

## Original Article

GLOBAL FREE MARKET COMPETITION OF ASEAN ECONOMIC  
COMMUNITY IN FACING DEMOGRAPHIC BONUSSelvina Safitri<sup>1)\*</sup>, Ihtisam Abdul Malik<sup>2)</sup><sup>1)</sup> Institut Teknologi dan Bisnis Muhammadiyah Bali, Indonesia<sup>2)</sup> Universiti Malaya, Kuala Lumpur, Malaysia

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## ABSTRACT

**Background.** For our country Indonesia, since the formation of the Creative Economy Agency (hereinafter referred to as BEKRAF), it turns out that the government has begun to see that the creative industry put together with the creative economy is an extraordinary potential for economic growth of the Indonesian state in the future.

**Research Purpose.** This research aims to analyze the correlation between the creativity industry and the creativity economy.

**Research Method.** This study employs a qualitative descriptive method. Data collection is carried out through unstructured interviews using purposive sampling.

**Findings.** Related (1) correlates with the expansion of employment to overcome. Unemployment results in the demographic bonus of 2045, until the productive workforce is greater than the non-productive workforce (0-15 years + 65 years and over). Not to mention facing labor competition (outsourcing) between countries, both at the regional and international levels, and (2) equitable economic development for the community as well as overcoming various gaps in people's lives.

**Conclusion.** The rise of the people's economy based on the creative industry and the creative economy in SMEs in Bali, opportunities and challenges in facing the global free market of the Asian Economic Community with the Asian Economic Community.

**Keywords:** ASEAN Economic Community, Free Market Competition, Global.

## BACKGROUND

The Creative Economy Agency (BEKRAF) in 2017 as a non-departmental agency initiated by the government to empower populist-based and innovative economic enterprises. The government is trying to build a context of economic growth in the real sector to increase people's income while improving the quality and life of the community[1]. Apart from that, national economic development is not only focused on the macroeconomic scale but also pays attention to the development of the microeconomic scale. Then what is classified into the microeconomic sector is small and medium enterprises (MSMEs), where business units are managed by the people independently and independently. Therefore, the empowerment of MSMEs as the basis of the people's economy is based on the development of creative industries that are integrated with the creative economy. And apparently the government is starting to see that this is an extraordinary potential for the economic growth of the Indonesian nation in the future. Likewise, these MSMEs are numerous and almost spread throughout the archipelago, both in their business development activities carried out in a

village or in an urban area [2]. Given the characteristics of the behavior of these MSMEs, most of which are still categorized as the informal sector, the production centers in households (home industry) have a very significant contribution in weathering the storms caused by economic turmoil caused by the conditions of economic stability in this country and the global economic situation faced by Indonesia.

Outside countries, both developed and developing countries. Therefore, the creative industry with the creative economy is very clear cause and effect, because this industry comes from the utilization of community creativity based on individual skills and talents from nature [3]. The combination of skills and talents is polished through good coaching, such as formal education, non-formal education (skills training courses), and informal education. These are the seeds of potential human resources that are superior, independent, and cultured to create creative industries that have an important correlation to the creative economy. Therefore, this creative industry contributes quite a lot to the country's economic growth compared to the manufacturing industry.

The government has only recently taken the creative industry and creative economy on a national scale more seriously. In fact, the existence of these MSME units as drivers of the people's economy has been done for a long time. As time goes by and people's lives in the economic subsector continuously change in accordance with technological advances. As a result of this technology, the pattern of life in traditional markets has shifted to the pattern of life in modern markets. Especially in this era of globalization with the support of sophisticated technological information, all desires for the various needs of life can be reached easily, if the financial support is sufficient and adequate. What is happening is that traditional markets are increasingly marginalized by modern economic forces because they get space from neoliberal capitalism under the guise of a global single market. This is linked to the quality of production and the quality of services, so it is determined that the standards must be the same in all countries. For example: McD, KFC, tea beverages, and others, then the product [2,4].

These goods have entered the global free market. This means that in any country in the world, if you buy these goods, consumers feel the same way. related to (1) correlating with the expansion of employment to overcome unemployment due to the 2045 demographic bonus, so that the productive workforce is greater than the non-productive workforce (0-15 years + 65 years and over). Not to mention facing labor competition (outsourcing) between countries, both at the regional and international levels, and (2) equitable economic development for the community as well as to overcome various socio-economic gaps in social life. In this article with the topic "Global Free Market Competition in the Asian Economic Community in Facing the Demographic Bonus in Indonesia". Furthermore, the focus discussed in this article is related to the following issues: (1) the revival of the people's economy based on the creative industry and creative economy in MSMEs in Bali, (2) opportunities and challenges in facing the global free market of the Asian Economic Community, by raising a case of handicrafts in Bali.

The globalization theory is used to analyze marketization as an agenda for neoliberal capitalism in the world of trade that is controlled by developed countries to market the products of their crafts [5]. this, viewed in terms of time and space the world looks without barriers so human mobility between countries, districts, provinces, sub-districts, and villages is very easy to do. Given the factor of discovery in the field of technology related to the mode of transportation and communication tools that are super sophisticated to overcome

the obstacles of human movement in space and time. As a result of these influences, it not only shifts but also replaces traditional markets whose conditions are inadequate [6]. Due to the demands of the times, it is replaced with modern markets, such as supermarkets, hypermarkets, and supermarkets.

## **RESEARCH METHOD**

In the context of this research, the qualitative approach is used to explore the common meanings of a group of people regarding various experiences related to a specific phenomenon [7]. The phenomenological approach aims to reduce individual experiences of a specific phenomenon and then describe them more broadly.

The scaling measurement approach is used in this study's data analysis, which includes interview transcriptions and classifying pertinent data for the study. Following that, empirical generalization is used to analyze and expose meanings through informant understanding, and logical induction is used to evaluate evidence that has been theoretically connected with meanings [8].

## **FINDINGS**

### **1. Economic revival of MSMEs in Bali**

Villages located in the border areas with neighboring countries, such as Malaysia, Brunei Darusalam, the Philippines, Singapore and Papua New Gini, then for access to the economy of the community closer to the country, compared to NKRI. The main causal factor is because there has not been a structure that complements and can connect the population living in these border areas into units of Indonesian territory. So the position is still isolated, so that community mobility is greatly hampered by the condition of inadequate transportation facilities to carry out these activities. Economic development that starts from the outermost or peripheral areas by building road infrastructure is one of the government's strategies to open access for people living in rural areas to smooth the wheels of the economy of the people in the region. If this has been successfully realized, the problems related to economic disparities between regions in Indonesia can be overcome. In the end, the goal of economic development is for the community to be evenly distributed throughout the country. This also has implications for the expansion of employment opportunities for people of productive age, as well as overcoming the problem of poor people, because the economic burden on families caused by household income is not enough to meet the needs of daily life.

### **2. Challenges in facing the AEC global free market**

The change from agrarian to non-agrarian factors tends to result in most of the younger generation not taking up farming. Instead, they prefer to work in services and trade. These two sectors are more rewarding, as they provide a better income based on the regional minimum salary provisions. Wider job opportunities can be obtained in the tourism industry. The island of Bali with its cultural attractions is famous throughout the world. The economy in Bali is significantly influenced by some of these tourists. Then related to the opportunities and challenges of the creative industry and creative economy in the era of the MEA global free market and employment due to the demographic bonus are briefly presented opportunities for the creative industry and economy in the era of the AEC global free market.

Bali is part of the world's tourist destinations, so foreign travelers, who come to Bali, come from all parts of the world.

## **DISCUSSIONS**

One of the strategic steps to work on aspects of the creative industry in collaboration with economic aspects. Although originally these two concepts are always related to each other, therefore, both the creative industry and the creative economy complement each other and go hand in hand together. Conceptually, the Department of Trade explains that the creative industry is an industry that comes from the utilization of individual skills, creativity, and talent in creating prosperity and creating jobs for the population [1,9]. This industry is more focused on empowering the creative power and creative power of each individual. Therefore, this creative industry is sourced from the inherent creativity, skills and talents of individuals who are potentially able to create wealth and jobs through the exploitation and generation of copyright and intellectual property of the individuals concerned. The characteristics of the advantages of the creative industry include the following: (1) it produces a variety of creative designs that are attached to the goods or services produced, and (2) this industry is also generally the result of information technology products that can be a solution to overcome problems in people's daily lives. It is understood that human creativity is a potential economic resource that is born from the creativity industry sector and the motivation of each individual. In Indonesia, the creative industry sector that has an impact on economic growth broadly includes the following sectors: (1) crafts (2) advertising (3) art goods market (4) architecture (5) design (6) fashion (7) film, video, and photography (8) performing arts (9) traditional music (10) design research and (11) culinary. The 11 types of creative industries.

This is still manual, because technology has not been applied. However, it is different from the technology-based creative industry sector. Among the types of technology-based creative industries include the following: (1) computer service industry, (2) music, (3) game industry (4) television industry. Furthermore, the creative economy that has been established in 2005 by WIPO explains this economic activity of people spending part of their time to generate ideas. However, the ideas generated are not just doing things that are routine or repetitive, because for the community to generate ideas is a must to do for future progress.

Tourist visits are always increasing every year. Therefore, visits are made to tourist attractions, both natural and artistic attractions. Tourists who come to this area are really on vacation. However, there are also tourists from abroad who are on vacation while running a business. The most popular handicraft products are mainly handicrafts [3,9]. These handicraft products are done well by professional craftsmen, so that the result is a charismatic work of art, and consumers as art connoisseurs feel a great work of art. This opportunity is used by crafters and entrepreneurs engaged in the tourism industry sector, such as galleries, artshops, wooden sculpture showrooms, tour guides. Because of this, the handicrafts of Balinese craftsmen are able to penetrate the global market, so that the creative economy of the Balinese people is used as a role model for making money, resilience, and always innovative. Other opportunities can be realized with the creativity industry by marketing handicraft products through online networks. Transactions and marketing of handicraft products can be done online by opening an online shopping website. This will be easier to sell, so that it can reduce costs and faster time.

Challenges of the creativity industry and creativity economy in the era of the AEC global free market. The fundamental obstacles in the development of creative industries and the creative economy to enter the AEC global free market [10]. There are several things to consider for business users engaged in the trade business sector. (1) It is not enough to market handicraft products from one party to another. It is necessary to create a new space given the progress of information and technology that is increasingly sophisticated. Therefore, consumers can easily access the goods through online marketing mode. Model way with online marketing, overseas buyers can find out about the products, their quality, models, and prices. (2) The promotion of handicraft products should also introduce all handicraft products made by Balinese people, both raw materials, variations and types of models, (3) (HR) and technology, to overcome this problem, a network of cooperation between the business world, academics, government, craftsmen community, is synergized to produce good quality and varied products.

## CONCLUSION

The correlation between the creativity industry and the creativity economy is very real because the industry whose source is the utilization of human creativity is based on individual skills and talents from a cultured nature to create a creativity industry that collaborates properly with the creative economy. Therefore, this creativity industry contributes greatly to the economic growth of a country compared to the manufacturing industry.

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