
Research Paper

COMMUNITY CAPACITY FOR CREATIVITY BASED RURAL DEVELOPMENT IN A DEVELOPING COUNTRY

Case Studies From Indonesia

Tubagus Furqon SOFHANI, The Department of Regional and City Planning, SAPPK, Institut Teknologi Bandung; Indonesia

Fikri Zul FAHMI, The Department of Regional and City Planning, SAPPK, Institut Teknologi Bandung; Indonesia

Dika Fajri FIISABILLAH, The Department of Regional and City Planning, SAPPK, Institut Teknologi Bandung; Indonesia

Brigitta Sadnya WULANDARI, The Department of Regional and City Planning, SAPPK, Institut Teknologi Bandung; Indonesia

Abstract

This paper aims to investigate the extent to which a rural community develops a capacity to support the establishment of a local creative economy despite various limitations. This study employs qualitative research methods in examining two villages in Indonesia, namely Kasongan and Krebet. Our findings show that the community capacity and actor networks potentially spark the development of rural economies. Local communities in both cases have utilized cultures and traditions as creative capitals, which were commercialized through communal entrepreneurship and mobilized by an organized network of creative actors. Social values, namely a strong sense of belonging, high shared values and strong emotional connections, are found to be the key factors that foster creative potentials, entrepreneurial capacity, and capacity for mobilization of local resources within the rural communities.

Keywords

Creative economy, community capacity, rural development, Indonesia

1. Introduction

Several studies have shown that rural areas might not be perfect places for the flourishing creativity (Stam et al., 2008; McGranahan & Wojan, 2007; Rantisi et al., 2006). However, there is evidence that development strategies emphasizing on the creative economy and creative industries have developed rural regions very significantly (Friedland, 1982). For instance, some research has shown that rural cultural resources, crafts, community participation and entrepreneurship have played a role in improving well-being in rural areas (Bell & Jayne, 2016; Scott et al., 2016; Ray, 1998; Balfour et al., 2016), and rural resiliency (Roberts & Townsend, 2016). Creativity can also serve an alternative source of endogenous

development in rural areas, in that local communities can independently improve their well-being by involving local initiatives conducted by a set of various actors in rural areas (Turvey, 2006). However, the idea of the extent to which a rural community develops a capacity to direct creativity strategies still receives a limited attention, based on community capability and well-being perspective (Scott, 2012; Sen, 1980) that serve a key for endogenous development, especially in a developing country such as Indonesia.

This paper aims to fill the knowledge gap by examining the extent to which and the ways in which a rural community develops a capacity to support the establishment of a local creative economy in Indonesia. This contributes to addressing the question of how the idea of the creative economy is suitable for rural contexts, especially in developing countries. Two rural areas in Yogyakarta Region, Indonesia, namely Krbet and Kasongan, which are known for their creative and cultural products, are chosen in this study.

This paper intends to feature developing countries such as Indonesia as the ideal site for the implementation of a creative industry policy (Fahmi & Koster, 2017). Even though the advanced economic sectors are concentrated in larger cities, evidenced by the presence of creative industries in the areas, this study can initiate a discussion concerning the government's attempts in promoting creative industries in less urbanized areas and the ways these can be generalized in every region in the country. Further, this paper contributes to revealing how creativity in a rural area has been manifested from interactive networks and endogenous capacities to promote rural development (Balfour et al., 2016; Scott et al., 2016; Esparcia, 2014; Murdoch, 2000; Sen, 1980).

2. Literature review on rural community capacity for creativity based development

The creative economy is an economic sector that uses knowledge as the input and produces innovation (Florida, 2002), in a form of creative products with economic value (Howkins, 2002). Early works on 'creative economy' have greatly addressed the urban-based economy as a key strategy to generate economic development (Landry, 2000; Florida, 2002; Florida, 2003; Landry, 2005). The notion has gained some criticisms toward its 'identikit' solutions (Montgomery, 2005; Peck, 2005; Bell & Jayne, 2016) and its relation with regional disparities and social exclusion issues (Florida, 2017; Scott, et al., 2016; Stark, et al., 2013; Peck, 2005). Moreover, Jayne (2005) also identifies the lack of regional and rural perspective in the concept.

The interplay between creativity, the economy and place is conceptualized by various terms: the 'creative class' (Florida, 2002), the 'creative economy' (Howkins, 2002), the 'creative industries' (Hartley, 2005), the 'creative city' (Landry, 2000), and the 'creative milieu' (Cooke & Morgan, 1994). Those terms focus on their heavy orientation toward the application in the urban-based development. Moreover, in the Indonesian context, the term of creative industries is entangled around 'creative' and 'traditional cultural industries (Fahmi et al., 2016) because of the focus of national policies on creative industries which combines art and cultural elements. Therefore, scholars and policymakers have wondered as to what extent this concept is suitable for the rural domain, especially in developing countries.

Many studies have invested some ideas towards rural creative industries. Some rural regions have successfully shown that creative industries in these contexts can reshape their

economic structures and change their place-image (Bell & Jayne, 2016). Some studies demonstrate that a rural area would be “a place where the creative economy is differently manifested and articulated from the now standard ‘creative script’ based on cities” (Bell & Jayne, 2016: 210). Several characteristics, distinguishing rural creative economy with urban ‘creative minds’, are presented as follows. First, rural actors tend to be culturally, sociologically, and economically homogenous (de Silva-Sanigorski et al., 2010), unlike the thesis of Florida’s creative class. Second, the lack of access still serves a major challenge in developing creative economy in rural areas (Quang Dao, 2004). Third, rural actor networks are considered stronger (Balfour, et al., 2016; Esparcia, 2014; Murdoch, 2000), compared to those of urban actors’. Considering these distinctions, the rural creative economy requires a different look and consideration with the urban ‘creative minds’, since local and interactional context in the rural networks can stimulate the creative milieu (Balfour et al., 2016). There is only a few research published on how interactional networks of homogenous rural actors can strengthen the community capacity to flourish creativity for rural development (for instance, Balfour, et al., 2016; Esparcia, 2014; Murdoch, 2000).

2.1. Creative potentials

Creativity is a wide and elusive concept, ranging from technological creativity (invention), economic creativity (entrepreneurship), to artistic and cultural creativity (Florida, 2002). However, it is still unclear which type of creativity is suitable for rural contexts, especially in a developing country, such as Indonesia. The ‘creative economy’ and ‘creative industries’ were mostly originated from individual creativity. In general, they seek to develop new ideas, use new technologies and focus on intellectual property, which is then related to the copyright mechanism (Howkins, 2002; Hartley, 2005). Rural artists, in the common art-based industries, might align with this concept in that they exploit their intellectual creativity as their own property and always emphasize on the creation of new knowledge (Balfour et al., 2016), even though they have more limited access to financial or educational assets (Grodach, 2011). They are also able to spread the knowledge to the community and include them in the creative industry to develop the art-based community initiatives (Balfour et al., 2016).

De Beukelaer (2014) has found that some developing countries are rich of cultural traditions that could serve materials for creativity. For example, in most developing countries, creative industries are largely craft-based (UNESCO & UNDP, 2013), which generally are strongly attached to culture. Fahmi, et al. (2016) have also found that rural areas in Indonesia, and possibly in other developing countries, have more potentials for promoting ‘creative industries’ based on tradition or culture. Craft-based industries can originate from strongly attached knowledge and value in local tradition and custom among rural communities. Different from individual creativity, this cultural value is common goods, which cannot be claimed as an individual property (see also De Beukelaer, 2015; Boateng, 2004). These craft-based industries also differ from other creative industries in that they might use new technologies. However, it is often unclear whether they are concerned with developing new ideas, designs or motifs. They are usually strongly attached to traditional values as they have existed for years and knowledge is passed down through generations. Creative potentials of rural areas can take form either as individual or communal creativity. In other words, both ‘modern’ creative industries and ‘traditional’ cultural, craft-based industries can flourish in rural areas.

2.2. Entrepreneurial capacity

Entrepreneurial capacity, in relation to the concept of the creative economy, relates to the skills and attitudes to transform the creative product into an 'economically valuable' product in the market, to identify the economic opportunity, and to develop the efforts into a more stable industry (Balfour et al., 2016; Mitra, 2012). This factor is needed to translate arts-based and/or cultural value product into a valuable product since not all creative potentials can be commercialized. Even though the relationship among entrepreneurship and innovation was once in a bad term, viewed by the classical perspective (Schumpeter, 1934), the current thought of creative economy has shown that the creativity-based development can benefit rural creative professionals (McGranahan et al., 2011), such as rural artists and art-based grassroots businesses.

In a classical view of entrepreneurship literature, individuals or firms would maximize, identify or create an economic opportunity to sell their products. However, in a rural context, the supportive context of entrepreneurship is culturally situated (Balfour et al., 2016). A collective mechanism exists to allow the collective entrepreneurship since the product itself is culturally attached to the community (Julien, 2007). Therefore, an entrepreneurial context does matter (Balfour et al., 2016) to create job opportunities and increase income and should thus be collectively constructed.

This ability of the community to 'commercialize' the product of creative economy needs to meet some conditions, such as: (1) the cultural support of the community through interactive networks (Balfour et al., 2016), and (2) the establishment of a potential market and supporting amenities (Florida & Jackson, 2010) to access some necessity resources (Fahmi et al., 2016). By this way, rural creative industries can easily reach out their potential markets and resources and become more sustained.

2.3. Social values

As collective entrepreneurship needs to be built through the interaction networks within rural community, social values emerge as other factors. To collectively work upon the rural creative industry, a relational network would become more crucial since the interaction provides the foundation of innovation systems (Esparcia, 2014). This makes creativity can be produced through the interactional networks of actors within the rural community.

Innovation, as a part of the creative economy, can also occur if actors combine and integrate their knowledge to collect resource and produce innovative ideas (Dammers, 1999). A sense of community, shared values, and the emotional connection can be built upon regular interactions within rural community (horizontal network), as well as between residents and the state (vertical network) (Balfour, et al., 2016; Tonnies, 2001; Murdoch, 2000). Moreover, networks can trigger another component of social capital, trustworthiness, to facilitate voluntary cooperation and collective action (Putnam, 2014; Ostrom & Ahn, 2003), through actors' networks. Social values, after all, constructed by the complex process of networks involved in the formation of collective action (Miao et al., 2018).

Networks have manifested itself in the form of social and civic participation (Anwar-McHenry, 2011). Civic participation represents a formal interaction and community action-based participation, while the social participation serves informal networks of rural community in all social activities. It is therefore necessary to build both types of participation to support the rural creative economy since these foster collective action, benefits

communal well-being and increases social capital (Torjman, 2004). Collectivity can foster collaborativeness, thereby forming a creative-based economy system in the rural community needs to utilize community bonding (social interaction) and community bridging (civic engagement).

2.4. Capacity for mobilization

An individual breakaway from collective creativity due to the complexity of exogenous forces can challenge the networks of creative actors (Balfour et al., 2016; Gray & Lawrence, 2001). Moreover, collective efficiencies (economic and technological advantages) can remain latent unless they are mobilized by joint action – a conscious cooperation among creative businesses (Phelps & Wijaya, 2016). Therefore, a concern regarding local agency relationship has emerged. There is no certainty as to what extent a rural community can shape their own future due to those forces (Measham et al., 2012), even though they already have a strong interaction network. Thus, an action to prevent individual breakaway and unveil collective efficiencies in the social networks is needed, by either a formalization of the interaction or an organized network of actors (Phelps & Wijaya, 2016; Schmitz, 1999).

Structure, mechanism and function (Miles et al., 1978) of the community, therefore, are the important elements. As described by Chaskin et al. (2001), a community organization can provide access to resources and opportunities, foster development of human capital (in a form of human and communal creativity), and create commitment of community. These abilities, in a rural creativity context, can also perform in an organized network even without a formal institutional framework, such as community organization. In conclusion, establishing the capacity in mobilizing resources of creative industry can build the actors' networks to be more resilience and serve creative processes (Balfour et al., 2016).

3. Methodology

In constructing a framework for analyzing the community capacity in the rural creative economy, we consider the concept of institutional capacity by Healey (1998) focusing on three dimensions: knowledge resources, relational resources, and mobilization. Such resources might be contextually differed in various institutions, but efforts to access these capitals are central in one community/organization to gain influence in mobilizing community strategies towards one mutual goal (Healey, *Urban Complexity and Spatial Strategies: Towards a Relational Planning for Our Times*, 2007). Thus, this concept would be fit as an analytical framework of this study since this study also aims to elaborate community capacity to generate rural creative economy as means towards rural development. This study tries to contextualize these dimensions into several factors, including: (1) creative potentials and (2) entrepreneurial capacity, (3) social values and collaborativeness, and (4) capacity for mobilization.

To identify the extent to which and the mechanisms through which the community capacity supports the development of the creative economy in rural areas, the qualitative research approach is employed (du Toit, 2015). Two cases were employed, including some villages in Bantul District: Krebet and Kasongan, which have performed collective strategies for promoting local arts and craft products. Interviews were conducted with local entrepreneurs, local government officials and other local community actors to collect information related to local community capacities. To complement these interview data,

related policy documents were collected and field notes were created as an extensive overview (Silverman, 2015). Analysis was done through narrative and content analyses (Silverman, 2011; Krippendorff, 2004) to describe the mechanism of interactional networks and community capacity based on the derived factors in supporting the rural creative economy.

4. General overview

To better understand how community capacity and creativity-based rural development are situated in both cases, in the following we present a general overview of Kreet and Kasongan villages.

4.1. Kasongan

Kasongan is located in Kasihan, Bantul District. Kasihan is dominated by working age population (almost 71% of the total population). This demographical composition can be a great potential for Kasihan, particularly for Kasongan, to develop creative economy strategies. Kasongan, specifically, is assigned to be a socio-cultural strategically area (*kawasan strategis*) and a manmade tourism area during 2010-2030, as this village has unique culture-based products: handicraft souvenirs which have become a 'trademark' of the area, especially pottery (*gerabah*). With this commodity, the local community has developed a cultural center. Tourists are mostly attracted with the making process of pottery and the natural-socio-cultural atmosphere of the Kasongan. Today, there are 582 pottery entrepreneurs and almost 8,000 pottery handcrafters (makers). In addition, Kasongan has obtained the award "One Village One Product" from the Japanese government for its success in initiating the rural art-based industry in 2011.

4.2. Kreet

Kreet is located in Pajangan, Bantul Regency. In the past, most people in this village worked as farmers and factory workers. However, this main occupation has shifted to the batik wooden-mask industry. The changing job preference has indeed transformed the local community's economic and social structure, in that most residents have developed studios and houses in which they make batik. Most women paint batik on the mask, while most men are in a more 'rough work', such as preparing local materials, sawing and sculpting the woods and finishing the products. Nowadays, there are 55 entrepreneurs and 500 handcrafters (205 of 248 households) who work for this batik wooden-stuffs industry and many surrounding villages also follow Kreet in developing the industry.

5. Analysis

In this section, we present the results of the qualitative analysis, which was focused on four layers that potentially influence the way in which the rural creative-based economy has developed, including creative capital, entrepreneurial capacity, social values and organizational capacity.

5.1. Creative potentials

Creative potentials can be created either from an individual's idea or knowledge and be generated by interactions among creative actors. The analysis of interviews shows that in

both cases creative capitals have similarly been generated from an individual initiative which was then spread across local people.

The making of pottery has been a local tradition in Kasongan since the early 19th century, as the local community started leaving the agricultural sector. The interviewees mentioned Kyai Song as the one who had the idea of abandoning agriculture because the crop products had to be handed in to the Dutch colonialists. He then produced household stuffs (for kitchens and living rooms) made of clay in 1825-1830 and later persuaded his neighbors to do so. A shift of local jobs from farmers to craftsmen thus took place. Another person, Saptohudoyo, who came from outside Kasongan, introduced local art flavors to the pottery products, thereby making these more artsy. The local community has then built its knowledge on making potteries, in that the knowledge is passed down through generations.

The case of Kreet showed a similar pattern demonstrating how the creative capital can develop the wooden-stuff industry since the mid-twentieth century. However, the reason behind the development of this industry was quite different compared to Kasongan because the agricultural sector was no longer considered profitable due to topographical and geological conditions. Therefore, a local resident, Guninjar, learnt ('nyantrik') how to make wooden-masks from Mbah Warno in 1972 (natah and nyungging). He then succeeded to earn money from this product, which then immediately became popular. His neighbors were interested in learning how to make the wooden-masks. Similar to Kasongan, other innovative ideas have followed the initial movement of the wooden-mask industry. This product was initially produced with a plain design and had a rather low economic value. Nevertheless, some people have developed a more economically valuable product by introducing batik to the product and expanding the product variation with other products, such as wooden-wayang (puppet). Therefore, the products have transformed into a highly valuable product and economically profitable, similar to potteries in Kasongan.

On the one hand, we found that the idea of some people in adding arts and cultural values to potteries in Kasongan and wooden-stuff in Kreet shows that creativity started from an individual act which has then been diffused to other local actors (see also Balfour, et al., 2016). In line with Howkins (2002) and Hartley (2005), these individual acts appear to be the starter for the 'engine' of the rural creative economy. On the other hand, it is clear that in the making of these products, the communities have been benefited from the existence of local arts and cultural values. Local culture values, in the form of motifs, stories, local wisdom and philosophies, have deeply immersed into these creative products. However, these values then have been completed by the "creative acts", enacted by each local creative actor, in the product and motif diversification, kind of used materials, technique of production, finishing, and marketing. By this way, both cases show how local knowledge has inspired creative actors to utilize it and transform it into creative products, using their own creative potentials.

As such, communal creativity has played a crucial role in the development of rural creativity-based development in both Kasongan and Kreet. Different from the nature of creative industries in urban settings, especially in the developed world, in which individual acts are central to developing creative products, crafters in Kasongan and Kreet take advantage of collective goods, particularly local tradition, in creating their products (see De Beukelaer, 2014; Fahmi et al., 2016).

In conclusion, we found that creative potentials in both cases have been formed through collective processes and by collective values, particularly local tradition, and these have helped construct the cultural identity of these craft villages. Further, individual creative acts cannot be disentangled from local collective knowledge and in fact, as these acts become an integral part of communal creativity (see Boateng, 2011). This finding supports the premise that the creative economy and creative industries in rural areas have different characteristics from those in urban regions. This can be associated with the fact that in a developing country, such as Indonesia, local tradition has a strong influence in the development of cultural products.

5.2. Entrepreneurial capacity

Creative potentials need to be transformed into an 'economically valuable' product so that it can create job opportunities and increase incomes. Entrepreneurial capacity, either from individual or collective actions, needs to be utilized in terms of rural creative economy development. Both cases show that different contexts and entrepreneurial capacities have resulted in different ways of how the creative economy has developed.

As explained, in Kasongan, Kyai Song persuaded the local community to make pottery and later Saptohudoyo introduced local art motives into pottery product. The integration of the arts increases the economic value of the products. Saptohudoyo also turned out to be the first local artist that exported the product abroad. He was the first entrepreneur in Kasongan who recognized the market opportunity of pottery since he knew well that foreigners had a great interest into local art products. Therefore, he built the market networks of pottery with another country, such as Australia. This successful story had reached to the ears of Minister of Domestic Affairs at the time.

The stories of Saptohudoyo and Kyai Song in Kasongan have shown how a capacity of an individual creative actor can create an economic opportunity to sell the products and take advantage of this development in a rural context (Balfour et al., 2016). The case of Kasongan suggests that individual entrepreneurship became the first key to unlock the development of the rural creative economy. As described, other local residents have followed Saptohudoyo to participate in developing the pottery industry. Saptohudoyo had spread out the knowledge to manage and produce potteries more commercially. This individual entrepreneurship has then grown into communal entrepreneurship, in that the supportive context of entrepreneurship is culturally situated and attached to the community (Balfour et al., 2016; Julien, 2007). Local residents have collectively learned and shared the knowledge to each other about how to take advantage of economic opportunities of the product, to overcome the limitations and problems in business and to develop the local creativity so that these businesses can thereby sustain.

Further, a policy on tourism villages from the central government in the early 2000s had helped stabilize the development of the pottery industry in Kasongan. Saptohudoyo, with other actors, had built the networks to utilize and translate the policy in developing the rural creative movements. Another aspect that supported this development was the availability of art formal education in the level of high school and university near Kasongan. These education institutions have helped build and invest art knowledge in supporting the local creative economy. Currently, the artsy pottery has reached local, national and international markets (e.g. Australia and Europe).

Meanwhile, the case of Kreet shows a different story since it had a different entrepreneurial capacity. The pioneer actor, Guninjar, recognized the economic value of wooden-mask for the first time as he had learned from another person and had practiced to 'commercialize' the product. He was not the one who maximized the economic opportunity of wooden-masks since he only designed a plain mask without any aesthetic improvement. Nevertheless, his products were popular at the time and, therefore, he created market networks since then at the local and regional level. This can also be regarded as an entrepreneurial capacity at the individual level. However, he was not the one who managed the local community to participate in the industry. Other neighbors were inspired and invested their efforts to be involved in the production of wooden-stuff. Other actors, namely Kemiskidi and Windarti, were those who expanded the product variation and added more aesthetic value to the wooden-masks. Therefore, the three main actors in Kreet, Guninjar, Kemiskidi, and Windarti, used their own individual entrepreneurship to maximize, identify and create the economic opportunity of these cultural products in the context of rural development (Balfour et al., 2016). As other residents have followed those individual entrepreneurs to participate in developing the batik wooden-mask industry, job opportunities and new sources of income have been created. Similar to the case of Kasongan, individual entrepreneurship has transformed into communal entrepreneurship, which is culturally attached to the community (Balfour et al., 2016; Julien, 2007). The residents have collectively learned how to catch economic opportunities of the products, overcome the limitations and problems in business, and develop the local creativity so that the creative businesses can sustain.

Unlike Kasongan, the wooden-stuff industry in Kreet only had potential market at the local and regional level until the end of the twentieth century. A policy on tourism village from the national government in the early 2000s had also helped to boost the development of batik wooden-mask industry in Kreet. The potential market has just expanded to national and international level due to this policy. This village did not have any other supporting systems, such as art formal education as Kasongan did, so that there was no knowledge investment to help the progress of creative economy. Therefore, the development of the batik wooden-mask industry in Kreet is also established by local entrepreneurial capacities (individual and communal entrepreneurship, supporting amenities, and potential market). However, this was not found in Kasongan.

To sum up, the findings indicate that local entrepreneurial capacities have contributed to the development of the villages as the production centers of those cultural products. An individual entrepreneurship became the first key to support the industry. However, it is found that in these rural contexts, this individual entrepreneurship grew into a communal entrepreneurship in which other actors learnt and collectively shared their entrepreneurial knowledge, which is culturally situated and attached to the community. Both cases have also shown that this distinctive condition different from the entrepreneurial actions and supporting amenity could result in different capacities to take advantage of the economic opportunity in expanding the potential market for the industries.

5.3. Social values

As collective creativity and entrepreneurship need to be built through the interaction networks within the rural community, social values appear to be another factor that a rural creative industry needs. As mentioned in Florida (2002), the development of the creative

economy requires a condition that establishes an art atmosphere for the creative actors to meet and interact with one another because they have sense of belonging to the place and to one another. Therefore, social values and collaborativeness can foster the development of creative actors' networks which can benefit rural creative economy, as what happened in both cases.

As explained, the development of the pottery industry in Kasongan had grown from individual creative acts into communal creativity and from individual entrepreneurship into communal entrepreneurship. The knowledge of these community businesses had been spread out through neighborhood networks. First, Kyai Song had tried to persuade the local community to quit being farmers and to become craftsmen. Due to the neighborhood relations, this succeeded to result in the job shift of Kasongan because many people were interested and had developed the products to become more economically valuable. It appears that he used the established trustworthiness and social interactions to develop the creative economy, which dynamically grew and progressed at the neighborhood level. Afterward, Saptohudoyo used a different approach to develop the industry. As he was not originally from Kasongan, he tried to show how to be successful in the business not only in the local level, but also in the international markets by using local traditional knowledge (traditional art motives). His success story had attracted many neighbors to come and to learn from him and he also started collaborations with the neighbors.

With these collaborations, local networks have evolved within the community and this helped 'formalize' the pottery industry as the basic economic sector of the community. As such, interactions related to the pottery industry, which were initially developed through social bonding, have transformed into a formal network of civic engagement (see Anwar-McHenry, 2011), concerning the management of the pottery industry. These interactions have also made the local norm systems to allow shared power and collaborativeness. Some key leaders have participated to provide rooms for collaborative process and collective action in relation to the creative economy. These actors also tried to expand the networks with other external parties, such as local government and other creative actors, by organizing Kasongan festivals from 2011-2013. Therefore, this case shows that networks can enable social capital to grow within the local community (Putnam, 2014; Ostrom & Ahn, 2003) and this stimulates the foundation of an innovation system (Esparcia, 2014).

The case of Kreet showed a similar situation in that the development of the batik wooden-stuff industry has evolved from individual creative acts into communal creativity and from individual entrepreneurship into communal entrepreneurship. Such a development is enabled by the condition in which the neighborhood networks had supported the knowledge dissemination of the industry, as happened in Kasongan. First, the initiator of the industry, Guninjar, had tried to show the neighbors how to develop the business. Even though he did not directly persuade other rural residents to participate in the industry, he succeeded to persuade a job shift in Kreet as many people were interested to make the wooden-stuff products. He also used the established trust and social interactions to disseminate the knowledge in developing the local industry. Afterward, Kemiskidi and Windarti also became the key players in using social values in the knowledge dissemination. They initiated innovations of product variation (wooden-wayang) and introduction of batik. Their success stories had attracted many neighbors to participate in the batik wooden-stuff industry. Again, they used the established trustworthiness and disseminated the knowledge through social interaction (Anwar-McHenry, 2011). Furthermore, as the networks dynamically

progresses, the local artists have succeeded to participate in the formal meetings of Kreet authorities, thereby influencing local policies on the development. The social networks have supported the batik wooden-stuff industry to be a formal main economic sector within the community. Therefore, any matters regarding batik wooden-stuff industry, such as the management of the industry, has become a 'formal' issue in Kreet so that the social interactions have transformed into civic engagement and bridging (Anwar-McHenry, 2011). The shift of local norms currently allows the creative actors to have voice and power in the formal participations. Some of the creative actors have established space for creative industries to be considered in the collaborative process and collective action. These actors also tried to expand the networks with other external parties, such as the local government and other creative actors, by organizing wooden-mask trainings for the local community in 2014.

In conclusion, both cases have shown that collectivity is able to mobilize the community to optimize their creative capitals and develop their entrepreneurial capacities. Both cases show how social interactions provide room for creativity, as "knowledge incubator", for local actors in discussing creative and indigenous ideas, product development, and market preference. This room was identified as infinite, because creative actors (business owners and workers), to some degree, have their own capability to be involved in the social networks, sharing their ideas and creativities to contribute in the product development.

The characteristics of Kasongan and Kreet rural communities, particularly a strong sense of belonging, high shared values and strong emotional connections, have helped the communities to foster the local creative economy to be built upon horizontal and vertical networks (Balfour, et al., 2016; Tonnies, 2001; Murdoch, 2000). The cases have demonstrated how the established trustworthiness, which is constructed by the aforementioned local characteristics, can serve the 'resource' for the local actors to disseminate the knowledge of developing the industry. The benefit to the community, the proximity between the craft industry and the local community, and cultural value appear to strengthen the social networks. In addition, both cases demonstrate that interactions in the rural economy can evolve from the informal social interaction into formal civic engagement. Local norms systems have shifted to allow shared power and collaborativeness of the creative actors in the formal participation process. The actors have become the key players to include the issue of rural creative economy in the collaborative process and collective action.

5.4. Capacity for mobilization

Social values should be supported by a good institutional arrangement due to an individual breakaway from collective creativity (Balfour, et al., 2016; Gray & Lawrence, 2001) and latent collective efficiencies (Phelps & Wijaya, 2016). Therefore, an ability of the rural community to organize common goods, to help each other and to develop businesses together is needed in an institutional framework. This ability can be performed by a formal organization or a network of various actors. Both cases have demonstrated that a network of various actors can mobilize resources to reach mutual goals, even though there is no strong and firm organization that has been developed. Both cases have shown how the key actors can 'mainstream' the crafts industry as a rural issue. They utilized the established social capital as their foundation to foster the knowledge dissemination to be a formal civic participation. As various interviewees mentioned, any matters regarding the rural craft

industry would become a 'village issue'. However, there is no guarantee for these networks to avoid future challenges for an individual breakaway from collective creativity. Therefore, in this section we analyze as to what extent the networks perform the institutional arrangement in responding such challenges.

In Kasongan and Kreet, the relations among actors have progressed through day-to-day business interactions. The interactions among actors have resulted in a success story of the development of artsy pottery and batik wooden-stuffs industries. However, there is no such a mechanism in this rural area that advances the networks into a formal organization (only Kreet did it for the recent year). The ability to provide resources, develop human capital and create commitment has been run by local crafters and entrepreneurs. Therefore, these resource management abilities, which should be performed by the community organization (Chaskin, et al., 2001), have been covered by the networks of actors until today.

For instance, the networks of actors have resulted in some events and projects which have been created in this village. Kasongan festival, an event to promote the creative businesses in Kasongan, had been mobilized by the relational networks of creative actors (Timbul Raharjo and Djoko Pekik), artists' communities, local communities, and local governments. Timbul Raharjo and Djoko Pekik were the creators and initiators in the promotion of creative businesses in Kasongan. They had the idea to promote and extend the market of creative products of Kasongan through a festival. This festival has been held from 2011 to 2013.

Djoko Pekik and Timbul Rahardjo built the external relation with the regency government through another relative, Djaduk Ferianto. This relation also resulted in a development of road infrastructure that connects Sembungan and Kasongan. The development of this road is shown to catalyze the distribution of potteries. The issue of distribution process of Kasongan pottery products had been a concern of local government since the relations between crafting actors and local government had been built.

By those eventual circumstances, the networks of actors have shown its ability to manage their own resources in developing artsy pottery industries in Kasongan. There is no formal structure of community organization within this case, but the networks can function as the resource manager. Therefore, this case has demonstrated that structure and function in a community organization (Miles et al., 1978) can be replaced by the relational networks.

Meanwhile, Kreet also shows a similar pattern of institutional arrangement. The networks of creative actors also have been developed through events and projects, even though the events had a slight impact toward the ability of the networks to mobilize and organize local resources. As mentioned in the previous section, the local actors in Kasongan had built a relational network with other creative actors in other villages. This network had resulted in a training of batik wooden-mask making-process for the local community in 2014. Budi and Yuli were the creator and initiator for this event. They also built a network with local government (provincial government) for the funding of the event. They also were the actors who organized the event, so that they had become the key players for the event. However, unlike Kasongan, Kreet had succeeded in building a new established 'cooperative' organization (*'koperasi'*) for local actors. This organization has a formal structure and functions as the resource manager regarding businesses. However, there is no clear mechanism of how this organization mobilizes the resource to the local businesses. Therefore, Kreet has demonstrated that both networks and actors and community organization have the ability to manage their own resources in developing batik wooden-

stuffs industries. Similar to Kasongan, this case also has demonstrated that structure and function in a community organization (Miles et al., 1978) can be replaced by the relational networks, even though those networks have evolved into a community organization in the end.

To conclude, both cases have demonstrated that a network of creative actors can mobilize resources to achieve mutual goals. Even though Kreet has developed a community organization at the end; the networks of actors for both cases mostly have dominated the resource management and function as a 'shady' organization. However, this condition is still considered as vulnerable for the collective creativity, because collective efficiencies remain latent (Phelps & Wijaya, 2016) and there has a challenge of individual breakaway (Balfour et al., 2016; Gray & Lawrence, 2001).

6. Conclusions

The idea of promoting the creative economy has been used as a tool to drive regional development. Most studies have linked this idea in the prospect of the buzz of metropolitan and urban terrains (Waite & Gibson, 2009; Stam, et al., 2008; McGranahan & Wojan, 2007; Rantisi, et al., 2006), where all amenities and creative workers exist. Meanwhile, a focus on developing a rural creative economy has been less studied (Bell & Jayne, 2016; Scott, et al., 2016; Ray, 1998; Balfour, et al., 2016). This paper has contributed to supplementing this body of knowledge by presenting the cases of Kasongan and Kreet which demonstrate that a creative economy can be developed in such rural settings despite various limitations. The capacity of rural communities in both cases strongly support the development of community arts and craft-based industries in the villages, whose development characteristics differ from what has existed in urban contexts.

In line with Bell & Jayne (2016), the emergence of the creative economy in both cases reshaped local economic structures and place-specific images. The local main sector has shifted from the agricultural sector towards industrial and service sectors, along with creative images being built in both villages. Clearly, the creative economy in these rural settings has been manifested and articulated in a different way from that in urban settings, because it is established while utilizing local cultural knowledge and local creative actors (Balfour, et al., 2016; Esparcia, 2014; Murdoch, 2000). This supports a notion that the creative economy strategy is culturally attached to the specific contexts in which this strategy develops.

More importantly, this paper has identified that the rural communities manage to develop the capacity to support the development of a local creative economy. First, creative potentials have developed the rural creative economy as individual creative actors initiate the development of the creative sector, which slowly becomes an integral part of the collective identity of the villages. It is important to note that in this context, the creativity potentials flourish from local culture and tradition, in that the community has utilized these as an inspiration and value in developing the products.

It is thus evident that the creative economy in these rural contexts differs from the general patterns shown in urban settings. Creative industries in urban areas, especially in the developed world, usually originate from individual creativity. They are associated by new technologies and the copyright protection mechanism (UNESCO & UNDP, 2013). Meanwhile,

in these rural areas, and potentially in other developing countries, the rural creative economy has been benefited from communal creativity, in which individual creative acts cannot be disentangled from collective, traditional values.

Second, both cases indicate that individual entrepreneurs have started their own businesses, which have grown into communal entrepreneurship (Balfour et al., 2016; Julien, 2007). However, our findings show that the ways of how entrepreneurial capacity and contexts develop appear to influence the development of the local creative economy. In Kasongan some actors guide their fellow entrepreneurs to expand their businesses and this has affected the market size of the creative products.

Third, we found that social values become a factor that strongly fosters the aforementioned factors. Social interactions have provided room for local actors, to some extent, to be involved in sharing ideas and creativities for the product. By utilizing local community features, namely strong sense of belonging, high shared values, and strong emotional connections, the local communities have considerably succeeded in establishing actors' networks for the development of the creative economy. Some rural characteristics, such as social values, appear to catalyze the development of the creative economy and these characteristics might be found weaker in urban settings. This factor also helps the community to mobilize resources of the creative economy. An organized network of creative actors in both cases is able to manage resources to aim mutual goals, although a difference exists in the organization form in both cases: while in Kreet the community has decided to build a formal organization to mobilize the local resources, in Kasongan such a formal organization has not been established. At the end of the day, both cases have shown how informal networks of creative actors, which are fostered by strong social values, can help unveil collective efficiencies and avoid individual breakaway.

These findings have important implications for policy. Creativity-based rural development strategies should be shaped by, and sensitive to, the socio-cultural values where creativity is manifested. Since rural areas have specific cultures and traditions, and the tacit knowledge of this industry is usually transferred through generations, development strategies should be tailored to these contexts. Local cultures and social values can be utilized to develop the creative capital as well as entrepreneurial capacity through collaborative processes, in which each stakeholder takes part in the development process. In this regard, a formal organization might not be a prerequisite, as long as the resources can be mobilized to achieve the goal in developing the rural creative economy.

7. References

- Anwar-McHenry, J (2011) "Rural Empowerment through the Arts: The Role of the Arts in Civic and Social Participation in the Mid West Region of Western Australia", *Journal of Rural Studies*, Vol.27, pp.245-53.
- Balfour, B; Fortunato, M.W.P & Aleter, T.R (2016) "The Creative Fire: An Interactional Framework for Rural Arts-based Development", *Journal of Rural Studies*, pp.1-11.
- Bell, D; Jayne, M (2016) "The Creative Countryside: Policy and Practice in the UK Rural Cultural Economy", *Journal of Rural Studies*, Vol.26, pp.209-18.

-
- Boateng, B (2004) African Textiles and the Politics of Diasporic Identity-Making. In: J. Allman, (eds.) *Fashioning Africa: Power and the Politics of Dress*, Bloomington: Indiana University Press. pp.212-26.
- Boateng, B (2011) *The Copyright Thing doesn't Work Here: Adinkra and Kente Cloth and Intellectual Property in Ghana*, Minneapolis: University of Minnesota Press.
- Chaskin, J; Brown, P; Sudhir, V & Vidal, A (2001) *Building Community Capacity*, New York: Aldine de Gruyter.
- Cooke, P; Morgan, K (1994) The Creative Milieu: A Regional Perspective on Innovation. In: M. Dodgson & R. Rothwell (eds.) *The Handbook of Industrial Innovation*, Cheltenham: Edward Elgar Publishing. pp.25-32.
- Creswell, J.W (2014) *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. 4th ed, Los Angeles: SAGE Publications, Inc.
- Dammers, E (1999) *Innovation and Learning - Knowledge Management and Rural Innovation*, The Hague: National Council for Agricultural Research (NRLO).
- de Beukelaer, C (2014) "Creative Industries in "Developing" Countries: Questioning Country Classifications in the UNCTAD Creative Economy Reports", *Cultural Trends*, 232-251, p.23.
- de Beukelaer, C (2015) *Developing Cultural Industries Learning from the Polimpsest of Practice*, Amsterdam: European Cultural Foundation.
- de Silva-Sanigorski, A.M et al (2010) "Scaling Up Community-based Obesity Prevention in Australia: Background and Evaluation Design of the Health Promoting Communities: Being Active Eating Well Initiative", *BMC Public Health*, Vol.10 No.1, pp.1-7.
- du Toit, J (2015) Research Design. In: E.A. Silva, P. Healey, N. Harris & P. van den Broeck (eds.) *The Routledge Handbook of Planning Research Methods*, New York/Abingdon: Routledge. pp.61-73.
- Esparcia, J (2014) "Innovation and Networks in Rural Areas: An Analysis from European Innovative Projects", *Journal of Rural Studies*, Vol. 34, pp.1-14.
- Fahmi, F.Z; Koster, S (2017) "Creative Industries and Regional Productivity Growth in the Developing Economy: Evidence from Indonesia", *Growth and Change*.
- Fahmi, F.Z; Koster, S & van Dijk, J (2016) "The Location of Creative Industries in a Developing Country: The Case of Indonesia", *Cities*, Vol.59, pp.66-79.
- Fahmi, F.Z; McCann, P & Koster, S (2017) "Creative Economy Policy in Developing Countries: The Case of Indonesia", *Urban Studies*, Vol.54 No.6, pp.1367-84.
- Florida, R (2002) *The Rise of the Creative Class*, New York: Basic Books.
- Florida, R (2003) "Cities and the Creative Class", *City and Community*, Vol.2 No.1, pp.3-19.
- Florida, R (2017) *The New Urban Crisis: How Our Cities Are Increasing Inequality, Deepening Segregation, and Failing the Middle Class - And What Can We Do About It*, New York: Basic Books.
- Florida, R; Jackson, S (2010) "Sonic City: The Evolving Economic Geography of the Music Industry", *Journal of Planning Education and Research*, Vol.29, pp.310-21.

-
- Friedland, W.H (1982) "The End of Rural Society and the Future of Rural Sociology", *Rural Sociology*, Vol.47 No.4, pp.589-608.
- Gibson, C; Waitt, G; Walmsley, J & Connell, J (2010) "Cultural Festivals and Economic Development in Nonmetropolitan Australia", *Journal of Planning Education and Research*, Vol.29 No.3, pp.280-93.
- Gray, I; Lawrence, G (2001) *A Future for Regional Australia: Escaping Global Misfortune*, Oakleigh: Cambridge University Press.
- Grodach, C (2011) "Art Spaces in Community and Economic Development: Connections to Neighborhoods, Artists, and the Cultural Economy", *Journal of Planning Education and Research*, Vol.31 No.1, pp.74-85.
- Hartley, J (2005) *Creative Industries*, Hoboken: Blackwell Publishing.
- Hayter, R (1997) *The Dynamics of Industrial Location: The Factory, the Firm, and the Production System*, Toronto: John Wiley and Sons.
- Healey, P (1998) "Building Institutional Capacity through Collaborative to Urban Planning", *Environment and Planning A*, Vol.30 No.9, pp.1531 - 1546.
- Healey, P (2007) *Urban Complexity and Spatial Strategies: Towards a Relational Planning for Our Times*, Abingdon, New York: Routledge.
- Healey, P (2015) *Learning the Craft of Research: A Continuing Process*. In: E.A. Silva, P. Healey, N. Harris & P. van den Broeck (eds.) *The Routledge Handbook of Planning Research Methods*, New York/Abingdon: Routledge. pp.5-11.
- Herslund, L (2012) "The Rural Creative Class: Counterurbanisation and Entrepreneurship in the Danish Countryside", *Sociologia Ruralis*, Vol.52 No.2, pp.235-55.
- Howkins, J (2002) *The Creative Economy: How People Make Money from Ideas*. 2nd ed, London: Penguin Books.
- Julien, P (2007) *A Theory of Local Entrepreneurship in the Knowledge Economy*, Cheltenham: Edward Elgar.
- Khan, M.K (2000) "Rural Poverty in Developing Countries", *Finance and Development*, Vol.37 No.4, pp.26-39.
- Krippendorff, K (2004) *Content Analysis: an Introduction to Its Methodology*, London: SAGE Publications, Inc.
- Landry, C (2000) *The Creative City: A Toolkit for Urban Innovators*, London: Earthscan.
- Landry, C (2005) *Lineages of the Creative City*. In *Creativity and the City*, Rotterdam: Netherlands Architecture Institute. pp.1-13.
- Markusen, A; Gadwa, A (2010) "Arts and Culture in Urban or Regional Planning: A Review and Research Agenda", *Journal of Planning Education and Research*, Vol.29 No.3, pp.379-91.
- McGranahan, D; Wojan, T (2007) "Recasting the Creative Class to Examine Growth Processes in Rural and Urban Counties", *Regional Studies*, Vol.41 No.2, pp.197-216.

-
- McGranahan, D; Wojan, T & Lambert, D (2011) "The Rural Growth Trifecta: Outdoor Amenities, Creative Class, and Entrepreneurial Context", *Journal of Economic Geography*, Vol.11, pp.529-57.
- Measham, T.G; Darbas, T; Williams, R & Taylor, B (2012) "Rethinking Rural Futures: Qualitative Scenarios for Reflexive Regional Development", *Rural Society*, Vol.21 No.3, pp.176-89.
- Miao, S. et al (2018) "Income Groups, Social Capital, and Collective Action on Small-Scale Irrigation Facilities: A Multigroup Analysis Based on a Structural Equation Model", *Rural Sociology*, Vol.83 No.4, pp.882-911.
- Miles, R.E; Snow, C.C; Meyer, A.D & Coleman Jr, H.J (1978) "Organizational Strategy, Structure, and Process", *The Academy of Management Review*, Vol.3 No.3, pp.546-62.
- Mitra, J (2012) *Entrepreneurship, Innovation and Regional Development*, New York: Routledge.
- Montgomery, J (2005) "Beware the Creative Class: Creativity and Wealth Creation Revisited", *Local Economy*, Vol.20, pp.337-43.
- Murdoch, J (2000) "Networks - A New Paradigm of Rural Development", *Journal of Rural Studies*, Vol.16, pp.407-19.
- Noaks, L; Wincup, E (2004) *Criminological Research: Understanding Qualitative Methods*, London: Sage.
- Ostrom, E; Ahn, T.K (2003) "A Social Science Perspective on Social Capital: Social Capital and Collective Action", *Revista Mexicana De Sociologia*, Vol.65 No.1, pp.155-233.
- Peck, J (2005) "Struggling with the Creative Class", *International Journal of Urban and Regional Research*, Vol.29 No.4, pp.740-70.
- Phelps, N.A; Wijaya, H.B. (2016) "Joint Action in Action? Local Economic Development Forums and Industry Cluster Development in Central Java, Indonesia", *International Development Planning Review*, Vol.38 No.4, pp.425-48.
- Putnam, R (2014) *The Prosperous Community: Social Capital and Public Life*. In: K. Blair, R. Murphy & J. Almjeld (eds.) *Cross Currents: Cultures, Communities, Technologies*, Boston: Wadsworth Cengage Learning. pp.249-58.
- Quang Dao, M (2004) "Rural Poverty in Developing Countries: An Empirical Analysis", *Journal of Economic Studies*, Vol.31 No.6, pp.500 - 508.
- Rantisi, N; Leslie, D & Christopherson, S (2006) "Placing the Creative Economy: Scale, Politics, and the Material", *Environment and Planning A*, Vol.38, pp.1789-97.
- Ray, C (1998) "Culture, Intellectual Property, and Teritorial Rural Development. *European Society for Rural Sociology*", *Sociologia Ruralis*, Vol.38 No.1, pp.3-20.
- Roberts, E; Townsend, L (2016) "The Contribution of the Creative Economy to the Resilience of Rural Communities: Exploring Cultural and Digital Capital", *Sociologia Ruralis*, Vol.56 No.2, pp.197-216.

-
- Schmitz, H (1999) "Collective Efficiency and Increasing Returns", Cambridge Journal of Economics, Vol.23, pp.465-83.
- Schumpeter, J (1934) *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*, Harvard: Translated by Redvers Opie, Harvard University Press.
- Scott, K (2012) *Measuring Wellbeing: Towards Sustainability?*, London: Routledge.
- Scott, K; Rowe, F & Pollock, V (2016) "Creating the Good Life? A Wellbeing Perspective on Cultural Value in Rural Development", *Journal of Rural Studies*, pp.1-10.
- Sen, A (1980) *Equality of What?* In: S. McMurrin (eds.) *Tanner Lectures on Human Values*, Cambridge: Cambridge University Press. pp.197-221.
- Silverman, D (2011) *Interpreting Qualitative Data: A Guide to the Principles of Qualitative Research*. 4th ed, London: SAGE Publications Ltd.
- Silverman, R.M (2015) *Analysing Qualitative Data*. In: E.A. Silva, P. Healey, N. Harris & P. van den Broeck (eds.) *The Routledge Handbook of Planning Research Methods*, New York/Abingdon: Routledge. pp.140-56.
- Stam, E; de Jong, J.P.J & Marlet, G (2008) "Creative Industries in the Netherlands: Structure, Development, Innovativeness, and Effects on Urban Growth", *Geografiska Annaler: Series B, Human Geography*, Vol.90 No.2, pp.119-32.
- Stark, P; Gordon, C & Powell, D (2013) *Rebalancing Our Cultural Capital: a Contribution to the Debate on National Policy for the Arts and Culture in England*. [Online].
- Tonnies, F (2001) *Community and Society*, Cambridge: Cambridge University Press.
- Torjman, S (2004) *Culture and Recreation: Links to Well-being*, Ottawa: Caledon Institute of Social Policy.
- Turvey, R (2006) "Development from Within: an Evaluative Research on Economic Development Strategies", *GeoJournal*, Vol.67, pp.207-22.
- UNESCO; UNDP (2013) *Creative Economy Report 2013 - Special Edition: Widening Local Development Pathways*, New York, Paris: UNESCO & UNDP.
- Waitt, G; Gibson, C (2009) "Creative Small Cities: Rethinking the Creative Economy in Place", *Urban Studies*, Vol.46, pp.1223-46.
- Yusuf, S; Nabeshima, K (2005) "Creative Industries in East Asia", *Cities*, Vol.22, pp.109-22.