The City of Bandung: Unfolding the process of a Creative City

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2012

Online at http://mpra.ub.uni-muenchen.de/48629/
MPRA Paper No. 48629, posted 26. July 2013 08:17 UTC
Decentralisation in Indonesia has brought different impacts to regions following its development path dependence and institutional arrangements. This study aims to understand the role of both path dependence and institutional arrangements in the process of developing a creative city. This paper studies the city of Bandung development to unfold the system that supports its role as a creative city. The paper found that path dependency as historically centre of creative studies and emerging creative class has accelerate the city’s new economic activities.

Key words: Creative Industry; Institutions, Path Dependence, Network, Decentralisation

1. Introduction
The rise of local economic development begins with Indonesia’s politics that shifted from centralized regime to democratic reform between 1997 and 2000 (Seymour, 2002). There are various theories and concepts of developing creative cities and other supporting theories on urban and regional planning, institutions and economic geography. However, these literatures originate from the western and advance countries. Thus, it is the interest of this paper to study an empirical case of creative city in a developing country.

The research found three important results first, institutional and political change has introduced new administration on the city’s economic development. Second, the establishment of numerous universities provide both research and creative-class society. Third, the role of geographic proximity to market that accelerates trade and actor networks. Despite its different characteristics, the comparison of creative cities between advance and developing countries provide

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1 An earlier version of this paper was presented at the 4th Artepolis International Conference in Bandung, Indonesia, July 5-6th 2012
insights for urban and regional planners to unfold the process of developing a creative city.

From the perspective of regional development, this study argues that Creative & Cultural Industries (CCI) economy is similar to regional innovation model where the industry produces structural change through endogenous economy both at operational and abstract level. As a result, CCI fits with local economic development models, such as regional innovation systems and cluster industries. The following section overviews the existing literature in the development of CCI in cities. The next subsection discuss the role of political and institutional arrangements, universities and proximities to core cities in the UK cities and Bandung CCI. The last subsection draws the paper’s conclusion and policy implications.

2. Literature Review
The end of centralized regime begins with the industrial deregulation of post-oil boom economy and financial crisis. While the industrial deregulation introduced new private entrepreneurships, industrial openness and trade liberalization, the financial crisis causes high inflation and violent social movements. The result of combination of these social rearrangements ended the centralized regime and opens democratization of regional autonomy.

However, the implementation of decentralization has been link to increase regional disparities (Brodjonegoro, 2003). As devolution gives authority to district governments who are lack of talent and experience bureaucrats, local economic development might be depend on the local government’s capacities (Booth, 2005). Moreover, divergent economic structure and activities might increase economic disparities among regions. This is particularly concerning in the fiscal administration as districts only have authorities on limited number of
taxes and levies. On the other hand, as globalization progressed, economic growth engine shifted from manufacturing to knowledge and creative-based economy. This new economic development has been widely study and two leading studies are Florida (2002) and Landry (2000). Both studies investigate the relationship and importance of cultural economy and human creativity. Overall, Potts and Cunningham (2008) conclude that the contribution of CCI can be seen by four models, which are the welfare economy, competitive, growth and innovation models.

The creativity and culture has moved to the centre of urban policy is that because the growing interest in “creative cities” and “urban generation through art and culture” (Sasaki, 2008). The basis for this type of city development is creativity on artistic and technological creativity. Exploring theories on CCI brings us to various approach and discourses. First, is the cluster approach that emphasis the important role of clustering in these types of industries (Chapain and Comunian, 2010). For instance, studies on new media and technologies study by Pratt (2000, 2002) and Neff (2004), film and television production by Scott (2002, 2005), Basset et al (2002) and Coe (2000, 2001), and design by Molotch (1996), and Julier (2005).

The concept of cluster as geographic concentration of interconnected companies and institutions in a particular field has been questioned to its ambiguous geographical reference (Chapain and Comunian, 2010). The CCI characteristic is different with other industries as there are CCI where small concentration of activities within a single building such as Custard Factory in Birmingham, or a specific are of the city such as the Birmingham Jewellery Quarter (UK) and Bandung Knit home industries (Indonesia). While there are also abstract regional clusters that are not easily define such as the music industries in Liverpool and Manchester.
Another limit of cluster concept is the focus on value-chain of one category of products or activities (Chapain and Comunian, 2010). In the CCI is difficult to identify a single category of products with one value-chain, such as in the film or book production, a creativity content may involved variety of different products such as writing, acting, animation, music, fashion and clothing, and advertising. Thus, creative practitioners and companies tend to have broad networks as creative subsectors. Projects in the CCI require significant collaboration across subsectors over a specific period of time and leads to intensification of knowledge exchanges. In this sense, the clustering approach fails to capture individual career portfolios and firms' specific and narrow supply chain to illustrate specific and specialized activities and knowledge.

Another approach is the knowledge-pool model that focuses on the wider system that supports the development of creative individuals and their activities in a specific urban and regional context. This approach is initiated by the CURDS (2001) that focus on the individual as its core and their skill sets and knowledge. The model distinguishes four layers of interaction that are not only linked geographically but also knowledge and actor-relationship networks. This model can be used as flexible tool to unpack relations and actors and their interconnections (Chapain and Comunian, 2010). The layer represents creative individuals at the core, to the firms, to the networks of creativity individuals, firms, sectoral supporting agencies and, last, the wider context of the urban and regional area and other supporting services. Last, the model does not detail that the geographical scale limitation. There are various authors that study the role of multi-scalar relationships in the creative economy and their global dimension (Coe, 2001; Scott, 2004).
3. CCI in cities in United Kingdom
The cities of Birmingham and Newcastle-Gateshead are an interesting location for the importance of local and regional dimensions in the CCI. Both cities have undergone major regeneration in the last two decades and have put emphasis on the development of CCI recently. While two less developed CCI are in the cities of Folkestone and Margate.

Institutions and path dependence play important role in the development of city as a centre of CCI. Two examples from the cities of Folkstone and Margate shows that past history as a centre of arts and holiday destination provide local endowments and idea for current and future development based on creative and cultural discourses.

The city of Folkstone is a coast city in the Kent that established the Folkestone Triennial 2011. The art exhibition is integrated and accessible onto the town itself. The Folkestone Triennial exhibition was aimed to realize art to expose the city's art creativity with commissioning 19 artists to explore the sense of the city. The city has a particular art quarter, the Creative quarter that consist of shops and workshops of arts and creative products. These galleries offer interior designs, hand-crafted gifts, wooden toys, mosaics, and musical instruments, as well as restaurants and coffee shops. Another unique art centre is the Cube building that hosts Kent Adult Education and the Fringe Fair. In the Fringe Fair, there are art exhibition, artist meeting, and various creative demonstration and free workshops. A key institution that helped the establishment of art centre in the Folkestone is the Creative Foundation, a charity set up in 2002 that bring renewal of the old town and established the University Centre Folkestone. The university provides courses for higher education and acting as useful focal point for community arts activity.
While the city of Margate as a coast city in the North Kent coast needs redevelopment after decades of stagnant development. The Turner Contemporary attempt to answer this need with acting role as a landmark of a new gallery that offers space for people to discover local arts and stimulating programs of temporary exhibitions, events, and learning opportunities from art. The gallery is the landmark of Margate's revival as Kent's new cultural heart and enables new voice in Margate cultural landscape.

In the Newcastle-Gateshead many respondents shows the importance of working in the sector to know each other. The local CCI seems like a large family, community or village with strong and frequent interaction. Furthermore, all case studies show the crucial role of co-location in facilitating networks and communication. Normally, networks are not done formally because culturally, this does not fit with the kind of people that tend to be doing the job. However, it should also be noted that strong social and working relationship may also create some lock-in effects where the system tend to be less open to outside influences and new inputs (Chapain and Comunian, 2010).

The location is an important factor as this includes operating costs, competition, and labour pool for specific skills, appropriate premises, and market access. A study by Chapain and Comunian (2010) found that creative individuals and companies choose to locate outside main cities such as London, is to lower their overhead costs and have fewer competition. Despite London regarded as the centre of the creative economy, distance proximity by companies in Birmingham has been considered less important, as they draw activities and specific markets. However, the study also found that the role of such core cities does not disappear immediately, as, for instance, linking with London remains as the bridge to funding,
critical mass, facilities, technological update and image. Image is in particular important in the CCI. The study same research found that as London is perceived as gatekeeper in the CCI sector to filtering products and producers to achieve national and international recognition, not being visible in London means being excluded from career opportunities and creative market. Thus, creative workers and firms sometimes have difficulties to obtain work due to the image being located in a “region” or because the critical mass of activities is located in London.

While in a further place, such as Newcastle-Gateshead, it is impossible to rely purely on local facilities or networks for a few specialised services, hence linkage with London remains important. The distance from London as the main creative centre is a disadvantage, especially sectors that requires initial investments and developing products such as films (Chapain and Comunian, 2010). Distance proximity is not between regions with the core city, but also within the core cities. For example, a film company that specialised in documentaries on American film history and the restoration of silent films does not have to be located in London as it has more networks with local or international links. Another reason for choosing a location outside the city centre is the character of the individual or firm that would like to distinguish itself from the media establishment. The successful micro business may choose the location satisfying the requirements of the lifestyle of the managing director, rather than production needs of the firm. In this sense, people try work close to where they live, good schooling, etc, rather than to the concentration of customers, suppliers, and the nodes of buzz of networks.
4. CCI in the City of Bandung
Since the Dutch colonial period, Bandung has strong link and economic dependence with Jakarta. In 1888, the first railroad between Bandung and Jakarta (then it was called “Batavia”) was built to link both cities. This road development has boosted economic activities in Bandung due to the proximate distance. Furthermore, the city’s elevated landscape attracts the European as holiday destination and became an exclusive resort area for plantation owners and business people from Batavia. This introduces the first wave of cultural industry in the city with the European lifestyle cafes, restaurants, shops, and art-deco hotels. There were also large ballrooms and theatres that made Bandung named as “Paris van Java” (Soemardi and Radjawali, 2006).

In the 1980s to 2000s, economic growth forces Jakarta citizen to widen consumption activities. Bandung began to attract Jakarta citizen with local brand foods that become must-visit locations such as Yogurt at Cisangkuy Street and Kartika Sari, and fashion shops such as Jeans clusters on Cihampelas street, factory outlets and distribution outlets (distro) locations in the city centre.

In the late of 2000s, following the political and institutional shift of decentralisation, the emergence of governance and openness on networks, a new wave of cultural movement raise with the collaboration of artist, local government and international agencies such as the British Council. These actors actively promote CCI that relies on the emergence of technology and highly skilled creative graduates, which established the notion “Bandung creative city”. This shift certainly lays the future path for Bandung as the creative city in Indonesia.
Role of administrative and political change

Following the financial crisis in 1997 and the fall of the New Order regime, Indonesia begins the decentralization political period. Devolution has bought the local governments to develop their respective regions local and knowledge based. The role of governance is an important factor in the development of creative industries. Population and economic activities are both spiky that is concentrated only in several regions. These regions have ecosystems of leading edge universities, high power companies, flexible labor markets, and attained to the demand of commercial innovation (Florida, 2008).

These conditions are slightly visible on the case of Bandung city. The rise of creative class of highly educated and creative people in Bandung is clearly shown as agents of change that replace and supports local governments as the engine of local development. The creative class of Bandung fits with the characteristic that Florida (2002) described which are: their preference of location choice are rich in cultural diversity, enjoy appealing amenities, and comprising new systems for technological creativity and entrepreneurship.

The creative class is an active and dynamic community that enjoys local decentralization without the intervention of centralized political and economic agenda. This is seen at the Helar Festival, a creative industry festival, initiated by the Bandung Creative City Forum (BCCF) that attempts to integrate 15 creative industry actors and business within the West Java province. The forum activities are consistent with the Provincial Government’s strategy to develop creative industry policy between 2008 and 2013 and expected to boost the growth of various creative industries. The creation of BCFF that held Helar Festival that celebrates cultural and creative economy in the city region. At this festival, the governance is presence with artist, university and local governments become important to solidify
the festival. The festival successfully attracts artists in the region and visitors from beyond Jakarta.

**Role of Higher Education in CCI**

In the case of Bandung, the nation’s most respected Bandung Institute of Technology (ITB) has been known as the initiator of CCI in Bandung with the almost four yearly art market (*pasar seni*), which is the art festival held by its art and design faculty across the street that the university’s inhabit. The market has been routinely held long before the BCCF and creative city notion introduced in the city. The city and art society has been fortunate by the long presence of the faculty until now. The faculty also has the most complete and integrates courses and degree on CCI. Despite the emergence of other universities with similar and other CC courses, talented high school graduates remain persistent to study in the faculty. Another contribution of ITB is the creation of Artepolis, a committee specifically formed to held international conference and design competition, under the architecture program. The Artepolis and faculty of Fine Arts shows ITB also plays important role in Bandung creative industry development.

To overview the role of universities in the CCI development, this section explores the presence of universities and higher education courses on the subject. Using the statistical database with the standard industrial classification (SIC) from the statistical bureau (BPS) and local government, the data collection relies on the definition of creative industries by the Ministry of Trade (Departmen Perdagangan, 2009) and the UK’s Department of Cultural, Media and Sports (DCMS) (2009). The definition by DCMS is used in this study, as Indonesia’s Ministry of Trade has not defined different types of creative education and courses. The DCMS define the bohemian
courses as the “fine arts” courses; creative media as the information systems and media studies and other creative courses includes architecture and music studies.

The figures in Table 1 shows that fine arts studies dominate creative courses with more than 50% courses, while universities offered least information system and media studies. The first graph (Figure 1) shows that in 2005 there are numerous creative industries with almost 50% are categorized as an advertisement firm. The second graph (Figure 2) gives evidence that fashion industry dominates Bandung creative sector with clothing and footwear firms employs more than 60% of total employment in the sector.

Table 1: Number of creative industries related courses offered in Bandung Universities

<table>
<thead>
<tr>
<th>Subject</th>
<th>No. Universities that offers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bohemian Subjects</td>
<td>28</td>
</tr>
<tr>
<td>% over total creative</td>
<td>50.9</td>
</tr>
<tr>
<td>Creative media</td>
<td>6</td>
</tr>
<tr>
<td>% over total creative</td>
<td>10.9</td>
</tr>
<tr>
<td>Creative others</td>
<td>21</td>
</tr>
<tr>
<td>% over total creative</td>
<td>38.1</td>
</tr>
</tbody>
</table>

Figure 1 Number of Firms in the creative industries in Bandung
Role of proximity to Jakarta
Since its early days in the colonial period, Bandung has been a gateway for the westerner from Jakarta. The distance between both cities is approximately 123 km (76 miles) with a travel time less than 2 hours by road² (Fig. 3). There are several advantages that Bandung has with its distance proximity with Jakarta. First, Jakarta’s wealthier and populated citizen means abundant consumer for Bandung’s CCI. Since the operation of highroad between Jakarta and Bandung in 2004, the number of Jakarta vehicles and people has overwhelmed the Bandung city every weekend. Whilst in the city, visitors from Jakarta are attracted to Bandung’s CCI such as local foods and fashion outlets. A specialize community also attracted to music activities, performing arts, and art galleries that are spread across the city.

Second, Bandung has been the location for pilot projects of central government’s research and development (R&D) activities. The proximate distance enables central governments R&D agencies, which based in Jakarta, to operate the activities nearby. For example, the presence of incubator for technology innovation (I2TB), which is

² www.distancesfrom.com
aim to provide technology management and consultation, financial advice and capital and market training on software and IT development, operated by the Ministry of Communication and Informatics. The Ministry explains that the reason to locate the incubator in Bandung was its proximate distance that enables the office to have regular monitoring on the project’s progress.

Third, the city also enjoys an intensive knowledge and network exchange from Jakarta’s metropolitan society. This society enables higher level of creative activities with the existence of western-import lifestyle but with local adaptation such as steak house restaurants, music concerts, and mixed-use café-bookshops.

![Figure 3 Map of Distance between Jakarta and Bandung](image)

**Networks in Bandung**

Actor networks have been widely acknowledged as an important factor in the CCI. In Bandung, networks among CCI actors are in presence and have contributed significantly to the growth of the industry. For example, in the fashion industry, the study on Suci and Binong Jati area shows the difference on how networks influence the growth of particular industry (Soedarsono, 2006).
The study shows that that Suci area, which since 1982 has been famous for T-shirt production, is produce by order, not produces for business commodity. However, several big productions start to design, produce, and selling their unique T-shirts and related items, such as the C59 production. The area became the birthplace of the Distribution outlets (distro) concept that relates fashion and music indie labels. *These distro* places can be seen as a physical hub for music communities for information on music and music related activities such as concerts, rare music products and recording (Soemardi and Radjawali, 2006). As a result, the distro reflects a high producer-consumer relationship with a medium-high variation of products. On the other hand, Binong Jati area is concentrated with knitwear fashion homemade producers. The nature of the production system enables local households to produce thee without tight producer-consumer relationship such as found in the Suci area. The area is low quality of infrastructure, highly populated and low qualities of spatial settlements. Despite these conditions, the products are export across the country and abroad.

Specifically for Bandung, the BCCF is a community forum consisted of representatives of various creative industry communities including traditional arts, clothing and fashion, music and visual arts, urban enthusiast, and urban heritage society\(^3\). Furthermore, the forum has also attracted non-artisan actors to support their activities such as local and national journalist, intellectual property lawyers, and urban planners. The forum becomes a hub for creative and cultural communication among the actors. There are almost weekly intellectual discussions and shows programs in the forum that cover debates on culture, education, gender violence, and sociology impact

\(^3\) Website and information regarding the actors of Bandung creative city is available at http://commonroom.info
of nuclear development. Fieldwork observation suggested that the forum is dynamic and open for public, for instance, beside the usual creative communities, the weekly meetings also features presentation by local universities art programmes or Bandung citizen green community. Another program of the forum is the creative entrepreneur network (CEN) that organise technical trainings, workshops, and business meetings to nurture entrepreneurship and business in the CCI sector (Palesangi, 2012). It is through these hubs that creative and cultural knowledge are exchange, distributed and expanded.

Finally, referring to present European-style creative cities, networks can be identified through the psychical presence of cultural and arts centre. Creative cities have large sum of funding for the creation of such cultural and arts centres. For example, the Guggenheim Museum in Bilbao (Spain), Tate Arts gallery in London (UK) and Kanazawa Citizen’s Art Centre in Kyoto (Japan) were built specifically as the landmark of creative cities. Furthermore, in the UK, lower tier cities also have followed this landscape development such as Tuner Contemporary gallery at Margate and Creative Quarter at Folkestone. This physical modern, specific-purpose built cultural and arts centre symbol is absence in Bandung. However, if one look closer, the cultural and creative symbol is spread across the city such as Sasana Budaya Ganesha (for music concerts, indoor art exhibitions), Gedung Sate Park (helarfest, food bazaar, and traditional market), and numerous art galleries. The lack of budget and absence of such CCI landmark can be replace by traditional spaces in the city, which successfully supports Bandung as the hub for cultural and creative economy.
5. Conclusion and Policy Implications
The study shows that path dependence on local cultural activities has influence the development of CCI in Bandung. The combination of cultural traditional activities and external roles of devolution, universities, and distance proximity to Jakarta has accelerated the development of CCI.

The national political shift to devolution has empowered local endowments and institutions embedded in the city to support its future development path. Devolution has force local government to shift administration and political agenda from government to governance that incorporates local stakeholders including civic societies, universities, and core to the creative industry, the artisans’ community. The presence of universities and higher education with CC courses also has provides the city with a pool of creative and highly skill cultural young people. These young people become the generator of CCI through their unique networks and art competencies, and perfectly fit with the creative class characteristics as proposed by Florida (2002).

Traditional culture activities combined with the presence of universities and proximities to Jakarta has lead Bandung as a cultural and creative city. The study also has criticized the modern and literature-defined creative cities that such cities should not have such enormous and expensive cultural and arts centres, but traditional spaces in the city is sufficient to ensure networks and interaction of actors in the creative city.

Considering the current condition of CCI in Bandung, there are two ways to optimize the momentum. First, the local governments should be more available and adjust to the community’s networking characteristics. The shift of local government mindset on their position in the city and roles in the network will increase their
capacities and capabilities in local CCI development. The following example in the Margate city council on its network with local artisans could be useful for the development in Bandung.

“To increase our capacities and capabilities, we should make ourselves available for networking…to spread our activities we can use the social media such as Twitter and the artisans might reply information on new activities or community members.”

Second, the city should also intensify the role of external networks such as the British Council and Ministry of Trade. Both institutions have international and national experiences, agenda and policies that the city could gain benefit. Despite CCI in Bandung are develop naturally from embedded cultural activities from past period, the presence of external forces and path dependence has transform the industry and city to a national and global recognized creative hub. Hence, development concept of CCI in Bandung should be carefully examined to ensure the industry’s and city’s sustainability in the future.

The study suggested policy implication on regional development through two different but interrelated concept, the cluster industry and innovation system. The study also shows that the CCI concept fits with the endogenous growth model that allows the analysis of regional economic divergence in the long-run. The endogenous growth model emphasis the role of regional policy by promoting localities that acknowledges differences in local endowments and development policies. Thus, the CCI contribute significantly to regional development and this depends on regional potentials.

First, following Porter (1990) concept on cluster industry, the city should develop cluster industry with the entry and role of non-creative firms to support the creative industry. The roles of non-creative firms on financial, technology, marketing and research and
development (R&D) are crucial to ensure the CCI chain in the city is sustainable and efficient to with city development. Second, the cluster industry also leads to firm innovation in particular and regional innovation in general. Intensive and wide networks on knowledge spillovers among similar and related firms’ increases traded and untraded interdependencies. This activity encourages the emergence of creative and innovation milieu. As a result, innovation within the particular sector could support regional innovation and specialization. Furthermore, as regional innovation and the CCI depends on the human capital quality, people and labour mobility is crucial to develop a creative city. A study by Pepinsky and Wiharja (2011) shows that 40 per cent of Indonesians would actually move for better work might indicate that Bandung will attract more talented and young creative people.
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I Interview with the Head of the Trade and Industry Agency at Bandung Local Government

II http://www.arte-polis.info

III Interview with an officer at Margate Art Council, UK