

## **Creative Economy Development Challenges for Halal Tourism: A Study in Madura, Indonesia**

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### **Abstract:**

Indonesia is a country that has potential in the tourism sector. In the context of creative economy-based tourism, Sumenep, one of the districts in Madura, has the potential to be optimally developed. However, issues such as the production of sharia-compliant products, raw materials and product marketing have become challenges for creative economy entrepreneurs in this region. This study was conducted to closely examine the development of the creative economy for halal tourism in Sumenep by focusing on the real challenges faced by creative economy entrepreneurs, especially in the handicraft sector. The data collected was then analyzed using thematic analysis. The analysis resulted in three main findings. First, implementing a creative economic development concept for halal tourism must be in line with the Halal Tourism Development Acceleration Team (TP3H) criteria. Second, nine challenges faced by creative economy entrepreneurs in Sumenep are the quality and quantity of human resources, capital, sharia-compliant products, competitors from outside the region, raw materials, marketing strategies, information and technology infrastructure, and Government policy. Competitors from outside the area are the main challenge faced by Sumenep's creative economy entrepreneurs. Third, training strategies, venture capital assistance, product innovation, marketing systems development, business partnerships, and the establishment of consulting and development centres could be implemented to deal with these challenges, with the cooperation of entrepreneurs and the government.

**Keywords:** *Challenges, Creative economy, Halal tourism*

### **Abstrak:**

Indonesia merupakan negara yang memiliki potensi di sektor pariwisata. Dalam konteks pariwisata berbasis ekonomi kreatif, Sumenep, salah satu kabupaten di Madura, memiliki potensi untuk dikembangkan secara optimal. Namun, isu-isu seperti produksi produk syariah, bahan baku dan pemasaran produk telah menjadi tantangan bagi pengusaha ekonomi kreatif di wilayah ini. Penelitian ini dilakukan untuk mengkaji perkembangan ekonomi kreatif untuk pariwisata halal di Sumenep dengan berfokus pada tantangan nyata yang dihadapi oleh pengusaha ekonomi kreatif, khususnya di sektor kerajinan. Data yang dikumpulkan kemudian dianalisis menggunakan analisis tematik. Analisis ini menghasilkan tiga temuan utama. Pertama, menerapkan konsep pengembangan ekonomi kreatif untuk pariwisata halal harus sejalan dengan kriteria Tim Percepatan Pengembangan Pengembangan Pariwisata Halal (TP3H). Kedua, sembilan tantangan yang dihadapi pengusaha ekonomi kreatif di Sumenep adalah kualitas dan kuantitas sumber daya manusia, permodalan, produk syariah, pesaing dari luar daerah, bahan baku, strategi pemasaran, infrastruktur informasi dan teknologi, serta kebijakan Pemerintah. Kompetitor dari luar daerah menjadi tantangan utama yang dihadapi pengusaha ekonomi kreatif Sumenep. Ketiga, strategi pelatihan, bantuan modal ventura,

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inovasi produk, pengembangan sistem pemasaran, kemitraan bisnis, dan pembentukan pusat konsultasi dan pengembangan dapat diterapkan untuk menghadapi tantangan ini, dengan kerja sama pengusaha dan pemerintah.

**Kata Kunci:** *Tantangan, Ekonomi kreatif, Wisata halal*

## **INTRODUCTION**

Halal tourism is one of the fastest-growing segments of the world's tourism business. This growth is in line with the increase in tourists from Muslim countries who want to spend their holidays abroad. The high potential in the halal tourism market can be seen in the rise in tourists <sup>1, 2</sup>. The Global Muslim Travel Index (GMTI) data shows that the number of Muslim tourists is estimated to reach 158 million in 2020. The number increased by 21 per cent compared to the number of tourists in 2017. The high number of tourists impacts spending, from purchasing plane tickets, lodging and accommodation, reaching USD 177 million or around Rp 2,500 trillion in 2017. The number is estimated to increase to USD 300 million or around Rp 4,200 trillion in 2026 <sup>3</sup>.

Along with this potential, Indonesia also has a variety of interesting tourist spots to explore. The Indonesian government has made various efforts at the international level to attract more tourists from abroad to realize the mission of developing Indonesia as a famous tourist destination <sup>4</sup>. The beauty of natural landforms such as the beauty of islands, beaches, mountains and valuable historical relics make Indonesia an attractive tourist destination for world tourists, in addition to the uniqueness of its language, culture, peace and friendliness of its people <sup>5</sup>.

A series of strategic measures taken by the Indonesian Government has made Indonesia rank in the top 10 in the Global Muslim Travel Index (GMTI) for five years in a row. In 2019, Indonesia ranked highest in GMTI, along with Malaysia as a Muslim-friendly tourist destination, with a score of 78 <sup>6</sup>. This GMTI score evaluation is based on four criteria: access, environment, communication, and service. Furthermore, in 2020, Indonesia's ranking has decreased by ranking 4th under Malaysia in the first order, Turkey, and Saudi Arabia in the third rank. That is due to the spread of the covid 19 pandemic, which has had a significant impact on tourism sector visits.

**Table 1.** Best Halal Tourism 2020

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<sup>1</sup> Pratiwi, "Dampak Covid-19 Terhadap Perlambatan Ekonomi Sektor Umkm."

<sup>2</sup> Hasan, "Making Indonesia as Integrated Halal Zone and World Halal Sector Hub Through the Implementation of Halal Supply Chain."

<sup>3</sup> Hasan et al., "Reflecting on Gmti and Imti in Assessing Halal Tourism Performance in Indonesia To Strengthen National Halal Industry."

<sup>4</sup> Boğan and Saruşık, "Halal Tourism : Conceptual and Practical Challenges."

<sup>5</sup> Mohd and Ismail, "Halal Tourism: Concepts, Practises, Challenges and Future."

<sup>6</sup> Boğan and Saruşık, "Halal Tourism : Conceptual and Practical Challenges."

<b>GMTI ranking</b>	<b>Countries</b>	<b>Score</b>
1	Malaysia	78
1	Turki	78
3	Arab Saudi	75
4	Indonesia	73
5	Uni Emirat Arab	71
5	Qatar	68
7	Maroko	67
8	Bahrain	66
8	Oman	66
10	Brunei	65

Source: Global Muslim Travel Index (GMTI) 2021

Apart from that, one of the strategic steps of the Indonesian government in developing the tourism sector is to form tourism and a creative economy in one department. On 21 December 2011, Indonesia became the second country in the world after the United Kingdom (UK) to house the creative economy sector at the ministry level and the first country in the world to house the tourism sector and the creative economy sector together in one ministry. The merger of the two industries is a mutually reinforcing combination and integrity. The creative economy can increase the attraction of tourist destinations and promotional media. In return, tourism growth also increases the creative economy's demand. Tourism promotion can also improve the creative economy of a destination <sup>7</sup>.

In the book 'Higher Education and the Creative Economy' Roberta Community and Abigail Gilmore define the creative economy as a new economic concept that promotes information and creativity by conveying ideas and knowledge as the main production factor.

While the Ministry of Trade of the Republic of Indonesia (2008) formulates the creative economy to sustain the economy sustainably through creativity with a competitive economic climate and renewable resources, a clearer definition is presented by UNDP (2008). That summarizes the creative economy as an integrative part of innovative knowledge and creative use of technology and culture. Therefore, the tourism sector and the creative economy can improve the Indonesian economy by making Indonesia the best tourist destination in the world <sup>8, 9</sup>.

In 2018, the Indonesian Ministry of Tourism and Creative Economy promoted Indonesia as a tourist destination for foreign tourists with the motto "Wonderful Indonesia". This motto aims to introduce tourism products found in Indonesia to other countries worldwide. Indonesia's tourism sector attracted 9.4 million foreign and 250 million local tourists, with a total expenditure of 177 trillion Rupiah in 2014. International tourists' arrival to Indonesia continued to increase by 10.41 million in 2015 and has provided an income of USD 12 billion <sup>10</sup>.

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<sup>7</sup> Satriana and DurrotulFaridah, "WISATA HALAL: PERKEMBANGAN, PELUANG, DAN TANTANGAN."

<sup>8</sup> Pauline J. Sheldon, "The Coming-of-Age of Tourism : Embracing New Economic Models."

<sup>9</sup> Lemy, Teguh, and Pramezwary, "Tourism Development in Indonesia."

<sup>10</sup> Nisthar, Sainudeen, and Mustafa, "An Econometric Analysis of Global Muslim Travel Index: A Study on the Perspectives of Permitted Tourism Industry in the Global Context."

Along with that, the Indonesian government is also developing the creative economy sector. The development of the creative economy began to receive attention during the administration of Susilo Bambang Yudhoyono in 2006. This development process was first implemented through the formation of Indonesian Design Power by the Indonesian Department of Trade to help develop the creative economy in Indonesia. In addition, the Indonesian government also held the Creative Economy Week and the Creative Economy Exhibition starting in 2009 and continuing in the following years. In 2011, the Indonesian government placed the creative economy and tourism in one ministry <sup>11</sup>.

The creative economy has promising enough potential to support the Indonesian economy. The GDP resulting from this creative economy sector reached Rp 784.9 trillion, with a total of 15.5 million workers in 2014. In 2015, it increased to Rp 852.6 trillion, with a total of 16.1 million workers. Next, in 2016 it increased to Rp 922.59 trillion with a total workforce of 16.91 million. Then in 2017, it experienced an increase reaching Rp1,009 trillion with a total of 17.43 million employees. At the end of 2018, the creative economy's contribution to national GDP reached Rp1,105 trillion and continued to increase to Rp1,211 trillion in 2019 <sup>12</sup>.

Among Indonesia's regions, Madura has great potential in the tourism and creative economy sector that covers four districts, namely Bangkalan, Sampang, Pamekasan and Sumenep. Madura has a very strong attraction in the tourism sector because it has natural wealth that can be used as a tourist destination, such as beach, mountain, cultural, religious, and culinary tourism <sup>13</sup>.

On the other hand, since 2015, Indonesia has encouraged the government in the Madura region to develop a halal tourism destination and attraction model. In addition, the Indonesian Ministry of Tourism also urged the regional government of Madura and religious leaders to draft regional regulations regarding halal tourism business activities. Such as sharia hotels, sharia restaurants, sharia tourism bureaus and sharia spas that Madura is expected to become a tourist destination in the future. "The Island of Halal Tourism Destination" <sup>14</sup>.

In the context of tourism based on the creative economy of Madura, Sumenep is one of the districts located at the eastern end of the island of Madura that has cultural diversity as a potential regional asset and should be developed as optimally as possible. Sumenep has various interesting cultural and historical tourist places to visit. The potential of existing tourism resources, historical heritage, and cultural wealth is a strong potential for tourism development in Sumenep <sup>15</sup>.

According to Sumenep's Head of Tourism, Sumenep has 28 tourist destinations recorded in Disparbudpora (Department of Tourism, Culture, Youth and Sports), consisting of 8 religious tourism, 13 nature tourism, and three historical and four artificial tourism.

Based on data from Disparbudpora Sumenep, in 2014, the number of international tourists who visited Sumenep was 378, with 544,245 local tourists and 544,623 tourists. In 2015 the number of international tourists was 417, with a total of 622,926 local tourists. with

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<sup>11</sup> Ma and Wihastuti, "PERTUMBUHAN EKONOMI INDONESIA : Determinan Dan Prospeknya."

<sup>12</sup> Andariesta and Wasesa, "Machine Learning Models for Predicting International Tourist Arrivals in Indonesia during the COVID-19 Pandemic : A Multisource Internet Data Approach."

<sup>13</sup> Budiyantri and Budiyantri, "PERKEMBANGAN PASAR MODAL DAN PERTUMBUHAN EKONOMI DI INDONESIA : ANALISIS VECTOR AUTOREGRESSIONS ( VAR )."

<sup>14</sup> Ma and Wihastuti, "PERTUMBUHAN EKONOMI INDONESIA : Determinan Dan Prospeknya."

<sup>15</sup> Sulistiyono, "STUDI POTENSI MINERAL BERBASIS KARBONAT DI KABUPATEN."

a total of 623,343. In 2016 there were 1,332 international tourists and 854,614 local tourists. with a total of 855,946 tourists. In 2017 there was an increase to reach 4,036 International tourists, and the number of domestic tourists was 1,047,109 with a total of 1,051,145. In 2018 again experienced a significant increase coming 2,694 international tourists and local tourism 1,285,325, with a total of 1,288,019 tourists <sup>16</sup>.

In 2019, 1,612 international tourists were visiting Sumenep and 1,496,874 local tourists, totalling 1,498,486 tourists. One thousand six hundred twelve foreign tourists visited Sumenep by visiting nine tourist destinations in 2019. With details, 66 foreign tourists visited Giliyang island, 109 to Gili Labak island, 275 to Sumenep Jamik Mosque, 309 to Sumenep Museum and Kraton, and 753 to the beach Nine. Furthermore, 21 foreign tourists visited Lombang beach, 6 to Soekarno Cave, 2 to Benteng Site, and 2 to Rumah Kasur Putih, and 69 foreign tourists visited several tourism events initiated by the Sumenep government <sup>17</sup>.

In 2020 the number of tourists experienced a sudden decrease until it reached 208,093 tourists, with details of foreign tourists totalling 35 people and local tourists counting 208,305 people. In 2021, no foreign tourists visited Sumenep, while local tourists totalled 248,158 people. The decrease is known through the Central Statistics Agency (BPS) with data from Disparbudpora Sumenep. The decline was due to the spread of the COVID-19 outbreak, which limited the number of foreign tourist visitors to Sumenep <sup>18</sup>.

With the potential wealth of tourism owned by Sumenep Regency, it also needs to be supported by the skills and creativity of human resources. One of the measures the Sumenep Government takes is to carry out community socialization in developing the creative economy. This step also aims to improve the community's economy by optimizing tourism, natural wealth, and the diversity of art and culture through the creative economy <sup>19</sup>.

**Table 1.2** Number of Tourists Visiting Sumenep Year 2014-2021

Year	International Tourist	Local Tourist	Total
2014	378	544.246	544.623
2015	417	622.926	623.343
2016	1.332	854.614	855.946
2017	4.036	1.047.109	1.051.145
2018	2.694	1.285.325	1.288.019
2019	1.612	1.496.874	1.498.486
2020	58	208.305	208.093
2021	-	248.158	248.158

Source: Central Statistics Agency (BPS) Sumenep Regency (2019)

**Table 1.3** Foreign Tourist Visits to Sumenep in 2019

<sup>16</sup> Badriyah et al., "Peningkatan Ekonomi Masyarakat Pesisir Melalui Inovasi."

<sup>17</sup> Arifin, "Digitalisasi Pariwisata Madura."

<sup>18</sup> Rini, Pratikto, and Sambodo, "Identifikasi Potensi Kawasan Sumberdaya Pulau Kangean Kabupaten Sumenep Madura Sebagai Kawasan Wisata Bahari."

<sup>19</sup> Utomo, "Pariwisata Madura Berbasis Partisipasi Masyarakat."

<b>Tourist destination</b>	<b>Total</b>
Gili Yang	66
Gili Labak	109
Masjid Jamik Sumenep	275
Muzium & Karaton Sumenep	309
Pantai Sembilan	753
Pantai Lombang	21
Goa Soekarno	6
Situs benteng	4
Event Kerajaan Sumenep	69
<b>Total</b>	<b>1.612</b>

Source: Central Statistics Agency (BPS) Sumenep Regency (2019)

Following the natural wealth in Sumenep, it has great potential to develop the creative economy in the handicraft sector. The handicraft sector is one of the sub-sectors of the creative economy in Indonesia. The handicraft sector in the creative economy can be interpreted as a creative activity related to the creation, production and distribution made or produced by handicraft makers. This sector starts from the initial design to the completion of the product finishing process. Handicraft products include products made from precious stones, natural or artificial fibres, leather, rattan, bamboo, wood, metal (gold, silver, copper, bronze and iron), glass, fabric, marble, clay, and chalk <sup>20</sup>.

There are several areas in Sumenep that produce specific handicraft products. For example, Karduluk Village has carved wood, whose market is not only for locals but also for foreign countries. Karduluk Village is widely known as a producer of wood carvings that is very impressive in Madura. Most people in Karduluk Village earn income from their creativity in processing wood into a unique and interesting item. Some products include cupboards, chairs, doors and other items of quality timber. All have different shapes and sizes. Pakandangan produces Tulis batik, and Batang-Batang is a producer of handicraft kitchen utensils <sup>21</sup>.

In the context of halal tourism, handicraft products such as carved wood, batik Tulis, and kitchen utensils have great potential to be developed. However, issues such as the production of sharia-compliant products, lack of quantity and quality of human resources, lack of raw materials, and limited capital are challenges for Sumenep's handicraft product operators. These challenges must be refined to highlight the true potential of creative economic development for halal tourism <sup>22</sup>.

Issues regarding the challenges of producing sharia-compliant products such as carved wooden handicrafts and written batik that resemble the shape of animals or human statues. The making of carved wooden art and written batik with motifs resembling animals and other living creatures is growing in the community along with the development of design and consumer demand. That is prohibited by Islamic law. It is also in line with the local community's beliefs or myths that prohibit visually presenting various living creatures that breathe and can move on their own in a sculpture. The conflict between consumer demand

<sup>20</sup> Nugroho SBM, "BEBERAPA MASALAH DALAM PENGEMBANGAN SEKTOR PARIWISATA DI INDONESIA."

<sup>21</sup> Nurhayati, "REVISITING PARIWISATA MADURA ;"

<sup>22</sup> Utomo, "Pariwisata Madura Berbasis Partisipasi Masyarakat."

and trust is seen as a challenge for related entrepreneurs and needs to be given the best solution for all parties <sup>23</sup>.

In addition, Sumenep's handicraft entrepreneurs face the challenge of preserving the artistic value of the products produced. Entrepreneurs no longer think handicrafts are a hereditary art and culture that must be protected for their weight and quality. On the other hand, they are more concerned with profit without emphasizing the artistic importance and quality of the product. At the same time, Islam is very worried about the quality aspect of a job <sup>24</sup>.

Meanwhile, the challenge of insufficient raw materials has been experienced by Sumenep woodcarving operators. For example, since 2005, Madura woodcarving industries have experienced inadequate raw materials imported from Bojonegoro and Kangean Island. Raw materials from far away require high financing, causing production costs, including labour wages, to increase. That has the effect of increasing the selling price <sup>25</sup>.

In addition, Sumenep handicraft entrepreneurs are also faced with competition in product marketing which often occurs in price competition. This price competition occurs because there is no standard price benchmark. Each entrepreneur puts a different price ratio for the same type of goods. Even worse, each other creates issues that harm other entrepreneurs, causing unhealthy competition <sup>26</sup>.

Thus, this study was conducted to examine more closely the development of the creative economy for halal tourism in Sumenep, Madura, Indonesia, by focusing on the real challenges faced by creative economy entrepreneurs, especially in the handicraft sector. In addition, this research will also describe how strategies are used to deal with related challenges. Research into these challenges will lead to the best-proposed solution in empowering creative economic development for halal tourism in Sumenep, Madura in particular and Indonesia in general.

## **LITERATURE REVIEW**

Studies on halal tourism as one of the biggest contributors to economic growth in various countries, including Indonesia, have received the attention of researchers for further research. Therefore, this study is divided into three parts based on previous studies—first analysis of the creative economy. Second, a survey of the relationship between the creative economy and tourism. Third, a study on the challenges of innovative economic development.

### **Study About Creative Economy**

In its study, the Indonesian Trade Department (2019) states that the creative economy can be defined as an industry derived from the use of individual creativity, skills and talents to create welfare and work fields by generating and exploiting the power of creation and respective copyrights.

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<sup>23</sup> Siddique, Haq, and Rahim, "The Contribution of Shariah-Compliant Products to SDGs Attending through the Pace of Economic Growth: An Empirical Evidence from Pakistan."

<sup>24</sup> Farida et al., "DESENTRALISASI WISATA RELIGI INDONESIA MELALUI CITY BRANDING WISATA KABUPATEN BANGKALAN MADURA Decentralization of Indonesian Religious Tourism Trough City Branding of Bangkalan Madura Regency."

<sup>25</sup> Rini, Pratikto, and Sambodo, "Identifikasi Potensi Kawasan Sumberdaya Pulau Kangean Kabupaten Sumenep Madura Sebagai Kawasan Wisata Bahari."

<sup>26</sup> Badriyah et al., "Peningkatan Ekonomi Masyarakat Pesisir Melalui Inovasi."

Further, a journal article by <sup>27</sup> understands the existence of the creative economy as a new talent predicted to trigger regional competitiveness. In his study, it can be concluded that the creative economy is an idea or idea expected to give value to the economy. The creative economy is one of the alternative solutions to economic problems, although its implementation is often problematic. Therefore, the role of the central government or local government can build commitment, correct regulations and realize a creative economy to stimulate economic growth and increase regional or national competitiveness. With almost the same topic, <sup>28</sup> in his study, concluded that the creative economy could be the answer to challenges in social welfare. In addition, the creative economy can reduce the unemployment rate. The creative economy will provide added value to both the production process and human resources, so the innovative economy system is believed to meet the challenges of various problems. In addition, it can also shift existing systems such as the communication economy, agricultural economy, industrial economy and others.

That follows the research done by <sup>29</sup>, who concluded that the Development of Creative Industries in the Handicrafts sector could improve the welfare of the people in Kota Batu. That is due to the creativity of creative industry implementers that can increase the yield of more innovative products. In explaining the growth and development strategy of the creative economy in the City of Malang, Ikhwanus Sofa, Deddy Nugroho made a study that concluded that the creative economy in the City of Malang is relatively stable. But this situation needs to be developed gradually and continuously improved. The government's role as a facilitator and regulator is expected to provide for the needs of industry operators and make regulations that can advance the creative economy. In addition to the government, innovative economy operators in the City of Malang must continue improving their businesses.

In line with that, a study from <sup>30</sup> concluded that the state of culinary group Pulosari JL. Kawi can be said to have enough prospects to be developed with a creative economic development model. That is because when it is reviewed from the industry aspect, the technology aspect, the resource aspect, the institutional aspect and the financial institution aspect. The Cluster can be said to be high and have great opportunities and become a model for culinary business development and the basis of the regional economy in the city of Malang.

From the point of view of the creative economy policy model, <sup>31</sup> conducted a study which shows that this study aims to describe the creative economic potential of Banten province. Especially from the aspect of exporting creative economy products as well as explaining creative economic opportunities and challenges in Banten province. His findings are that Banten province has the capital and export potential for innovative financial products. Some options can be used, and challenges need to be addressed by the authorities through the creative economy policy of Banten province. That is also the need to strengthen the synergy between various creative economy implementers, including society, government, academics or intellectuals, business people, and the creative community in promoting the development of the creative economy in the Banten region through the development of innovative economy policy innovation models.

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<sup>27</sup> Rio et al., "Competitiveness and Flow of Indonesian Paper Trade in The Global Market."

<sup>28</sup> Putri et al., "E-Finance Transformation : A Study of M-Wallet Adoption in Indonesia."

<sup>29</sup> Rahmayani, Oktavilia, and Putri, "The Impact of Covid-19 Pandemic on Inflation in Indonesia."

<sup>30</sup> Policy, "The Effect of Electricity Development in Indonesia on Poverty and Income Inequality."

<sup>31</sup> Priyono et al., "The Determinants of Level of Society Welfare Within Fiscal Decentralization Framework in Regional Autonomy Era."



Furthermore, <sup>32</sup> conducted a study that aimed to discover the creative industry's development in Indonesia and the role of the creative sector in facing the MEA 2015. The largest export contribution of the creative sector is in the advertising industry, while for import growth, the highs and lows occur in the art industry and market. In general, the creative industry in Indonesia has a relatively large role in the absorption of human resources. Therefore, it is recommended that the policy of creative documents in the industry in Indonesia. Indonesia's creative sector's development strategy and position in the global market.

As explained above, the study of the creative economy has been done by previous researchers so that it can be a basic guide in this research. However, this study focuses more on the creative economy for halal tourism in the handicrafts sector alone, which is judged to have the potential to be further developed. However, in its implementation, it still has challenges that do not occupy sharia, so improvements and policies are needed from the Sumenep government to develop a creative economy for halal tourism.

### **A Study About the Relationship between Creative Economy and Tourism**

The synergy between the creative economy and the tourism sector is an economic development model with enough potential to be developed in Indonesia. That can be seen in a study by <sup>33</sup> in Purworejo Regency. In his research, it can be concluded that extending the creative economy is a driver of the tourism sector. That requires connectivity by creating innovative product stores in strategic locations and close to tourist destinations. The shop can be a counter or handicraft centre that can be obtained in tourism packages. Handicraft shops in the form of counters or kiosks should be developed in popular tourist spots such as the Grand Mosque and Purworejo plains. That is in line with the study conducted by <sup>34</sup> concluded that the first model for developing the creative economy in Sambas Regency is to improve the quality of human resources. Especially in innovative industries based on culture, such as weaving crafts that emerge from small and medium enterprises. In addition, another thing that can be done in developing this creative economy is to increase the selling value of culture to become a cultural tourism destination. Sumber Harapan tourism village, located in the north of Kota Sambas, is one of the tourism potentials that should be optimally improved.

Further to the study conducted by <sup>35</sup>, who also researched the creative culinary industry's development strategy by combining products with tourism packages. This study concludes that several culinary creations of the City of Surakarta are of great interest to tourists and the Surakarta community, namely *tengkleng*, *nasi liwet*, *timlo*, and *serabi notusuman*. In promoting culinary products, the industry implementers do a strategy of combining products with tourism packages. In developing the creative culinary industry, the City of Surakarta involves various elements such as the government, financial institutions, mass media, agents, tourism, event managers, and education and training institutions. Each part has a different role in supporting the development of the creative industry sector in Surakarta City.

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<sup>32</sup> Iswahyudi, "The Persistent Effects of COVID-19 on the Economy and Fiscal Capacity of Indonesia."

<sup>33</sup> Anandhyta, "Hubungan Tingkat Partisipasi Dengan Tingkat Kesejahteraan Masyarakat Dalam Pengembangan Wisata Pesisir."

<sup>34</sup> Cemporaningsih et al., "Ekonomi Kreatif Sebagai Poros Pengembangan Pariwisata Di Kecamatan Kledung Dan Bansari, Kabupaten Temanggung."

<sup>35</sup> Hariyati, Hakim, and Batoro, "Ethnobotany of Homegarden in The Island of Gili Iyang , Sumenep Regency."

The development of creative tourism based on the batik industry in Pekalongan City can be advanced, especially after the United Nations of Educational, Scientific, And Cultural Organization (UNESCO) designated Pekalongan City as one of the most creative cities in the world in 2010. In their study, <sup>36</sup> concluded that the regional government, batik industry operators, and creative tourism operators in Pekalongan City have compiled and implemented batik development strategies and batik-based tourism. The system has been poured into the vision and mission of the City of Pekalongan. The process includes environmental improvement, infrastructure development, or non-physical strategies such as batik promotion and exhibition. In addition, the things that need to be observed by the government or the implementer's efforts in Pekalongan are the sustainability of the strategies carried out.

Apart from the previous studies above, which describe the relationship between the creative economy and tourism. In his research, <sup>37</sup> emphasized the relationship between the creative economy and tourism, which explained that although creativity is still difficult to understand, this concept has been integrated into tourism in various forms through creative people, products, processes and places. This creative wave has been driven by both productive and consumption-related forces, including economic growth, experience, the need for culture and post-modern separation. The development of innovative approaches to tourism can also be linked to various strategies to create distinctive places, including promoting creative industries, cities and classes. It can be said that these different strategies can show themselves concretely through the absorption of creative production and consumption into certain creative groups. In line with <sup>38</sup> states in her study that creative tourism is one of the newer and more recent forms of tourism that is very attractive to the increasing number of tourists, including the group that chooses the Republic of Macedonia as a tourist destination. Creative tourism opens up space for various benefits because the studies' results need to be used in the right direction. In addition, it is necessary to direct tourism towards preparing specific programs and strategic plans for developing cultural tourism in the country.

The relationship between the creative economy and tourism is a model of economic development that has the potential to be developed. Linking the creative economy and tourism can mutually contribute to each other. From that basis, then this study was conducted. However, this study focuses more on the creative economy for halal tourism in Sumenep Madura, Indonesia, by focusing on the challenges faced in developing a creative economy for halal tourism in Sumenep, Madura, Indonesia <sup>39</sup>.

<sup>40</sup> studied the mapping of challenges in applying the creative economy in the city of Bengkalis. The results showed that, first, the Creative Economy of the City of Bengkalis had not been managed seriously and optimally. Second, some of the successes that the

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<sup>36</sup> Raharjana, Shri, and Wisata, "Penguatan SDM Dalam E-Marketing Untuk Promosi Desa Wisata Di Kabupaten Malang."

<sup>37</sup> Pauline J. Sheldon, "The Coming-of-Age of Tourism : Embracing New Economic Models."

<sup>38</sup> Hasan et al., "Reflecting on Gmti and Imti in Assessing Halal Tourism Performance in Indonesia To Strengthen National Halal Industry."

<sup>39</sup> Farida et al., "DESENTRALISASI WISATA RELIGI INDONESIA MELALUI CITY BRANDING WISATA KABUPATEN BANGKALAN MADURA Decentralization of Indonesian Religious Tourism Trough City Branding of Bangkalan Madura Regency."

<sup>40</sup> Anggaran et al., "MANAJEMEN KOMUNIKASI DINAS PARIWISATA KEBUDAYAAN, KEPEMUDAAN DAN OLAHRAGA DALAM MENGEMBANGKAN POTENSI DESA WISATA DI KABUPATEN BENGKALIS."

government can do to support creative economy actors are rules or policies that facilitate creative economy actors in carrying out operations, supervision from the elements of market mechanisms, export-import, access and community building. Third, there needs to be synergy between the government, the private sector and educational institutions, matters related to the ease of creative economy actors in obtaining production factors and creating community awareness.

Still with the same theme <sup>41</sup> stated in their study that the development of the creative economy has many obstacles because it is not easy between expectations and realization to be achieved effectively and efficiently. It can be concluded that the challenge factor from the side of marketing management is 4P (Product, Price, Place, Promotion). Deciding on the product's quality is difficult to maintain because of increasing workers' skill levels of workers and high health risks, and unstable prices. Sometimes the cost of the business is higher than the market price. The distribution factor that needs to be done to control the marketing shares is higher, and the promotion is very high, as well as the element that is very less.

While <sup>42</sup>, in her study on the development of the creative economy in culinary, found that there are still many problems faced in general in developing the creative economy in general and by home culinary industry entrepreneurs in the Jambi region in particular. However, this problem must be overcome through developing the creative economy and profitable cooperation with various parties, especially the cooperation and support of the Jambi Provincial government.

In his study, <sup>43</sup> concluded that internal challenges include not having a clear product, lack of funds and lack of supporting facilities. The external obstacle experienced by Munggu Village is the lack of standardization for a village from a directive from the government so that making a village's development into a town, especially a village, *Munggu*, is not clear. In addition, there is no government role in the development of rural Munggu, and it has no marketing or product development relationship.

## RESEARCH METHODOLOGY

### Type of Research

The type of research in this study is field research. A field study is a study that has the characteristics of a problem related to the background and current situation of the subject being studied, namely Karduluk, Pakandangan and Batang-Batang, Sumenep District Cooperative and UMKM Office and Sumenep Regency Industrial and Trade Office. In addition, this field of research also uses library research as support in carrying out research. The researcher uses a variety of literature in the library relevant to the problem raised by the researcher.

### Nature of Research

The nature of this research is descriptive. The descriptive analysis seeks to inform current problem solving based on data, so it also presents data, analyzes and interprets. This research will describe the challenges and creative economic development strategies for halal tourism in Sumenep, Madura, Indonesia.

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<sup>41</sup> Satriana and DurrotulFaridah, "WISATA HALAL: PERKEMBANGAN, PELUANG, DAN TANTANGAN."

<sup>42</sup> Hasan, "Prospect of Islamic Electronic Money in Indonesia : Case Study on the LinkAja Application."

<sup>43</sup> Haque, Ahmad, and Azad, "Mapping of Scientific Literature on Islamic Economics, Banking and Finance 1955 to 2020."

### **Data collection**

The data used in this research are:

#### **Primary data**

Primary data is data in the form of verbal gestures or behaviour performed by a reliable subject. In this case, it is a research subject (informant) related to the studied variable. Primary data is obtained directly from the original data source. Primary data sources can provide direct information, where the data source has a relationship with the subject matter as information material that has been sought so that the primary data from this study is taken directly from the research site by the researcher in the form of subjects (people). Preliminary data can be collected by two methods: the interview method and the observation method.

In this study, the researcher used the interview method as the primary data to obtain data from informants. The parties notified are handicraft operators, the Office of Cooperatives and UMKM and the Office of Industry and Trade of Sumenep. With details:

- a. Head of Industry and Trade Office
- b. Marketing Division of the Office of Cooperatives and UMKM
- c. 5 Karduluk woodcarvers
- d. 5 Pakandangan Tulis batik entrepreneurs
- e. Five people who use Batang-Batang kitchen equipment

#### **Secondary Data**

Secondary data is obtained from graphic documents (schedules, notes, meeting minutes, SMS, etc.), film photos, video recordings, objects and others that can enrich the primary data. Secondary data obtained in this study through books, journals, articles, BPS (Central Statistics Agency) data from the Office of Cooperatives and UMKM of Sumenep Regency and the Office of Industry and Trade of Sumenep Regency, monographic data of Karduluk Village, Pakandangan and Batang-Batang. Data collection.

## **RESULT AND DISCUSSION**

There are nine challenges related to the creative economy for halal tourism in Sumenep, Madura, Indonesia, including:

### **Quantity of Human Resources**

The influence of globalization in the industrial world at this time causes the competition between industries to become more intense and competitive. That causes every sector to continue to compete to face the existing competition. Industries that can survive in the global competition are those that properly manage human resource management, financial management and strategy management.

Human resource management in the industry plays a role in planning, organizing, leading and controlling activities related to job analysis, job evaluation, procurement, development, compensation, promotion and termination of employment to achieve the set goals.

In general, the community of handicraft entrepreneurs in Madura has been skilled in focusing their creativity on their products. Including the carving art products of Sumenep entrepreneurs that give a beautiful image. The Madurese, or non-local community, has recognized the greatness of Sumenep carved wood products. Thus the carved wood industry has enough potential to develop the existing community. The ability to cut is not only owned

by one or two people but almost half of the community who practice this art of wood carving. Some of them cannot carve, and they work as carpenters.

For example, an area of Sumenep that is famous as a carving village is Karduluk. From the recorded data on the population based on livelihood, Karduluk woodcarvers have 504 people. Almost half of society is an asset and a potential that should not be underestimated. If this potential is managed well, there is a great opportunity for the Karduluk community itself to develop the community's economic potential. Every tourist who comes to Sumenep will not miss visiting this place to see and find the carved wood products they produce.

From the results of the interviews that have been conducted, Sumenep woodcarving operators tend to experience business challenges from the human resource quantity sector. That is due to the less interested workers continuing the carved wood business. As already said by a Karduluk woodcarving businessman. He said: *"The youth group in the Karduluk wood carving business is decreasing. This is due to the lack of interest of the youth group to continue the business"*.

In addition to the art of wood carving found in the Karduluk area, Sumenep also has an area that produces innovative economic products, especially handicrafts, which is the written batik business located in the Pakandangan area. That area has human resources where most of the population does business in the registered batik business. The residents of this area have the potential to draw from their excellent work, especially in building the economic balance of the community.

Next, *Pakandang tulis* batik entrepreneurs are faced with the challenge of the number of human resources due to many *tulis batik* entrepreneurs or workers choosing to farm in the rainy season. That is in line with the words of one of the *tulis batik* entrepreneurs: *"The challenge we face as Pakandangan tulis batik entrepreneurs is the lack of human resources, and it is caused by some tulis batik workers choosing to farm in the rainy season. When the rainy season arrives, many people who initially did the batik tulis business temporarily switch to farming. It can hinder the quantity of the product and its marketing"*.

Other Pakandangan tulis batik entrepreneurs stated: *"The challenge is that, sometimes, when it's the rainy season, many workers move to become farmers. That causes us to lack workers."*

In addition to the two areas above that produce handicrafts, there is also a kitchen equipment business which is an area located at the eastern end of Madura Island, namely Batang-Batang. Batang-Batang is one of the areas in Sumenep where most residents trade kitchen appliances. It can be said that almost the entire population runs this business.

Most Batang-Batang kitchen equipment entrepreneurs face the challenge of the number of human resources. Insufficient capital to pay workers' wages results in too low wages, and many people move to other areas. One of Batang-Batang's kitchen equipment operators said: *"Batang-Batang youth no longer have interest in continuing the kitchen equipment business. That is based on the many youth groups here who migrate outside the area for a higher income."*

Based on the results of the interviews above, it can be concluded that Sumenep handicraft entrepreneurs, whether from the Karduluk carved wood sector, Pakandangan written batik and Batang-Batang kitchen equipment, are experiencing the challenge of lack of human resources. The lack of quantity of human resources faced by Sumenep handicraft entrepreneurs is caused by the lack of interest from the youth. For example, the child of Karduluk feels they have no interest in continuing the wood carving business.



Based on the observations conducted by the researcher, many of the Karduluk youth community choose to work outside the area to get a higher income. That was regretted by previous woodcarving entrepreneurs who still desired to maintain the art of Karduluk woodcarving. Not only that but the youth's lack of interest in the wood carving art business is also considered a waste of great potential in the creative economy industry. Since the Karduluk wood carving products are already known outside the region and abroad.

The youth's lack of interest in the handicraft business is also a challenge for Batang-Batang kitchen equipment operators. In addition to affecting the lack of workers, it also affects the maintenance of the kitchen equipment business. From the interviews conducted by the researcher, it can be concluded that the youth of Batang-Batang choose to work outside the area because the wages earned as workers in Batang-Batang are minimal. Also, a kitchen appliance operator's income is considered insufficient to meet daily needs.

Next, the challenge of lack of quantity of human resources is also faced by Pakandangan batik entrepreneurs. Pakandangan tulis batik entrepreneurs experience challenges due to a lack of human resources during the rainy season because many batik artisans turn into tobacco farmers. As a result, Pakandangan Tulis batik operators lack product supply and take longer to complete consumer requests. In dealing with these obstacles, Pakandangan tulis batik entrepreneurs must find business partners from outside the area to obtain a supply of batik fabric products or complete consumer demand according to the set time.

### **Human Resources Quality**

Apart from the challenge of lack of quantity of human resources, creative economy entrepreneurs in Sumenep also face challenges of lack of quality of human resources. In this case, the human resources in question are creative economic entrepreneurs who have a role in running commerce.

Instead of the bragging results, Sumenep carving wood entrepreneurs tend to experience commercial challenges from the quality sector of human resources. That is due to entrepreneurs among those who only attend low and middle grades. As the Karduluk woodcarving entrepreneur said, he said that: *"The majority of entrepreneurs here are just junior and high school graduates. We have no higher education. Even though formal or informal education is very important, especially in running a business."*

R4 also conveyed the same thing. He stated: *"I went to school until middle and low. There used to be no school. Even though it is there, it is far away. Unlike now, schools are everywhere"*.

Judging from the results of the bragging and observations carried out by investigators, the residents in the Pakandangan area have been running the written batik business for a long time. Most people who do this business have a regular education in low and high school, although some already have a baccalaureate diploma. That causes the batik-trading population who have low education only to be allowed to do business within the area without carrying out wider marketing efforts to outside sites and not having a profitable marketing chain with greater profits.

Regarding the challenge of low education, Pakandangan batik entrepreneurs are caused by the lack of self-awareness of the importance of education. R8 conveyed this, he stated: *"Most of the education of batik entrepreneurs here is only up to the level of low school and high school. Environmental factors and self-awareness caused it because, at that time, there were still people who rarely continued their education, so they were baccalaureate. Mostly after low school or high school quit. Some are married or continue to work"*.

In addition to the two areas above that produce handicrafts, there is also a kitchen utensil trade which is an area located at the eastern end of Madura Island, namely Batang-Batang. Batang-Batang is one of the areas in Sumenep where most of the population trades in kitchen utensils. It can be said that almost the entire population runs this business.

Most Batang-Batang kitchen equipment entrepreneurs are faced with the challenge of a lack of quality human resources. In addition to the factor of low education, also because of the challenge of insufficient capital to pay workers' salaries, causing salaries that are too low, many people move to other areas. R12 says: *"Young people in Batang are also less interested in this trade. So people with low education only carry out the quality of human resources in this business. Such as only common schools and law school graduates, which leads to a lack of broad understanding of marketing the items we produce. We only make kitchen utensils products that shops in the Sumenep area only order. Without doing wider marketing to other places"*.

Based on the results of the discussion above, it can be concluded that the Sumenep handicraft entrepreneurs from the Karduluk carved woodcraft sector, Pakandangan batik and Batang-Batang kitchen utensils are facing the challenge of lacking the quality of human resources.

The lack of quality human resources for the Karduluk wood carving trade is that many entrepreneurs take education to the lowest level. Between the stages of Low School to Middle School. That is due to the lack of educational institutions, so many people who do not continue their education immediately enter the world of work.

Educational institutions are also a barrier to entrepreneurs of Pakandangan batik and Batang-Batang kitchen utensils. Most entrepreneurs of Pakandangan batik and Batang-Batang kitchen utensils only continue their studies to the intermediate level. In addition to the limitations of education, awareness of the importance of education is also why most Pakandangan and Batang-Batang people do not continue their education.

The stage of community education also contributes to the quality of life of certain individuals and groups, although this fact is not necessarily true. Not only formal education but non-formal education is also important in forming attitudes. Individuals or groups who are educated will provide a clearer view than those who are not educated. Education is a process of changing the attitudes and behaviour of a person or group of people to mature humans through teaching and training efforts. Based on this, the education stage is also one of the important things that can support the development of creative economy businesses in Sumenep, especially the handicraft sector.

## **Capital**

Capital is an important element in the business world. Capital is one of the things that can determine whether a business can progress or not. Without sufficient capital, a company will not run as expected. Based on what was delivered by the Head of the Sumenep Industrial and Trade Office, who stated that: *"In terms of the obstacles we often encounter when surveying creative economy entrepreneurs in Sumenep are marketing, raw materials, and the lack of capital is often a big problem. That is why we help them in preparing the business license. For example, the business license will be useful as collateral if they lack capital."*

That is following the results of interviews conducted by the researcher. The majority of Karduluk woodcarving entrepreneurs face challenges with limited capital. That is in line with the statement of one of the carved wood entrepreneurs: *"Capital plays a very important role in business ventures. Without sufficient capital, the business will not run smoothly. Until now, we think the capital we have is quite minimal."*

Other Karduluk carved wood entrepreneurs also stated: *"Sometimes there is a lack of capital. Because our needs are not only this. There are also many other needs. And building this business also requires a lot of capital. So that this business continues to grow. Moreover, the model of carved wood products changes following the trends in the market. So that requires more production."*

In addition to Karduluk woodcarving business people who experience capital limitations, this also happens in the Pakandangan area in running *batik tulis* business. As we know, batik is a business that requires a lot of capital. Because more people maintain and produce quality batik cloth, the money necessary is also greater.

One of the Batik entrepreneurs wrote Pakandangan said this: *"Most batik tulis entrepreneurs in this area use their capital. No support from the local government. The capital we have is sometimes insufficient for developing the business. That is also due to the increase in the price of raw materials in manufacturing batik."*

As a result of capital constraints, many Pakandangan Tulis batik entrepreneurs make a temporary business transition, usually done in the rainy season. They switched to doing business as farmers, which according to them, is more profitable and requires less capital than the batik tulis business.

The same thing is also felt by kitchen appliance operators, who are the main income of the Batang-Batang community. This business has been in this area for a long time. It can be said that this area is famous for its kitchen equipment business in manufacturing by hand without the help of machine technology.

The kitchen appliance business has an important role in everyday life. Based on what R11 said as one of the kitchen equipment operators, said: *"It seems that entrepreneurs here are suffering from a lack of capital. Because, on average, we use our capital. In my opinion, if we have enough capital, this business will be very developed, considering the increasing demand for kitchen equipment products. However, the problem of insufficient capital for the manufacture of kitchen appliances causes obstacles to the development of existing businesses."*

R14 as a Batang-Batang kitchenware handicraft entrepreneur, also stated: *"It is also called small business. Sometimes there are many needs. Suddenly, there is a reservation. So yes, the capital is less...."* So it can be concluded from the three businesses that either Karduluk carved wood, Pakandangan written batik, and Batang-Batang kitchen equipment has the same problem in developing the business, that is having the challenge of limited capital. In this case, the role of capital in business progress is very important. It is said that business progress depends on the amount of money. However, it cannot be a 100 per cent benchmark, in addition to marketing techniques and business quality.

The wood carving business requires a lot of capital because the raw materials needed are expensive, like teak wood that costs IDR 10,000,000 for a 10-year-old teak tree. Processing teak trees to become carved wood material also requires high operating costs.

Pakandangan Tulis batik entrepreneurs also face the challenge of limited capital. From the results of interviews conducted by researchers, it can be concluded that Pakandang Tulis batik entrepreneurs face the challenge of capital limitations because in running their businesses, Pakandang Tulis batik entrepreneurs use their capital.

In addition to being constrained by capital constraints when starting a business, Pakandangan Tulis batik entrepreneurs also face obstacles in expanding the tulis batik business. That is because developing a batik tulis business requires a lot of capital. The number of fabric materials that must be provided, employee wages and operating costs are also reasons for developing *batik tulis* business must have sufficient and stable capital.



Kitchen appliance manufacturers also face the same challenge: they run their businesses using capital. Based on observations from the researchers, the development of the kitchen appliance business in Pakandangan is currently very poor due to limited capital in purchasing equipment and raw materials. The price of raw materials increases, so entrepreneurs do not have enough money to develop their businesses.

Another effect of the limited capital faced by Batang-Batang kitchen equipment operators is the workers' low wages. That caused many kitchen equipment workers to seek higher income outside the region. That caused many kitchen equipment operators to move to other fields to continue other businesses. For example, they were opening a grocery store or a different store.

### **Shariah Compliant Product Production**

In line with current developments, markets and products require the latest trends. Woodcarving entrepreneurs are thinking of continuing the old product with the new one. Sometimes the engraving pattern is also adapted to the user's request with a new, more modern motif. As an example of the creativity of carved wood carvings, the demand for the latest engraved wood products is gaining market and fans.

The main feature of traditional Madura woodcarving designs is that they never use motifs depicting animal life. The most commonly used motifs are flowers, leaves, fruits and vegetables.

Based on the results of an interview with one of the Karduluk woodcarving operators, he said: *"All entrepreneurs from the time of our ancestors only made wooden carvings from the shape of flowers, jugs, daggers and other shapes other than shapes that resemble humans and animals. But along with the development of the times and the different thinking of the young generation, many entrepreneurs today produce wood carvings that resemble human and animal forms that we can say like human statues and animal statues."*

Pakandangan tulis batik entrepreneurs always develop their innovation and creativity according to the times and demands in the market. That is due to increasing consumer demand. So, batik tulis entrepreneurs develop their creativity according to consumer demand. Based on the researcher's interview in the field, one of the batik tulis entrepreneurs said: *"There are many Pakandangan batik patterns, such as eagles, dragons and puppets. This pattern is very much in the market. To increase the spirit of batik entrepreneurs in producing the product. In addition, the cultural influence of an area is still thick so that the love for the culture and symbols of an area is still high."*

Madura has special carving patterns in the form of flower, fruit and vegetable motifs. It cannot be separated from the belief of the Madurese community that carvings cannot be shaped like living beings, for example, pictures of animals and human statues.

Following this belief, woodcarvers who previously made carvings with characteristics in the form of daggers, pitchers and flowers. Another feature of Karduluk carved wood is seen in the finer carving and the softness of the curved grooves. Another specialty and uniqueness is the colour of the carvings, which have interesting, colourful patterns, such as yellow, blue, red and green. The selection of attractive colours on the Karduluk carving symbolizes the Madurese community's strong, decisive and brave character.

But as time progressed, the belief in making carvings that resembled living creatures began to be abandoned by the Karduluk woodcarvers. The growing demand for carvings such animals demands woodcarvers to meet the market demand. If it is not like that, Karduluk carved wood people in business will be left behind, and Karduluk carved wood products are threatened not be sold in the market.

From the results of the research documentation, several Karduluk carved wooden products resemble animals, such as the cow heron, which is one of the Maduran traditions, and carvings of dragons, birds, flying horses and crowned snakes. The engraving is based on the most popular user requests in the market. Although contrary to the beliefs maintained for several generations, Karduluk woodcarving entrepreneurs still meet the market demand to continue expanding their business.

### **Competitors From Outside the Area**

There are many business competition problems among the community and some handicraft entrepreneurs. They run a business race to maintain the balance of the effort they produce to ensure that it runs according to the quality and quantity of the business. That way, areas that have the same company will create business competition. That is because of the adjustment of where they live in developing business, to make it easier for entrepreneurs to get the raw materials they need. If some places have the same natural resources, then the efforts they pursue may be quite similar. Therefore, this causes competition between businesses from one region to another.

Competition between entrepreneurs also occurs in the Karduluk carved wood business. Currently, many outlying areas do the same company as Karduluk woodcarving operators, which results in business competition. Carved wood businesses in other regions have almost the same quality and quantity as Karduluk carved wood products. That increases the reduction of users from distant areas because they prefer to book against a place closer to the site.

Based on what was delivered by Karduluk carved wood businessmen "*Currently, the development of the age is modern. As a result, many other areas also have many woodcarvers, which is a challenge for us. Later effects on the market. If we lose in the area of quality, then consumers will move to carved wood operators from other areas.*"

In Madura, another area close to Karduluk in the wood carving business is the Gunung Sekar area located in the Sampang district. Although Gunung Sekar carved wood products have their characteristics, the impact of competition caused the demand for Karduluk wood products to decrease.

In addition to Karduluk woodcarving businesses, Pekandangan batik entrepreneurs also experience the same experience as the Karduluk woodcarving business, which is not separated from batik business competition from outside the area. Indonesia is one of the countries that is famous for its batik Tulis efforts. Some places even have the main business resources in running the *batik tulis* business.

One of the Pakandangan tulis batik entrepreneurs said: "*Another obstacle is in marketing. Now many competitors from outside the area also offer handmade batik from their respective areas. And I think that's the biggest challenge I face.*"

R8 adds: "*Now, there are many competitors from other areas. Not only for areas outside Madura. Even for the Madura area alone, there are already many batik writing businesses such as in Pamekasan and Bangkalan.*"

The business competition also applies to kitchen equipment operators in the Batang-Batang area. Based on the results of interviews with Batang Batang kitchen equipment operators, said that: "Other areas also have many entrepreneurs who make kitchen appliances. That's more or less a challenge for kitchen equipment operators here. Because, in any case, it will reduce the demand for the products of kitchen appliances.

The challenge of competition from outside the area is the most serious challenge for traditional kitchen equipment operators. That is because the impact of competitors is a

decrease in demand for Batang-Batang kitchen equipment products. The village of Pecanggan in Sampang Regency is the area closest to the stems that also produces kitchen peel products.

### **Marketing strategy**

Marketing strategy is important in the business world. With a marketing strategy, the target market will be easier to reach. But in practice, not all companies can execute their marketing strategy exactly.

As time progresses, many companies begin to change their marketing goals from those originally using traditional marketing strategies to digital marketing. That is inevitable because technological advancements lead to digital marketing strategies more optimally than conventional ones.

However, in actual practice, technological advancements through digital marketing strategies cannot be used by Karduluk woodcarving operators. Many Karduluk wood carving operators still carry out traditional marketing strategies. By making a transaction to order carved wood products in person. In the sense that buyers come directly to the location of the Karduluk cut wood business. That is because Karduluk woodcarving operators still have obstacles in the use of technology. Based on what has been stated by the Karduluk carved wood business: *"Carving wood entrepreneurs here are still lagging in the use of technology, in the sense that they cannot take advantage of technological advances, so they are not used to using online marketing strategies. So most still use traditional marketing strategies."*

However, R2 adds that the reason for using traditional marketing strategies is so that consumers can see and know the quality of the products produced. Based on what he said: *"I think it is better for consumers to come here in person and see the products we produce in person. To make it more clear the quality of the goods."*

Regarding the marketing strategy, traditional Pakandang batik entrepreneurs face a lack of distributors in supplying batik products. Based on an interview conducted by the researcher, the Pakandangan Tulis batik entrepreneur said: *"One of the marketing obstacles today is the lack of distributors. Distributors here are minimal because of more and more distributors. We will further expand the market for batik tulis products here. Moreover, other areas are starting batik Tulis businesses, such as Bangkalan and Pamekasan."*

Regarding the challenge of lack of distributors also faced by R7, a Tulis batik entrepreneur said: *"In offline marketing, we usually continue to leave our products to batik kiosks in Sumenep. I think that is still less than the maximum. My target is batik tulis products that can be marketed at batik kiosks in every district of Madura. We cannot do that because we still lack distributors from outside the region. If from online marketing, usually send on Facebook and WhatsApp applications. Which I think is still less than the maximum"*.

Other Pakandangan batik Tulis entrepreneurs also add challenges in online marketing: *"For online marketing, the obstacle is that we lack consistency in marketing or posting on social media. We still don't have a dedicated team that deals with that. We are still focused on offline."*

Even though Batang-Batang kitchen appliance operators still face the challenge of marketing strategy with the traditional way of doing business. Leaving kitchenware products produced in the store or sent directly to the store. As stated by Batang-Batang kitchen equipment operators: *"... The majority of entrepreneurs here still market their products traditionally. Usually stored in the store or delivered directly to the head...."*

One of the kitchen equipment people in business who also market their products traditionally confirms this. He said: *"In terms of marketing activities, many entrepreneurs here*

*still market kitchen equipment products traditionally. Let's say it is entrusted to a store with a predetermined selling price. No one is marketing online".*

### **Infrastructure, Information and Technology**

Infrastructure, information and technology are also capital that plays an important role in supporting Sumenep's economic growth. It should also be the government's concern in building the economy of the city of Sumenep. From the results of observations by researchers, several road access points are being repaired, and the Sumenep government is carrying out road widening. It is also in line with the results of the researcher's interview when interviewing with Karduluk wood carving business operators. *"From the infrastructure, I think there is progress. The Sumenep government has started to improve and expand access roads or remote roads. It indirectly helps the development of the wood carving business here. Because the ease of road access here is also a consideration for users".*

R1 also explains: *"Sumenep is the last area in Madura. So people who will visit here will also pay attention to road access. Alhamdulillah now the Sumenep government has started to pay attention to the damaged road. Many damaged highways have begun to be repaired."*

Regarding the importance of infrastructure, it was delivered by one of the Pakandangan Tulis batik entrepreneurs in supporting the development of batik business. *"Infrastructure is important for the development of our business here. Road access also helps the comfort of users who keep visiting here. Therefore, they don't hesitate to visit and see tulis batik products here".*

He added: *"The infrastructure here is sufficient either from highway access or transportation. In addition, Pakandangan includes an area whose position is the border between Sumenep and Pamekasan. Therefore, ease of access for people visiting either from Sumenep or Pamekasan will greatly help business development here". "Here, the internet access is not good. Maybe because the area here is very far from the city of Sumenep, but that is not important for my effort. Because communication with partners usually uses the phone. In terms of road access here, several points are still damaged."*

Sumenep is one of the areas located at the easternmost tip of the island of Madura. If from the direction of Surabaya, the capital of East Java, then to visit Sumenep, you must go through the Suramadu bridge, the connecting bridge between Surabaya and Madura. If from the south, before reaching Sumenep, you must first pass through two areas, namely Bangkalan Regency and Pamekasan Regency. Meanwhile, if from the north, it must pass through Bangkalan Regency and Sampang Regency. It is also a concern of the Sumenep government to build the regional economy by improving convenience and comfort through the development of infrastructure in the transport field. Proof of the Sumenep government's seriousness in building infrastructure in the area of transportation is the Sumenep Government winning the Wahana Tata Nugraha award in 2017, which was received from the Vice President of the Republic of Indonesia on January 31, 2017. This award is nothing but the success of Sumenep Regency in making various innovations in the field of traffic land.

The Northern ring road project is one form of infrastructure development innovation in the transport field carried out by the Sumenep Government. This strategic development project on the north ring road is one of the manifestations of the expansion and development of the urban area. The construction of the road has been planned since 2016. We are starting with land acquisition in 2016 to 2018 with a District Income and Expenditure Budget (APBD) of approximately Rp 5 billion.

## Government policy

The government is one of the related parties that has an important role in developing the creative economy industry, including the handicraft sector. One of the government's roles in developing the creative economy industry is to create policies that can support creative economy efforts. For example, holding a product exhibition to help generate market products or training for creative economy entrepreneurs to continue producing quality and innovative, creative economy products.

From the results of interviews conducted by researchers, there are challenges in government policies that are still uneven in providing business capital assistance or training. That is as stated by a Karduluk woodcarver: *"If, in my opinion, the lack of the Sumenep government is that the programs that are carried out sometimes do not reach the carved wood operators here. Let's say there is an example of an exercise. Only a few groups get an invitation to participate in the exercise. Or capital assistance programs, also only some business groups get. So that's a kind of inequality."*

The same thing was also conveyed by Batang-Batang kitchen appliance operators saying:

*"If I did not get significant support from the government in developing this business. Whether it's from an aid program or something else, I hope the Sumenep government will pay more attention to Batang-Batang kitchen equipment operators in the future. For example, by providing capital loan assistance or finding partners who can help expand our distribution in the future."*

With the regional regulation (PERDA) of Sumenep Regency, number 16 of 2008 published the formation of regional office organizations. The Office of Industry and Trade (Disperindag) Sumenep Regency is a government agency that serves the community in the business development sector and the development of Small, Micro and Medium Enterprises (UMKM) located in Sumenep Regency. The presence of the Office of Industry and Trade in the Sumenep Regency is considered very important in developing the creative economy, including handicraft businesses, in supporting the economy of the Sumenep community. That is indeed a positive response by the local government in paying attention to the growth and development of small and medium businesses in Sumenep.

In this case, the role of the government, especially related agencies, acts as liaison and promotion. Likewise, with the Sumenep government in the creative economy industry of the handicraft sector, the government has carried out various activities to introduce innovative economy products on a regional, national or international scale. Therefore, regional empowerment needs to be done for all components, namely government, public and private.

From the interviews conducted by the researcher, it was concluded that the government's implementation of the aid program was not carried out equally by the creative economy entrepreneurs in Sumenep. Some Sumenep creative economy entrepreneurs feel that the government tends to be selective in government programs or policies. For example, in the capital limitation challenge faced by creative economy entrepreneurs in Sumenep. One of the policies implemented by the Sumenep government is developing innovative economy businesses. But in its implementation, only some business groups get business capital assistance. That creates a fundamental inequality.

The Office of Cooperatives and UMKM Marketing Division of Sumenep District stated: *"In providing business capital assistance to creative economy entrepreneurs, in short, must be selected first. It is characterized by funds for allocating capital assistance to creative economy businesses in Sumenep limited."*



Following the results of the interview conducted by the researchers of the Sumenep government from the Office of Cooperatives and UMKM, the Sumenep government had to choose because of the limited regional fund budget owned by the Sumenep government. The Head of the Office of Cooperatives and MSMEs stated that there are at least 401,120 MSMEs spread throughout the Sumenep area. Based on this, the Sumenep government needs to be more careful in allocating budget funds in the form of business capital assistance to each MSME.

## **CONCLUSION**

The discussion in this chapter explains that this study has answered all the research questions and achieved all three objectives outlined. The research findings also contribute to developing knowledge about the creative economy and halal tourism. However, there are still more areas of research that can be studied to strengthen the research done to build knowledge related to the creative economy and halal tourism.

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