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## THE ROLE OF THE ECONOMY IN GROWING THE REGIONAL ECONOMY IN THE NGORO SUB-DISTRICT, IOMBANG DISTRICT

# Wina Nurhayati<sup>1</sup>, Supriyadi<sup>2</sup>, Diyah jannatin<sup>3</sup>, Linda Ratnasari<sup>4</sup>

1,2,3,4Universitas Darul Ulum Jombang

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**ABSTRACT** 

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E-mail: winanurhayati02@gmail.com, supriadi.sotro@gmail.com, dpjannah@undar.acid, linda.em@undar.com

The purpose of this study was to find out the role of the Creative Economy in Growing the Regional Economy in Ngoro District, Jombang Regency. This type of research is a qualitative field research. Sources of data in this study are primary and secondary. Data collection techniques used are interviews (interviews) and documentation. The data analysis method used is descriptive qualitative method. Checking the validity of the findings using the technique of extending the presence of researchers in the field, in-depth observation, triangulation, peer discussion, and checking members, to check the degree of trust. The results show that 1. There are 12 types of Creative Products in Ngoro District, namely Game Applications and Development, Architectural Creative Industry Subsector, Interior Design Creative Industry Sub-sector, Advertising or Advertising, Performing Arts Sub-sector, Photography Creative Industry Sub-sector, Culinary Sub-sector, Crafts Sub-sector, Fashion Sub-sector, Creative Music Industry Sub-sector, Publishing Sub-sector, Television and Radio Sub-sector with a total of 63 industry players and most of them are in the culinary and fashion sub-sector. 2. The role of the creative economy in the economic growth of the Ngoro sub-district can be seen in the income from the Ngoro sub-district which increases every year and the poverty and unemployment rates have decreased.

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#### 1. INTRODUCTION

The economic condition of the people in Indonesia in general, is still not independent, in fact it is still far from being self-sufficient. The parameters of economic independence can be seen in many facts and objective conditions of the economy, namely (Mudjib Mustain, 2022): First, the poverty rate is still high, Second, Indonesia's strategic natural resources are generally controlled by foreigners. Fourth, producer institutions that produce the needs of the people, almost all of which are controlled by minhum (non-people). Fifth, the number of small and micro entrepreneurs still dominates in Indonesia, the number reaches 40 million. Sixth, the assets of Islamic banks and Islamic financial institutions are still small, the rest is dominated by conventional financial institutions.

One of the efforts to improve the people's economy is the creative economy model. The creative economy is a concept in the new economic era whose main supports are information and creativity, ideas and stock of knowledge from Human Resources (HR) are the main production factors in reactive economic activities. There are sixteen sub-sectors of the creative economy: 1. Game Applications and Development; 2. Architectural Creative Industries Sub-sector; 3.Interior Design Creative Industry Subsector; 4. Visual Communication Design Subsector; 5. Advertising or Advertising; 6. Performing Arts Sub-sector; 7. Film, Animation and Video; 8. Creative Photography Industry Sub-sector; 9. Culinary subsector; 10. Craft Subsector; 11. Fashion Subsector; 12. Fine Arts Sub-sector; 13. Creative Music Industry Sub-sector; 14. Product Design, 15. Publishing Subsector and; 16. Television and Radio Subsector. (Muafiqie, 2022)



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In Jombang Regency, the creative economy sector is growing significantly. Along with the increasing number of poor people The increase in the number of poor people in Jombang Regency in 2020 is thought to be caused by economic activity that has not yet recovered as a result of the Covid-19 pandemic, the increasing percentage of the poor who are not working, and the declining percentage of the poor working in the formal sector in 2020. To unravel the problem of poverty, efforts are needed to maximize the function of the people's creative economy

Ngoro Subdistrict, Jombang Regency is one of the producers of creative industries in Jombang Regency, namely the creative industry of pia, crispy snacks, otak-otak and lemonade drinks. This creative industry had experienced a downturn at the beginning of the COVID-19 pandemic and is currently starting to falter, as data from the Ngoro District in Agak 2021, there are 589 industries with various types. However, the types of home industries that are identical to creative industries are mushrooming, amounting to 498. The purpose of this study was to find out the role of the Creative Economy in Growing the Regional Economy in Ngoro District, Jombang Regency.

The research consists of two stages, where in stage I (first) consists of regional economic growth indicators, namely imbalances, changes in economic structure, growth in employment opportunities, levels and distribution of facilities, as well as gross regional domestic product. In phase II (second) the researcher wants to see the role of the creative economy in growing the regional economy with indicators of regional economic growth.

#### 2. METHOD

This type of research is a qualitative field research. Sources of data in this study are primary and secondary. Data collection techniques used to obtain valid data. With interviews (interviews) and documentation, the data analysis method used is descriptive qualitative method. Checking the validity of the findings using the technique of extending the presence of researchers in the field, in-depth observation, triangulation, peer discussion, and checking members, to check the degree of trust.

#### 3. RESULTS AND DISCUSSION

### **Economic Growth of the Ngoro District Area**

economic growth rate of Jombang Regency continues to decline due to covid 19. In 2019 the economic growth rate of Jombang Regency was only 5.10 percent. Macroeconomic conditions continued to weaken so that at the end of 2020 economic growth reached -1.98 percent. The economy began to creep up and continued until 2020. The economic growth of Joimbang Regency in 2020 reached 3.24 percent, below the national economic growth rate. This can occur due to the economic recovery from the Covid 19 pandemic and policies in the fields of investment, infrastructure development , as well as regulations in other economic fields.

Based on Law Number 23 of 2004 concerning the Balance between the Center and the Regions, PAD is an income obtained by the regions based on the rules determined by the regions that refer to the rules in Indonesian legislation. Each region has economic strength that allows it to generate its own income. Local revenue (PAD) is evidence that local governments can optimize the natural wealth and other potential of the region to become a source of income. The PAD of Ngoro District is as follows: (results of an interview with the Community Empowerment section of Ngoro District, April 23, 2022)

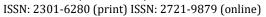
Table 1
IN Ngoro District, Jombang Regency

VILLAGE	2019	2020	2021
Jombok	154.986.000	158.336.000	158.336.000
Genukwatu	211.726.000	212.080.000	210.880.000
Rejoagung	195.000.000	195.000.000	196.650.000
Kauman	77.567.500	74.146.500	72.655.500
Ngoro	294.937.600	303.204.900	354.848.000
Badang	198.813.000	191.849.600	192.329.000
Pulorejo	121.112.000	162.742.000	162.742.000
Banyuarang	215.604.000	221.900.000	231.800.000
Sidowarek	211.925.000	205.025.000	216.555.000
Gajah	159.609.600	153.285.830	151.472.540
Kesamben	180.952.000	180.964.000	181.964.000
Kertorejo	197.650.000	197.500.000	197.500.000



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Sugihwaras	175.572.000	162.533.000	175.033.000
TOTAL	2.395.454.700	2.418.566.830	2.502.765.040

Source: PAD siskeudes

From the table above, the Ngoro village has experienced an increase in regional income from year to year, while the Kauman village has experienced the opposite, which is a decrease in its regional income.

### 2. Existence of Creative Economy Product Actors in Ngoro District

The existence of actors and creative products in the District of Ngoro are as follows: (Results of an interview with the Community Empowerment section, dated April 25, 2022)

Table. 2
Presence of Actors and Products
Creative Ngoro District 2022

No	Creative Product Type	Village	Amount
1.	Application and Game Development	Pandean Kecapangan	3
2.	Architectural Creative Industries Sub	Pandean Banyuarang	2
3.	Interior Design Creative Industry Subsector	Pulorejo	1
4.	Advertising or Advertising	Bakalan Badang Sidowarek Banjarpoh	4
5.	Performing Arts Subsector	Ngetep, Sedati	1
6.	Photography Creative Industry Subsector	Pandean	
7.	Culinary subsector	Ketanen, Banyuarang Kauman Pandean Breje Sumber Beji, Padar Kidul, Kesamben Pulorejo, Banyuarang Area Sawah/Kebun Pulorejo	21
8.	Craft Subsector	Ngoro Pandean	3
9.	Fashion Subsector	Pandean Gerdulaut, Sidowarek Kepuhpandak, Pulorejo, Kweden Sidowarek Ngasem Area Sawah/Kebun Badang Kesamben Jombok	19
10.	Music Creative Industry Subsector	Pandean	1
11.	Publishing Subsector	Grenggeng, Rejoagung Dsn. Genjong Lor Ds. Sidowarek Grenggeng, Rejoagung Pandean Kepatihan Ngoro Kandangan, Kebondalem	7
12.	Television and Radio Subsector	Ngepeh, Rejoagung	1
Amount			63

Data processed 2022



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Of the 16 types of creative economy fields set by the central government, there are 12 types of creative economy that thrive in the community of Ngoro sub-district with a total of 63 entrepreneurs with the largest number being in the culinary field as many as 21 and the fashion sub-sector 19. Almost of the 13 villages in the Ngoro sub-district, there are economic creators. This economic creator was detected through Google services through the marketplace from Jombang culinary, Jombang promoting, trading Jombang and the like. Sales are made through an on line system and come on the spot. Payments are also made online or on the spot. The average net income increased from an income of only 50,000 to 750,000, per day according to the types and products sold and the time and needs of the community. Like during holidays or holidays, the increase in sales of food and fashion is 150%. (results of an interview with one of the creative economy actors in Jomabng, dated May 20, 2022).

#### Discussion

The creative economy is a real place for people to pour all their creativity to create something unique and can be of sale value and can improve people's welfare. Like the creative economy in Ngoro Sub-district, Jombang Regency, this is one of the creative economy sub-sectors of the 16 types of creative economy fields set by the central government. in the culinary field.

The creative economy plays a role in the economy of a nation, especially in generating income (income generation), creating jobs (job creation) and increasing export earnings (export earnings), improving technology (technology development), increasing intellectual property (intellectual property), and the role of other social.

According to Suryana (2013) the potential of the creative economy plays a role in driving economic growth caused by the following things.

- 1. Creative Economy can encourage income creation, job creation, and export revenue. In addition, the creative economy can also promote social aspects (social inclusion), cultural diversity, and human resource development.
- 2. The creative economy fosters economic, cultural, and social aspects that are interrelated with technology, intellectual property, and tourist destinations.
- 3. It is a set of knowledge based on economic activity with a developmental dimension and relates between macro and micro levels for the economy as a whole.
- 4. It is a viable development option to stimulate multidisciplinary innovation, policy response, and inter-ministerial action.
- 5. In the heart of the creative economy are the creative industries (at the heart of the creative economy are the creative industries)

Another approach to the role of creativity is that creativity is seen as a measuring tool for social processes. Creativity can increase economic values such as income, employment opportunities, and welfare, which in turn can reduce social problems such as poverty, unemployment, low education, health, inequality, and other problems of social instability. There is a close relationship between creativity and socio-economic development which cannot be separated in particular. The creative economy can create prosperity because it can create job opportunities/reduce unemployment, reduce inequality, and encourage renewal and utilize local raw materials.

This is proven in real terms in the field that economic growth in Ngoro District has increased sharply with the number of creative economy actors amounting to 63 business actors and can increase PAD in the Ngoro sub-district and GRDP in Jombang Regency at the business and manufacturing industry level by 10%. (Results of interview with Ngoro sub-district head, 22 May 2022).

Based on the results of interviews conducted by researchers with the Community Empowerment section of Ngoro District, that the role of the creative economy in improving community welfare in Ngoro District has changed after the creative economy has 12 existing criteria, namely from income levels, education and public health facilities.

Table. 3
Population data by main activity in 2019-2021



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Jenis Kegiatan	2019	2020	2021
(1)	(2)	(3)	(4)
Angkatan Kerja	689.118	697.290	706.216
Bekerja	658.832	645.121	656.153
Pengangguran	30.286	52.169	50.063
Bukan Angkatan Kerja	283.193	295.543	292.881
Total Penduduk Berumur 15 tahun ke Atas	972.311	992.833	999.097

Source: BPS Jombang Regency 2022

Unemployment in 2019 was recorded at 30.86 people, soared due to the Covid-19 pandemic in 2020 to 52,169 and decreased to 50,063 people due to the new economic policy and the pandemic letter.

In Ngoro Subdistrict there are 54,296 working productive ages consisting of 27,555 men and 26,741. There is no definite record of unemployment in Ngoro sub-district, but poverty in Ngoro sub-district can be identified through BPS Jombang data, that there are pre-prosperous families of 20.053% of the population of Ngoro sub-district 77.814 people or there are 38,804 poor people.

Based on the data taken by the researcher, that the number of people involved in the creative economy is still relatively small, it can be seen from the total population of 77,814 people and who work in the creative economy to date only 63 people. However, even so, the role of the creative economy in improving the welfare of the people in Ngoro District has been going quite well, which means that all people have the same opportunity to hone their skills.

The results of this study are strengthened and support previous research conducted by Dwi Ramdani (2018), Nur Fadhilah S. (2019), Ning Malihah, SitiAchiria (2019), Hartati (2020), Efrida Primawatih, S. Purnamasari, Rozzana Erziaty (2020), and Fajri Arif Wibawa, Meyta Pritandhari (2021), Ika Swasti Putri, Dwi Wahyuningsih (2021) who all stated that there is a very significant role in empowering the community's economy and regional economy in an area, village, sub-district or district.

The results of the research above show that with the creative economy by the people of Ngoro District, community income can increase, because household income increases, the economic growth of the Keamatan area can increase.

### 4. CONCLUSION

Based on the results of research conducted by researchers on the role of the Creative Economy in Growing the Regional Economy in Ngoro District, Jombang Regency, researchers can draw several conclusions, namely Types of Creative Products in Ngoro District there are 12 types, namely Game Applications and Development, Architectural Creative Industry Subsector, Interior Design Creative Industry Subsector, Advertising or Advertising, Performing Arts Subsector, Photography Creative Industry Subsector, Culinary Subsector, Crafts Subsector, Subsector Fashion, Creative Music Industry Subsector, Publishing Sub-sector, Television and Radio Sub-sector with a total of 63 industry players and most of them are in the culinary and fashion sub-sector. The role of the creative economy in the economic growth of the Ngoro sub-district can be seen in the income from the Ngoro sub-district which increases every year and the poverty and unemployment rates have decreased.

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