

## Strategies to achieve economic sustainability in a city with limited space (Case Study Cimahi Municipality)

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**Abstract.** New Urban Agenda (NUA) is the agreement of 197 countries in UN Habitat III Conference. NUA represents a shared vision for a better and more sustainable future. NUA has 3 principles, one of them ensure sustainable and inclusive urban economies. Cimahi Municipality is has many limitation to build the city physically. Cimahi in 2017 has 601.099 people (BPS, 2018), while the area of city only 40.20 km<sup>2</sup> and the density 14.953 people/km<sup>2</sup>. In physical development, Cimahi limited by Kawasan Bandung Utara regulation for building coverage ratio and also by Kawasan Keselamatan Operasi Bandar Udara Husein Sastranegara regulation for floor area ratio. This research would formulate strategy to achieve the economic sustainability. SWOT analysis and 5C strategy are the method to formulate the strategy. Creative industry is the economic sector that should be develops base one condition that Cimahi had the people with good quality, but had a limited space to build the new production place and had limited natural resource. Based on SWOT analysis there are 12 strategies to develop creative economic. The core strategy is to encourage people to become entrepreneur.

**Keyword:** *Sustainable, limited space, creative economic*

### 1. Introduction

In 2050, the world's urban population predicted nearly double, making urbanization one of the twenty-first century's most transformative trends. Populations, economic activities, social and cultural interactions, as well as environmental and humanitarian impacts, are increasingly concentrated in cities. (New Urban Agenda, 2016). The phenomena also happened in Indonesia. In Indonesia urbanization happened mostly because of the attraction of economic and social life in urban area gave more benefit than in rural area.

The 11th goal of Sustainable development goals (SDG's) is to make cities and human settlement inclusive, safe, resilient and sustainable. The goal described in New Urban Agenda (NUA) that agreed upon 197 nations. There are 3 principles in NUA, leave no one behind, ensure sustainable and inclusive urban economies and ensure environmental sustainability. The principles showed that the urban sustain not seen in the environment aspect only but also in the economic aspect.



To achieve sustainable economic, we can't only prepared the skilled people and business opportunity, but also the place to do economic activity. But land availability is a problem when we build the city physically. Many cities in the world had no more area to build and developed, in several condition it happened because of physical condition of the city or there is a critical facilities. The city with this condition needs some strategies to achieve economic sustainability.

Cimahi Municipality in 2017 has 601.099 people (BPS, 2018), while the area of city only 40.20 km<sup>2</sup> and the density 14.953 people/km<sup>2</sup> that categorize as the high density. About 50% of labor force in Cimahi has a minimum high school certificate (Indikator Kesejahteraan Cimahi, 2018), means that Cimahi has a good quality people. Processing industry is Cimahi's economic base. But now, it difficult to find an area that can be developed as factory area. In physical development, Cimahi limited by Kawasan Bandung Utara regulation for building coverage ratio and also by Kawasan Keselamatan Operasi Bandar Udara Husein Sastranegara regulation for floor area ratio. Cimahi Municipality has a limited space to developed and high density, but has a good quality people, so natural resources is not the strange of Cimahi to achieve sustainable economic, but the people is. With the condition, Cimahi have to be creative to develop the city.

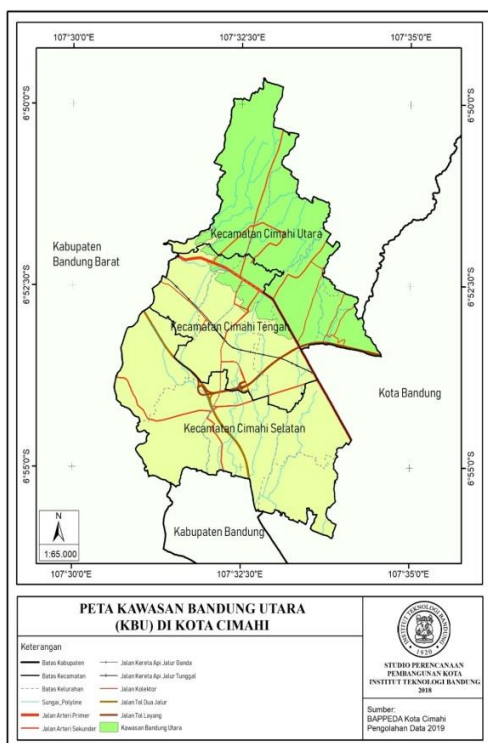


Figure 1. Kawasan Bandung Utara Map

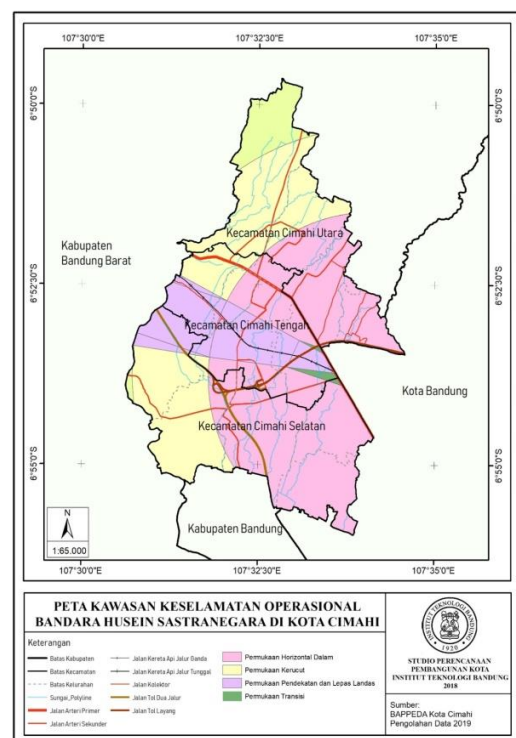
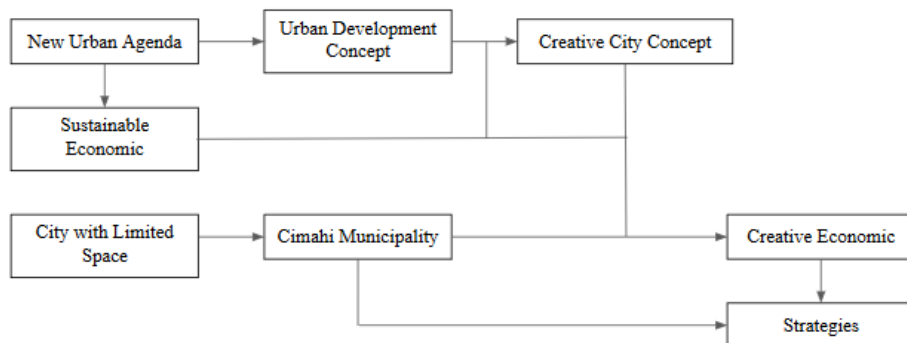


Figure 2. KKOP Map

## 2. Study Framework

This following scheme is the study framework that describe the flow of this study.



**Figure 3.** Study Framework

### 3. Creative City

Creative cities are dynamic, innovative, and well oriented city in act of changing the city's space by empowering local resources, in order to get in to creative classes, the physical form or the governance should be able to bring creativity and become an economic incubator based on creativity, culture, research, and art production, so they need to make more investment to strengthen their identity. (Carta, 2008) UNESCO (2016), on the other side, stated that creative and innovative cities are focus on:

- Encourage creativity and innovation, including digital technology, in a city that builds human intelligence and diversity as a city development resource and to increase urban living.
- Digital technology as a revolutionary thrust which formed how the society produces, consumes, and feels the cultural experience.
- Innovation that supports decision maker to form the city differently, extending the democracy, empowering the residents and their involvement in the government.
- Priority of the policy need to ensure public access, justice, cultural diversity, rights of transparency and privacy.

The creative city's concept is based on the idea that creativity and creative industry both contributed in the social life of a community as a part of post-industrial economy and provide business opportunities and job opportunities to increase the city's attractiveness. (Anntiroiko, 2010)

Creative city aims to turn the city as an environment that can produce identity, economy, and new structure based on culture, art, knowledge, communication and cooperation. We should move from the monetary conception (creative means attracting economic activity) to productive vision where 'creative' is actually creating new urban economy. Thus create a question is there a recognizable creative environment (creative milieu). The term 'milieu' interpreted as a place where numerous local council member, entrepreneur, intellectual, social analyst, artist, promoter and student do their activities, where spatial interaction creates new idea, product, service and institution. It creates regeneration and repairs the city's condition. (Carta, 2008)

In conjunction with urban planning, The City 3.0 has tried to utilize the collective imagination and citizen's knowledge to make, establish, and collaborate for their city. The form of the city aims to create a physical and cultural environment to provide a condition for its people to be creative. The form can be building, road, or residential environment. The symbol of a 3.0 city is a creative zone or creative quarter. 3.0 planning were switching from the focus of land use to be integrated with economic, culture,

environment, and social aspects. Mixed use becomes so important in this context. It has been known that the mediation of difference complex issues is more important on the current planning, like encourage a change at the city because of the losses of gentrification (side effect of rejuvenation). Collaboration of citizen's participation in decision making is how this method is done. Holistic approach is needed to identify the opportunity and problem solving. (Manach & Pop, 2017)

#### 4. Economic Base

Cimahi Municipality has the limited space to develop. Primer sector as agriculture, fishery, and mining is not a suitable economic base, because there is no area to do the economic activity in primer sector. This time, Cimahi's economic base is processing industry, but it difficult to hang in there, because there is no area could be developed as factory. Creative economic is the economic sector that could be develops as economic base. Creative economic not need big place to operate. It could use the existing building or mixed use building to do the production and the marketing in the same place. The main need of creative economic is skilled people, that Cimahi could be provide.

The creative economy is a new paradigm in the economy, which in the 20th century was dominated by industries. In 2001 John Howkins in his book "Creative Economy, How People Make Money from Ideas" defined Creative Economy as an economic activity where the input and output are ideas. Or in other words, the essence of creativity is an idea. So it can be imagined that only with ideas, someone creative can earn a relatively high income. Paul Romer (1993) stated that ideas are very important economic goods, more important than objects that are often emphasized in most economic models and systems. In a world that has physical limitations, the discovery of big ideas, which are also accompanied by millions of small ideas, has made the economy continue to grow dynamically. The concept of Creative Economy is an economic concept in the new economic era that intensifies information and creativity by relying on ideas and stock of knowledge from Human Resources as the main production factors in its economic activities. The structure of the world economy is undergoing rapid transformation along with economic growth, from the one that was based on Natural Resources followed by being based on Human Resources, from the genetic and extractive era to the era of manufacturing and information services and the latest developments into the economic era creative.

Indonesia has Badan Ekonomi Kreatif Indonesia (BEKRAF). BEKRAF be in charge to assist the president in formulating, establishing, coordinating and synchronizing policies in the creative economy. (PP RI No. 6 Tahun 2015) BEKRAF assigned 16 subsectors, there are Fine Arts, Culinary, Performing Arts, Craft, Television and Radio, Photography, Advertising, Film, animation and video, Publishing, Product Design, Applications and Game Developers, Visual Communication Design, Fashion, Interior Design, Music and Architecture.

#### 5. Strategy

The strategies determined with SWOT method and 5C method. Goal of the strategies is develop creative economic sector by create a creative environment, creative class and creative industry to achieve sustainable economic.

Base on the goal, the following table contain the strength, weakness, opportunity and threat of Cimahi and the strategies to achieve the goal.

**Table 1.** Strategies developed by SWOT method

	<b>Opportunity</b>	<b>Threat</b>
	<ol style="list-style-type: none"> <li>1. National and province planning regulation said that Cimahi is one of the cities that will focus to develop creative industry (RTRW Nasional 2008-2028, RTRW Jawa Barat 2009-2029)</li> <li>2. BENKRAF can help about networking and cooperating</li> <li>3. BEKRAF Information System Mobile Application can help about training and certification</li> <li>4. There are tourist sites at Bandung Municipality and Bandung Barat Regency</li> </ol>	<ol style="list-style-type: none"> <li>1. Bandung Municipality has more creative cluster</li> <li>2. Bandung Municipality planned to build Technopolis in Gedebage area</li> </ol>
<b>Strenght</b>	<b>(S-O)</b>	<b>(S-T)</b>
<ol style="list-style-type: none"> <li>1. Cimahi's Government focus to developed fashion, culinary, craft and film, animation and video subsectors (BAPPEDA Cimahi, 2019)</li> <li>2. There are creative cluster of fashion, culinary, craft and film, animation and video subsectors (BAPPEDA Cimahi, 2019)</li> <li>3. KADIN was participated to capacity building for creative class (Cimahi head KADIN's interview, 2019)</li> <li>4. Cimahi has Technopark as the place capacity building (Observation, 2019)</li> <li>5. There are some university in Cimahi</li> </ol>	<ul style="list-style-type: none"> <li>• Focusing national and province programed to develop creative cluster and optimizing the training in Technopark (S2, S4, O1)</li> <li>• Develop creative industry in subsectors fashion, culinary, craft and film, animation and video with national and province's budget allocation and BENKRAF's support (S1, S2,O1)</li> <li>• Build cooperation between KADIN, BEKRAF, University and Cimahi Government (S4 S5, O2, O3)</li> <li>• Directing the entrepreneur in creative industry to register in KADIN and BISMA networking (S1, S2, S3, O3)</li> <li>• Encourage the promotion of Technopark activity in BISMA networking (S4, O3)</li> <li>• Marketing the creative industry product at tourist sites at Bandung Municipality and</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage people to become entrepreneur (S1, S2, T1)</li> <li>• Improve the innovation and competitiveness of creative cluster and creative worker (S1, S2, T1)</li> <li>• Tecnopark collaborate with creative cluster Bandung and Technopolis Bandung Municipality for training (S4, T1, T2)</li> </ul>

(Observation, 2019)	Bandung Barat Regency (S1, S2, O4)	
<p><b>Weakness</b></p> <ol style="list-style-type: none"> <li>1. There is no policy about creative class</li> <li>2. Creative industry product not promoted well</li> </ol>	<p><b>(W-O)</b></p> <ul style="list-style-type: none"> <li>• Make the creative cluster policy that in line with national and province planning about creative Industry (W1 O1)</li> <li>• Promote the creative industry product in BENKRAF and at tourist sites at Bandung Municipality and Bandung Barat Regency (W2, O2, O4)</li> </ul>	<p><b>(W-T)</b></p> <ul style="list-style-type: none"> <li>• Corporate and marketing the creative industry product at creative cluster in Bandung Municipality (W2T1)</li> </ul>

5C Strategy method developed by Osborn and Plastrik (1997). This method could structure the strategy that developed in SWOT method in 5 categories and also develop new strategies. 5 category of this method are Core Strategy, Consequence Strategy, Customer Strategy, Control Strategy and Culture Strategy. The following table is the structure of 5C strategies

**Table 2.** Strategies developed by 5C method

<b>Core Strategy</b>	<ul style="list-style-type: none"> <li>• Encourage people to become entrepreneur</li> </ul>
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<b>Consequence Strategy</b>	<ul style="list-style-type: none"> <li>• Focusing national and province programed to develop creative cluster and optimizing the training in Technopark</li> <li>• Develop creative industry in subsectors fashion, culinary, craft and film, animation and video with national and province's budget allocation and BENKRAF's support</li> <li>• Encourage the promotion of Technopark activity in BISMA networking</li> <li>• Marketing the creative industry product at tourist sites at Bandung Municipality and Bandung Barat Regency</li> <li>• Make the creative cluster policy that in line with national and province planning about creative Industry</li> <li>• Promote the creative industry product in BENKRAF and at tourist sites at Bandung Municipality and Bandung Barat Regency</li> <li>• Build a Creative hub</li> </ul>
<b>Customer Strategy</b>	<ul style="list-style-type: none"> <li>• Improve the innovation and competitiveness of creative cluster and creative worker,</li> <li>• Directing the entrepreneur in creative industry to register in KADIN and BISMA networking</li> <li>• Corporate with National and Province government to get a high quality trainer</li> </ul>
<b>Control Strategy</b>	<ul style="list-style-type: none"> <li>• Build cooperation between KADIN, BEKRAF, University and Cimahi Government</li> <li>• Corporate and marketing the creative industry product at creative cluster in Bandung Municipality</li> </ul>
<b>Culture Strategy</b>	<ul style="list-style-type: none"> <li>• Tecnopark collaborate with creative cluster Bandung and Technopolis Bandung Municipality for training</li> </ul>

## 6. Summary

The following are the summary of this study

- Base on New Urban Agenda, the sustainability of a city, not only seen from the environment and social aspects but also economic aspect.
- To achieve the city sustainability, Creative City concept is the proper concept to apply in the city that has limited space like Cimahi Municipality.
- The city that has limited space like Cimahi Municipality, creative economic is the economic sector that proper to develop as the economic base.
- To achieve sustainable economic in Cimahi Municipality, Encourage people to become entrepreneur is the core strategy and there are 7 consequence strategies, 3 customer strategies, 2 control strategies and 1 culture staregy.

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