Empowerment MSE Creative Economy through Innovation Program to Increase Revenue Golden Gate Community: Study in the District Of East Flores

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ABSTRACT
Golden Gate Program is an innovative program of East Flores district government to empower the MSE creative economy through BLM activities in group. This study was aimed to (1) describe the innovation implementation program in the Golden Gate community empowerment creative economy, especially MSE creative economy; (2) identify and describe the role of SMEs in the creative economy creating jobs and increasing income communities; and (3) determine the strengths, weaknesses, opportunities and challenges of SMEs development of creative economy. Data was obtained through interviews with MSE 106 goals and program management officer and searches documents regarding the implementation of the Golden Gate program. Data were analyzed descriptively and then conclusions were drawn. The results showed that the implementation of the innovation program is quite effective in the Golden Gate, net income of MSEs was increased by 12.95%. MSE example creative economy is able to employ 259 workers and increase income (labor) average of 875,000 rupiah. For the empowerment of MSEs, creative economy needs to be implemented in a sustainable manner by improving the quality of human resources in order to increase competitiveness and its role in regional development.

Keywords: Empowerment, MSE, Creative Economy, Innovation, income, Golden Gate
1. INTRODUCTION

Micro and Small Enterprises (MSE) is a sector that contributes to the Indonesian economy and therefore cannot be underestimated because it has proven its reliability and robustness in the face of a crisis that occurred in Indonesia. Micro and Small enterprises (MSEs) are businesses engaged in various business sectors which has attracted the interests of the community. Based on BPS data (2014), the number of SMEs and UB reached to 57.9 million units and 99.9 percent are SMEs of all businesses in the country. SMEs provide a significant contribution to employment, amounting to 93.63 percent of the total workforce of 117,681,244 votes Meanwhile, SME contribution to Gross Domestic Product (GDP) amounted to 46.62 percent (based on the Current Price) and by 30.89% Atasa base Fix, further contribution to non-oil exports amounted to 30.89 percent (CBS, 2014).

MSE creative economy sector employed 11,799,568 people in 2013 which was an increase of 37.95% compared to the year 2010, or an average of 12.65 percent per year, or 11 percent of the total labor workforce as much as it absorbed 5.9 million units of MSE creative economy. Contributions are donated by the 15 sub-sectors of the creative industries. The government aims to increase the contribution of the creative economy to PDB from 7.1 percent in 2014 to 12 percent in 2019. Likewise, labor absorption can be increased from 12 million to 13 million people and the value of exports rose from 5.8 percent to 10 percent. BPS (2014) released data also exhibited that an increase in export value of Indonesia, in particular the contribution MSE creative economy in 2013 increased by 4.03% to 2,079,326 million rupiah achievement, of the export value of the creative economy accounted for 118,968,031.8 million growing amounted to 8.01% (http://program.indonesiakreatif.net/research/kontribusi-ekonomi-kreatif-terhadap-pdb-indonesia/downloaded, November 3, 2015).

The development of unit MSE creative economy, its contribution of employment, increasing GDP and also the value of non-oil exports that is encourage and trigger the Indonesian government to continue cultivating the creative economy intensive SMEs. The main reasons of the development creative economy MSEs are: (1) the contribution of the economy: GDP, creating jobs, and export; (2) the business climate in the form of business creation, impact on other sectors and prospective marketing; (3) maintain the image and identity of the nation: tourism, international icon, building a culture, cultural heritage and local value; (4) is a renewable resource: knowledge-based, creative and green community; (5) innovation and creativity: ideas and the ideas and create value; (6) social impact the form of better quality of life and increased social tolerance (Department of Commerce, 2007).

UNCTAD stated that: the creative economy is an emerging concept dealing with the interface between creativity, culture, economics and technology in a contemporary world dominated by images, sounds, texts, and symbols. While the creative industries is defined as follows: "The creative industries are the crossroad of the arts, culture, business and technology. All of Reviews These activities are in creative skills and can generate income through trade and intellectual property rights" (Creative Economy Report 2013, United Nations, Untacd.org/es/Docs/ dicttab2013-en-pdf, accessed March 9, 2013). The Commerce Department RI’ (2009) defines the creative economy as a new economic era that intensifies information and creativity by relying on the ideas and stock of knowledge of human resources as the main production factor in their economic activities. Creative economy is an activity that is intended to produce and distribute goods and services and the economic value of art based on the skills, creativity and individual talents to create the creativity and innovativeness of individuals that focuses on the development of ideas to produce value added products. The key to creative products is the utilization of human resources who are masters of Science and Technology that continues to be driven and generate innovation, mastery of technology and productive for the economy to grow, develop in a sustainable, community welfare can be improved, and in the end the poverty rate can be minimized.

For this reason, the creative industry in Indonesia should be developed because the creative industries can provide significant economic contribution and creating a positive business climate and build the image and identity of the nation. On the other hand, the creative industries based on renewable resources, innovation and creativity that are a competitive advantage of a nation as well as providing a positive social impact, and indeed to move the creative industries needed several factors. Among other things, the direction of education policy, rewarding the creative human beings, as well as creating a conducive business climate and additionally, utilization of existing creative industries can reduce the use of natural resources that are not renewable. For example, the use of commodity wood forest products. If the wood is used only as a product of
the paper industry that the wood will have a price (value added) slightly when compared to the use for furniture or for handicraft goods, in this case represents the creative industries. These ideas and creativities belong to valuable items. (Moelyono, 2010).

East Flores regency is one of tourist destination areas (DTW) which fulfills the objective of spiritual travel Semana Santa celebrations are held once a year is less able to take advantage of opportunities associated with moving MSE produce creative products that are in demand by pilgrims. Meanwhile, on the other hand MSEs produce creative products; there are ± 3,389 units. Effort creative economy by the year 2014 there were 3389 most of which (2,538 units) is a type of craft industry Household (IKRT) spread in all districts (BPS, East Flores in Figures, 2014, DISPERINDAG East Flores Regency, 2015, the Department of Cooperatives SMEs East Flores Regency, 2015 Survey). The business unit is the dominant folk weaving (woven), coconut oil industry, corn chips (Titi Corn) and wooden furniture.

Processing industry in East Flores by 60.52% subsector is dominated by the creative economy so that it can be said that the economy of East Flores Regency driven by MSEs engaged in sub-sectors of the creative economy despite its contribution to revenue is still relatively small compared to medium and large businesses in this area. On the other hand, the Flores district Timur has not enough resources to drive the economy of East Flores so the best alternative is to empower the MSE creative economy to create jobs, employment and income distribution through productive enterprises.

Innovation through the Golden Gate program, the government seeks to empower SMEs engaged in creative industries that have high competitiveness to face the competition, and the resulting products are able to penetrate the international market besides meeting the domestic demand. Micro, Small and mentioned above are only a small part that is new to be considered in the development process that is already well in progress at this time. Given the number of units MSE creative economy and its strategic role in economic and development it is necessary to empower the MSE creative economy to be able to grow and develop into independent businesses and strong in the face of competition which is increasingly tight.

Law No. 20 of 2008 on SMEs, emphasized that empowerment was an attempt by the Government, Local Government, the Business, and Society synergistically in the form of growing climate and business development to SMEs so that they can grow and develop into a strong and independent businesses. A business climate should be sought after in which conditions are being formulated and regional governments to empower SMEs in synergy through the establishment of various legislations and policies on various aspects of economic life so that SMEs gain partiality, certainty, opportunity, protection, and support the broadest sought. Development is an effort by the Government and Local Government, the Business, and Society to empower SMEs through the provision of guidance and assistance retrofitting facilities to foster and enhance the capabilities and competitiveness of SMEs.

Empowerment of SMEs in general and especially organized MSE creative economy as a whole in the national development to achieve prosperity for the people based on the principle of family, togetherness, efficiency, sustainability, environmental friendliness and independence. The principle of solidarity is a principle that encourages the participation of SMEs and the business world together in its activities for the welfare of the people, while the principle of independence is an attempt of empowerment undertaken by SMEs tapping, maintaining and promoting the potential, ability and independence (UU.No.20 Year 2008). According to the Act, principle empowerment of SMEs are: (1) the growth of self-reliance, togetherness, and entrepreneurial SMEs to work with their own initiatives; (2) the embodiment of public policy that is transparent, accountable and equitable; (3) business development based on local potential and market-oriented in accordance with the competence of SMEs; (4) improving the competitiveness of SMEs; and (5) implementation of the planning, implementation, and management in an integrated manner. Furthermore, the purpose of empowering SMEs are: (1) creating a balanced structure of economic development and justice; (2) the ability of SMEs to grow and develop into a strong and independent businesses; and (3) enhancing the role of SMEs in regional development, job creation, income equalization, economic growth, and poverty alleviation of the people (Law No.20 of 2008).

Innovation program Golden Gate through the economic empowerment is a Direct Community Assistance in the form of funds empowerment of $ 250 million per village were channeled through the group so MSE creative economy must join the same group to get funding the empowerment that embodies the principle of unity in improving people's welfare, For the purposes of this study were: (1) describe the innovation implementation program in the Golden Gate community empowerment creative economy,
especially SMEs; (2) identify and describe the role of SMEs in the creative economy creating jobs and increasing income of communities; and (3) determine the strengths, weaknesses, opportunities and challenges in the development of creative economy SMEs.

2. RESEARCH METHODS

Population and Sample

The study population was as much as 502 MSE creative economies which were spread across Mainland East Flores and Solor Adonara targeted the Golden Gate program in 2013 and 2014. The sample is determined proportionally random cluster because there are about 16 groups of businesses included in the subsector creative economy, namely: business economic creative that includes 16 types of business, such as: business, bricklaying, brick, pulse counters, photocopying, culinary, publishing and trafficking in the late books, computer rental, various handicrafts household, convection, photo studio, weaving, cashew nuts, and Titi Corn. This research study's sample were 106 MSE creative economy units.

Type of Data, Techniques and Data Collection, Data Processing Techniques

The type of data used in this study are primary data obtained directly from the respondent (MSE creative economy) program objectives and officials who have the authority to take decisions on the regional work units (SKPD) related to the Golden Gate program. Secondary data is compliance data obtained from government publications, technical agencies, church institutions and other sources relevant to this study. Techniques used in data collection are observation to the business location MSE creative economy, creative economy interview with MSE and officials at the Golden Gate institution program implementers, uses a questionnaire that has been provided, and the discussion focused on education are included in program coordination team of the Golden Gate. Processing techniques and data analysis in this study was conducted in three phases performed after the collection of data, namely data reduction, data presentation and conclusion. The analysis was performed by descriptive quantitative statistics.

3. RESULTS AND DISCUSSION

Overview of economic MSE Creative Sample

East Flores district does not have a big industry but more Household Industries (IRT) which are labor intensive. The business unit is the dominant industry folk weaving (777 units) were able to provide employment for 1,362 people, the palm oil industry as much as 439 units with labor absorption as much as 952 and as many as 393 Corn Chips business units with a workforce of 692 people. This condition is very influential on the formation of the target group the Golden Gate program.

Creative economic activities developed by the group and members of the target as many as 502 units. Enterprises which were dominant are Weaving (29.3%) with an increase of 41% compared to the year 2013 and then Wood Furniture reached 15.9% of the total effort despite the decline in 2014. Both of these efforts became dominant because they are developed almost in all villages with a concentration in District Klubagolit, Ile Boleng, Withihama, Solor West, East Solor, and all districts in Flores Army.

Micro and Small Enterprises (MSEs) sample in this study consisted of 89.62% pertained Micro and as much as 10.38% are Small businesses based on the criteria of sales turnover. Respondents of MSE creative economy spread across 19 districts in East Flores regency. MSE program targets female dominated as much as 60.38% with a dominant enterprise is managed culinary, weaving, Titi Corn, handicrafts and various souvenirs, while men only amounted to 39.62% which is engaged in the business of brick, brick, welding shop , wooden furniture and bamboo furniture, and computer rentals. The highest education diploma owned by MSE creative economy is an example of elementary school as much as 22.64%; JSS as much as 31.53%; SLTA as much as 41.51% and Higher Education as much as 4.72%.

In terms of age, it can be explained that the MSEs are aged between 30-38 years as much as 17.92%; aged between 39-49 years of as much as 35.86% aged between 50-60 years as much as 40.57%; and MSEs aged 61-70 years of age as much as 5.66%. Business experience of MSE example with details: less than 5 years as much as 13.12%; 5-10 years of business experience as much as 33.96%; MSE experienced as much as 29.25% of 11-20 years; and MSE experienced in over 20 years as much as 23.58%.

This type of business and the number of respondent SMEs creative economy as the following examples: Arts, crafts / Souvenir (4); batako (2); bricks (6); welding shop (8); pulse counter (4); photocopy (3); cashew nuts (7); convection (4); Culinary (10); wood furniture (14); publishing and book trade (2);
mattress production (2); rental of computer (3); Titi Corn (8); and photo studio (1). MSE total sample is 106 creative economies.

Respondents of MSE creative economy ever business management training, marketing and promotion and product exhibition organized by the Department of Cooperatives and SMEs, and the Department of Industry and Commerce or other institutions as much as 32.08%. Training and cast these products have nothing to do with the implementation of the program the Golden Gate. SMEs examples of training before the program is launched the Golden Gate (2008-2012).

Government support related to the business development of creative economy by the target program (MSEs) in the form: giving a business license as much as 50.94%; facilitation of sale of 15.09%; MSE funding as much as 95.28%; marketing of MSE products as much as 8.49%; tech help as much as 21.13%; packaging design and procurement assistance as much as 11.31%; and technical assistance to MSEs as much as 3.77%. Thus the dominant government support enjoyed by MSE creative economy is funding, either grants or low-interest loans relative.

Partnership in business development and business networking is required by every MSE to ensure that the materials, funds, and technology needed are always available, as well as the resulting product can be absorbed by the market so that it can generate revenue and also ensure the sustainability of the business. MSE's creative economy in partnership with the Government as much as 48.11%; that partner with ingredient suppliers as much as 85.85%; partner with the retailer as much as 66.98%; partner with technology providers (including production equipment) as much as 34.91%; partnering with contractors (especially producers of adobe, brick and wood furniture) as much as 16.04%; MSE partnered with the Institute of financiers including donors as much as 2.83%; NGOs as much as 12.26%; and in partnership with the Church as much as 15.09%. The results of field research and interviews with program targets the Golden Gate did not reveal any cooperation or partnership between MSE creative economy with Medium and Large Scale, both for aspects of resource supply, marketing, technical assistance, and education and training related to management and business.

The increase in sales or sales turnover MSE creative economy program targets the Golden Gate and the MSE is generally determined by the strategy used MSE example. The results showed that as many as 46.23% of MSEs choose to expand; as much as 96.23% chose to increase the production of goods and services; as much as 22.34% to diversify their products with the same raw materials; market diversification (domestic and foreign; user group) as much as 15.74%; and who have chosen to add new products according to market demand as much as 9.14%. In general, for example, MSE chooses to serve existing markets as much as 98.11%.

The results showed that 60.38% of MSEs creative economy program managing its business objectives through the planning, implementation and control. MSE manage them according to what is inscribed; as much as 50% better organize their business as having a workforce that helps the production activities and services to consumers; and only 36.79% of MSEs target delegate some authority to a subordinate when the owner is outside the area or unavailable.

One of the weaknesses of MSEs in business development is the lack of attention MSE's place on business management so that the business continuity and increased turnover of less assured. The study of the creative economy MSEs examples have shown that as many as 39.62% of them are not managing their business by using a written plan as a basis for the implementation and evaluation of the achievement of results. MSEs do not plan, organize, implement and control their business properly including that of weaving business, titi corn, culinary, wooden furniture, bricks, cashews and computer rentals.

The results of the research mentioned above is not much different from previous research in relation to business development of micro, small is not free of problems, both in the early stages of establishment and during the development stage (Ikhshan, 1994), both internally and externally, such as marketing, production, management, the behavior of the owners in the use of so-income, the difficulty of access to banking funds, although already receive funding from institutions to governments and guidance from technical people (Teak and Timuneno, 2014; Manizu, 2010). Previous research (Almasdi Syaha, 2003) who studied the development of SMEs in Indragiri Hulu Riau province found that the problems faced are a lack structure of capital, unavailability of raw materials, difficulty in marketing, limited mastery of technology, and the application of functions of business management, as well as the lack of quantity and the quality of human resources (Dani, 2013).
Hamid and Susilo (2011 in Dani, 2013) who conducted the research with the title Strategy Development of SMEs in the province of Yogyakarta, found a number of problems experienced by SMEs are: difficulty in expanding market share, the limited availability of financial resources, the lack of human resources capabilities and limitations of the technology, and economic conditions and poor infrastructure. While the problem of the creative industry distributions in Malang (Satria and Prameswari 2011 in Dani, 2013), namely: production and less efficient raw materials, lack of support from the government, the lack of promise to other regions, low purchasing power and their productivity pirated products.

To overcome the problems issued Presidential Instruction 6 of 2007 contents of which briefly include: (a) increasing access to capital for SMEs, (b) entrepreneurship development and human resources, (c) increasing market opportunities for SMEs, and (d) regulatory reform policy and programs and the Department of Non-Departmental in operation faced with the problem of coordination and control. Each of the problems faced by SMEs in each region has been and will be addressed by the Government through a number of policies, programs and activities in accordance with the urgency and priority that would be getting solution and minimize the number of problems faced by SMEs include MSE creative economy so that it can exist in the construction but the alternative solution to the problems of SMEs in a particular region is unique, so the alternative solution cannot be applied in other areas because of being unique in nature.

Regional Government of East Flores district through SKPD related technical own and are doing the innovation program Golden Gate through the BLM to empower the MSE creative economy is facing funding problems and very likely in the future will be designed programs and activities of other innovative solutions to address other issues, since capital is only one of the problems faced by SMEs and the BLM is not a panacea to empower the MSE creative economy. There are other issues that are also need to be addressed, such as the expansion of knowledge and increase in the entrepreneurial spirit of creative economies MSE.

**Implementation Of Innovation Program Golden Gate**

Zimmerer (1996) stated that innovation is the ability to apply creative solutions to Reviews those problems and opportunities to enhance or to enrich people's lives. Innovation means creating added value, do something to change something, create and focus on superiority or uniqueness that did not previously exist, or existing but imperfection through products, services, methods, processes and technology and management. Creating added value, according to Kotler and Keller (2006) as cited by Suryana (2013), there are four types of ways to innovate to do, which include such things as the following: (1) By way of the invention, by being creative product, services or a process that has never been done before. Concept tend revolutionary; (2) By way of development, in particular by developing a product, service or process that is already there. This concept makes the application of different ideas that already exist; (3) By way of duplication, by way of imitation products, services, or processes that already exist. This duplication is not merely mimic, but adding a whole creatively to improve the existing concept in order to be better able to win the competition (or more competitive, author); and (4) By way of synthesis, namely by way of a concept and the factors that already exist become a new formulation. This process involves taking a number of ideas or products that have been found or has been formed so that it becomes a product that can be applied in new ways.

In relation to innovation program Golden Gate through economic empowerment MSE creative economy is BLM conducted by imitating the model Program fever NTT Province to improve the management of the program is to add sub-district program objectives as the Coordinating Team district level earlier in the program-grade fever coordination involve only the Regional Development Planning Agency and village heads. For the implementation of the program Golden Gate governance organization comprised of the Coordinating Team for District level, the District level coordination, the Village Head and UPK and Community Groups. MSE creative economy should be joined in groups according to the requirements and procedures established by the Agency for Community Empowerment and Governance Village (BPMPD) East Flores Regency.

BPMPD East Flores district became Coordinator of the implementation team district level comprising: Regional Secretary, Head of Bappeda, Head BPMPD, District Superintendent, Head of Department of Cooperatives and SMEs, Head of Food Security and Education, Head of the Department of Agriculture and Livestock, Head of Forestry and plantation, Head of Industry and Trade, Head of Marine and Fisheries, Head of Culture and Tourism, Head of the Department of Revenue, Finance and Asset Management, and the Chief Investment Office and Integrated Licensing Services. District level coordination team consists of: Head, Head
Office Technical Implementation Unit; and other related elements. While executing rate / District Village consists of: Village Head as Budget User (PA) / Lurah as the Budget Authority (KPA) and the person in charge of the implementation of the program the Golden Gate; Activity Management Unit (UPK); and the group of beneficiaries. Then at the lowest level is the target group that has the management structure and membership (at least consist of a chairman, secretary, treasurer and members) that passes by the village chief / headman.

District level coordination team tasks are to formulate technical policy of the Golden Gate program management; do counseling program management techniques; mentoring and monitoring regularly or periodically the implementation of the target groups; implementing technical assistance programs for target groups for business development and business management; and evaluated every three months or at any time if necessary. Then the task of District Level Coordination Team are socialization program at the Golden Gate Village / Sub; verify the feasibility of the proposal and survey activities prospective target groups; give the recommendation to the Village / Sub related to the verification results related prospective target groups according to the results of verification and feasibility survey; mentoring, coaching and monitoring in planning, implementation and evaluation of each month on the implementation of activities at the Village / Sub.

In implementing the program of the Golden Gate, the district coordination team has run a number of tasks effectively unless the technical guidance for the target groups in the development program and management effort has not been made by the technical institution included in team coordination, such as Department of Cooperatives and SMEs; Department of Industry and Commerce; and the Department of Agriculture Food and Livestock plants by reason of lack of operational funding support from the unit concerned. Department of Trade and Industry technical as facilitating information of prices, technical guidance and support equipment, providing recommendations to administer licenses to the Office of Investment and Integrated Licensing Services (KPM and P2T); Department of Cooperatives and SMEs also provide training, capital and marketing assistance but not to the public and target MSE program but to MSEs and cooperatives who were targeted program of working units district area concerned. Thus, there is no synchronization between the programs related to the implementation of the program of technical units Golden Gate (Interview with Head of Trade and Industry, the Secretary of the Department of Cooperatives and SMEs, Secretary of Culture and Tourism, 10,11 and August 12, 2015). Ideally, capital budgeted by BPMPD while training, technical guidance and technical assistance efforts undertaken by the Department of Cooperatives and SMEs, Department of Industry and Trade; Department of culture and tourism; Department of Agriculture and Livestock; Forestry and Plantation Office and at the expense of the budget of the respective SKPD for productive economic activities MSE is predominantly located in the duties and functions of the SKPD.

The design team level Village / Sub duty responsible for managing the activities at the Village / Sub; Activity Management Unit set based on the result of deliberation Village / Sub; establish Village Regulations and validate the results of deliberations village headman governing the Revolving Fund Management Golden Gate; open an account for the distribution and the Golden Gate Program at the bank to be determined; Disbursement Warrant issued the Golden Gate to the Activity Management Unit (UPK) to be distributed to target groups; monitoring, mentoring and evaluation of each week of the Golden Gate fund management and activities on the target groups; and submit a progress report every month to the fund management the District Coordination Team.

UPK has the task of helping a group of targets ranging from planning, implementation to evaluation and reporting; examine and submit proposals; perform guidance, monitoring and evaluation of the activities of the target group; organizing financial administration; submit reports on the development activities of the target group and the development of fund management on a regular basis to the Head of the Village / Village and sub-district coordination team; channeling funds to beneficiaries through the group and members of consultative forums Village / Sub; posting financial transactions related to revenues and expenditures in the cash books and reports receipt and refund of group / target members; and convey the Golden Gate fund management responsibilities in the discussion forum Village / Sub conducted every three months.
From the above description, organizational structure and management in the Golden Gate program is shown as follows:

**TEAM COORDINATION:**
1. The Regional Secretary of East Flores;
2. Head of Regional Development Planning Board East Flores regency;
3. Head of Community Empowerment and East Flores Regency Village Government;
4. East Flores District Superintendent;
5. Head of Department of Cooperatives, Small and Medium Enterprises East Flores district;
6. Head of Food Security Extension and East Flores district;
7. Head of the Department of Agriculture and Animal Husbandry East Flores district;
8. The Head of Forestry and Plantation East Flores district;
9. Head of Industry and Trade of East Flores district;
10. Head of Maritime Affairs and Fisheries, East Flores district;
11. Head of Culture and Tourism of East Flores district;
12. Head of the Department of Revenue, Finance and Asset Management East Flores regency;
13. Head of Investment and Licensing Services Integrated East Flores Regency.

Figure 1 Organizational Structure Golden Gate Program me

UPK as those which manage funds program Golden Gate level Village / Sub in the implementation of the program is more focused on the activities of administration and finance, while tasks related to guidance, mentoring, monitoring and evaluation activities of both the target group and its members or MSEs have received less attention so that the number of businesses the new note does not operate after six months later, including at the time of verification of the proposal to review the location less effort to know the real condition of the business objectives of the program. As a result there are a number of businesses that are not eligible to be funded but are given financial assistance so that it becomes a contributor to the arrears in installments.
Nonetheless, UPK grantees received BLM 2013 installments since March 2014 was scrolling to the other group. CGU already scrolling is: CGU Lamatwelu, Lewoloba, Lamahoda, Lewopao, Samasoge, Lewohedo, Watowara and Sarotati UPK East Village. Other UPK not scrolling in accordance with the initial target has not been idle because of target group regularly schedule or contract.

Meanwhile at the level of the target group, the group management has tasks of coordinating, monitoring and supervising the management of the activities and finances of all the members of the group; Golden Gate manage funds according proposals have been approved; record all transaction receipts and expenditure of funds; realized the funds to each member according the set; receive the Golden Gate installment loans from members of the group and contribute to the Project Management Unit; submit a report to the Golden Gate fund management business unit activities every month; and is responsible for managing the activities and fund the group.

Each of MSE creative economy or the target group members who received funding program must sign a letter of intention which includes willingness and able to implement the program through the Golden Gate productive economic activities; not misused and the Golden Gate program for economically productive activities; work with a sense of responsibility to develop appropriate business proposals which have been approved in order to increase family income; refund (principal and interest) every month to the Activity Management Unit (UPK) to roll over into the other groups in the Village / Sub. If funds are not returned in accordance with the specified time period, they should get ready to receive sanctions as stipulated in the Regulation of the Village / Village meeting results on the Golden Gate Fund Management. In implementing the program the Golden Gate turned out a number of MSEs creative economy using BLM funds for other needs, that cannot repay on time because it is not used to expand the business, but no one can pay in installments by using funds from other businesses as proposed by Baharuddin in Sarotati East who develop business Furniture Wood (August 2015), or Simon Werang in the developed Knotan Bamboo Crafts Furniture.

Punishment to beneficiaries or MSE negligent in fulfilling its obligations in the form of verbal reprimand and written warning and it cannot get a scroll or a loan if not paid off loans or earlier. The sanctions have been applied to a number of members and the MSE program goals in five villages receive funding program Golden Gate in 2013, namely Sinar Hading, Bama, Kolaka, Hewa and Lamahoda. The cause of arrears in installments, among others: there are members of groups or SMEs who are enrolled as beneficiaries but does not have a productive business after funds are transmitted are used by others (Village Ile Padung), the funds are used for consumptive purposes and for other household utilities (Rays Hading and Sarotati East).

MSE creative economy gained BLM fiscal year 2013 as many as 223 (of 2763 MSE creative economy) businesses with a total fund of Rp 997.421 million or an average of BLM per unit MSE creative economy is Rp 4.28 million, then in 2014 to Rp 1.408177 billion to 269 units MSE creative economy (from 3389 units) with the amount of BLM per business unit on average Rp 5.23.800, or an increase of 48.18 per cent in total and amounted to 18.22 percent of the mean average per MSE creative economy. Total unit MSE creative economy is getting BLM also increased by 15.45% compared with fiscal year 2013. While the creative economy MSEs receiving BLM fiscal year 2015 has not been obtained from the data because when the study was conducted the administrative process and preparation of the program targets still do by a team of district level coordination. MSE creative economy powered through the Golden Gate during the past two years only reached 8% unit MSE creative economy registered in the related local government offices as well as those not yet registered with the Office of Investment and Licensing Services Integrated District Flores East and DISPERINDAG, and the Department of Cooperatives and SMEs East Flores Regency.

BLM received MSE example creative economy varies between sub-sectors and types of businesses as well as the funding needs of each SME so that the average BLM example for each sub-sector of the creative economy varies. Average BLM to MSE’s creative economy amounted to 8,207,774 rupiah sample with the highest allocation for computer rental business, while the lowest BLM fund for venture-pillow mattresses and Titi Corn. Both of these efforts received and BLM lowest for recognition by the respondent that it needs and our ability to restore inability of this kind, if we borrow in larger quantities it is possible that we are not able to pay in installment back let alone demand mattresses and pillows are not the same as demand for food and drinks confessed Mrs. Nur Sabhan (Village Lokea-Larantuka, August 15, 2015). Similarly, maize effort titi which is typical souvenirs of East Flores but got BLM is relatively low because this business does not require expensive equipment or technology to produce Titi Corn. MSEs seek creative economy titi corn, both as a
manufacturer and trader of corn still using simple tools so that the financing needs are also small in addition to consideration of the loan to restore power.

Capital requirements for each business depending distinguishing creative economy as expressed by Paul Hayon (Chairman of Farmers Group Permata-Balaweling) we get funding group Golden Gate 40 million the value is quite large compared with other members of the group and because we needed a new copier and nice so we raised the need for 40 million rupiah. The same thing also delivered by Father Aleksius Aran Bala (Business Furniture wood-beam Hading Lewolema) that I need substantial funds for the procurement of timber that can streamline production and orders, if the machine and the tool I've had since returning from Malaysia. Although we as members of the group filed a requirement of Rp 20 million, but because of other MSE also requires and funds available are limited so we accept the decision of UPK and chairman of the group to receive funds amounting capable funded program (USD 15 million).

Below average BLM funds to MSEs example of the creative economy.

<table>
<thead>
<tr>
<th>Sub creative economy sector</th>
<th>MSEs Sample</th>
<th>BLM Fund (Rupiahs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, Crafts</td>
<td>4</td>
<td>8,750,000</td>
</tr>
<tr>
<td>Adobe</td>
<td>2</td>
<td>11,500,000</td>
</tr>
<tr>
<td>Bricks</td>
<td>6</td>
<td>7,166,667</td>
</tr>
<tr>
<td>Welding</td>
<td>8</td>
<td>11,125,000</td>
</tr>
<tr>
<td>Pulse Counter</td>
<td>4</td>
<td>20,681,750</td>
</tr>
<tr>
<td>Photocopy</td>
<td>3</td>
<td>20,906,667</td>
</tr>
<tr>
<td>Cashew</td>
<td>7</td>
<td>3,928,571</td>
</tr>
<tr>
<td>Convection</td>
<td>4</td>
<td>10,625,000</td>
</tr>
<tr>
<td>Culinary</td>
<td>10</td>
<td>3,450,000</td>
</tr>
<tr>
<td>Furniture Wood</td>
<td>14</td>
<td>15,251,929</td>
</tr>
<tr>
<td>Trade Publishing and Books</td>
<td>2</td>
<td>7,500,000</td>
</tr>
<tr>
<td>Mattress Pillow</td>
<td>2</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Computer Rental</td>
<td>3</td>
<td>25,333,333</td>
</tr>
<tr>
<td>I Weaving</td>
<td>28</td>
<td>3,553,571</td>
</tr>
<tr>
<td>Corn Chips</td>
<td>8</td>
<td>2,437,500</td>
</tr>
<tr>
<td>Photo studio</td>
<td>1</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Total Respondents/Average</td>
<td>106</td>
<td>8,207,774</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2015

Innovation program Golden Gate in the economic empowerment in general and SMEs creative economy in particular through the organization and management of the program by the coordination team district, sub-district, village and fund management and group by UPK and financial assistance in the form of BLM only to address the issue of funds faced by MSEs for funding issues are the major problems experienced by a number of SMEs in the rest of the world, such as the Philippines, Vietnam, Cambodia, Laos, Thailand, Malaysia, Brunei, China, India, Pakistan, Bangladesh and Nepal (Tambunan, 2010). Another issue is the marketing of technology and skills and thus required further innovative programs and activities to address other problems faced by MSEs for MSEs creative economy faced a number of problems, both internal and external. Another obstacle in the business development of SMEs in Indonesia and a number of Asean countries that stand out are the quality of products (8%), difficult access to credit (10%), quality of human resources (8%), market information (9%), marketing skills (9%), management skills (7%) and government regulations and laws (6%) (http://www.sme.go.th/Documents/internationalization, downloaded, November 4, 2015).
The study of the Golden Gate program targets SMEs in mind that the world MSE never cracked the problem. When a problem is resolved, other problems will arise. The examples of 106 MSE creative economies are all facing various problems related to the development of enterprising. Map of the problems faced by SMEs is the creative economy:

<table>
<thead>
<tr>
<th>No</th>
<th>Small Micro Economic creatively problems</th>
<th>Number of SMEs</th>
<th>Percentage</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Funding</td>
<td>99</td>
<td>93%</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Financial Management</td>
<td>87</td>
<td>82%</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Human Resources</td>
<td>86</td>
<td>81%</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Institutional</td>
<td>75</td>
<td>71%</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Business Management</td>
<td>72</td>
<td>68%</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Partnerships</td>
<td>59</td>
<td>56%</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Raw Materials</td>
<td>54</td>
<td>51%</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Marketing</td>
<td>53</td>
<td>50%</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Production Technology</td>
<td>51</td>
<td>48%</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>Business Location</td>
<td>26</td>
<td>25%</td>
<td>10</td>
</tr>
</tbody>
</table>

Data source: Survey Results, 2015

The first and main problem is funding or capital, human resources ranks third and business management ranked fifth so that needs to be addressed first as ranked problem is the "capital" notwithstanding the efforts to improve the quality of human resources employed in SMEs so that they can manage the business and make it profitable and sustainable as well as competitive enough to compete locally, nationally and globally.

The complexity of the problems faced by SMEs include MSE creative economy in East Flores actually not supposed to be all the problems and the empowerment of SMEs are entirely the responsibility and burden of the government but all parties must take active participation in contributing to empowering SMEs so that SMEs can play an increasing role in regional development and country. Sijabat (2008) asserted that the empowerment of SMEs is not a short-term policy commitment, but it is a long-term political process. Designing the basic concept of empowerment of SMEs is to build a system capable of eliminating all the problems concerning the success of SME, and one crucial aspect is the business climate.

The success and effectiveness of the empowerment of SMEs intended above requires the involvement of all interested parties. According Karsidi and Irianto (2005) involvement is still acting alone and less integrative between stakeholders with each other. He said the (2012) alternative relationships between the respective roles of stakeholders SMEs is expected to be able to make a significant contribution to the advancement of SMEs: (1) SMEs as actors who play a key role in order to empower themselves; (2) Group / Cooperative. Through cooperative groups one can expect to strengthen the bargaining power of the market both in getting raw materials and sales of products; (3) Business Development Service (BDS) to act as a consultant to developers of business in various aspects, such as aspects of management, production, marketing and even to facilitate the linking of SMEs to financial institutions, both banks and non banks whose costs are borne by the SMEs themselves, but to date yet many SMEs are able to bear the burden for services received; (4) Business associations that can assist in various aspects through its members and particularly to do with the market; (5) Financial institutions which acts to overcome the classic problem of empowerment of SMEs is the problem of lack of capital, but SMEs are reluctant to come to the bank, especially as they relate to the many requirements that is used obtained credit facilities from banks; (6) Market: Good relations between SMEs and market participants (buyers and export) need to be maintained; (7) The government has a role in facilitating SMEs and other institutions related to empowerment of SMEs such as cooperatives, associations, BDS, and financial institutions that can be driven by the government with a particular policy.
In relation to the empowerment of MSEs creative economy in East Flores then that needs to be addressed first is human resources MSEs because the capital is available in sufficient quantities sufficient variety of financial institutions and co-operative but how intelligence and tips MSE use so that needs to be addressed is the human resources, Technology, markets, supply of raw materials and other equipment will be easily obtained if SMEs already have extensive knowledge and sufficient skills in managing a business organization and business network following awake and properly maintained. Innovation program Improving the quality and capacity of human resource competencies and establish mutually beneficial partnerships between businesses (SMEs) with medium-size and big SMEs. Absolutely necessary for the sake of continuity and existence of business SMEs so that the training organization and management, production, online marketing, business assistance and production technology.

Innovations MSE creative economic empowerment program asks for the long term commitment required to provide qualified human resources and professional MSE that it should be prepared from now to face the competition in the free market that began in 2015 with the MEA. Capital of knowledge, ideas and creativity of the human resources that has strong leverage to develop and maintain the existence of MSE creative economy thus make a significant contribution to regional development. With this empowerment of SMEs should focus on strengthening the capacity or quality of human resources. Moreover, as many as 57.55 percent of MSE and MSE example creative economy program targets the Golden Gate Elementary education (elementary-junior high), which is as much as 47.11 percent of high school education and highly educated just as much as 4.72 percent.

Golden Gate Innovation program through economic empowerment and SMEs with DAS only a stimulant it can increase revenue target MSE program. Changes in income SMEs creative economy after Direct Aid Society (DAS) sample are:

<table>
<thead>
<tr>
<th>No</th>
<th>Business Sector</th>
<th>Golden Gate Fund</th>
<th>Income After</th>
<th>Income before</th>
<th>%+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Arts, Crafts</td>
<td>8,750,000</td>
<td>9,897,474</td>
<td>7,908,621</td>
<td>12.70</td>
</tr>
<tr>
<td>2</td>
<td>Adobe</td>
<td>11,500,000</td>
<td>6,945,833</td>
<td>5,986,500</td>
<td>16.34</td>
</tr>
<tr>
<td>3</td>
<td>Bricks</td>
<td>7,166,667</td>
<td>2,851,840</td>
<td>1,930,983</td>
<td>11.41</td>
</tr>
<tr>
<td>4</td>
<td>Welding</td>
<td>11,125,000</td>
<td>2,575,625</td>
<td>1,684,001</td>
<td>11.37</td>
</tr>
<tr>
<td>5</td>
<td>Pulse Counter</td>
<td>20,681,750</td>
<td>2,420,833</td>
<td>1,547,092</td>
<td>11.47</td>
</tr>
<tr>
<td>6</td>
<td>Photocopy</td>
<td>20,906,667</td>
<td>1,965,972</td>
<td>1,053,764</td>
<td>21.08</td>
</tr>
<tr>
<td>7</td>
<td>Cashew</td>
<td>3,928,571</td>
<td>2,869,940</td>
<td>1,588,959</td>
<td>14.76</td>
</tr>
<tr>
<td>8</td>
<td>Convection</td>
<td>10,625,000</td>
<td>10,846,875</td>
<td>9,463,125</td>
<td>19.90</td>
</tr>
<tr>
<td>9</td>
<td>Culinary</td>
<td>3,450,000</td>
<td>5,162,700</td>
<td>4,514,270</td>
<td>14.29</td>
</tr>
<tr>
<td>10</td>
<td>Furniture Wood</td>
<td>15,251,929</td>
<td>9,627,497</td>
<td>8,528,703</td>
<td>8.82</td>
</tr>
<tr>
<td>11</td>
<td>Trade Publishing &amp; Books</td>
<td>7,500,000</td>
<td>9,895,833</td>
<td>9,017,708</td>
<td>7.32</td>
</tr>
<tr>
<td>12</td>
<td>Mattress Pillow</td>
<td>2,000,000</td>
<td>2,766,667</td>
<td>1,873,254</td>
<td>15.64</td>
</tr>
<tr>
<td>13</td>
<td>Computer Rental</td>
<td>25,333,333</td>
<td>1,392,783</td>
<td>1,359,469</td>
<td>11.32</td>
</tr>
<tr>
<td>14</td>
<td>I Weaving</td>
<td>3,553,571</td>
<td>3,906,671</td>
<td>3,301,188</td>
<td>12.82</td>
</tr>
<tr>
<td>15</td>
<td>Corn Chips</td>
<td>2,437,500</td>
<td>3,759,792</td>
<td>3,080,344</td>
<td>14.32</td>
</tr>
<tr>
<td>16</td>
<td>Photo studio</td>
<td>6,000,000</td>
<td>12,500,000</td>
<td>10,625,000</td>
<td>17.65</td>
</tr>
<tr>
<td></td>
<td><strong>Average Sample</strong></td>
<td><strong>8,207,774</strong></td>
<td><strong>4,835,775</strong></td>
<td><strong>4,288,535</strong></td>
<td><strong>12.95</strong></td>
</tr>
</tbody>
</table>

Source: Processed Data Primer, 2015

Average net income target group MSE creative economy program Golden Gate after the acquisition of BLM increased by 12.95% (0% lowest and the highest 25%), while respondents who earn net income
between 0% -5% as much as 16 respondents with details: Peanut business mete one person, five respondents Wood Furniture, Computer Rental by one person, Weaving as much as one people and businesses, Titi Corn many as two people, as well as business and Trade Book Publishing as a respondent. MSE creative economy which increased net income by 20-25% after BLM Golden Gate as many as 10 business units, with details: business cashews two units, three units convection, business four unit and corn businesses titre one business unit.

Although the average net income of MSE example increased by 12.95% but the contribution BLM received MSE creative economy to the net income of only 7 percent, it means that other funding sources also contributed to the net income gains MSE creative economy.

MSE performance objectives of the program can be considered good because the value varies BLM can encourage increased net income after getting funds but lack of cooperation with groups that have been formed by mutual consent. According to the results of interviews with Bernard Ado Hurint (Village Lewoloba-Lewolema, August 13, 2015) the researcher was told that a group formed only disqualified order to obtain the BLM because the group members have different businesses that cannot support each other in the development of business, unless the business together it is likely to mutually support each other, such as raw materials, equipment and marketing together. To that end, the pattern formation of the target group in the future must be considered in common effort.

MSE role in the development of creative economy as outlined in the previous section that SMEs are able to absorb the labor that number is increasing from time to time. Micro, Small and Medium Enterprises (SMEs) have a strategic role in national economic development. Besides a role in economic growth and employment, SMEs also play a role in the distribution of development outcomes. The more MSE creative economy developed, the more jobs and workers absorbed performance the industry. Based on BPS data, East Flores district in 2014 showed that the Small Micro subsector creative economy as much as 3,697 units of MSE so that the number of workers absorbed in each subsector of creative economic initiatives as follows:

<table>
<thead>
<tr>
<th>Field of Business, Enterprise and Employment Unit Sub creative economy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ecocraft Subsector</strong></td>
</tr>
<tr>
<td>Advertising</td>
</tr>
<tr>
<td>Craft</td>
</tr>
<tr>
<td>Design</td>
</tr>
<tr>
<td>Fashion</td>
</tr>
<tr>
<td>Video, Film, photography</td>
</tr>
<tr>
<td>Publishing &amp; Printing</td>
</tr>
<tr>
<td>Computer Service</td>
</tr>
<tr>
<td>Culinary</td>
</tr>
<tr>
<td>Music ( Recording)</td>
</tr>
<tr>
<td>Number</td>
</tr>
</tbody>
</table>

Source: Primary and Secondary Data Processed in 2015

The above data illustrates that the contribution of the three sub-sectors in the development of East Flores is craft subsector contributes to the employment of 46%, Fashion or convection by 22% and 21% culinary. Nationally BPS (2013, http://program.indonesiakreatif.net/research/kontribusi-ekonomi-kreatif-terhadap-pdb-indonesia/3 November 2015) reported that the three sub-sectors that provide the largest contribution to national employment is Culinary by 33%, Fashion by 27%, and Crafts of 15%. All three sub-sectors have been dominant in employment because the ease with which people develop the three permanent establishment with qualified workforce are relatively easily met by anyone who has requested to work on these subsectors, although Fashion and crafts require creativity and skill that is higher than the Culinary effort. Agency Creative Economy of the Republic of Indonesia (2015) that Contributions 15 sub-sectors of the creative industries on a proportion of PDB in 2014, which indicates that the culinary industry is a sub-sector with the largest PDB contribution is equal to 32%.
Special workers absorbed in the creative economy MSEs target Gerang Gold program can be explained as follows. Golden Gate targets innovation programs 2013-2014 period respectively of 1,271 people and 2,184 people can be expected that workers absorbed as much as ± 5,310 people. The number of workers absorbed specifically for MSEs creative economy as much as 759 percent of people with employment in the creative economy MSE examples are:

![Figure 2. Percentage Absorption of manpower in the creative economy SMEs by Type of Business](image)

Sources: Primary data that have been processed, 2015.

The business unit weaving and wood furniture provide employment for the second highest this business is labor-intensive effort than the business of brick, forge welding, culinary and Titi Corn. However, as much as ± 48% of the workforce on a sample of businesses I Weaving and Titi Corn classified as no longer young age, i.e. 43-60 years, while labor is less interested in a young age to develop these efforts so that the government needs to address this condition better to keep both the business sustainable.

Increasing the role and contribution of SMEs performance development particularly employment and regional governments have been making various efforts and have contributed to empowering the form of policies, programs and activities to further strengthen the SME sector. But the empowerment efforts yet provide maximum results and bring leverage (leverage) strong for the perpetrators of SMEs in particular, and society in the government’s ability generally because funding and guidance is also limited.

One of the government’s efforts to enhance the role of SMEs in the development and promotion of products is to help SMEs to better show their products through exhibitions market is held every year in all provinces or districts even abroad. Director General of IKM (Ministry of Industry) Euis Saedah said it has made a strategic step in the development of creative industries which he calls the "four steps plus one", i.e. the strengthening of the skills and competencies of the craftsman (SDM), facilitating technical production by optimizing equipment, strengthen their standards, and protect their works with IPR. While the addition of which is the strengthening of the market in the form of exhibitions in various places, especially in Plaza Exhibition Industry, the Ministry of Industry. "Through this exhibition is expected to provide motivation and supplies to the participants or craftsmen to be a formidable entrepreneur, professional, creative and innovative so that the growth figures, the strengthening and enhancement of global competitiveness that we all aspire" (Press Release by head of Public Communications, Jakarta, October 6, 2015).

In addition to its role in job creation, MSE creative economy also helped increase the revenue and equity income of the people and the distribution of goods and services to a variety of places required by the market or the public. For example, the Semana Santa can buy souvenirs and paraphernalia of worship products produced by MSE in Larantukan particular and East Flores in general, or every household can have a couch, table and chairs produced by MSEs Furniture wood, or MSE convection can produce garments with fashion and style required by consumers. Similarly, other creative economic products produced by SMEs in this area.

Based on the results of interviews with the creative economy MSE examples, it is shown that workers absorbed on the Golden Gate program targets SMEs as much as 249 people with varying wage system, i.e. there are remunerations based on the unit results (the products) and some use monthly wage. Although the different pay systems but wages earned between Rp 500,000 - Rp 1,250,000 per month, or an average of Rp
875,000. Thus, the total gross revenue amounted to Rp217,875.000 labor, - and if it is assumed the personal income tax of 5%, the net income amounted to 206 981 250 rupiah labor. More and more jobs are created and more and more workers employed and thus the greater the contribution to the state or local income in taxes.

Empowerment of 502 units and 106 MSE sample program targets the Golden Gate was able to open up employment opportunities for 759 and 249 so that the wages earned by those concerned can support his family. Thus, the existence and continuity of effort MSE creative economy are capable of reducing poor families in East Flores. Thus, empowerment MSE creative economy by creating the government equitable distribution of income indirectly and people are increasingly easy to obtain goods and services required. If the amount of net income of workers in MSEs samples can be used to measure the leverage of BLM received MSE program targets, then every single rupiah BLM received MSE able to create / improve labor income of 1.29 times. This means that more and more workers employed by the provincial minimum wage BLM leverage against the higher public revenue.

Based on the description in the preceding paragraphs, it can be concluded that the existence of creative economic empowerment of the MSE provides a double effect on employment, distribution of goods and services, and equitable distribution of income and improve household incomes, especially those who work or are employed in SMEs creative economy. For these reasons justify the government and parliament District East Flores for initiating and implementing the program the Golden Gate through economic empowerment in general and SMEs creative economy, especially since the fiscal year 2013 to 2016 with the expectation that in the medium-term and long-term independence MSE creative economy can be showed so the higher the contribution to regional development.

Strengths-Weaknesses and Opportunities-Barriers to SME development

a. Strengths of MSE Creative Economy
- The local culture is still well preserved so that the creative product demand tend to increase.
- The existence of local cultures requires that a local specialty clothing at the event or a particular celebration.
- Flores and Lamaholot culture festival held every year to encourage the growth of the creative economy businesses.
- Renewable natural resources are still abundant and interesting as raw materials and auxiliary materials for businesses and furniture bamboo crafts, tableware and souvenirs made from coconut shell, noni and indigo as natural dyes.
- The raw material of creative industries mostly local materials (available in the neighborhood MSE).
- The creative industry household scale scattered in various villages in the East Flores.

b. Weaknesses of MSE Creative Economy
- The quality and quantity of human resources which is developing the creative economy is still limited.
- The business of the creative economy is still seen as a less promising business future.
- Consumer loyalty towards creative products low so that affects the value added that should be enjoyed by the manufacturer.
- Standard Product has not produced yet, the end result is still less neat.
- Low interest of labor to work on a sub-sector of creative effort, especially crafts, such as weaving, bamboo furniture, and typical regional culinary business.
- Not to wake up and maintaining the business network of the permanent and profitable selling.
- Low mastery of technology by MSEs creative economy
- Amount of MSEs creative economy has not been able to bring machinery and properties needed in production
- The product packaging is still very simple and hence creative packaging does not even exist.

c. Creative Economic Development Opportunities MSE
- Potential total population and population growth
- Travel Semana Santa is held every year
- The market and the market share of the economic / creative industry both locally, nationally, and globally are likely to increase.
- Ask the customer and the market will be the result of creative industries tends to increase as indicated by the increasing unit MSE creative economy from year to year.
Accessibility of information acquisition of the product by the consumer is getting better and open.
The policy of the Government and the local government to use local products, both clothes and food locally.

d. Barriers to SME Development Creative Economy
- The difficulty of getting dye for both business craft weaving wicker.
- Globalization and free trade that requires competitiveness in quality and high service and fast delivery,
- More and more products, which are cheaper substitutes 3 times of major products
- Less enthusiasts’ local products by the majority of consumers because people judge that the creative product is relatively expensive.
- Technological advances more quickly.
- Difficulties in obtaining machinery or tools according to the needs of production.
- The presence of batik motif typical of the region with cheaper prices resulting demand for local creative products (i) is reduced.

To cope with various strengths, weaknesses and opportunities and obstacles facing the government in the development of creative economy MSEs in East Flores, there are a few strategies that can be used, among other things:
- To solve the main problem, in addition to capital BLM by the Regional Government may also establish cooperation with rural banks to channel credit to the MSEs low interest, thus MSE more orderly like paying in installment.
- Improving the skills knowledge, implementation of good organizational management group. These policies include education assistance and a short training to improve the quality of human resources using the technology of production and marketing through electronic media.
- Establish and improve cooperation with large businesses and enterprises, private enterprises to help empower the MSE creative economy through CSR.
- Maximizing the functions and duties of the Department of Cooperatives and SMEs, Industrialism and Trade Office, Department of Culture and Tourism in charge of helping micro, small and medium accessibilities in terms of capital, technology and management.
- Facilitate the provision of machinery, tools, raw materials and auxiliary materials needed MSE creative economy but not available.
- Increase in the form and frequency of events, exhibitions, design competitions, and festivals as promotion and marketing of products for consumers nationally and globally.
- Improve the design and quality of the product with the help of technology so as to compete nationally and globally.
- Revise concepts in the area of fashion clothing typical usage policy area every Wednesday and Thursday by civil servants who misrepresented as a fashion motif regions that are selling well is "Batik motif region" instead of weaving which is a fashion typical of the area.
- Unit and institutional strengthening. Units of micro and small businesses can join the strong business units, in order to form containers organization / association of small entrepreneurs who can fight for their interests at a particular forum so that one business units can be strong and independent.
- Improve the quality and services that create customer loyalty / customer to creative products.
- Increase the commitment of the government and large businesses in the SME empowerment creative economy in a sustainable manner so that it can have broad impact on society and the existence of SMEs in the long term can be maintained.

4. CONCLUSION

Based on the research and discussion above, it can be concluded as follows:
- Empowerment of MSE creative economy by all parties, facilitated and mediated by government and local government, both now and in the future is absolutely necessary because by empowering one unit MSE creative economy only able to contribute to job creation, equitable distribution of goods and services, and equitable distribution of income and reduce poverty.
Empowering MSEs creative economy is a strategic action plans and in enhancing its role to raise public revenue and local revenue through the provision and employment, and is not dependent on imported raw materials.

Innovation program through the Golden Gate community economic empowerment and MSE form of BLM activities able to increase net income MSE creative economy targets an average of 12.95% after the acquisition of BLM because a large part of MSE use its designation in business development.

Empowerment MSE creative economy by the government to create new jobs for 259 workers or totaled 759 people.

MSE example creative economy able to increase the average income of the people sebesar 875,000 rupiah to leverage BLM against labor income by 1.29 times, which means that with the help of BLM SME rupiah creative economy capable of creating increased revenue amounted to 2,29 rupiah.

Implementation of innovative programs to empower SMes Gold Gebang creative economy in East Flores is quite effective even though they last MSE misinterpret and one utilizing BLM.

To ensure the sustainability of community economic empowerment programs and MSE creative economy, the need to reform the organization and management of the program, especially at the level of the Village / Village and UPK and groups so that the group really as a place of cooperation is not just a container to get BLM so need complete with AD / ART. Improved knowledge and skills of MSE creative economy needs to be done so that in the long term could be self-sufficient and able to compete nationally and globally through improved design, quality and service.

Empowerment MSE sustainable creative economy needs to be done so that the capabilities and contribution in increasing regional economic development and competitiveness.
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