Department of Industry and Trade of Pasuruan Regency cooperate with TELKOM (*Telekomunikasi Indonesia*) in giving training about website making and IT (Information Technology). This is intended to introduce the marketing online which will be more effective in trading and introducing the product because it low cost and unlimited of time and scope of area. Later, the training itself will be used as marketing online and it gets good response from embroidery businessman include Sie PR (Public Relation) of ASPENDIR, Robiatul Adawiyah which is also the owner of Al Fira Embroidery that:

"ya kami cukup terbantu dengan adanya training pembuatan website ini membuat jangkauan pemasaran kami tidak hanya terbatas pada konsumen lokal saja tapi konsumen luar kota juga bisa mendapat produk kami melalui pemesanann online." (Wawancara tanggal 9 Februari 2015)

"yeah, it helps us enough because the training make the market scope larger so this is not limited on local consumer but out of town and they just need make online ordering." (Interviewed on February 9th 2015)

Based on the observation of the author when interviewed the ASPENDIR that the IT training which is provided by DISPERINDAG is really appreciated by

ASPENDIR include the embroidery entrepreneur because it helps the marketing and promotion of embroidery through online media. Both ASPENDIR and DISPERINDAG realize the development technology and adopt it for developing embroidery industry.

Another thing which is done by the Department (DISPERINDAG) is about providing the location or place for product display include local superior product and Small-Medium Industry include embroidery which known as *Sentra Produk Unggulan*. *Sentra Produk Unggulan* is expected can increase the embroidery sales. *Sentra Produk Unggulan* located in the strategic location around Shopping Complex (Kompleks Perukoan) *Pattimura* road number 999 Pogar-Bangil. Nurul Hidayati as the head of Medium-Large Industry Division DISPERINDAG said that *Sentra Produk Unggulan* itself needs to be developed in order to support the promotion and marketing of embroidery product, as stated below:

"tahun lalu (2014) Pak Agung Laksono yang masih menjabat sebagai Menteri Kesejahteraan Sosial pernah berkunjung ke Sentra Produk Unggulan. Beliau sangat mengapresiasi upaya yang kami lakukan dalam mengembangkan sektor-sektor industri kreatif termasuk industri bordir itu sendiri. Jadi kedepannya Sentra Produk Unggulan itu diharapkan didesain menjadi showroom yang memamerkan semua produk unggulan serta produk-produk industri kreatif di Kabupaten Pasuruan termasuk bordir. Sehingga hal tersebut diharapkan juga akan meningkatkan pemasaran produk-produk tersebut." (Wawancara tanggal 23 Januari 2015).

"last year (2014) Mr. Agung Laksono which still serves as Minister of Social Welfare had come there (Sentra Produk Unggulan). He really appreciated our effort to develop the creative industry include embroidery industry itself. So, in the future Sentra Produk Unggulan will be designed asa showroom for exhibit local produts of Pasuruan Regency include embroidery industry. So it is expected can increase the product marketing." (Interviewed on January 23th 2015)

In the future, *Sentra Produk Unggulan* will become the main showroom which exhibits the product of creative industry of Pasuruan Regency. Local Government will also add the shop as culinary and SME centre as the effort to integrate the industry actor and improve the trade potency of Pasuruan Regency.

3) Training

Embroidery industry development in Pasuruan Regency is depend on the existence of human resources especially qualified human resources. The development of industry is asked the role of human resources in determining the successful of industry. So, it can be said that human resources is kind of vital resources and it is kind of the assets for the organization or the institution itself. The development of human resources is kind sistematic activity which has had been planned by the organization in order to give the chance for labors to learn the expertise that is needed to fulfill the job requirement in the future. So, the human resources quality will influence the performance of organization or industry.

In the guiding or trainning, DISPERINDAG has several agendas in guiding and training the embroidery entrepreneurs through the program of Guidance of Capability and Skill of Social Work which is carried out in several districts such as Bangil, Beji, Gempol, Sukorejo, Rembang, Wonorejo, Pasrepan, Kraton, Grati and Pandaan. According to the Department of Industry and Trade of Pasuruan Regency, through the guidingy program is expected to improve and enhance the

embroidery industry in Pasuruan Regency. There are also several purposes the training and guiding, such as:

- a) Provide greater insight to the craftsmen or entrepreneurs about embroidery management and production technique.
- b) The existence of good opportunities for entrepreneurs of small industries or embroidery industry and also the development of various potential human resources in order to improve the social welfare.
- c) Encourage to increase the diversification of products that have been produced to support the development of small embroidery industry in terms of both grade and quality in order to compete in the domestic and international market.
- d) Provide guidance relate to facilities owned by embroidery businessman in supporting productivity.
- e) Implement environmentally sound development which are efficient and effective for improving expected income of employers.

The training itself is about the entrepreneurship material. In this case there are several kind of training which is executed by DISPERINDAG such as entrepreneurship and business plan. DISPERINDAG encourages the entrepreneurs to have the entrepreneurship mindset such as innovative, proactive and take a risk. There are several important points in guiding the embroidery entrepreneurs relate to business plan such as:

- a) The product must be unique because creative industry product is identical with handmade product which adopts the local culture. The uniqueness of the product will become the attractiveness.
- b) The purpose of creative industry must be clear because it is a kind of preservation activity for the local culture which is adopted by the businessman in creating economic values of the product.
- c) The commitment of the actor of creative industry actor includes embroidery businessman must consider the social condition based on environmentally sound. So, the entrepreneurs are expected to contribute to improve the living quality of the people through the absorbing the labors.
- d) The industry must be flexible in order to overcome the uncertainty in the business field. The industry itself is also expected to be flexible in several fields such as the capability to modify the product design and product development and also meet the demand of the market. Several embroidery industries will survive in the business competition.
- e) Creative industry is expected to have market segments. It is related to the product produced which is in accordance with demand such as in the middle level or upper middle level. So, the embroidery industry can determine the production of product based on the market segments.
- f) The proposition is the relation between the advantage and price from the industry must be balanced. In this case, creative industry is asked to give

the value or advantages of the product produced based on the the demand and payment of the consumer.

- g) Creative industry is expected to have the excellence when compete in free trade era. The competitive excellence deoend in the industry performance in facing the competition in the market. The performance means that the creative industry must be supported by qualified human resources, advanced technology and good market share in order to compete in the domestic and international market.
- h) Creative industries is also required to determine their business model both offline and online business models, as a supplier or distributor, incorporated in the collective business, a franchise until sell directly to consumers. The business model will determine how the industry provides, create and capture value.

According to Misbakhul Munir who served as the Section of Industrial Machinery, Metal, Text and various of IMB Divission (Medium Large Industry) that training given to the embroidery industry is also related to marketing as presented below:

"DISPERINDAG memberikan beberapa pembekalan terkait manajemen dan business plan. Namun yang terpenting yakni hal yang terkait dengan keberlanjutan bisnis itu sendiri. Tentunya itu terkait dengan bidang marketing sehingga hal ini berkaitan dengan bagaimana para pengusaha mampu membangun network serta dapat dengan mudah memasarkan produk mereka." (Wawancara tanggal 23 Januari 2015)

"DISPERINDAG givesguidance relate to the management and business plan. The important thing is about the sustainability of the business itself. It is relate to marketing so it is also about how the entrepreneur is able to build a

network and can easily market their products." (Interviewed on January 23th, 2015)

Table 7. The Training for Embroidery Entrepreneurs

No.	Date	Location
1.	1 – 5 September 2014	Ds. Raci – Kec. Bangil
2.	14 – 18 September 2014	Ds. Kenep – Kec. Beji
3.	15 – 19 September 2014	Ds. Sebani – Kec. Pandaan
4.	1 – 6 October 2014	Ds. Tampung – Kec. Rembang
5.	3 – 8 October 2014	Ds. Gayam – Kec. Gondang Wetan
6.	12 – 16 October 2014	Ds. Glagahsari – Kec. Sukorejo
7.	14 – 19 October 2014	Kec. Wonorejo
8.	27 – 31 October 2014	Ds. Pasrepan – Kec. Pasrepan
9.	10 – 15 November 2014	Ds. Plososari – Kec. Grati
10.	13 – 18 November 2014	Kec. Kejayan

Source: Department of Industry and Trade of Pasuruan Regency

The training which is given by DISPERINDAG is held several days in the area of industry distribution. DISPERINDAG sent a team to trainee the embroidery entrepreneur in this village. The training is also about the marketing. Training is about how to market the product which is also become a concern of local governments in the guiding. In this case, DISPERINDAG provides guidance in order to make the embroidery industry is able to analyze the market by considering several things such as trends and industry growth, the competitive environment, the barrier to entry and the ability to see the long-term business

opportunities. DISPERINDAG told the author that the marketing training is important because some of the small entrepreneur do not have good share market so it will influence the sustainability of the industry itself. Yoenarti Soewarno as the leader of ASPENDIR always focused on the ability of entrepreneur to follow the market demand. It meant that the products also follow the development of the market so that more diverse. Yoenarti who was also accompanied by adviser of ASPENDIR Soewarno Santoso also said that:

"pembekalan dan pelatihan yang diberikan pemerintah daerah khususnya DISPERINDAG itu cukup membantu para pengusaha dalam membangun mindset yang positif dalam mengembangkan usahanya. Sehingga melalui pembekalan di bidang manajemen serta business plan, pengusaha bordir khususnya para pelaku usaha kecil mampu melakukan manajemen terhadap usahanya. Tapi tidak semua pengusaha mengaplikasikan hal tersebut karena pasti ada keterbatasan kapabilitas SDM. Sehingga yang masih diperlukan yakni optimalisasi pembekalan-pembekalan itu sendiri." (Wawancara tanggal 9 Februari 2015)

"Guiding and training provided by local government, especially DISPERINDAG which helps the entrepreneurs in building a positive mindset in developing a business. So through the guiding in the field of management and business plan, entrepreneur embroidery especially small businesses are able to do to their business management. But not all employers apply it well because of limited of human resources capability. So, it is still necessary that the optimization the guiding itself." (Interviewed on February 9th, 2015)

Based on the observation of author when discuss with the parties of ASPENDIR and DISPERINDAG that in order to be able to compete in the market, the embroidery industry in Pasuruan Regency should have a specific market segment or target market. The target market will also determine product marketing strategy. According to DISPERINDAG the most important of these efforts of development of embroidery industry is about guiding the product

marketing which will determine the sustainability of the industry. So, DISPERINDAG also emphasized that entrepreneurs should know whose their competitor. So that the entrepreneurs should have an excellence over competitors in order to determine the position in the competition. The entrepreneurs must increase the creativity and always be innovative because it is a key determinant of the success of the creative industries.

It was concluded that the training provided for the embroidery industry is intended to expand the business. DISPERINDAG told the author that when the embroidery industry developed it means that this industry needs more human resources to be absorbed as the labor. So, the training itself is given to improve the performance of embroidery industry include entrepreneurship, management and marketing aspects. Marketing will determine the sustainability of the industry, so DISPERINDAG strongly emphasized that the industry should have skills in marketing. Through this development, DISPERINDAG expect that embroidery industry can compete in the market with the flexibility of the industry.

4) Licensing of Industry Establishment

Licensing of Industry Establishment is the important thing in the business and trade. It is also mandatory for entrepreneurs in order to make the business activity legal. In this case DISPERINDAG as a facilitator between the business license applicant include embroidery entrepreneurs with BP3M (Agency of Service, Licensing and Investment). Basically, DISPERINDAG provides normative

process and procedures of licensing, trade and distribution of goods service.

According to the Division of Small Industries and Small Trade,DISPERINDAG:

"tentunya untuk perijinan pendirian usaha itu kami hanya berperan sebagai fasilitator. Jadi disinikami hanya memberikan fasilitas terkait bantuan pengurusan perijinan atau rekomendasi serta legalitas IKDK (Industri Kecil dan Dagang Kecil) beserta dengan pemberian konsultasi. Bagi pengusaha bordir yang ingin mengajukan perijinan pendirian usaha kami memberikan kemudahan pelayanan pengurusan perijinan melalui program penyuluhan dan pengawasan TDI (Tanda Daftar Industri) serta SKA (Surat Keterangan Asal). Kami bekerjasama dengan BP3M juga mencoba untuk melakukan tindakan menjemput bola sehingga kami menawarkan langsung pada pelaku industri untuk didaftarkan usahanya di BP3M dan untuk industri berskala kecil kami juga menawarkan pelayanan bebas biaya". (Wawancara tanggal 27 Januari 2015)

"Of course, in the licensing of industry establishment we only act as a facilitator. So, we only provide assistance relate to facilities the necessary permits or recommendations and legality of IKDK (Small Industries and Small Trade) and provision of consultation. For those entrepreneurs who want to apply for licensing embroidery business establishment, we provide service of the necessary permits through training programs and supervision TDI (Industrial Registry) and SKA (Certificate of Origin). We and BP3M also try to take *menjemput bola* action so we directly offer to the entrepreneur for enrolling the industry to the BP3M and especially for small industry we provide free service". (Interviewed on January 27th, 2015)

Ease and counseling given by DISPERINDAG admitted by ASPENDIR quite helpful as stated by Sie PR of ASPENDIR, Robiatul Adawiyah:

"penyuluhan atau bantuan yang diberikan DISPERINDAG terkait perizinan cukup membantu. Meskipun hanya berperan sebagai fasilitator tapi bagi kami cukup membantu juga seperti yang disampaikan pula oleh bebarapa pengusaha bordir lainnya. Sehingga para pengusaha yang hendak mengajukan permohonan perijinan pendirian usaha akan mendapat arahan step by step mendirikan perijinan usaha." (Wawancara tanggal 23 Januari 2015)

"Counseling or assistance given by DISPERINDAG relate to the licensing is helpful enough. Although DISPERINDAG only act as a facilitator but for us is really helpful as delivered also by several embroidery entrepreneurs So

that the entrepreneurs who want to apply for a license will get direction step by step in applying the license. "(Interviewed on January 23rd, 2015)

The requirement which is needed by entrepreneur in enrolling the industry to the BP3M is about the data of ownership. Then it propose to the BP3M, Department of Industry and Trade of Pasuruan Regency has a role in giving recommendation to the BP3M whether the industry or business are eligible to get licenses. Previously, BP3M has made the licensing process of the industry DISPERINDAG conduct a review of the industry itself. The review is based on the Regulation of the Minister of Industry of RI NUMBER: 41 / M-IND / PER / 6/2008 about Provisions and Procedures Giving Industrial Business License, Permit of Expand and Industrial Registry. In this case requires that every entrepreneur must have a business license Industry. But this does not apply to small industry players, they are only required to have a TDI (Industrial Registry).

Related to the provision of business license, according to the IMB (Industrial Medium Large) division, DISPERINDAG will facilitate two types of business license. First, the IUI (Industrial License) is a license that must be owned by certain industry. So, the industry which carries on the activity relate to processing of raw materials or semi-finished goods and finished goods into higher value goods or economical. The next service is facilitated by DISPERINDAG is about SIUP (Trade License). License itself is required for entrepreneurs who perform trading activities.

DISPERINDAG try to tell the embroidery entrepreneurs that business license is really important for supporting the activity of industry itself. The export and import activity and also trading activity of the industry will run well when the industry has a license because it is legal. Based on the Regulation of the Minister of Industry of RI NUMBER: 41 / M-IND / PER / 6/2008 about Provisions and Procedures Giving Industrial Business License, the industry which has IUI can add the production capacity until 30 percent and it is intended to export activity as well as the industry open for the investment. The openness of the market and investment of the industry will influence to the regional competitiveness improvement.

DISPERINDAG of Pasuruan Regency is also based every reviewing effort of establishment of business licensing on REGULATION OF PASURUAN REGENCY NUMBER 12 of 2010 about Spatial Planning (RTRW). DISPERINDAG strive the industry do not to run the activity in the middle of the settlement, especially large-scale industry. So there are several regulations of the industrial area. The embroidery industries are still able to perform the business activities in residential areas as far as these activities do not interfere the neighborhoods and must meet the minimum requirements as SMEs. Embroidery industry itself is kind of household industry which is the production activities do not require large machines and do not produce waste that can harm the environment. The embroidery industry which is still able to operate the business in the middle of the residential has the social responsibility to absorb the people

surrounded industry like stated by Head of IMB division (Medium Large Industry), Nurul Hidayati that:

"industri bordir yang bukan termasuk industri besar masih diperbolehkan beroperasi di tengah-tengah pemukiman masyarakat. Tapi satu hal yang harus diperhatikan, mereka sebagai pengusaha bordir harus memperhatikan kondisi sosial sekitar. Beberapa warga yang tinggal di sekitar tempat usaha mereka masih banyak yang menjadi pengangguran entah karena alasan keterbatasan pendidikan, faktor usia atau keterbatasan lainnya. Sehingga kami selalu menghimbau para pengusaha bordir untuk memberdayakan mereka dengan dibekali kemampuan membordir karena ini merupakan tanggung jawab sosial mereka." (Wawancara tanggal 27 Januari 2015)

"embroidery industry which is not kind large industry still able to operate in the middle of residential. The important thing that must be considered is about responsible to the social condition surrounded industry area. Several people surrounded the industry area still do not have a job because several reason such as limited of education, age or another reason. So, we appealed the entrepreneur to empower them and equipped with the embroider skill because it is kind of social responsibility". (Interviewed on January 27th 2015)

According to DISPERINDAG that from 1.318 business units, almost 80 percent has license. Almost of them is medium-large industry which the trading activity has been enlarge into export and inter regional trading. So, it needs the licensing for business activity. The role of Department of Industry and Trade in facilitating the business licensing is intended to make the industry activity legal based on applicable law and regulation and also regulate the spatial play the role which will influence the social responsibility of the industry itself.

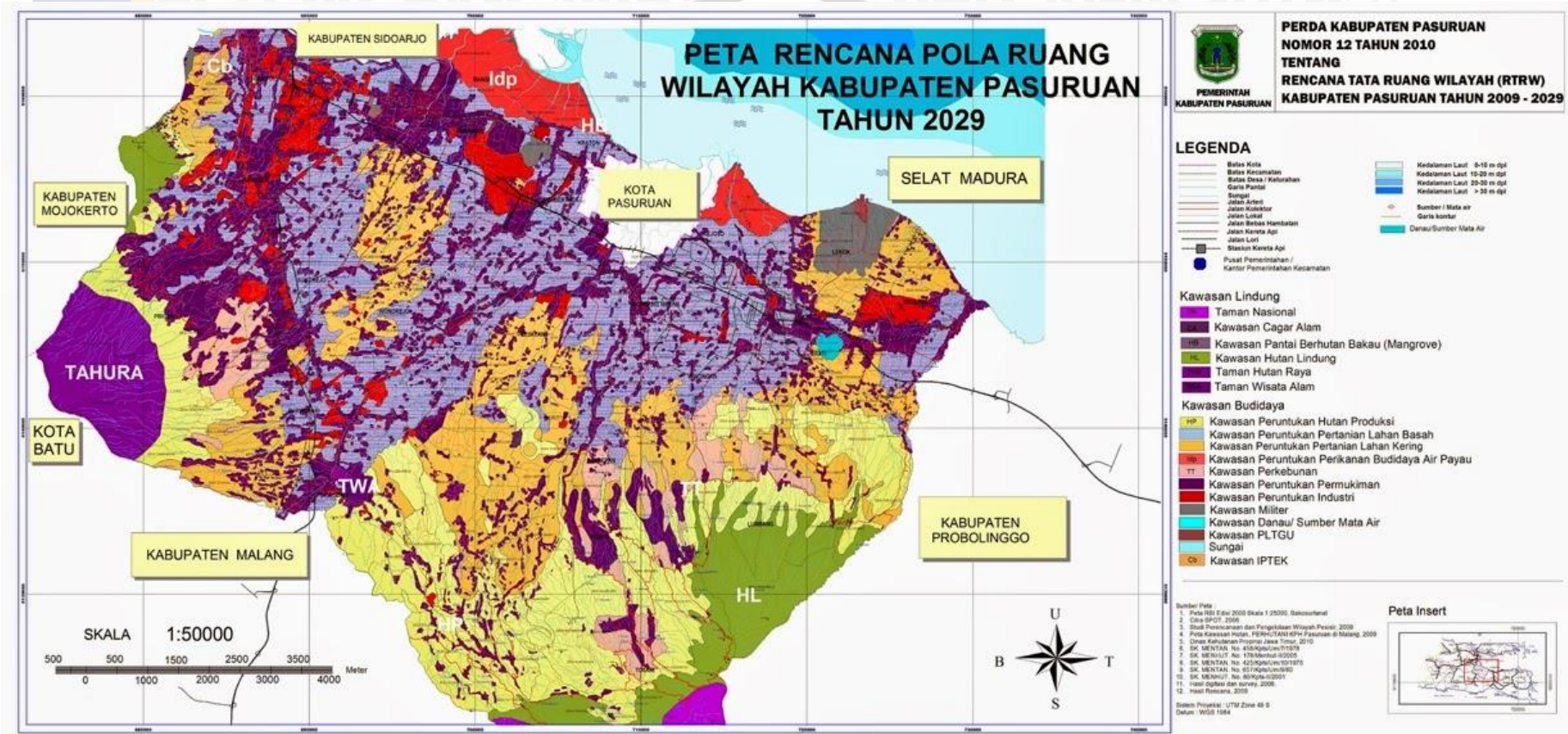


Figure 11. The Map of Spatial Planning of Pasuruan Regency in 2029

Source: Department of Trade and Industry of Pasuruan Regency

5) Product Quality Development

In the industry, the quality of the product is required to improve the competitiveness of the industry itself. The competitiveness of the industry in the domestic and international market need quality product of the industry itself. In order to improve the quality of the product is needed performance of the industry in creating innovative products based on creativity and innovation. Development of product quality itself is a requirement of high levels of competition and technological development.

Department of Industry and Trade of Pasuruan Regency facilitating product innovation for entrepreneurs. In this case DISPERINDAG cooperate with universities in creating innovative products as well as product design for businesses. The role of academics who have contributed ideas and ideas to improve the quality of the product itself. Based on the observation of the author, some academicians take the DISPERINDAG as the site of research then after the observation usually the academicians propose some idea for the problem. It is also stated by Misbakhul Munir as the Section of Industrial Machinery, Metal, Test and various of IMB Divission (Medium Large Industry)that:

"Beberapa mahasiswa dari beberapa universitas pernah melakukan observasi terkait industri bordir itu sendiri. Mereka sangat mendukung untuk dilakukan pengembangan karena melihat industri bordir akan mampu bersaing di pasar domestik dan internasional. Hal ini didasari pula oleh data-data yang telah kami sajikan terkait industri bordir dan data yang diperoleh dilapangan. Sehingga beberapa akademisi mendukung pengembangan industri bordir dengan memberikan ide-ide seperti studi banding ke beberapa daerah yang memilik produk sejenis, menawarkan ide terkait training yang harus diberikan kepada pengusaha bordir dan beberapa

ide lainnya guna meningkatkan kualitas produk yang dibutuhkan untuk bersaing di pasar". (Wawancara tanggal 30 Januari 2015)

"Several students from several universities ever made observation relate to the embroidery industry. They are really support the development embroidery industry because they consider that this industry will be able to compete in the domestic and international market. It is also based on the data display from DISPERINDAG and data analysis from the observation. So, several academicians support the development of embroidery industry by contributing their ideas about comparative study to another region with similar local superior product, providing training and another ideas for improving product quality which is needed to compete in the market". (Interviewed on January, 30th 2015)

The efforts to develop the quality product will be realized as innovation training for 30% of embroidery industries in Pasuruan. The embroidery industry who are considered potential and able to represent the embroidery industry of Pasuruan in the product innovation training. Most of the targeted development of the product quality are small scale industries. This is because this small-scale entrepreneurs need to improve their industry.

According DISPERINDAG of Pasuruan Regency, in developing innovative embroidery products also requires cooperation with stakeholders include Department of Cooperatives and SMEs. DISPERINDAG's planned future will bring some embroidery entrepreneur for innovation training in the Great Hall of Textile of Ministry of Industry. In order to develop innovative products of embroidery industry, DISPERINDAG also committed to facilitate the industry to develop the product quality by providing comparative study to another region in order to get new knowledge for developing embroidery industry of Pasuruan Regency. The agenda of comparative study getting appreciate from ASPENDIR

because it will help them to improve product quality but in the other hand DISPERINDAG assume that the representative of ASPENDIR which is sent to join comparative study lack of awareness in participating this agenda. According to the Head of IMB division (Medium Large Industry), Nurul Hidayati that:

"kami bersama ASPENDIR akan selalu mengupayakan untuk memfasilitasi kegiatan-kegiatan yang berhubungan dengan pengembangan kualitas produk. Kami pernah mengirim perwakilan pengusaha bordir untuk melakukan studi banding ke beberapa daerah seperti tahun kemarin (2014) kita sempat mengirimkan perwakilan pengusaha bordir ke Bandung guna terkait pengembangan produk. Yang terbaru di bulan februari ini (2015) kami juga mengirimkan perwakilan pengusaha bordir untuk mempelajari inovasi pengembangan produk ke Bukit Tinngi, Sumatera. Kami berharap setelah dilakukan studi banding, para pengusaha yang telah dikirim untuk pergi studi banding dapat berbagi ilmu dan pengalaman dengan pengusaha bordir lainnya dan kami berharap pula hasil dari studi tersebut mampu di implementasikan dengan baik. Kebanyakan mereka hanya menikmati perjalanan selama studi banding tersebut sehingga kami harap mereka mampu meningkatkan kesadaran mereka untuk benar-benar memanfaatkan waktu studi banding untuk menggali ilmu." (Wawancara tanggal 23 Januari 2015)

"We and ASPENDIR would always strive to facilitate activities related to the development of quality products. We never send representatives embroidery entrepreneurs to undertake a comparative study in several areas last year (2014) we had sent representatives to Bandung embroidery entrepreneurs related to product development. The latest in the month of February this (in 2015) we also sent representatives embroidery entrepreneur to learn product innovation development in Bukit Tinngi, Sumatra. We hope after the comparative study, the entrepreneurs that have been sent for comparative study can share the knowledge and experience to another embroidery entrepreneurs and we also hope that they can implement the result of comparative study well. Most of them only enjoy the traveling during the comparative study so we hope they aware follow the comparative study for getting knowledge". (Interviewed on January 23, 2015)

The leader of ASPENDIR, Yoenarti Soewarno also said that:

"pada dasarnya pengembangan kualitas produk itu sangat bermanfaat bagi kemajuan industri bordir itu sendiri. Hal ini dikarenakan inovasi produk tersebut bermanfaat dalam menciptakan produk yang berkualitas dan

beragam yang akan menarik minat konsumen. Sehingga ASPENDIR selaku asosiasi yang menanungi para pengusaha bordir sangat mendukung upaya pengembangan kualitas produk guna memajukan indsutri bordir itu sendiri.” (Wawancara tanggal 9 Februari 2015)

"Basically the development of the quality of the product is very beneficial to the develop of the embroidery industry itself. This is because the innovation of the product useful in creating quality product and diversity of products that will attract consumers. So ASPENDIR as associations of embroidery entrepreneur strongly supports the efforts to promote the development of product quality itself. "(Interviewed on February 9, 2015)

6) The Strengthening of Association

Association is a process of interaction that underlies the formation of social institutions. Embroidery entrepreneur in Pasuruan also integrated in an Embroidery Entrpreneur Association (ASPENDIR). ASPENDIR embroidery covered the embroidery entrepreneurin Pasuruan committed to their organization's activities based on the principles of good governance that can be highly competitive in the era of globalization. It has been more than 9 years since June 22, 2005, ASPENDIR believed to be the organization to function professionally in the shade embroidery entrepreneurs in order to develop and create prosperity embroidery entrepreneurs in Pasuruan.

The Association seeks to do business expansion to become the embroidery industry become more efficient and profitable. In making quality embroidery industry and economic value, DISPERINDAG guide the ASPENDIR to underly every activity on the basis of Pancasila as the idiil foundation, the Constitution of 1945 as the structural foundation , Regulation of Government Number 44 of 1997 about Partnership that both small industry and medium-large industry can create

pattren of partnership in order to develop the industry based on the principle of win-win solution and Regulation of Government Number 32 of 1998 on Guiding and Develop Small Business about strengthen and make the creative industry has the competitiveness.

According Yoenarti Soewarno as the leader of ASPENDIR, the association is oriented to the interests of its members who have the same vision and mission in developing the embroidery industry. Recognizing the importance of ASPENDIR in developing embroidery industry in Pasuruan then DISPERINDAG undertake efforts to strengthening this association. One of the effort is institutional strengthening through the Deed of Establishment. Deed of Establishment serves to protect the existence of ASPENDIR as associations that conduct activities professionally related to the welfare of embroidery entrepreneurs in Pasuruan. Although DISPERINDAG has strengthen the association by providing deed of establishment but they also need the recognition of Local Government of Pasuruan Regency such stated by Yoenarti Soewarno as the leader of ASPENDIR that:

"Asosiasi kami ini legal dengan diperkuat akta pendirian sehingga kami akan melaksanakan kegiatan kami secara profesional. Melalui asosiasi ini kami berharap adanya percepatan kemajuan industri bordir yang tentunya membutuhkan kerjasama dengan beberapa pihak terkait seperti DISPERINDAG. Namun kedepannya aspek legal pengakuan terhadap bordir dari Kabupaten Pasuruan juga diperlukan" (Wawancara tanggal 9 Februari 2015)

"Our association is strengthened by the Deed of Establishment so that we will carry out our activities in a professional manner. Through this association we hope for accelerating development of embroidery industry that will require collaboration with multiple stakeholders such as Industry and Trade.

In the future, the legal aspect for recognition the embroidery from Pasuruan Regency is also needed." (Interviewed on February 9, 2015)

Misbahul Munir as Sie of Industrial Machinery, Metal, Text and Various of IMB division also state the same thing:

"kami memang selalu memberikan informasi penting misalnya saja terkait event-event pameran atau layanan publik collective lainnya kepada pengusaha bordir melalui ASPENDIR. ASPENDIR merupakan satu-satunya asosiasi legal yang menaungi pengusaha bordir kabupaten Pasuruan yang dilengkapi pula dengan akta pendirian. Jadi bentuk pemantapan asosiasi ini sendiri berupa pendampingan serta dukungan kami dalam setiap kegiatan mereka dan kedepannya kami juga akan mengusahakan penguatan dari segi aspek hukum yang diterbitkan oleh Kabupaten Pasuruan. Sehingga kami berharap melalui pemantapan asosiasi ini akan menciptakan kerjasama yang baik antar pelaku IKM. Solidnya kelembagaan dalam sentra serta terjalannya kerjasama antar pelaku IKM bordir akan memudahkan dalam mencapai kemajuan industri bordir itu sendiri." (Wawancara tanggal 19 Januari 2015)

"We always provide important information for example related exhibition events or other collective public services to entrepreneurs through ASPENDIR. ASPENDIR is the only one of legal association that manage embroidery entrepreneurs in Pasuruan which is also equipped by deed of establishment. So, in order to strengthening the association itself by giving assistance and support us in all their activities and we will also try to provide the legal strengthening which will be published by Pasuruan Regency. We hope that through the consolidation of this association will create good cooperation between actors of SMEs. Good institutional as well as co-operation between stakeholders will facilitate SMEs embroidery in developing embroidery industry itself." (Interviewed on January 19, 2015)

DISPERINDAG also told the author that the strengthening of ASPENDIR is also intended to accelerate the development of embroidery industry. DISPERINDAG appealed to the ASPENDIR to intensify entrepreneurial forum to discuss sustainability of embroidery industries. The most important thing that should be discussed in the forum that is related to raw material inventory. So ASPENDIR required to improve the availability of raw materials in the country.

The raw material inventory will affect to the industry performance in the production activity. In this case ASPENDIR are supported by DISPERINDAG have to make the MoU (Memorandum of Understanding) with raw material suppliers in the country. The DISPERINDAG is also recommend that ASPENDIR must also cooperate with private sector relate raw material inventory. After the problems of availability of raw materials then the next task to perform market expansion.

In cooperate with DISPERINDAG, ASPENDIR also encouraged to introduce and promote and conduct joint marketing embroidery products to market of garmental and national design apparel. It is intended to encourage the competitiveness of the industry in domestic market. DISPERINDAG and ASPENDIR focus to the domestic market because the embroidery entrepreneurs must be competitive in the domestic market before enter the international market although some of the entrepreneurs have been compete in the international market.

So that the efforts of product introduction to some areas will impact to the demand of embroidery product itself. So it can conclude that efforts to strengthening the association itself based on the Deed of Establishment so that all activities can be said to be legal. The orientation of strengthening activity of ASPENDIR itself is about strengthening the availability of raw materials and market expansion in order to develop the embroidery industry in Pasuruan Regency.

b. Coordination to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness of Pasuruan Regency

According to DISPERINDAG, the effort to develop creative economy of embroidery industry for supporting regional competitiveness also needs more coordination among related stakeholders. The coordination is important in order to optimize the development strategies which has been done as well as achieve the industry goals. In this case, DISPERINDAG only focus on two kind of coordination such as coordination relate to distribution of goods and coordination relate to competency development. By coordinating the distribution of goods and competency development with related stakeholders, it is expected can create the harmony of all the developement strategy. So, the embroidery industry will be developed well and it can support the improvement of regional competitiveness.

1) Distribution of Goods

In developing embroidery industry for supporting regional competitiveness, it needs the continuity of the industry activity itself. The continuity means that how the industry activities can run well begin with production activity until marketing. According to DISPERINDAG the coordination of distribution of goods is important in order to achieve market penetration with still considere the procurement of goods. In this case, DISPERINDAG not only focus on how to penetrate the market include domestic and international market but DISPERINDAG is also consider all of the process of production such as raw material supply. The coordination itself involve several actors such as

ASPENDIR and distributor or retailer. According to Misbahul Munir as Sie of Industrial Machinery, Metal, Text and Various of IMB division that:

"tentunya dalam mengkoordinasikan distribusi barang itu sendiri kami melibatkan ASPENDIR, pemasok bahan baku dan para distributor, pedagang, agen-agen hingga pengecer. Disini, melalui koordinasi dengan para pemasok bahan baku kami berharap tidak akan ada permasalahan selama penyediaan bahan baku. Namun hingga saat ini kami masih belum memiliki pemasok bahan baku dari supplier yang berbeda sehingga kami masih bergantung pad supplier yang sama. Melalui ASPENDIR kami juga tetap mengkoordinasikan hal terkait pasokan bahan baku hingga pemrosesan bordir itu sendiri di tangan pengrajin hingga distribusinya. Untuk distribusi bordir, kami berkoordinasi dengan para distributor hingga pengecer dengan masih melibatkan ASPENDIR. ASPENDIR tetap dilibatkan agar mereka mampu berinteraksi langsung dan bekerjasama dengan para distributor ataupun pengecer untuk memperkuat jejaring pasar baik di luar negeri atau pasar dalam negeri". (Wawancara tanggal 30 Januari 2015)

"in coordinating the goods distribution, we involve the ASPENDIR, raw material suppliers and the distributors, salesman, agent and retailer. By coordinating the goods distribution we hope there won't be a problem during the raw material providing. But, until now we do not have another supplier so we still depend on the same supplier. We also still coordinate with ASPENDIR relate to the raw material supply and processing of the embroidery. For distributing activity, we coordinate with distributor until retailer which still involve ASPENDIR. The involvement of ASPENDIR is intended to make this association is able directly interacting and cooperating with the distributor or retailer for strengthening market network both domestic and international market". (Interviewed on January, 30th 2015)

The coordination of distribution of goods will support the successful of the development effort on the embroidery industry. DISPERINDAG told the author that the DISPERINDAG will develop the embroidery industry become industry become larger because embroidery industry is considered as the industry that can contribute to the regional economy through the GDRP and improve social welfare through the creating employment and increasing income percapita of the people. So, how important the coordination itself to accelerate the development of

embroidery industry especially for supporting regional competitiveness. For improving regional competitiveness needs good cycle of goods distribution both in the domestic and international market because it will show the openness of the industry itself. The coordination of distribution of goods can be illustrated below:

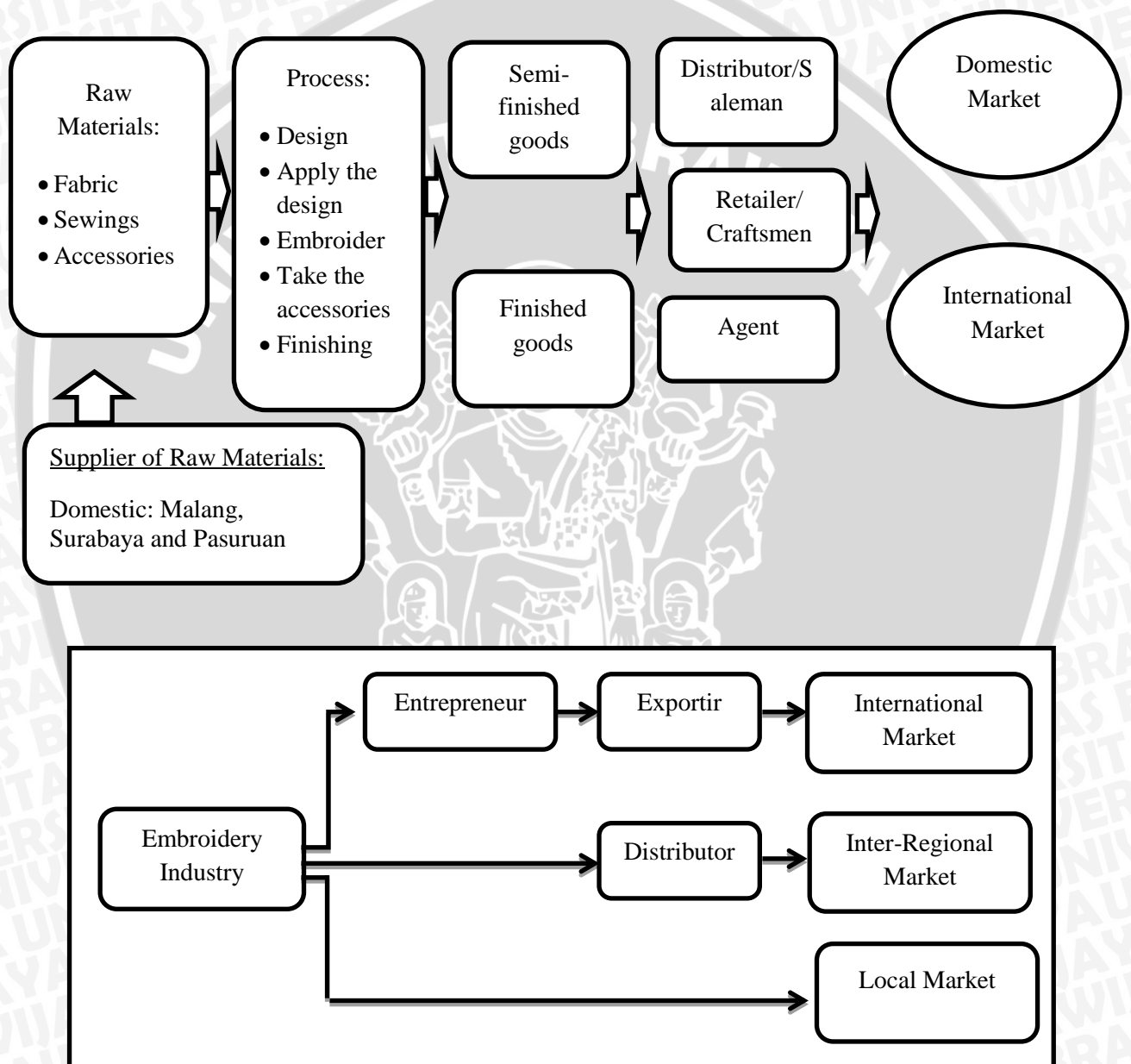


Figure 12. Distribution of goods of embroidery industry

Source: Secondary data which has been processed by the author

In order to expand the scope of goods distribution, DISPERINDAG will also coordinate with exportir for international marketing. So, the among international market, inter-regional market and also local market can be reached by embroidery industry. The statement is delivered by Misbahul Munir as Sie of Industrial Machinery, Metal, Text and Various of IMB division that:

"iya seperti itu skema yang kami persiapkan untuk mengembangkan jaringan pasar industri bordir. Hal ini sangat penting mengingat jaringan pasar sangat mendukung perkembangan itu sendiri. Ketika distribusi barang dari produk bordir itu sendiri berjalan baik maka akan banyak yang didapatkan dari industri bordir bisa saja kontribusinya terhadap PDRB dan peningkatan pendapatan masyarakat" (Wawancara tanggal 23 Januari 2015)

"this scheme which has been prepared to develop the market network of embroidery industry. When the distribution of goods of embroidery industry is run well, it will bring so many advantages such as the contribution to the GDRP and improvement of living quality" (Interviewed on January, 23rd 2015)

Based on the conclusion of the author that DISPERINDAG optimize the coordination in order to achieve the larger advantages of the development of industry as well as to support the strategy if industry development.

2) The competency of industry

According to DISPERINDAG, the effort to develop embroidery industry will be run well when DISPERINDAG also support to develop the competency of industry. The development of industry competency will improve the competitiveness of the industry itself because DISPERINDAG will more focus on the development of the industry itself. The industry competency development is

only developed by coordinating with related actor. This is intended to optimize and strengthening the effort to develop the industry itself. It is like stated by Misbahul Munir as Sie of Industrial Machinery, Metal, Text and Various of IMB divission that:

"pengembangan kompetensi industri bordir diharapkan mampu meningkatkan daya saing industri bordir itu sendiri. Pengembangan kompetensi itu sendiri didasari atas beberapa alasan yakni dikarenakan industri bordir hingga saat ini masih belum mampu menciptakan merk dan citra yang kuat. Sehingga kami melakukan koordinasi dengan aktor terkait misalnya saja dengan ASPENDIR." (Wawancara tanggal 23 Januari 2015)

"the development of embroidery industry competency is expected can improve the industry competitiveness. The developemnt of competency is based on several reason that is embroidery industry still does not able to create strong brand and image. So we coordinate with related actor such as ASPENDIR". (Interviewed on January, 23rd 2015)

The coordination relate to the competency of industry is involve ASPENDIR who manage the embroidery entrepreneur in Pasuruan Regency. DISPERINDAG told the author that DISPERINDAG will coordinate with ASPENDIR to encourage all of the embroidery entrepreneurs are able to create image of embroidery of Pasuruan Regency in the level of national and international. In the coordination, DISPERINDAG consider the existing human resources in order to support the competency development. The desired competency is how to produce quality product with high artistic values of Pasuruan Regency image in order to create strong competitiveness. In order to achieve the development industry competency, DIPERINDAG coordinate with ASPENDIR tostrengthen the strategy of development by determining several supporting action such as introducing the pattern and motifs of Pasuruan embroidery to the domestic and

international market which also supported by the development of *Sentra Produk Unggulan*. The important thing is about strengthening and protecting copyright of Pasuruan's embroidery. The scheme of development of industry competency is illustrated below:

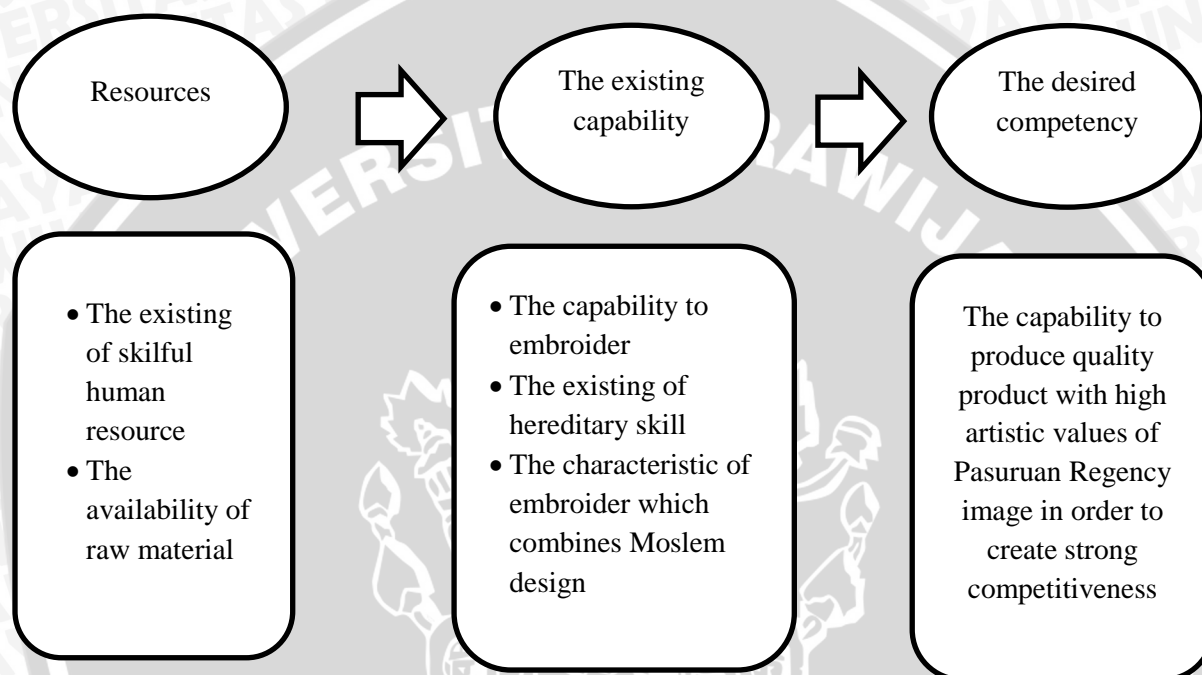


Figure 13. The Competency of Embroidery Industry

Source: Secondary data which has been processed by the author

2. The Supporting and Restriction Factors of the Effort in Developing Embroidery Industry for Supporting Regional Competitiveness Improvement of Pasuruan Regency

a. Supporting Factors

i. Internal Factors

1) The characteristic of Industry

The embroidery industry has characteristic such as combine cultural creativity in creating economic value of a product. There are several kind of characteristics of embroidery industry such as this industry is kind of cultural heritage which is adhere to Moslem style and this industry is kind of capital intensity industry. First character, embroidery is kind of a craft or heritage that comes from Pasuruan. The embroidery is a hereditary craft culture that originally was a fabric used to Mokena. From early history, the embroidery itself synonymous with Muslim fashion. So, embroidery is applied in Moslem. According Yoenarti Soewarno, the leader of ASPENDIR who was also accompanied by the advisor of ASPENDIR, Soewarno Santoso said that:

“peminat produk bordir itu sendiri datang dari Negara Muslim karena sebagian besar dari kami mengaplikasikan bordir pada pakaian bernuansa muslim. Sehingga bordir sangat lekat dengan image pakaian bernuansa Muslim. Tidak sulit untuk memasarkan bordir pakaian muslim di Indonesia yang berpenduduk mayoritas Muslim dan beberapa Negara tetangga yang juga memiliki penduduk Muslim.” (Wawancara tanggal 9 Februari 2015)

"the most of enthusiasts of embroidery itself comes from Muslim countries because we apply a large part of embroidery on Muslim cloth. So the application of embroidery closes with Muslims image. It is not difficult to market the embroidery of Muslim clothing in Indonesia which is majority Muslim people and some neighboring countries who also has a Muslim population. "(Interviewed on February 9th, 2015)

The last characteristic is embroidery industry can also be classified as capital intensity industries which is the industry more using manpower rather than machine. Industry itself produces embroidery handmade products that use the skills of the hands of the workers. The leader of ASPENDIR, Yoenarti Soewarno also said that

“ya memang industri kami tidak banyak menggunakan mesin tapi lebih kepada tenaga manusia. Hal ini sangat penting karena memang produk yang kami hasilkan memang harus bersifat unik dan indah yang hanya dapat dikerjakan oleh tangan manusia bukan mesin” (Wawancara tanggal 6 Juni 2015)

“our industry is not much use machines but rather the human power. This is very important because it is the product that we produce must be unique and beautiful that can only be done by human hands instead of machines” (Interviewed on June 6th, 2015)

The use of machines in the embroidery industry is also limited to the production activities. So, the supporting factors of embroidery industry development is about it is not kind of large capital industry but capital intensity which will be affect to the absorbing the labors.

2) The hereditary workforce skill

Embroidery is a heritage that has been influence the habitual activity of the people. Several people who live surrounded the embroidery industry have embroidered skill and obviously it is kind of derived ability. So it is not a difficult thing for craftsmen and entrepreneur of embroidery to find the workers with embroider skill. This is also confirmed by Robiatul Adawiyah as PR Sie of ASPENDIR said that:

“sebagian besar penduduk disekitar lingkungan industry bordir memiliki kemampuan membordir secara turun temurun. Jadi tidak terlalu susah bagi kami untuk menemukan tenaga kerja yang memiliki ketrampilan membordir.”
(Wawancara tanggal 9 Februari 2015)

"Most of the people surrounded the industry have the ability to embroider and it is kind of hereditary. So it is not too difficult for us to find workers with embroider skills. "(Interviewed on February 9th, 2015)

Nurul Hidayati as the head of IMB (Medium Large Industry) DISPERINDAG also said the same thing that

“karena kami memang tau bahwa kemampuan membordir itu sudah menjadi warisan turun-menurun maka kami memberdayakan mereka yang telah memiliki kemampuan tersebut untuk berkerja di industry bordir. Hal ini diharapkan sangat membantu meningkatkan taraf hidup mereka”
(Wawancara tanggal 8 Juni 2015)

"Because we know that the ability to embroider is a heritage then we empower those who already have the ability to work in the embroidery industry. It is expected can help the improvement of their lives "(Interviewed on June 8, 2015)

According to DISPERINDAG of Pasuruan Regency, this is one of the supporting factors in developing the embroidery industry itself. By empowering hereditary skills of local communities will be easier the development of embroidery industry. The development effort will also reduce unemployment and improve the lives of local people as well as it is kind of cultural preservation.

3) Market Network

Market network is related to the own market of the industry itself. Embroidery industry has good market network both domestic and international market. In the domestic market, DISPERINDAG said that embroidery entrepreneur develop

good relations with distributors of local market in order to make easy the product distribution. Several embroidery entrepreneurs have also penetrated international market. The larger market network will make the entrepreneur can expand their business activity. The exhibition has important role in expand the market and the image of embroidery as the Moslem style make Moslem states become the consumer. So, the embroidery industry has good enough market network both domestic and international market such stated by Sie PR of ASPENDIR, Robiatul Adawiyah that:

"produk bordir asal Kabupaten Pasuruan sendiri telah dikenal oleh banyak konsumen baik dari dalam negeri maupun luar negeri. Jadi dengan telah dikenalnya produk kami makan hal ini juga akan berpengaruh pada permintaan akan produk kami. Hal ini diperkuat pula oleh permintaan pasar baik dalam negeri maupun luar negeri akan produk kami." (Wawancara tanggal 9 Februari 2015)

"Embroidery products from Pasuruan Regency has been known by many consumers both domestic and international. So, it will also affect to the demand for our products. This was confirmed also by the market demand both domestic and international." (Interviewed on February 9th, 2015)

The Head of Trade division of DISPERINDAG, Daya Uji said also confirm that embroidery industry has international market network:

"beberapa negara yang menjadi tujuan ekspor antara lain Malaysia, Singapura, Belanda dan Brunei. Atase kebudayaan Indonesia di beberapa Negara seperti Singapura, Malaysia dan Dubai juga beberapa kali mengundang pengusaha bordir untuk melakukan pameran disana." (Wawancara tanggal 23 Januari 2015)

"Some export destination countries including Malaysia, Singapore, the Netherlands and Brunei. Indonesian cultural attache in some countries such as Singapore, Malaysia and Dubai are also several times invited embroidery entrepreneur to exhibit there. " (Interviewed on January 23rd, 2015)

The importance of international trade network will have an impact on the knowledge of the product itself in the other state. It would also be a hedge on the demand for the products. So the industry has export network is potentially to be developed. Local Government considers that embroidery industry has good export network so that it supports the efforts of the development.

4) Technology

Appropriate technology is the technology in relatively small-scale, capital intensity, energy saver and suitable to local conditions. So that appropriate technology is designed to be more resource-efficient, easy to maintain, minimum polluting impact, it does not produce a lot of waste and pollute the environment. Appropriate technology is also synonymous with the most effective use of technology in an industrial activity According to the Leader of ASPENDIR, Yoenarti Sowarno that:

"hingga saat ini teknologi yang kami gunakan masih tergolong sederhana dan ramah lingkungan. Mesin-mesin yang kami gunakan seperti halnya mesin bordir sederhana dan mesin computer yang juga tidak menghasilkan limbah. Apabila ada kain-kain sisa pengerjaan kami tetap memanfaatkannya sebagai bahan pernak-pernik lainnya." (Wawancara tanggal 9 Februari 2015)

"Until now, we still use technology which relatively simple and environmentally friendly. The machines that we use include modest embroidery machine and computerize machine which also produces no waste. If there are fabrics rest we use it as an ingredient other trinkets. "(Interviewed February 9th, 2015)

According to DISPERINDAG the use of appropriate technology by the embroidery industry is kind of supporting factor in the development of the

industry. This will affect on reducing unemployment and increasing the living standards of the local community. The use of waste by the embroidery industry players will have an impact on creating of value-added to the product itself as well as the creation of innovative products.

5) Innovation of product

In an industry, product innovation is needed to face the fierce competition in the market. Innovation and creativity are needed by the entrepreneur in order to survive in the competition. Creativity is also the main capital for developing the industry. Nurul Hidayati as the head of IMB (Medium Large Industry) DISPERINDAG, Pasuruan Regency that:

"industry kreatif bordir tergolong industry kreatif yang sering melakukan inovasi produk. Hal ini terlihat dari produk-produk yang dihasilkan selalu beragam." (Wawancara tanggal 19 Januari 2015)

"Embroidery creative industries creative industries are often make product innovation. This can be seen from the products produced are always diverse. "(Interviewed on January 19th, 2015)

This is also confirmed by Yoenarti Soewarno as the leader of ASPENDIR that

"kreatifitas dan inovasi merupakan kunci utama yang diperlukan bagi pengusaha bordir. Inovasi yang sedang kami kembangkan yakni agar produk bordir itu sendiri tidak hanya terbatas pada busana bernuansa muslim namun saat ini bordir juga diaplikasikan pada berbagai produk seperti halnya sepatu, tas, pakaian, batik, hingga pernak-pernik lainnya." (Wawancara tanggal 9 Februari 2015)

"Creativity and innovation are the key that is necessary for entrepreneurs. Innovations that we are developing is about making the embroidery is not only limited to Muslims cloth but also applied to several products such as shoes, bags, clothing, batik and the other trinkets. "(Interviewed on February 9th, 2015)

This will affect to the expansion of the market for the products produced. This is said by DISPERINDAG that product innovation will support the efforts of developing the embroidery industry itself. This is expected to increase the value-added of the product itself as well as developing human resource capacity to be innovative in developing product design.

ii. External Factor

1) Assistance from related actor

The development of embroidery industry is also supported by the private assistance. Private assistance means that the assistance which come from the agency or institution out of the government. In this case, private assistance come from several bank such as BRI, BNI, and Mandiri. The assistance is realized as low interest loan for the entrepreneurs. Low interest loan will not burden the entrepreneur in paying off the debt. Another agency institution like TELKOM also provide low interest loan for developing the industry capacity. It is recognized very helpful for the entrepreneur such stated by Sie PR (Public Relation) of ASPENDIR, Robiatul Adawiyah:

"tentu saja dengan TELKOM menawarkan pinjaman dengan bunga rendah, hal tersebut sangat membantu kami dalam mengembangkan industri bordir." (Wawancara tanggal 9 Februari 2015)

"of course the loan which is offered by TELKOM with low interest is very helpful in developing the embroidery industry." (Interviewed on February 9th 2015)

According to Misbahul Munir as Sie of Industrial Machinery, Metal, Test and Various of IMB division that:

"hingga saat ini kami memang masih belum memiliki badan penyedia bantuan atau layanan kredit untuk pelaku UKM. Namun hingga saat ini kami saat ini kami akan selalu memfasilitasi institusi maupun perbankan yang ingin bekerjasama dengan pelaku UKM dalam hal distribusi pinjaman bunga rendah" (Wawancara tanggal 8 Juni 2015)

"Until now we did not yet have an agency or service provider of credit support for SMEs. But we will always facilitate the bank or institution that wants to cooperate with SMEs in terms of the distribution of low interest loans "(Interviewed on June 8th, 2015)

The entrepreneur begin to consider the advantages of low interest loan because they need to develop the business. Nowaday, there so many agency which propose the assistance or loan for the entrepreneur. So, private assistane become the supporting factor for embroidery industry development which come from external aspect.

2) Facility

Facility which is given by local government in supporting the development of industryis very important. In this case, the local government include DISPERINDAG provide several kind of facilities. First, the facility relate to the distribution of the means of production. Then DISPERINDAG also facilitate the embroidery entrepreneur with bank or institution relate to loan. The last, local government include DISPERINDAG provide *Sentra Produk Unggulan* as the exhibition centre in Pasuruan. All of the facility is intended to support the development of embroidery industry for improving regional competitiveness such stated by Misbahul Munir as Sie of Industrial Machinery, Metal, Test and Various of IMB divission that:

"kami dari DISPERINDAG akan selalu memberikan dukungan berupa sarana dan prasana dalam mengembangkan industri bordir ini karena kami hanya sebagai fasilitator. " (Wawancara tanggal 23 Januari 2015)

"We are from DISPERINDAG will always support by providing facility in developing embroidery industry because we only facilitator". (Interviewed on January, 23rd 2015)

Yoenarti Soewarno as the leader of ASPENDIR also said that

"kami juga sangat terbantu dengan adanya berbagai sarana yang disediakan oleh DISPERINDAG salah satunya Sentra Produk Unggulan juga membantu pemasaran produk kami. Hal ini dikarenakan sentra itu sendiri lokasinya cukup strategis dan tersedia pula berbagai display produk kami sehingga menarik pengunjung untuk datang ke sentra. Tidak hanya itu fasilitas alat-alat produksi yang diberikan juga sangat membantu" (Wawancara tanggal 6 Juni 2015)

"We are also greatly assisted by the various means provided by DISPERINDAG like *Sentra Produk Unggulan* also help our products marketing. This is because the *sentra* itself is located in the strategic location and there are also our display products that attract visitors to come to the *sentra*. The facility of the means of production is also really helpful. "(Interviewed on June 6, 2015)

The facility which has been given to the embroidery entrepreneur is very help them in operating the business activity. It is gotten good appreciate from the entrepreneur because it is very helpful.

b. The Restriction Factors

i. Internal Factor

1) Limited Access of Capital

Capital is the main thing that is required to develop a business. In the creative industries and small-medium scale industry cannot be separated from a loan from a bank or a cooperative. For medium-to-large-scale entrepreneurs, capital is not a

problem because the banks will offer loans. But for small-scale entrepreneurs the capital is the main thing that will support their business development. According to the Head Small Industries and Small Trade DISPERINDAG of Pasuruan Regency, Heru Hermandi that:

“permodalan merupakan permasalahan utama yang dihadapi oleh para pelaku industri bordir terutama pengusaha kecil. Tentunya hal ini menjadi faktor penghambat dalam pengembangan industry kreatif tersebut. Dengan tidak adanya modal, maka kegiatan bisnis mereka tidak akan berlangsung dengan baik.” (Wawancara tanggal 19 Januari 2015)

"Capital is a major problem faced by the embroidery entrepreneur especially small businesses. Surely it is kind of restriction factor in the development of the creative industry. If there is no capital, then the business activities will not run well." (Interviewed January 19th, 2015)

It is also strengthened by the statement of the leader of ASPENDIR, Yoenarti Soewarno that:

“beberapa pengrajin memang menghadapi kesulitan terhadap akses permodalan khususnya pengusaha kecil.” (Wawancara tanggal 9 Februari 2015)

"Some craftsmen is facing difficulties to access capital, especially small businesses." (Interviewed on February 9th, 2015)

So the limited access of capital is faced by some entrepreneurs make the government's efforts in developing the embroidery industry will also be not run well. That is because the development effort by the Local Government also requires the readiness of entrepreneurs, including the readiness of capital for supporting their business development.

2) Modest skill of labor

In the industry, human resource capacity is needed to create a product that is highly competitive. So, the entrepreneur must be responsible to increase in the ability of the employees. The increasing of human resource capacity is expected to support the development of the industry itself.

In this case, Sie PR of ASPENDIR, Robiatul Adawiyah said that:

“banyak dari para perajin atau karyawan yang masih menguasai teknologi konvensional. sederhana. Hanya pengusaha berskala menengah yang menggunakan mesin komputer dengan memberikan pembekalan terhadap karyawan.” (Wawancara tanggal 9 Februari 2015)

"Most of the craftsmen, entrepreneurs or employees who are still mastering the conventional technology. The only medium-scale entrepreneurs who use computer machine by giving knowledge to employees." (Interviewed on February 9th, 2015)

This is also confirmed by the Leader of ASPENDIR, Yoenarti Soewarno also confirms that the quality of human resources and expertise are limited so that the mastery of the technology is still limited. This is the restriction of the government's efforts in developing the industry because limited mastery of HR on the modern technology.

3) Modest business management

Business management is an activity related to the management of the business itself in order to achieve the desired business goals. Business management also includes anticipate activity to the possible business risk. According Yoenarti Soewarno, the leader of ASPENDIR said that:

“beberapa industri bordir dengan skala kecil, manajemen mereka masih terbatas pada kegiatan trading yakni memproduksi produk dan mendistribusikannya atau memasarkannya langsung pada konsumen. Hal ini dikarenakan keterbatasan kemampuan SDM. Meskipun telah terdapat pelatihan serta pembekalan terkait manajemen bisnis namun karena perbedaan kemampuan SDM yang dimiliki sehingga beberapa dari mereka tetap pada manajemen yang sederhana.” (Wawancara tanggal 9 Februari 2015)

"Some of the small-scale embroidery industries, they are still limited to the management of trading activities that produce products and distribute or marketed directly to consumers. This is due to limited human resource capacity. Although there have been related to training and guiding of business management but because of differences in the ability of human resources so that some of them remain in a simple management. "(Interviewed on February 9th, 2015)

In the interview, Yoenarti Soewarno also said that not all embroidery entrepreneurs have modest management such as her own embroidery business. Yoenarti said that the management is good enough start from production management, marketing, distribution and financial. However, because some entrepreneur still on the simple management, it is a barrier to the efforts of local governments in developing embroidery industry. This shows that unpreparedness of HR in the face of development.

ii. External Factor

1) Market Competition

There is no business without competition. So the most important thing in this case is how entrepreneur face their competitors which is often the competitors offering similar products at a lower price. This can cause consumers to switch to products with lower prices. It can be considered as a strategy to win the competition.

It is also being faced by embroidery entrepreneurs of Pasuruan Regency. Sie PR of ASPENDIR, Robiatul Adawiyah also confirmed that:

“pengusaha bordir Kab. Pasuruan juga harus bersaing dengan pengusaha bordir lainnya yang berasal dari beberapa wilayah di Indonesia salah satunya adalah bordir asal Tasikmalaya, Jawa Barat. Bagi kami bordir asal Tasikmalaya ini menjadi pesaing berat produk bordir kami dikarenakan tak jarang mereka menawarkan harga yang lebih murah. Meskipun konsumen saat ini sudah tergolong cerdas namun beberapa dari mereka lebih cenderung memilih produk sejenis yang ditawarkan dengan harga lebih murah.” (Wawancara tanggal 9 Februari 2015)

"The embroidery entrepreneurs of Pasuruan Regency also have to compete with the others embroidery entrepreneurs from several regions in Indonesia, include Tasikmalaya, West Java. For us, Tasikmalaya embroidery has become a tough competitor because they often offer cheaper prices. Although now there are smart buyer, but some of them are more likely to choose the kind of products that are offered at lower prices." (Interviewed on February 9th, 2015)

Yoenarti as the leader of ASPENDIR also said that:

“bordir kami memiliki kualitas yang bagus dan beberapa produk kami merupakan hasil handmade sehingga tidak heran jika produk kami dibandrol dengan harga yang cukup tinggi.” (Wawancara tanggal 9 Februari 2015)

"Our embroidery has good quality and some of our products are handmade so our embroidery is priced high enough." (Interviewed on February 9, 2015)

According to DISPERINDAG, competition in the market with competitors who offer similar products is very tough. So, the entrepreneur is required to survive in the competition in the market.

C. Data Analysis

1. The Effort of Local Government in Developing Embroidery Industry in Pasuruan Regency for Supporting Regional Competitiveness of Pasuruan Regency

The effort to develop embroidery industry for supporting regional competitiveness consists of two kinds of stage such as the strategy and coordination. Both of them are complementary because the strategy needs to be coordinated more in order to strengthen the effort itself and achieve the best result.

a. Strategy to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness of Pasuruan Regency

Embroidery industry development is presented in the mission of Department of Industry and Trade of Pasuruan Regency in the Strategic Planning of DISPERINDAG 2013-2018. Embroidery industry is considered as industry which has certain product. So, the Local Government create policy include the effort to make big push to this industries. It is intended to improve the competitiveness of the embroidery industry for supporting the regional competitiveness of Pasuruan Regency. Embroidery industry is also considered as the industry which is able to improve social welfare through the job creating and living quality development as well as contribute to the GDRP of Pasuruan Regency. It makes Local Government include DISPERINDAG concern to develop this industry. The strategy to develop this embroidery industry several actions such as:

1) Social Assistance

According to Sjaifudin (1955:66-75) one of strategy to develop the creative economy especially on the sector of small industry include embroidery industry is about financial capacity improvement. This strategy is intended to improve the financial capacity of small industry. The improvement is realized as giving social assistance or capitalize activity which is done by DISPERINDAG in supporting the embroidery industry development is based on the Regulation of Domestic Ministry of Republic of Indonesia number 32 of 2011 about The Guidance for Giving and Social Assistance. According to this regulation, social assistance means that the assistance such as money or goods from Local Government to the individual, family, group and/or people which is not continually happened and selective in order to protect from possibility of social risk. In this case, the social assistance which is given to the embroidery entrepreneurs such as the means of production based on the consideration relate to the worthiness to get the assistance.

Social assistance is given to support the improvement of embroidery industry and protect the entrepreneurs in facing the social risk. The social risk means that the condition which threaten the business which will obstruct the development. DISPERINDAG realize that embroidery industry need to support and based on the applicable law, DISPERINDAG is only able to distribute means of production. The means of production is distributed to the embroidery entrepreneurs through ASPENDIR because it is expected can be used en masse among all of the member of ASPENDIR. It is also expected can support their

production activity. ASPENDIR has responsibility to managed the use of assistance and how to maximize the use of the social assistance. In this case, the problem which is emerged is about the capability to reach all of the embroidery entrepreneurs that does not enrolled in ASPENDIR. It means that some of the entrepreneurs can not involve in development agenda because lack of information.

According to Suryana (2013:53) the government is one of the actor in the creative economy which has role as facilitator and stimulator in supporting the development of industry itself. In this case, as the facilitator DISPERINDAG give financial support as facilitatethe entrepreneurs with bank or another institution. It is intended to facilitate the entrepreneur which needs to get low interest loan from bank for supporting the industry activity. Several bank offer low interest loan and institution such as state owned enterprise like TELKOM also offered low interest loan to the embroidery entrepreneurs through the program of PKBL. Low interest loan is really helpful for the entrepreneur such embroidery entrepreneur in supporting industry activity include production activity. Based on the observation of the author the supporting action like facilitating the loan and giving the means of production are really help the embroidery entrepreneurs for improving the capacity of industry.

The second role is about. In this case, DISPERINDAG encourage the embroidery industry to be developed. They facilitate the development of industry itself as the effort to stimulate the industry development. Beside DISPERINDAG facilitate the distribution of themeans of production but DISPERINDAGalso facilitate the embroidery entrepreneur which individually propose the

assistance. So, the assistance expected can support and stimulate the improvement the capacity and performance of embroidery industry.

According to Suryono (2010:4), the development which has been done to improve from less condition to the better condition by giving social assistance or capitalize activity is implemented well by DISPERINDAG . based on the decentralize authority, DISPERINDAG distributes a grant of the means of production and loan facility to the bank or another institution to manage the development of embroidery industry. It is also coordinated with ASPENDIR in order to make the distribution of grant run well. So, DISPERINDAG and ASPENDIR must be in good coordination in making this activity run well.

2) Promotion (Marketing)

The promotion or marketing which is supported by DISPERINDAG will affect the industry sustainability. According to Basu and Hani (2004:4), marketing is kind of the whole system of business activities which is intended to plan, determine the process, promote and distribute the goods and service to meet the need of buyer or potential buyer. In this case, the promotion strategies of DISPERINDAG are divided into several strategies such as the exhibition, online marketing and provide *Sentra Produk Unggulan* as the exhibition centre in Pasuruan Regency.

First, the exhibition is considered as effective promotion media in introducing the embroidery product itself. The exhibition which is executed in several areas in Indonesia will affect the larger scope of introduction and marketing of embroidery

product. The exhibition is often attended by foreign people so it open the market share both domestic and international market. The openness of the industry to the domestic and international trade will affected to the competitiveness of industry itself.

The next strategy is about online marketing through the website. The online marketing is very effective and efficient because there will be so many advantages of marketing online itself. The online marketing can be accessed every time and it is not limited of time. The marketing online also makes the entrepreneur can expand the market because online marketing can reach the worldwide. Another advantage of marketing online is about reducing cost of marketing because it does not need the physical equipment. By marketing online it espected the embroidery entrepreneur can increase sales capacity because the introducing of the product has been larger.

The last strategy of DISPERINDAG is about providing centre of exhibition in Pasuruan Regency which is known as *Sentra Produk Unggulan*. *Sentra Produk Unggulan* is expected can increase the demand of the product include embroidery product. It also expected can promote embroidery product through the display product in the centre itself. According to Suryono (2010:2) the development is oriented to the growth and change so all of strategy above intended to improve the promotion and marketing of embroidery industry for creating competitive industry.

3) Training

According to Sjaifudin (1955:66-75) one of the strategy to develop creative economy of small industry include embroidery industry is human resources development through formal education and training. In this case, DISPERINDAG provided training for embroidery entrepreneurs in order to improve the capacity of the industry. The training itself is needed to improve the competitiveness of the industry as the demand of technology and industry development

Department of Industry and Trade of Pasuruan Regency give training in order to improve the skill of human resources and business management. The Guidance of Ability and Skills of Social Work is kind of training program for embroidery industry spread areas in 10 sub-districts in Pasuruan Regency. The training is intended to encourage the development of embroidery industry because the guiding is about entrepreneurship include business management and business plan. The training will encourages the entrepreneurs to have the entrepreneurship mindset such as innovative, proactive and take a risk. The entrepreneurship training is also about how to manage the business and create the business to be competitive. According to Suryono (2010:4) in the development, government must consider the potency of the people which is needed for supporting development planning. In the management the business is also needed qualified human resources to achieve the best result. It is important to strengthen the competitiveness and sustainability of the industry.

As the actor of creative industry, the embroidery businessman must have entrepreneurial spirit to increase the creativity and innovation in order to produce the product based on the demand. It becomes the success key for industry development and it needs the role of DISPERINDAG to maximize it. DISPERINDAG also realize that marketing is important thing that must included in the training. DISPERINDAG suggest to the embroidery entrepreneur to make market segment based on the production. Market segment will determine the target of market. So, the embroidery entrepreneur can identify the buyer in the market and allocate the budget based on the segment itself. Another advantage of market segment is about they can choose market opportunities. So, the opportunity to market the product will be broader. The training which has been facilitated by DISPERINDAG is expected can increasethe capacity, performance and competitiveness of embroidery industry through the improvement of human resources, business management and marketing. By optimizing the training, it is expected can accelerate the development of embroidery industry. DISPERINDAG also must coordinate with ASPENDIR in giving training in order to maximize and optimize the training itself.

4) The Licencing of Business Establishment

According to Sjaifuddin (1995:66-75) one of the development strategy on the small industry is about regulate the licensing. The licensing of business establishment is important to support the continuity of the industry. The licensing itself is also important to get legalization and recognition from Local Government based on the Regulation of the Minister of Industry of RI NUMBER: 41 / M-IND

/ PER / 6/2008 about Provisions and Procedures Giving Industrial Business License, Permit of Expand and Industrial Registry. In this case requires that every entrepreneur must have a business license for supporting their business activity. DISPERINDAG try to implement what is stated in the regulation because it is kind of the duty of the industry such based on the law number 32 of 2004 that government has the obligation to facilitate the development of cooperative and SMEs. The supporting action of DISPERINDAG with BP3M in facilitating licensing to the entrepreneur by creating *jemput bola* action is good enough. It can increase the awareness of the entrepreneur about how important the licensing for their business. The free public service also provided by small industry relate to licensing of business establishment. According to DISPERINDAG, the small industry does not need this kind of license because they only required to have a TDI (Industrial Registry).

Business license is needed to accelerate the trading activity such as export and import. Based on Based on the Regulation of the Minister of Industry of RI NUMBER: 41 / M-IND / PER / 6/2008 , the industry which has IUI can add the production capacity until 30 percent and it is intended to export activity as well as the industry open for the investment. In this case DISPERINDAG facilitates the licensing applicant and BP3M as Agency of Licensing Service and Investment. DISPERINDAG only facilitate the making of licensing between entrepreneur and BP3M. Department of Industry and Trade will guide the licensing applicant or embroidery businessman in making the licensing because DISPERINDAG responsible to give the basic service relate to normative process and procedure of

the licensing, trading, and distribution service process. It is really help the applicant because there are a lot of preparation which must be fulfilled. So, it needs the synergy between DISPERINDAG and BP3M in improving the licensing service. It will be easier the making of licensing itself. The role of DISPERINDAG is also needed to increase the awareness of businessman include embroidery businessman to register the business to the BP3M.

The licensing of business establishment is also regulated by REGULATION of PASURUAN REGENCY NUMBER 12 of 2010 about Spatial Planning (RTRW). Several industry still able to perform the business activities in the industrial area but in the other hand some of them can operate the business in the middle of the settlement as far as these activities do not interfere the neighborhoods and must meet the minimum requirements as SMEs. Based on the observation of the author, embroidery industry is kind of industry which does not interfere the environment but this industry is able to improve the social welfare to their surrounded environment through their social responsibility. The social responsibility can be as job creating and improving living quality. The social responsibility is intended to create the harmony among the stakeholder so there won't be any party that will be aggrieved. According to Suryana (2013:53) Local Government of Pasuruan Regency and DISPERINDAG as creative economy actor also play the role as regulator which try to harmonize the people and industry for creating conducive business climate.

5) Product Quality Development

The industry must have good performance to create the product quality. It will be affected to the competitiveness itself. The development of the product quality is happen because the demand of technological development. According to Piter (2002:16) that the local product must be able to compete with the prout from another country because it will influence the demand of the product. In order to achieve this goal, the embroidery entrepreneur must have quality product.

The industry must have good performance to create the product quality. It will be affected to the competitiveness itself. The development of the product quality is happen because the demand of technological development. DISPERINDAG become a facilitator for embroidery entrepreneurs in developing product quality. DISPERINDAG cooperate with academicians from several universities in order to develop the ideas relate to the quality product. Based on the observation of the author it is effective enough because the academicians have been done the research before propose this idea. So, the ideas will be based on the existing problem which is faced by the entrepreneur.

Another facility which is given by DISPERINDAG to the embroidery entrepreneur is comparative study. Comparative study is held in several area in Indonesia which has similar potential. It is recognised effective enough because the entrepreneurs can learn the technique which is needed to develop their product. They can also share the experience and lesson during run the business

itself. So, from the comparative study itself is expected can find the effective way to improve the product quality.

6) The Strengthening of Association

The interaction which is underlying the formation of social institution known as association. ASPENDIR as the only association of embroidery entrepreneurs who has the authority to manage the embroidery entrepreneurs and it has important role in improving embroidery industry itself. Both, DISPERINDAG and ASPENDIR commit to support the improvement of embroidery entrepreneurs in Pasuruan Regency. In this case ASPENDIR has legal protection which is proved by the existence of the Deed of Establishment. So, all of the activity is recognized as legal action.

Since June 22, 2005 the establishment of ASPENDIR has run their function professionally in managing the embroidery entrepreneurs in the Pasuruan Regency. All of the activity of ASPENDIR is based on the Pancasila, Constitution of 1945, Regulation of Government number 44 of 1997 about the Partnership and Regulation of Government number 32 of 1998 about Guiding and Development of Small Industry. It is intended to adjust their activity with the available procedure. Local Government of Pasuruan Regency has believed that ASPENDIR to manage the entrepreneurs of embroidery so the legal protection is given to them. The partnership between DISPERINDAG and ASPENDIR is important to realize the development of embroidery industry such stated by Badrudin (2012:4) that

cooperation between local government and community can stimulate the economic activity of the region.

The strengthening of the association can be seen from the legalization of association establishment and it is also need the strengthening of the local government. The directly mentoring from DISPERINDAG is also recognized as association strengthening action. DISPERINDAG assist the DISPERINDAG to make a forum relate to the availability of raw materials and market expansion. It is intended to integrate the development of embroidery industry. In this case, in order to strengthen the association of embroidery entrepreneurs, DISPERINDAG give legalization for the association itself and involve the ASPENDIR on each agenda relate to the improvement of embroidery industry.

b. Coordination to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness of Pasuruan Regency

According to Suryana (2013:53) government as the actor of creative economy is also can be an entrepreneur which must be able to manage the enterprise. It means that for developing the creative economy, the government must be able play the role as the entrepreneur. In this case, DISPERINDAG try to make coordination with several related actor in order strengthen the strategy of industry development. The coordination is important because it is kind of further action to optimize that has been done. The strategy for developing embroidery industry is needed to maximized for the best echievement.

In this case, for reaching the improvement of regional competitiveness through the developing embroidery industry, DISPERINDAG concern on two kind of coordination. First, coordination about distribution of goods which focus on making the the distribution run well by considering the providing of raw materials and market network. Then, the coordination about competency of industry by considering the existing of resources to create the competitive industry. Both of this kind of coordinations are complementary for strengthening the development strategy in achieving regional competitiveness development.

1) Distribution of Goods

For making the competitiveness of industry, it needs good performance of the industry itself. One of the indicator which will affect the industry performance is about the output of the industry. The output of industry will determine the distribution of goods. In this case, DISPERINDAG consider that distribution of goods will determine the continuity of the industry so the coordination is needed to strengthen this strategy. In the distribution of goods, between DISPERINDAG and ASPENDIR coordinate the availability of raw materials in order to support the production activity.

The important thing in this distribution of goods is about expand the market network. According to Sjaifudin (1995:66) the development of small industry must be supported by marketing development for getting market guarantee. The guarantee of market is realized as the coordination among the DISPERINDAG, ASPENDIR, distributor and retailer. This coordination is important because it will

affect to the market penetration of the industry. The coordination relate to the distribution of goods is divided into three part. First, DISPERINDAG and ASPENDIR coordinate with entrepreneur for the marketing then the coordination also involve the exportir to reach international market. The openness of the industry to the international market reflect the competitiveness in the larger scope. The second coordination for reaching regional market, ASPENDIR and DISPERINDAG coordinate with distributor in several areas in Indonesia. Good relation relation and coordination with distributor will make the inter-regional trade run well. The last is about the trading activity in local market. In this case embroidery industry as the main actor for local marketing. It is efficient because to penetrate local market does not need mediator such another market needed.

Based on the observation of author that the coordination of goods distribution is important for strengthen the development strategy that has been done. Good distribution will determine the sustainability of the industry so, it needs good coordination among related actors. The last achievement for this comprehensive action to make the embroidery industry is able to contribute to the GDRP and living quality improvement.

2) The competency of industry

According to Suparmoko (2002:99) the strategy to develop this local potential must identify the resources (factor of production) include human resources. In the coordination about competency of industry DISPERINDAG which coordinates with ASPENDIR consider the availability of resources. The coordiination relate to

the competency of industry is needed to develop strong image of embroidery industry itself. The consideration on the existing of resources is important because the coordination is intended to strengthen the available competency to achieve desired competency.

Based on the obsevation of author, the existing resources and capability which is had by embroidery industry reflect tha readiness og the industry for *developing*. The coordination between related actor, in this case DISPERINDAG and ASPENDIR will help the industry to maximize the potency. DISPERINDAG has facilitate the promotion of industry which is expected can enlarge the introducing of embroidery industry. The development of industry competency is also expected can improve industry capacity and performance.

2. The Supporting and Restriction Factors of the Effort in Developing Embroidery Industry for Supporting Regional Competitiveness Improvement of Pasuruan Regency

a. The Supporting Factors

i. Internal

1) The characteristic of industry

There are several kinds of characteristics of embroidery industry such as this industry is kind of cultural heritage which is adhere to Moslem style and this industry is kind of capital intensity industry. Both of the characteristics are supporting factor in this industry development. First, according to Max Weber

(Suryono, 2010:69) that the development theory of modernization emphasize on the values of social cultural which will influence the social economic in the development. The embroidery is kind of cultural heritage of Pasuruan Regency which is available until nowadays and it is adopted for developing their business. It means that the adoption of cultural heritage of embroidery for developing embroidery industry and it becomes supporting factors in the development effort itself.

The supporting factor is also reflected in the importance of developing the creative economy Department of Indonesian Trade (2008:24) is about encourage the image and identity through cultural and heritage. Based on the history of embroidery itself, embroidery fashion identical with Moslem cloth so some of embroidery produced in the Moslem shades. It is intended to encourage the export of embroidery to the several Moslem states in the world. So, it shows that embroidery adhere to the Moslem cloth. According to the leader of ASPENDIR that the most of enthusiasts of embroidery product comes from Moslem people so the government support the development of industry itself by maintaining the authenticity of embroidery. A little innovation but still maintains the original one makes the craft or cultural still available until now because DISPERINDAG said that this development activity also brings up the cultural preservation mission. According to Suryana (2013:101) creative economy also contributes to the cultural preservation by creating strong basis of local cultural characters. The important thing is about how to preserve the heritage itself beside the industry in progress.

According to Suparmoko (2002:99) one of strategy to develop economic potential is identify the potency of the sector. Embroidery industry is one of the sectors which has potency such as it is kind of industry with capital intensity characteristic and it does not need large capital. Creative industry is different with large scale industry where large scale industry use machine in the production activity because the characteristic of the product which is produced is mass production. Product of the creative industry only uses simple technology or prefer to uses manpower because of the characteristic of creative industry product. So, creative industry include embroidery industry tend to use manpower than machine or it known as capital intensity. The embroidery industry also uses appropriate technology that is really simple enough, so this industry does not need much capital such as stated by Sie PR of ASPENDIR that embroidery industry does not need much capital because in the production activity does not need large machine. This makes the local government easier to develop the embroidery industry based on the availability of the capital.

2) Hereditary workforce skill

The heritage will influence the habit of a region. In this case embroidery is heritage which has been influence the habit of people. The heritage of embroidery has been adopted to establish the industry. People that live around embroidery industry have the ability to embroider which is kind hereditary workforce. Most of the people surrounded the industry are able do it. Embroidery itself is derived by their ancestors which is still available until now. Based on the observation from the interview with Sie PR of ASPENDIR that most of the people are able to

embroider and it is not difficult to find the workers with this skill. The capability of embroider is also preserved follow the time development. So, the development of industry will be affected to the existence of the embroidery businessman or craftsmen with a growing of the times.

3) Market Network

Embroidery industry has good market network both domestic and international. According to Sjaifudin (1955:66-75) that the improvement of the access to market is important in supporting the development of industry itself. The improvement of market access can be done by entrepreneur or businessman by creating pattern of relation with distributor in order to get the guarantee of market and production continuity. Embroidery industry also distributes the product based on market segment both traditional and modern such as stated by the Leader of ASPENDIR that each entrepreneurs have their own market segments. The relation with distributor also can accelerate their product distribution activity which will be affected to the industry sustainability.

Marketing development is intended to expand the market by trading with another state or exporting goods. The industry has their superior product distributed to the market. In this case, embroidery has characteristic which is applied on the Moslem cloth. So, most of enthusiasts of embroidery itself are Moslem people. Usually Moslem states import the embroidery which comes from Pasuruan Regency so embroidery product is popular in the Moslem state as stated by Yoenarti Soewarno as the leader of ASPENDIR. The conclusion is about

export network which is had by embroidery industry support thr improvement of industry itself and regional competitiveness.

The mastery of market is important for an industry because it will affect to the product marketing itself. For embroidery industry, their market share is openend to domestic and global market. According to Piter (2002:16) that openness of the region to the domestic and international trade will improve economic performance. The openness of the industry to the domestic and international trade can be seen from export volume and inter-regional trade such state by Sie PR of ASPENDIR that embroidery is a well known by several consumers both in the Indonesia and another states. So, the openness of market share is important because it shows their readiness for competing in market.

4) Technology

According to Suryana (2013:58) that technology is one of driving factors of creative industry. According to Yoenarti Soewarno as the leader of ASPENDIR that the embroidery industry uses technology which is relatively simple and environmentally friendly or known as appropriate technology. The using of appropriate technology in the production activity of embroidery industry is very effective. It caused by the characteristic of appropriate technology which is energy saving, environmentally friendly and suitable to the local condition. The appropriate technology emphasize on principle of capital intensity so manpower still become the main capital in production process. It becomes supporting factor for Local Government to attempt the development of embroidery industry itself.

5) Innovation of product

According to UNTAD (2008:33) creative industry comprises tangible product and intangible intellectual or artistic service with creative content, economic value and market. So, creative industry must have creative product which can be generated through make innovation and creativity. The main capital of creative industry is about creativity and innovation itself. It makes embroidery businessman always makes an innovation if the product, so the product will be more various. The variant of product will enlarge the market segmentation. The product innovation has been become concern of DISPERINDAG through the training given. So, the training relate to product quality development can support the development of embroidery industry.

ii. External Factor

1) Assistance from related actor

According to Suryana (2013:53), the government has the role as catalyst and advocacy which commit to give financial support and serve the entrepreneur well. In this case, the financial support can be realized as facilitate the entrepreneur and bank or institution for getting assistance such loan. The lower interest loan will help the entrepreneur in developing the enterprise. The commitment of government in facilitating the entrepreneur to get assistance from related actor must be maximized in order to stimulate the development of embroidery industry.

2) Facility

According to Suryana (2013:53) that the role of government as facilitator and stimulator give challenge and support to improve the enterprise better. In this case the facilitation which is given to support the industry development is important. Local government as the main actor in creative industry development must be optimized the assistance include facility which is provided by the entrepreneur.

b. Restriction Factors

i. Internal

1) Limited of capital access

Capital is important thing in developing the business. According to Sjaifudin (1955:66-75) strategy of financial capacity improvement by providing capital is needed to develop the creative industry itself. In the creative industry in scale of small-medium needs the loan from bank or cooperative (koperasi) or another institution. For the actor of medium-large industry, there will be institution offer the loan. In the other hand for small businessman, capital is the main thing which will support the business development. So, the capital will determine the sustainability of industry itself. This problem is also delivered by the Head of Small Industries and Small Trade DISPERINDAG that the main problem which is faced by small entrepreneurs is about getting supporting capital.

2) Modest human capacity

According to Suparmoko (2002:99) the development local potential must identify the resources or factors of production to get ready for the development.

Although the embroidery industry is kind of industry which tend to use manpower but they must be prepare the human resources for operating modern technology. As stated by Sie PR of ASPENDIR that most of the people only mastering the modest or manual technology. The technology itself is intended to help the activity of the people and supporting the development of industry itself so the DISPERINDAG distribute modern technology which has been computerize to make the activity of embroidery industry run well. So, the capacity of human resources is important thing to create competitive product. In this case, embroidery businessman must responsible to the improvement of labors capacity. The development of time asks the capacity of human resources improvement through formal education and informal training. So the improvement of human resources capacity is expected can support the development of the industry itself.

3) Modest business management

The management is kind of the activity about business management in order to achieve the business goals. Business management is kind of anticipating activity to the possible risk of business. Embroidery businessman must be able manage the business in order to make good organizing. So far the management activity of the industry only limited on the trading activity whereas if the industry wan to be developed the industry must create the pattern of management start from production, management, marketing, distribution until financial. So, the activity of industry will run well under good management. According to the Sjaifudin (1955:66-75) that human resources development is important in supporting the development of creative industry. The guiding of management

business can be important for human resources in order to manage the activity of the industry itself. So, the limited human resources capacity makes the management is quite simple and it can be restrict the development of the industry.

ii. External Factor

1) Market competition

In the business field, competition is normally happened. It is also happen to the actor of embroidery industry. Usually, the competitor offer the product with lower price but smart buyer will know that the price determine the product quality although several consumer still choose the lower one. So, in order to face the problem, the industry must have market segmentation. According to Suryana (2013:53) government as the actor of creative industry has important role to improve the enterprises better. So, the government recommend for determining the market segmentation because it will affect the production based on the demand. But several embroidery entrepreneurs ignore the importance of market segmentation so sometimes the economy activity of the industry not run well. One thing that must be realized that in the business field, competition is a normal and it can encourage the competitiveness of embroidery industry.

CHAPTER V

CONCLUSION AND SUGGESTION

A. Conclusion

Based on the analysis of “The Effort of Local Government to Develop Creative Economy of Embroidery Industry Sector for Supporting Regional Competitiveness Improvement of Pasuruan Regency”, it can be concluded that:

1. Pasuruan Regency has five local superior products and the concern of local government is embroidery industry because it has potential than the others. Embroidery industry can be included as the sector of creative economy or creative industry which is nowadays become new era in the economic development. The concern of Local Government is realized in several supporting action which is implemented well enough. The strategy of embroidery industry development is strengthened by several kind of coordination such as distribution of goods and industry competency. Both of the coordinations are kind of the continuation of strategy which distribution of goods is intended to expand the market and the industry competency is intended to develop existing resources to achieve desired competency. The coordinations is implemented good enough. The development strategy which is strengthened by coordination are:

- a. Social assistance which is facilitated by DISPERINDAG is good enough because it is intended to assist the development of industry. The assistance is realized as distribution of means production and loan/leasing facility which are distributed under the management of ASPENDIR and it is also can be proposed individually following several provision.
- b. Marketing or promotion is intended to improve the product marketing both in domestic and international market. DISPERINDAG support this agenda by conducting the exhibition, guiding online marketing and providing *SentraProduk Unggulan* (showroom).
- c. Training will improve the competitiveness of the industry itself by improving the skill of human resources and business management. DISPERINDAG provide training relate to entrepreneurship and business plan in order to improve the capacity of industry and expand the business.
- d. Licensing of industry establishment which is facilitated by DISPERINDAG is improtant thing for the sustainability of the business itself like doing trading activity and also import-export activity . It is relate to make the business activity legal by enrolling to the BP3M which will be also guided by DISPERINDAG in order to get IMB and SIUP. DISPERINDAG is also underlied the licensing of industry establishment on the spatial planning

regulation because Pasuruan Regency has their own industry area which is separated from the settlement beside there is several exceptions.

- e. Product quality development is intended to improve the competitiveness of the industry itself and it is needed performance of the industry in creating innovative products. DISPERINDAG facilitate the comparative study for embroidery entrepreneur to improve the way to manage the industry become more efficient. DISPERINDAG also facilitate the industry to develop the product quality by providing the means of production facilities with appropriate technology and facilitate the production techniques of high quality embroidery
- f. Strengthening of association of Embroidery Entrepreneur Association (ASPENDIR). DISPERINDAG facilitate the making of Deed of Establishment for ASPENDIR so that all activities can be said to be legal. The strengthening is also done by engaging ASPENDIR in every activity to develop embroidery industry and underlying the activity of ASPENDIR with several regulation such as Pancasila, Constitution of 1945, Regulation of Government number 44 of 1997 about the Partnership and Regulation of Government number 32 of 1998 about Guiding and Development of Small Industry.

2. There are several factors which influence the development of embroidery industry in supporting the regional competitiveness improvement of Pasuruan Regency both supporting factors and restriction factors. Both supporting and restriction factors consist of internal and external factors.

a. The internal supporting is the characteristic of embroidery industry as a heritage which is adhered to Moslem style so it must be preserved include in the industry development and it is kind of capital intensity industry that will influence the absorbing the employee especially which has embroider skill which use appropriate technology that is really simple enough based on the local condition. It will influence the absorbing the employee especially which has embroider skill which is kind of hereditary workforce skill. Then, the internal supporting factor is also relate to market network which spread in the domestic and international market. Technology is also become the supporting factor because the technology which is used such appropriate technology and the last about product innovation that makes variant of product. For the external supporting factor such as assistance from related actor such bank and another institution and facility from government are important for supporting this development.

b. The internal restriction factors such as limited of capital access which will prevent the development of industry itself. Then, modest skill of labor and modest business management which

reflect that the industry has limited human resources capacity in manage the industry itself. For the external restriction factor is about market competition which is asked the industry more competitive to face another competitor.

B. Suggestion

Based on the conclusion, the researcher proposes some suggestions such as:

1. The efforts of local government in developing embroidery industry have been implemented well but it must be optimized in order to achieve maximum result. The effort to develop the embroidery must be improved in order to increase the capacity and performance of the industry for supporting regional competitiveness. The optimization will also support the readiness of industry in the competition which needs the competitiveness of industry itself. The optimization and strengthened is expected can improve the supporting to the regional competitiveness improvement through contribution to regional economy, openness of industry to the domestic and international market and absorbing the labour.
2. Relate to social assistance, DISPERINDAG not only can provide the assistance but they should facilitate the investor to invest their capital to the embroidery industry. It is expected can support the development of embroidery industry through the availability of capital.

3. Relate to marketing and promotion of embroidery itself. DISPERINDAG and ASPENDIR should make relation with marketing outlet both in the domestic and international market. It is expected can increase the marketing and promotion of the product itself. The marketing and promotion is needed the capability of the human resources. So, DISPERINDAG should facilitate the human resources capacity relate to marketing to accelerate trading activity. The important thing that also should be done by DISPERINDAG is about giving the guidance and training relate to export and import activity.
4. Relate to legalization or licensing, DISPERINDAG should facilitate the legal registration of the brand of embroidery product to the Director General of Intellectual Property. It expected can introduce the product and the quality of the product itself.
5. In developing product design, DISPERINDAG should develop the the product design based on the characteristic of Pasuruan Regency because there is no distinction of the product with the others.
6. The strengthening of association is needed to develop the embroidery industry which is integrated on the association. So, DISPERINDAG should keep the communication and coordination with the association relate to development of industry. The strengthening of the association also can be realized as the legal aspect from local government such as Regent's Decision Letter (*Surat Keputusan / SK Bupati*) in order to strengthen the function of association which will be supported the industry development.

7. The coordination includes distribution of goods and industry competency must be optimized to strengthen the development strategy on embroidery industry. So, they must be able to create good coordination and for achieving the goals.
8. DISPERINDAG should minimize the restriction factor of the effort to develop embroidery industry which will obstruct the development of industry itself. The minimization is realized through the optimization and strengthening several factors such as: the development of human resources because the capacity of human resources will reflect the capability to develop the industry. The institutional strengthening is also important such as by completing with legalization and capital access. The legalization will accelerate and legalize the activity of industry and good access of capital will support the development of industry capacity and performance. The institutional strengthening is also needed for the association such as ASPENDIR. The association must be strengthened with legal and they must be engaged in every activity of industry development. The integration of embroidery businessman in the ASPENDIR will make the development of industry itself run well. The last, DISPERINDAG must also strengthen the network relate to raw material providing and expand the market. Both, raw material providing network and market expansion are important for supporting the sustainability of industry itself.

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Appendix 1

Data of Embroidery Entrepreneurs of Pasuruan Regency

NAME	ADDRESS	VILLAGE	SUB-DISTRICT
MANAL	JL.Gurami No.221 Bangil	Bangil	Bangil
AFAZA COLLECTION	JL.Lumba-Lumba 128 Kersikan	Bangil	Bangil
MANZIL BORDIR	JL.Lumba-Lumba No.615	Bangil	Bangil
BORDIR KOMPUTER	JL.Bader Pertokoan No.1 Kancil Mas	Kersikan	Bangil
SINAR JAYA BORDIR	JL.Bader Pertokoan No.3 Kancil Mas	Kersikan	Bangil
SINAR JAYA KOMPUTER	JL.Badek No.5 (Pertokoan) Kancil Mas	Bangil	Bangil
LAILA	JL.Pertokoan Kancil Mas No.6	Kersikan	Bangil
FAIZA BORDIR	JL.Bader No.27	Kalirejo	Bangil
JORDANI COLLECTION	JL.Mujair No.241	Kauman	Bangil
JIZAH BUSANA	JL.Mujair No.242	Kauman Tengah	Bangil
MADINAH	JL.Musing No.51	Bendo Mungal	Bangil
WARDA COLLECTION	JL.Musing No.	Bendo Mungal	Bangil
ARUMA COLLECTION	JL.Dorang No.331	Bendo Mungal	Bangil
RATU MON	JL.Dorang No.599	Bendo Mungal	Bangil
SUNARTI	Dsn.Bunder RT.02 RW.04	Jajar	Gondang Wetan
H.SOLIHA	Dsn.Tengah RT.01 RW.01	Kedung Banteng	Gondang Wetan
KHOLIFAH	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
SUPIYATIH	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
SUNDARI	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
SUMIK	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
NADIFA	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
MARIANA	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
ANISAH	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
ASIA	Dsn.Slambrit Selatan RT.02 RW.01	Slambrit	Kraton
LILIK	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
LILIK MUSYAROFAH	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
ASRUF AH	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
CHUMSIA	Dsn.Palo RT.01 RW.04	Curah Dukuh	Kraton
AISYAH	Dsn.Palo RT.02 RW.05	Curah Dukuh	Kraton
YATIMA	Dsn.Palo RT.02 RW.05	Curah Dukuh	Kraton
HIKMAH	Dsn.Krajan RT.01 RW.02	Selambrit	Kraton
ASLIHA	Dsn.Pesanggrahan RT.01 RW.03	Selambrit	Kraton
AMINAH	Dsn.Gembiang RT.06 RW.03	Sungi Kulon	Pohjentrek
MUSRIFAH	Dsn.Gembiang RT.04 RW.03	Sungi Kulon	Pohjentrek
ARIFAH	Dsn.Sungi Selatan RT.03 RW.02	Sungi Kulon	Pohjentrek
BU KAMA	Dsn.Sungi Utara RT.02 RW.01	Sungi Kulon	Pohjentrek
SULAIMA	Dsn.Tidu RT.03 RW.02	Tidu	Pohjentrek
TASRI'AH	Dsn.Krajan RT.04 RW.02	Sumber Glagah	Rembang
FITRIYAH	Dsn.Krajan RT.04 RW.02	Sumber Glagah	Rembang
SALBIYAH	Dsn.Krajan RT.04 RW.02	Sumber Glagah	Rembang
RODIYAH	Dsn.Krajan RT.04 RW.02	Sumber Glagah	Rembang
NUK ILYUNI	Dsn.Krajan RT.04 RW.02	Sumber Glagah	Rembang
KHUMROTIN	Dsn.Krajan RT.04 RW.02	Sumber Glagah	Rembang
HANT'AH	Dsn.Krajan RT.04 RW.02	Sumber Glagah	Rembang
INFIYAH	Dsn.Krajan RT.04 RW.02	Sumber Glagah	Rembang
WARNI	Dsn.Sembon RT.01 RW.08	Kedung Banteng	Rembang
NUR HAYATI	Dsn.Sembon RT.01 RW.08	Kedung Banteng	Rembang
SIAMI	Dsn.Sembon RT.01 RW.08	Kedung Banteng	Rembang
ASIA	Dsn.Sembon RT.01 RW.08	Kedung Banteng	Rembang
SITI MAISARO	Dsn.Tengah RT.03 RW.03	Kedung Banteng	Rembang
MUDRIKA	Dsn.Tengah RT.03 RW.03	Kedung Banteng	Rembang
ALFIAH	Dsn.Tengah RT.02 RW.04	Kedung Banteng	Rembang
SUHUD	Dsn.Tengah RT.01 RW.04	Kedung Banteng	Rembang
SURIFAH	Dsn.Tengah RT.01 RW.04	Kedung Banteng	Rembang
CUCIK	Dsn.Tengah RT.02 RW.04	Kedung Banteng	Rembang
ROMI'AH	Dsn.Tengah RT.03 RW.03	Kedung Banteng	Rembang

KAINI	Dsn. Tengah RT.02 RW.04	Kedung Banteng	Rembang
DASMINI	Dsn. Tengah RT.02 RW.04	Kedung Banteng	Rembang
M. KHOLISIN	Dsn. Tengah RT.02 RW.04	Kedung Banteng	Rembang
MUSTAMI	Dsn. Tengah RT.02 RW.04	Kedung Banteng	Rembang
SOFIAH	Dsn. Tengah RT.02 RW.04	Kedung Banteng	Rembang
SARKAWI	Dsn. Dadapan RT.13 RW.07	Orobulu	Rembang
MARYAM	Dsn. Dadapan RT.11 RW.06	Orobulu	Rembang
ASE	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
NASIHA	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
WARIAH	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
NUR HALIMAH	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
KHOLIFAH	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
SOLIHAH	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
ROMLAH	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
FITRIA	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
SUNASIS	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
PONATI	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
LILIK	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
PUJIATI	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
TUIPA	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
JULHIJAH	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
P. NASIB	Dsn. Sembon RT.01 RW.08	Kedung Banteng	Rembang
RUSMINI	Dsn. Sembon RT.01 RW.08	Kedung Banteng	Rembang
ILMIATUL HASANAH	Dsn. Sembon RT.01 RW.08	Kedung Banteng	Rembang
SUSANTI	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
TOIFA	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
MUTMAINAH	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
YULIATIN	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
MARYAM	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
MOLIK	Kedung Banteng RT.02 RW.04	Kedung Banteng	Rembang
BAWON	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
SUMIAH	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
MUSLIHA	Dsn. Sembon RT.01 RW.08	Kedung Banteng	Rembang
SULINTIN	Dsn. Krajan RT.06 RW.03	Orobulu	Rembang
USWATUN	Dsn. Dadapan RT.04 RW.08	Orobulu	Rembang
SUNTAMA	Dsn. Dadapan RT.04 RW.08	Orobulu	Rembang
NAFIA	Dsn. Sembon RT.01 RW.08	Kedung Banteng	Rembang
SULIFA	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
SUMA'ITYA	Dsn. Dadapan RT.08 RW.04	Orobulu	Rembang
TAMAMI	Dsn. Sembon RT.01 RW.08	Kedung Banteng	Rembang
NANIK	Dsn. Sembon RT.01 RW.08	Kedung Banteng	Rembang
NUR HADI	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
SUHAIMI	Dsn. Sembon RT.01 RW.08	Kedung Banteng	Rembang
ATEM	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
SUMILA	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
HUMA'ITYA	Dsn. Krajan RT.06 RW.03	Orobulu	Rembang
HUSNIA	Dsn. Krajan RT.06 RW.03	Orobulu	Rembang
IMRAATUN HASANAH	Dsn. Dadapan RT.08 RW.04	Orobulu	Rembang
NANIK	Dsn. Sembon Rt. 01 Rw. 08	Kedung Banteng	Rembang
SOLIHA	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
NANIK	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
DIDIK	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
JUARIYA	Kedung Banteng RT.03 RW.03	Kedung Banteng	Rembang
JUARIYA	Dsn. Tengah RT.03 RW.03	Kedung Banteng	Rembang
AMINAH	Kedung Banteng RT.04 RW.03	Kedung Banteng	Rembang
MISNAYA	Kedung Banteng RT.04 RW.03	Kedung Banteng	Rembang
RUSITI	Kedung Banteng RT.04 RW.03	Kedung Banteng	Rembang
HOTIMA	Kedung Banteng RT.03 RW.04	Kedung Banteng	Rembang
ROATUM	Kedung Banteng RT.03 RW.04	Kedung Banteng	Rembang
NURHAYATI	Kedung Banteng RT.03 RW.04	Kedung Banteng	Rembang
ROKATYA	Kedung Banteng RT.04 RW.03	Kedung Banteng	Rembang

TORINA	Kedung Banteng RT.04 RW.05	Kedung Banteng	Rembang
RIAMA	Dsn.Tengah RT.03 RW.04	Kedung Banteng	Rembang
MUTMINA	Dsn.Sembon RT.01 RW.07	Kedung Banteng	Rembang
DASMININ	Dsn.Sembon RT.01 RW.07	Kedung Banteng	Rembang
LASMININ	Dsn.Sembon RT.01 RW.07	Kedung Banteng	Rembang
HIDAYATI	Dsn.Sembon RT.01 RW.07	Kedung Banteng	Rembang
SULIKA	Dsn.Sembon RT.01 RW.07	Kedung Banteng	Rembang
IIN	Dsn.Krajan RT.06 RW.03	Orobulu	Rembang
SUDAYA	Dsn.Krajan RT.03 RW.06	Orobulu	Rembang
ROMLA	Dsn.Krajan RT.03 RW.06	Orobulu	Rembang
KHOLILA	Dsn.Krajan RT.05 RW.03	Orobulu	Rembang
RUKIATI	Dsn.Krajan RT.06 RW.04	Orobulu	Rembang
RUKIATI	Dsn.Krajan RT.04 RW.06	Orobulu	Rembang
NOR EVENDI	Dsn.Krajan RT.04 RW.06	Orobulu	Rembang
SURYA	Dsn.Krajan RT.04 RW.06	Orobulu	Rembang
HIKMATUL HASANAH	Dsn.Krajan RT.04 RW.06	Orobulu	Rembang
SATILA	Dsn.Krajan RT.04 RW.06	Orobulu	Rembang
UYUNIN	Dsn.Pejangkungan RT.01 RW.05	Pejangkungan	Rembang
FASIHUN	Dsn.Pejangkungan RT.01 RW.05	Pejangkungan	Rembang
KHOSIAH	Dsn.Pejangkungan RT.01 RW.05	Pejangkungan	Rembang
SHOLICHA	Dsn.Pejangkungan RT.01 RW.05	Pejangkungan	Rembang
SUNARSIH	Dsn.Pejangkungan RT.01 RW.05	Pejangkungan	Rembang
SUBAIYAH	Dsn.Pejangkungan RT.01 RW.05	Pejangkungan	Rembang
SULASTRI	Dsn.Tengah RT.03 RW.03	Kedung Banteng	Rembang
S.TUTIK	Dsn.Tengah RT.03 RW.03	Kedung Banteng	Rembang
SUHAIMI	Dsn.Tengah RT.03 RW.03	Kedung Banteng	Rembang
MARYAM	Dsn.Tengah RT.03 RW.07	Kedung Banteng	Rembang
NUR SITI	Dsn.Tengah RT.03 RW.07	Kedung Banteng	Rembang
MISNATI	Dsn.Krajan RT.04 RW.02	Orobulu	Rembang
TAMIATUSAKDIA	Dsn.Krajan RT.04 RW.02	Orobulu	Rembang
ASMAUL HUSNA	Dsn.Krajan RT.04 RW.03	Orobulu	Rembang
SULIPA	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
USWATUN HASANAH	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
SITI AISAH	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
UMI KULSUM	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
MAISARO	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
HUMAIYA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
ZUHRIA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
DILA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
HASANAH	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
ASMAUL HUSNA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
HOTIMA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
NASUHA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
ASIDA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
HOTIM/GHO'I	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
MUTIMMAH	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
MOSRIA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
CHOSIA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
SULIFA	Dsn.Krajan RT.07 RW.07	Orobulu	Rembang
MUJAIYANA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
ANISA	Dsn.Krajan RT.07 RW.03	Orobulu	Rembang
UMMAIYA	Dsn.Krajan RT.05 RW.07	Orobulu	Rembang
ULFIA	Krajan.Desa Kalisat RT.005 RW.002	Kalisat	Rembang
MASITI	Krajan.Desa Kalisat RT.005 RW.002	Kalisat	Rembang
NASUHA	Krajan RT.04	Kalisat	Rembang
UMI KULSUM	Krajan RT.04	Kalisat	Rembang
MAS UDAH	Krajan RT.04	Kalisat	Rembang
FITRIYAH	Krajan RT.04	Kalisat	Rembang
JAMILA	Krajan RT.04	Kalisat	Rembang
ROMLAH	Krajan RT.03 RW.02	Kalisat	Rembang
MAISAROH	Krajan RT.02 RW.02	Kalisat	Rembang

SITI HADIJAH	Krajan RT.05 RW.01	Kalisat	Rembang
BAITI	Krajan RT.04 RW.01	Kalisat	Rembang
HOSIK	Krajan RT.03 RW.01	Kalisat	Rembang
FATIMAH	Krajan RT.03 RW.01	Kalisat	Rembang
NURUL WARO	Krajan RT.02 RW.01	Kalisat	Rembang
ISTIQFARO	Krajan RT.05 RW.02	Kalisat	Rembang
MASTURO	Barat Sungai RT.01 RW.01	Kalisat	Rembang
SAIDAH	Barat Sungai RT.01 RW.01	Kalisat	Rembang
SOPIK	Dsn.Krajan RT.05 RW.07	Orobulu	Rembang
ZAENAB	JL.Kedung Lembu	Oro Ombo Kulon	Rembang
ASPAR	JL.Pekoren No.21 RT.2 RW.5 Pekoren-Rembang	Pekoren	Rembang
JAENAB	Pekoren RT.02 RW.06	Pekoren	Rembang
SULISNING	Pekoren RT.02 RW.06	Pekoren	Rembang
FAUZIAH/PUT	JL.Ketimang RT.01 RW.04	Pekoren	Rembang
SIATI	JL.Ketimang RT.01 RW.04	Pekoren	Rembang
NING SUMANI	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
KASIANI	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
SYAMSURI	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
INDARTIK	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
SUMIARSIH	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
SUJIATI	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
RAHMAWATI	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
DONITI	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
MUDAIFAH	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
TASIYAH	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
ROSIDAH	JL.Sumber Boto RT.02 RW.10	Oro Ombo Wetan	Rembang
MANING	JL.Sumber Boto RT.3 RW.10	Oro Ombo Wetan	Rembang
NAFISAH SUWARNI	JL.Sumber Boto No.8 RT.03 RW.10	Oro Ombo Wetan	Rembang
ISWATUN HASANAH	JL.Sumber Boto RT.02 RW.10	Oro Ombo Wetan	Rembang
ILAH	JL.Sumber Boto RT.02 RW.10	Oro Ombo Wetan	Rembang
SUCIAMA	JL.Sumber Boto RT.02 RW.10	Oro Ombo Wetan	Rembang
FARIDA	JL.Sumber Boto RT.02 RW.10	Oro Ombo Wetan	Rembang
DEWI FATIMAH	JL.Sumber Boto RT.02 RW.10	Oro Ombo Wetan	Rembang
MASLIKHA	JL.Ketimang Barat RT.03 RW.04	Pekoren	Rembang
SUMIATI	JL.Ketimang Barat RT.03 RW.04	Pekoren	Rembang
KHUMAIYAH	JL.Ketimang RT.02 RW.04	Pekoren	Rembang
MACHRUS	JL.Krajan RT.01 RW.05	Pandcan	Rembang
HUMAIYAH	Dsn.Oyoran RT.01 RW.05	Geneng Waru	Rembang
LATIFAH	Dsn.Oyoran RT.01 RW.05	Geneng Waru	Rembang
SAFTIYAH	Dsn.Sumber Boto RT.02 RW.12	Oro Ombo Wetan	Rembang
DASTAH	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
WARSIH	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
KHOIRUL H.	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
ZAENAB	Dsn.Sumber Boto RT.03 RW.13	Oro Ombo Wetan	Rembang
ANIK	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
SULIPA	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
MUNTIANA	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
WASITA	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
MARIA ULFA	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
ROMLAH	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
KALIMAH	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
SULITA	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
SULIATIM	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
TATIK	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
SULIN	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
ASIA	Dsn.Sumber Boto RT.01 RW.12	Oro Ombo Wetan	Rembang
MARDIYANAH	Budengan RT.01 RW.01	Kalisat	Rembang
ROMLA	Budengan RT.02 RW.01	Kalisat	Rembang
RUSMINI	Budengan RT.02 RW.01	Kalisat	Rembang
SITI MARYAM	Budengan RT.02 RW.01	Kalisat	Rembang
ROMLA	Budengan RT.02 RW.01	Kalisat	Rembang

ALIYAM	Budengan RT.02 RW.01	Kalisat	Rembang
RUKAYA	Budengan RT.02 RW.01	Kalisat	Rembang
AMINI	Budengan RT.02 RW.01	Kalisat	Rembang
MARLIK	Budengan RT.04 RW.01	Kalisat	Rembang
NUR HOTIM	Budengan RT.04 RW.01	Kalisat	Rembang
ROBIATUL ADAWIYAH	Budengan RT.04 RW.01	Kalisat	Rembang
FITRIYAH	Budengan RT.03 RW.01	Kalisat	Rembang
SUANITO	Dsn.Tengah RT.01 RW.03	Kedung Banteng	Rembang
SUPAKA	Dsn.Tengah RT.01 RW.03	Kedung Banteng	Rembang
JUBAIDAH	Dsn.Krajan RT.02 RW.03	Oro Ombo Wetan	Rembang
SRI BAWON	Dsn.Krajan RT.02 RW.03	Oro Ombo Wetan	Rembang
KUTIN AMALIA	Dsn.Krajan RT.02 RW.03	Oro Ombo Wetan	Rembang
HOTIJAH	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
NISWATIN	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
BADRIA	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
JUMANI	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
KOMARIA	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
USWATUN H	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
HABIBA	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
AISAH	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
SALBIAH	Dsn.Dadapan RT.12 RW.06	Orobulu	Rembang
SUHAIMI	Dsn.Krajan RT.05 RW.03	Orobulu	Rembang
HOSIA	Dsn.Kalisangit RT.05 RW.03	Krengi	Rembang
FATIMA/SAMILATI	Dsn.Krengi RT.03 RW.03	Krengi	Rembang
JUMIATI	Dsn.Kalisangit RT.03 RW.03	Krengi	Rembang
KOMARIA	Dsn.Kalisangit RT.03 RW.03	Krengi	Rembang
DOMIMA	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
WATINI	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
MESNA	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
MULOT	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
ANISA	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
HASANA	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
ULUM	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
RAODO	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
SURYA DEWI	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
HOLIFA	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
SUPARMI	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
SANIK	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
SAROPA	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
SAMA	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
MAS ULUM	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
HADIRO	Dsn.Nyato RT.16 RW.07	Orobulu	Rembang
KOMARIA	Dsn.Dadapan RT.08 RW.04	Orobulu	Rembang
SAKDIA	Dsn.Dadapan RT.08 RW.04	Orobulu	Rembang
HOTIJAH	Dsn.Kalisangit RT.05 RW.04	Krengi	Rembang
PATIMA	Dsn.Kalisangit RT.04 RW.08	Krengi	Rembang
AMINA	Dsn.Kalisangit RT.07 RW.02	Krengi	Rembang
HANIK	Dsn.Kalisangit RT.06 RW.03	Krengi	Rembang
MUTMAINAH	Dsn.Kalisangit RT.02 RW.04	Krengi	Rembang
NASIA	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
JAMILA	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
YATIN	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
SUHAIMI	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
MANES	Dsn.Nyato RT.13 RW.07	Orobulu	Rembang
SUNANI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
KHUSNUL	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
SITI MAISYAROH	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
JUMA'ATI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
NURUL AINI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
SUMANI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
YANTI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang

MUSRIFAH	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
SHOLIKHAH	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
NGATENI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
ISNATUN	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
LEGIMA	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
UMI KULSUM	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
SULASTRI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
ISNAINI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
TUTUT	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
NURHAYATI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
KASIATI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
NASRIKA	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
S.FATIMAH	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
KHOTIJAH	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
PAINI PURWATI	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
HALIMAH	Dsn. Sumber Boto RT.02 RW.12	Oro-oro Ombo Wetan	Rembang
ROHIMA	Jl.Balai Desa Pejangkungan RT.01 RW.02	Pejangkungan	Rembang
HALIMATUS SA'DIYAH	Dsn.Pejaten RT.02 RW.07	Tampung	Rembang
MAHDUDAH	Dsn.Pejaten RT.02 RW.07	Tampung	Rembang
USTI	Dsn.Pejaten RT.02 RW.07	Tampung	Rembang
KHOTIJAH	Dsn.Pejaten RT.02 RW.07	Tampung	Rembang
UMI KULSUM	Dsn.Pejaten RT.02 RW.07	Tampung	Rembang
HOLIFA	Tampung Barat RT.01 RW.06	Tampung	Rembang
HOLILA	Tampung Barat RT.01 RW.06	Tampung	Rembang
RODIYAH	Dsn.Pejaten RT.01 RW.07	Tampung	Rembang
KHOLIFAH	Dsn.Pejaten RT.03 RW.07	Tampung	Rembang
RODIYAH	Dsn.Pejaten RT.03 RW.07	Tampung	Rembang
ULFAH	Dsn.Pejaten RT.04 RW.06	Tampung	Rembang
MUNIRO	Dsn.Pejaten RT.03 RW.07	Tampung	Rembang
ALFIYAH	Dsn.Badengan RT.04 RW.01	Kalisat	Rembang
SATUHA	Dsn.Badengan RT.04 RW.01	Kalisat	Rembang
ZULFA	Dsn.Badengan RT.04 RW.01	Kalisat	Rembang
LAILATUL KUTSIYA	Dsn.Badengan RT.04 RW.01	Kalisat	Rembang
ROIHA	Dsn.Pejaten RT.03 RW.06	Pajaran	Rembang
SUMARO	Dsn.Pejaten RT.03 RW.06	Pajaran	Rembang
HOTIJA	Dsn.Pejaten RT.03 RW.06	Pajaran	Rembang
MUTMAINNAH	Dsn.Pejaten RT.03 RW.06	Pajaran	Rembang
ULFA	Dsn.Pejaten RT.03 RW.06	Pajaran	Rembang
SULIS HIDAYATI	Dsn.Pejaten RT.03 RW.06	Pajaran	Rembang
HOSIAH	Dsn.Pejaten RT.02 RW.06	Pajaran	Rembang
SUMAIYA	Dsn.Pejaten RT.02 RW.06	Pajaran	Rembang
HUMROTIN	Dsn.Pejaten RT.04 RW.05	Pajaran	Rembang
HOSIA	Dsn.Pejaten RT.04 RW.05	Pajaran	Rembang
KHUSNUL KOTIMAH	Dsn.Pejaten RT.03 RW.05	Pajaran	Rembang
MAHMUDAH	Dsn.Pejaten RT.03 RW.05	Pajaran	Rembang
H.AZIZA	Dsn.Pejaten RT.03 RW.05	Pajaran	Rembang
SOFIYAH	Dsn.Pejaten RT.03 RW.05	Pajaran	Rembang
HOTIMAH	Dsn.Pejaten RT.03 RW.05	Pajaran	Rembang
SAKDIYAH	Dsn.Pejaten RT.03 RW.05	Pajaran	Rembang
RUKOIYAH	Dsn.Pejaten RT.03 RW.05	Pajaran	Rembang
HUNAINA	Dsn.Pejaten RT.03 RW.04	Tampung	Rembang
MAISARO	Dsn.Pejaten RT.01 RW.05	Tampung	Rembang
NUR JANNAH	Dsn.Pejaten RT.01 RW.05	Tampung	Rembang
ANISTAMATO	Dsn.Dadapan RT.10 RW.05	Orobulu	Rembang
SITI MARYAM	Dsn.Dadapan RT.08 RW.04	Orobulu	Rembang
AZIZA	Dsn.Dadapan RT.13 RW.07	Orobulu	Rembang
MAHMUDA	Dsn.Dadapan RT.13 RW.07	Orobulu	Rembang
HUMAIYA	Dsn.Dadapan RT.08 RW.04	Orobulu	Rembang
HOTIJAH	Dsn.Dadapan RT.08 RW.04	Orobulu	Rembang
LAILATUL HIKMAH	Dsn.Dadapan RT.08 RW.04	Orobulu	Rembang
NIKMA	Dsn.Dadapan RT.08 RW.04	Orobulu	Rembang

SUHAKMIN	Dsn.Krajan RT.03 RW.01	Candi Binangun	Sukorejo
USWATUN HASANAH	Dsn.Krajan RT.03 RW.01	Candi Binangun	Sukorejo
ROMLAH	Dsn.Wonokerto RT.01 RW.02	Wonokerto	Sukorejo
LAILI / B.YUS	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
MUSRIFA	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
NUR CHOLIS	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
KHOTIMAH	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
WARSIH	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
KHUSNAINI	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
MARNITI	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
KOMARIYAH	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
NURHAYATI	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
MISNATI	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
WINARTI	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
RUKEMI	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
SAIDAH	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
TAMAMI	Dsn.Krajan Tengah RT.01 RW.02	Wonokerto	Sukorejo
MARIYAM	Dsn. Lebaksari RT.01 RW.02	Lebaksari	Wonorejo
KHOLISHO	Dsn. Lebaksari Selatan RT.04 RW.01	Lebaksari	Wonorejo
KHOMSATUN	Dsn. Lebaksari Selatan RT.01 RW.01	Lebaksari	Wonorejo
SUPIYATI	Dsn. Lebaksari Selatan RT.01 RW.01	Lebaksari	Wonorejo
ZUHRO	Dsn. Lebaksari Selatan RT.01 RW.01	Lebaksari	Wonorejo
KHOPSOH	Dsn. Lebaksari RT.01 RW.01	Lebaksari	Wonorejo
MUAWANAH	Dsn. Lebaksari Selatan RT.01 RW.01	Lebaksari	Wonorejo
ARTI DINIASIH	Dsn. Lebaksari Selatan RT.01 RW.01	Lebaksari	Wonorejo
ALMIYAH	Dsn. Lebaksari Selatan RT.01 RW.01	Lebaksari	Wonorejo



UNIVERSITAS BRAWIJAYA

Appendix 2

Data of Member of ASPENDIR

NO	NAME	INDUSTRY	ADDRESS	TELEPHONE NUMBER
POGAR				
1	H. DENY ETWIN	CV. PESONA INDAH NUSANTARA	JL. RAYA PATTIMUR-POGAR BANGIL	0343-744261 / 741236 /081553055858
2	MIFTACHUL RIDHO	SALSABILAH COLLECTION	JL. MAYJEN SUNKONO N O.87 BANGIL	0343-744944
3	UNTUNG	NURWIN BORDIR	JL. PEPAYA RT.02/01 294 POGAR	0343-743526
4	MUJIATI	CAHAYA BORDIR	JL. PEPAYA RT. 04/01 294 POGAR	0343-744927 / 081331080330
5	ISA AFIDAH	ALFIAN BORDIR	JL. MANGGA RT.04/02 POGAR	0343-746703
6	AL-KHOIRIYAH	HEPPY BORDIR	JL. SUNKONO 324 BANGIL	0343-742917 /081331126296
7	AL FIFA / KERTOSARI	RAIHAN BORDIR	JL. SUNKONO 324 BANGIL	0343-7710891
8	PIPIIT WIDYA ERNASARI	ZEIN BORDIR	JL. SUNKONO 186 POGAR BANGIL	0343-749175 /08123060956
KERSIKAN				
9	RUGOTYAH SALIM	UD. AL HIDAYAH	JL. WETAN ALUN BANGIL	0343-741580
10	HJ. LULUK SAID	LULUK BORDIR	JL. WETAN ALUN 348	0343-742574
11	HJ. MOH. ICHWAN	SU'UD BORDIR	JL. WETAN ALUN 334	0343-743984 /08123072019
12	EVA	NICE COLLECTION	JL. WETAN ALUN	0343-748943
13	LILIK ANAS	RIFIQI BORDIR	JL. WETAN ALUN	0343-741342
14	H. ABD. KADIR BAJUBER	AN NUR	JL. KERSIKAN Gg.IV NO.11	0343-741083
15	DOFIR AINUL YAKIN	A'AM BORDIR	CEMANDI 647 KERSIKAN	
16	FATHUR RAHMAN	AUWAL BORDIR	KERSIKAN Gg. IV NO.76	0343-746789
17	AS'AD SYAFI	SAHARA COLLECTION	JL. GURAME 92 KAUMAN	0343-743750
KALIREJO				
18	H. DARSIH	DARSIH/ AL MUSLIMAH	DS. PETEMON SATAK KALIREJO	0343-742868
19	HJ. DEWI FATHONAH	UD. FATH BORDIR	PERUM KALIREJO 06	0343-741919
20	HJ. FAIZ YUNIANI	FAIZA BORDIR	JL. BADER KALIREJO	0343-747657
21	JAYADI	JAYA ABADI	JL. BADER 251 KALIREJO	0343-743275
22	DEWI RIKA	DEWI COLLECTION	JL. TOMBRO KWANGSAN KALIREJO	0343-746483
23	NINA JUNAIDAH	SARA BORDIR	JL. BADER Gg. MASJID 277 KALIREJO	081-8038084774
24	ROBY HAFIDZ	FIDAH BORDIR	PERUM KALIREJO	0343-741885
25	BA'ATUN	MITA BORDIR	PERUM KALIREJO	
26	SRI KHOLIFAH	LANGGENG SARI	JL. BADER-KALIREJO	0343-741298
27	MASLUKHA	DALEM RIA	JL. NENER KALIANYAR	
28	FANUS	DALEM RIA	JL. NENER KALIANYAR	
GLANGGANG				
29	RITA AF	RIZA BORDIR	JL. CUMI-CUMI 24 GLANGGANG	0343-743588
30	TITIN FAIZA	ATIKA COLLECTION	JL. BALAI AGUNG NO.11 GLANGGANG	0343-7778701
31	DIAN PRAPANCA	PANCA FASHION	JL. IKAN SALEM 103 A	0343-747936
32	NUR AISYAH	IVAN BORDIR	JL. CUMI-CUMI 06 GLANGGANG	0343-7811591 / 0343-7811591
GOMBYOK				
33	JMRON ROSADI	UD. BILQIS CITRA SEJAHTERA	JL. SILI 64 RT.02/04 GOMBYOK	0343-744083 / 081330096127
34	H. MOH. YASIN	AL FITROH BORDIR	JL. SILI 64 RT.01/04 GOMBYOK	0343-741851
35	SUNARI	MENIK COLLECTION	JL. SILI 64 RT.02/04 GOMBYOK	0343-747876
GEMPENG				
36	H. SATDOLAH	ENDAH BORDIR	JL. J.A.SUPRAPTO 1/33 GEMPENG BANGIL	0343-742219
37	MUSLICHAH	ANISA BORDIR	JL. LAYUR Gg.1 NO.7 GEMPENG BANGIL	0343-741960
38	MUSTAJAB	JAMUS BORDIR	JL. LAYUR NO.40 GEMPENG BANGIL	0343-743450
39	FIRDAUZ	ZIELA COLLECTION	JL. J.A.SUPRAPTO 16 GEMPENG BANGIL	0343-7798198
40	ROBIATUL ADAWIYAH	AL FIRA BORDIR	JL. J.A.SUPRAPTO 1/31 GEMPENG BANGIL	0343-742327
41	CHUSNUL CHAMIDIYAH	AN NAJWA BORDIR	JL. J.A.SUPRAPTO 1/32 GEMPENG BANGIL	0343-744118
42	H.YOUS ALI YUSUF	MERISA COLLECTION	JL. J.A.SUPRAPTO 1/37 GEMPENG BANGIL	0343-742243
43	AISYAH BATI	AISYAH BORDIR	JL. J.A.SUPRAPTO 1/34 GEMPENG BANGIL	0343-746757
44	SUMIATI	KHOIRIYAH BORDIR	JL. J.A.SUPRAPTO 1/23 GEMPENG BANGIL	0343-743724
45	MUNIRA WAKHID	BAHANA BORDIR	JL. LAYUR NO.11 GEMPENG BANGIL	0343-742055
46	MURSYA WAKHID	BIN SAID BORDIR	JL. LAYUR NO. 1 GEMPENG BANGIL	0343-746211
47	NUNIK NIKMATUR RAHMAH	NUNIK COLLECTION	JL. J.A.SUPRAPTO 41 GEMPENG BANGIL	0343-742035
48	IL. FADILAH SE	ESLENE BORDIR	JL. LAYUR GEMPENG BANGILF	0343-745963 /08179311575
49	WACHID	UD. KARYA UDAYANA	JL. TONGKOL NO.27 DERMO	
50	H.FAHRUR ROZI	AL BAROKAH	PONDOK CANGA'AN BANGIL	0343-7754031
51	HERI ANSHORI			0343-746713

DOMRO REMBRANG WONOKERTO

53	SUWARNO SANTOSO	CV. WALET SEWU	DS. NGANGLANG REMBANG	0343-748374
54	ASFAR	NURIS JAYA	PEKOREN REMBANG	081-331833406
55	AFIFAH	MBAREP JAYA	DS. PEKOREN RT.01/06 REMBANG	0343-7729922 / 08175242456
56	YOENARTI	NORRISA MILLARTA		
57	RAHAYU	RAHAYU BORDIR	ROMBO BERAN REMBANG	081-330139628
58	MOH. SALAMUDIN	MAULA BORDIR	DS. ROMBO KRIAN REMBANG	
59	JAENAB	ZAINUL BORDIR	DS. ORO BULU RT.01 REMBANG	081-75232984
60	SULIKHAH	MALIDA BORDIR	PESANGGRAHAN Gg. MELATI BANGIL	
61	HJ. ZUHROTUL FATIMA	ULUM BORDIR	KEDUNG BANTENG RT.02/III REMBANG	
62	HERU AGUSTIYANTO	UD. LESTARI	DS. KRAJAN RT 01/ II TAMPUNG REMBANG	0343-7741042 / 0343-7725957
63	MUKHAYATIN	MUKHAYATIN BORDIR	NGANGLANG RT. 01/01 ROMBO KULON	0343-746300
64	SATAMI	MAMA BORDIR	WONOKERTO TENGAH SUKOREJO	081-553052147
65	LAILI SURYAWATI	NABIL BORDIR	WONOKERTO TENGAH SUKOREJO	
KOLURSARI, MENDALAN				
66	JUWARIYAH	JUWARIYAH	JL. M.YASIN NO.75 MENDALAN	0343-743064
67	H.M.MUADZ	BADROEL BORDIR	DS. MENDALAN KOLURSARI BANGIL	0343-743479
68	ISWANTO	UD. MISBAH	DS. KOLURSARI	
69	AMILIYAH MAKSUM	EMIL BORDIR	KOLURSARI 56 RT. 01/02	0343-745467
70	NURAINI	UD. BERLIAN	JL. MENDALAN NO.200 BANGIL	0343-742246 / 08164292046
71	Dra. H.MAS'UDAH HAFIDZ	HARIS BORDIR	MENDALAN 209 A BANGIL	0343-742767
72	H.M. SUUD	AMI BORDIR	JL. M.YASIN NO.78 MENDALAN	0343-743079
73	H.MOH. ALI / HJ. ZUMROTIN	UD. ZAKIYAH	JL. KOLURSARI Gg. MARGOREJO	0343-745155 / 08125239440
LEDOK, KIDUL DALEM				
74	SUTINAH	DIEN COLLECTION	JL. APEL II/629 KIDUL DALEM BANGIL	0343-747617
75	NURUL AINI	UD. MULYA	JL. APEL Gg. IX B NO.2	0343-741610
76	MOH. YUSUF ALI	UD. EMIRA	JL. NANGKA 372 BANGIL	0343-746305 / 085931180004
77	KHAMIDAH	DEVI BORDIR	JL. NANGKA I/551 LEDOK BANGIL	0343-744438
78	NURHAYATI	NOENG BORDIR	JL. NANGKA I/408 LEDOK BANGIL	0343-744219
79	SUTINAH	DIEN COLLECTION	JL. APEL II/629 KIDUL DALEM BANGIL	0343-747617
80	FARJU	PIPIIT BORDIR	JL. NANGKA 449 LEDOK BANGIL	0343-741310
81	HJ. SUNIA	RB SONIA INDAH	JL. DURIAN 270	0343-742256
82	HJ. Ir.RAHMAWATI	UD. DUA SAUDARA	JL. DURIAN 237	0343-741998 / 08123548785
83	MISKAT	ROS COLLECTION	JL. ANGGUR KIDUL DALEM	0343-741628
84	IMAM WAHYUDI	WAHYU BORDIR	JL. DIPONEGORO Gg.IV 266 KIDUL DALEM	0343-742743
85	H. SAIKHU ABDILAH	ZZEEN INTERNUSA	JL. ANGGUR 450 KIDUL DALEM	0343-741024 / 08123390730
BEJI				
86	HANAFI		DS. BUJENG	0343-635232
87	NURRAHMAN	DIANA BODIR	DS. NGEMBE BEJI	0343-630968
88	IKHWNNUDIN	AS SHOFI	DS. GROGOLAN NGEMBE BEJI	0343-631997
89	LASTONO	LASTONO BORDIR	DS. NGEMBE RT.14/03	0343-636396
90	SUMADI	KAHATEX	SIDOWAYAH BEJI	0343-659803
91	NURCHOLIS HARIANTO	VYGUS BORDIR	SIDOWAYAH BEJI	081-32345602
92	HJ. SAUTIK	SAUTIK BORDIR	JL. SIDOWAYAH BEJI	0343-744742
93	ABD. KODIR	AL KODIRI	MINDI BEJI	0343-747236
94	HENI KURNIA SARI	UD. ISTANA BORDIR	STM TRISAKTI 12 GAJAH BENDO BEJI	0343-743971
95	HJ. IDA MACHFUD	LINDA HASTA BORDIR	JL. STM TRISAKTI 13 GAJAH BENDO BEJI	0343-743029
96	MOHAMMAD BASCHEH	AL MANIQ BORDIR	BANGKALAN RT.06/01 PAGAK BEJI	0343-741967
97	SUTIANI	ILMIAH BORDIR	PAGAK RT.03/02	0343-741439
98	HJ. LILIK	LILIK BORDIR	GAJAH BENDO II	0343-744264
99	TIMBUL	ANGGUN BORDIR	KEDUNG RINGIN AMPEL BEJI	0343-7782179
100	HJ. YASILU	UD. ANI BORDIR	KEDUNG RINGIN AMPEL BEJI	0343-7745113
101	AHMAD ZAINI	FATMA BORDIR	DS. KEDUNG BOTO BEJI	081-931622830
102	BISRI MUSTOFA ZAINI	ZIFA COLLECTION	JL. CANGKRINMALANG BEJI	0343-655744 / 0818572967
103	MAS'UD ABDULLAH	AL BIRO BORDIR	SELORAWAN RT.03/07 CANGKRINGMALANG	0343-656297
104	MUSDALIFAH	TRI MAS BORDIR	JL. STM TRISAKTI	

Appendix 3

Organization Structure of ASPENDIR

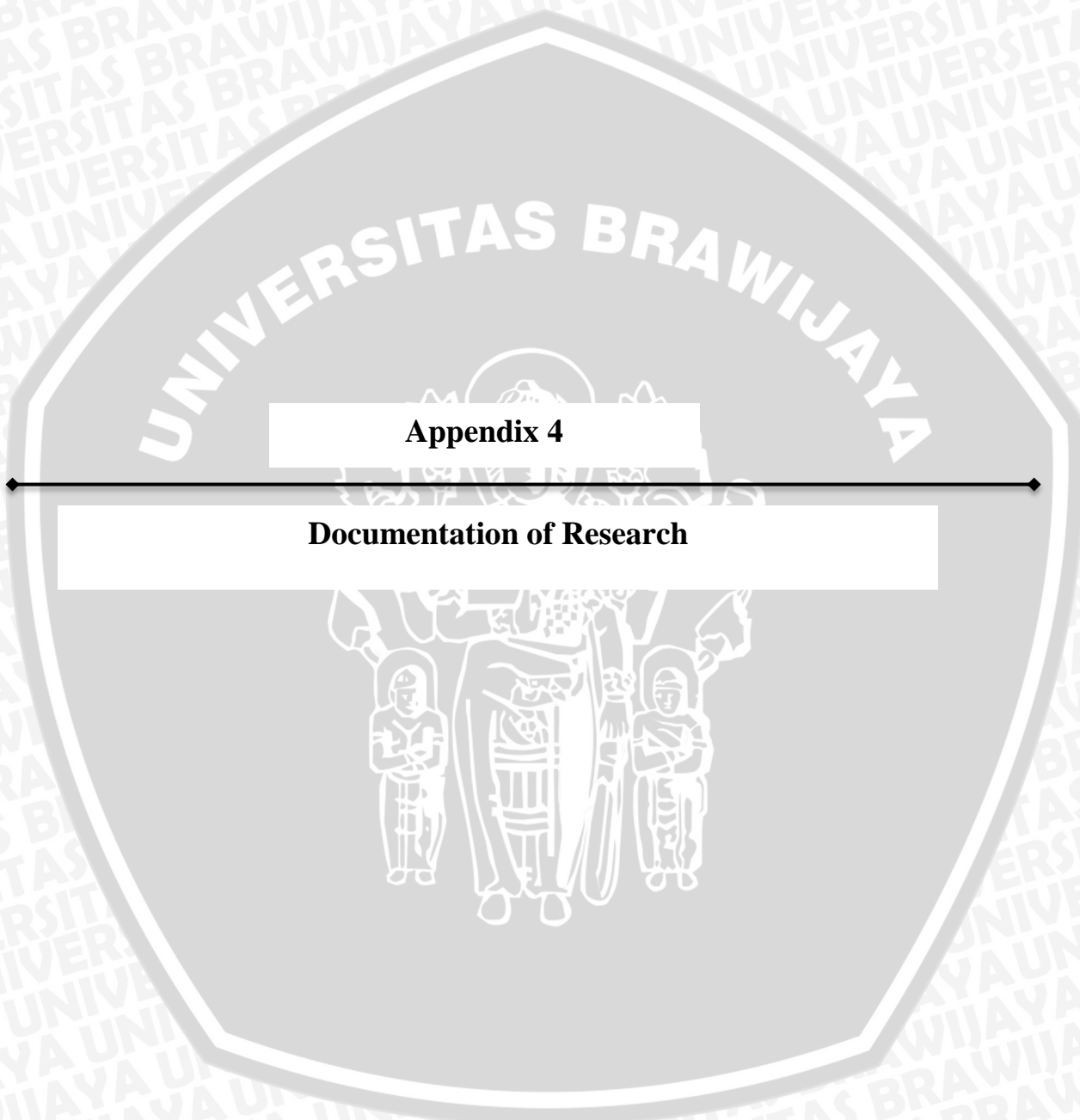


Organization Structure
Asosiasi Pengusaha Bordir (ASPENDIR)
Periode : 2014 – 2016

Pelindung Pembina	: Bupati Pasuruan : Dinas Koperasi dan UKM Dinas Perindustrian dan Perdagangan Dinas Infokom Dinas Pariwisata Bagian Perekonomian
Penasehat	: H. Soewarno Santoso,SH H. Deny Edwin,SE Hj. Dewi Fathonah
Ketua	: Yoenarti Soewarno,SH
Wakil Ketua I (membidangi Sie 1,2,6)	: Muh. Yusuf
Wakil Ketua II (membidangi Sie 3,4,5)	: Faiz Yuniarti
Sekretaris	: Muchammad,S.Pd
Wakil Sekretaris	: Nikmatur Rohmah,SH
Bendahara	: Ida Mahfud
Wakil Bendahara	: Sutinah
Seksi-seksi :	
1. Sie Organisasi dan Kerokhanian	: H. Hafidz Heni Kurniasari Lilik Anas
2. Sie Sosial dan keagamaan	: H. Abdul Kadir Bajuber As'ad Syafi'i
3. Sie Litbang/Diklat	: dr. Robby Hafidz : Asih
4. Sie Promosi dan Pemasaran	: Nurul Aini : Anisah Khoiron
5. Sie Perijinan dan aset	: H. Yous Ali Yusuf Muhammad A.B
6. Sie Humas	: Robiatul Adawiyah Iswanto Timbul

Ditetapkan di : Bangil
Tanggal : 6 Desember 2013
Ketua,

H. Yoenarti Soewarno,SH



Appendix 4

Documentation of Research



The "Guidance of Ability and Skills of Social Work" as training program which is held in Rembang Sub-District



The means of production which is used in the production activity of embroidery industry



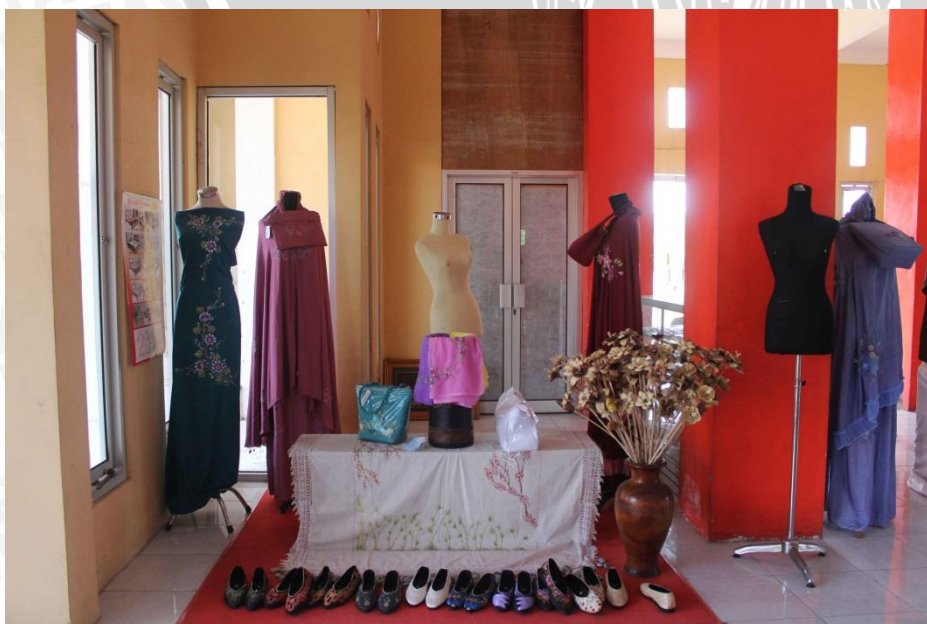
Documentation of the former of Social Welfare Ministry visiting to the *Sentra Produk Unggulan* which was accompanied by Pasuruan's Regent and the leader of ASPENDIR



Embroidery Product
which was displayed in
the exhibition



Embroidery Product
which was displayed in
the exhibition



Display product in the
Sentra Produk
Unggulan

CURRICULUM VITAE

Personal Details

Name : IKA YUNI STYAWATI
 Place of Birth : Sidoarjo
 Date of Birth : June, 3rd 1993
 Address : Jl. Gunung Gangsir, Randupitu RT
 002/RW 003 Gempol - Pasuruan
 Religion : Islam
 Email : ikayunist36@gmail.com



Education

Formal Education :

1999-2005	: SDN RANDUPITU
2005-2008	: SMP NEGERI 1 PANDAAN
2008-2011	: SMA NEGERI 1 KEJAYAN

Non-Formal Education :

2012-2013	: English Course in the EF (English First)
2014	: Internship in the YTL. Co.Ltd.