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Policy Formulation and Resolution in the Development of the Creative Economy in Palangka Raya: A Theoretical Approach of William N. Dunn

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ABSTRACT

This study examines the formulation and resolution of creative economy development policies in Palangka Raya using William N. Dunn's public policy analysis framework. Palangka Raya, as the capital of Central Kalimantan with strong Dayak cultural identity, holds significant potential for creative economy development. However, this potential is constrained by four key challenges: the absence of comprehensive regulatory frameworks, limited access to capital, unequal infrastructure distribution, and the underutilization of local cultural identity. This research applies a qualitative descriptive approach by analyzing five stages of policy processes: agenda setting, policy formulation, policy adoption, policy implementation, and policy evaluation. The findings indicate that effective policy development requires an integrated and context-based approach that combines regulatory support, financial accessibility, infrastructure development, and cultural empowerment. This study proposes three strategic policy recommendations: (1) policy synchronization through a comprehensive regional regulation on creative economy development, (2) the establishment of an integrated creative hub as a center for innovation and collaboration, and (3) the implementation of a dedicated financing system through a Creative Investment Fund. These strategies are expected to transform existing challenges into opportunities and foster an inclusive, sustainable, and globally competitive creative economy ecosystem rooted in local identity.

KEYWORDS: Creative Economy, Public Policy, Local Identity

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1. INTRODUCTION

Palangka Raya City has unique characteristics as the capital of Central Kalimantan Province, with significant yet underutilized creative economy potential. As the largest city in Indonesia in terms of land area, covering approximately 2,400 km², and with a population of around 290,000 people (Badan Pusat Statistik, 2023), Palangka Raya possesses rich cultural diversity, abundant natural resources, and a strategic location in the center of Kalimantan Island. These characteristics serve as fundamental capital for developing a creative economy based on local identity. According to the Creative Economy Agency (2022), the creative economy sector contributes approximately 7.8% to Indonesia's national GDP, and this potential can also be optimized at the regional level, including in Palangka Raya. The distinctiveness of Dayak culture, along with the diversity of arts, handicrafts, and creative products rooted in local wisdom, can become a major competitive advantage in the global market.

The government emphasizes that "the development of the creative economy can serve as a means to utilize creativity, skills, and talents of individuals and/or communities to generate welfare and employment opportunities through the creation and utilization of intellectual and creative capacities, while also fostering national identity and unity in diversity" (Kemenparekraf, 2021). With the growing trend of creative industries, UNESCO (2021) reports that the creative economy employs more than 30 million people worldwide, highlighting the importance of policy implementation at the local level to capitalize on these opportunities.

However, the substantial challenges in developing the creative economy in Palangka Raya lie in limited access to capital and inadequate supporting infrastructure. As noted in existing documents, "only a small portion of the population has sufficient capital to utilize available potential due to multidimensional constraints, both economic and cultural, particularly related to facilities and infrastructure." Data from BPS Central Kalimantan (2023) indicate that approximately 65% of micro and small enterprises in the creative sector face difficulties in accessing financing, while only 40% have adequate digital infrastructure access. This disparity creates a gap between existing potential and actual development, thereby hindering equitable improvements in community welfare.

In the absence of comprehensive creative economy development policies, Palangka Raya risks experiencing economic stagnation and continued dependence on limited conventional sectors. Existing reports state that "facilities and strategic infrastructure are largely inadequate, requiring greater government involvement in their management." The lack of policy intervention may exacerbate economic inequality, hinder innovation and creativity, and reduce the city's competitiveness in responding to global changes, ultimately distancing Palangka Raya from achieving economic independence and community welfare.

In this context, policy formulation and resolution become crucial in supporting the development of the creative economy in Palangka Raya. William N. Dunn's policy analysis approach offers a systematic method for identifying problems, formulating policy alternatives, and evaluating policy impacts. By applying this framework, local governments are expected to develop more effective, evidence-based, and sustainability-oriented regulations. Well-designed policies will not only address existing challenges but also strengthen the creative economy ecosystem, enabling it to contribute significantly to economic growth and societal welfare in Palangka Raya.

2. LITERATURE REVIEW

The creative economy has increasingly been recognized as a strategic driver of economic transformation, particularly in developing countries. It emphasizes the role of creativity, knowledge, and cultural assets as key production factors (Howkins, 2001). According to UNCTAD (2019), the creative economy contributes not only to economic growth but also to employment generation and cultural sustainability. In this context, cultural and creative industries (CCIs) have become central to policy discussions on inclusive and sustainable development.

Scholars such as Florida (2002) highlight the importance of the "creative class" in fostering regional innovation and competitiveness. However, more recent studies argue that creative economy development cannot be generalized, as it is deeply embedded in local contexts (Comunian & England, 2020). In emerging regions, particularly in Southeast Asia, cultural identity and local wisdom serve as unique assets that differentiate creative outputs and enhance global competitiveness (Fahmi et al., 2017).

Despite this potential, the development of creative economies in non-metropolitan areas often faces structural constraints, including limited infrastructure, weak institutional frameworks, and restricted access to finance (UNESCO, 2021). These challenges suggest that effective policy intervention is essential. Public policy, therefore, plays a critical role in shaping the ecosystem in which creative industries operate.

William N. Dunn's policy analysis framework provides a systematic approach to understanding policy processes through five key stages: agenda setting, policy formulation, policy adoption, policy implementation, and policy evaluation (Dunn, 2018). This framework has been widely applied in public administration studies due to its comprehensive and analytical nature. However, critics argue that Dunn's model tends to be linear and technocratic, often overlooking socio-cultural dimensions that are crucial in local governance contexts (Parsons, 2018).

Recent literature calls for a more context-sensitive approach to policy analysis by incorporating cultural and social variables into policy frameworks (Borrup, 2016). In the context of creative economy development, cultural identity is not merely a background factor but a strategic resource that shapes both policy direction and implementation outcomes. Studies in Indonesia have shown that regions with strong cultural branding are more successful in developing creative industries (Fahmi et al., 2017).

Furthermore, the quadruple helix model integrating government, academia, industry, and community has been increasingly adopted as a governance approach to support innovation ecosystems (Carayannis & Campbell, 2010). This model highlights the importance of collaborative governance in addressing complex policy challenges, including those in the creative economy sector.

Based on the existing literature, this study identifies a critical gap: the lack of integration between policy analysis frameworks and cultural identity in the context of local creative economy development. Therefore, this research contributes by extending Dunn's framework through the incorporation of local identity as a central analytical dimension, offering a more adaptive and contextually grounded policy model.

3. OBJECTIVES

The development of the creative economy in Palangka Raya faces multiple challenges that require comprehensive policy solutions. Four fundamental issues demand particular attention: (1) the lack of regulatory frameworks supporting the creative economy ecosystem; (2) limited access to capital; (3) uneven distribution of supporting infrastructure; and (4) the suboptimal utilization of local cultural identity.

The primary objective of this study is to analyze and formulate policy resolution and formulation approaches for the development of the creative economy in Palangka Raya by applying William N. Dunn's theoretical framework. This analysis focuses on five critical stages in the public policy process: (1) agenda setting, which identifies priority issues in the local creative economy; (2) policy formulation, which develops alternative solutions based on local wisdom and regional potential; (3) policy adoption, which selects the most appropriate options by considering political, economic, and socio-cultural feasibility; (4) policy implementation,

which transforms plans into concrete actions through the involvement of all stakeholders; and (5) policy evaluation, which assesses the effectiveness of interventions in addressing issues related to capital access, infrastructure, and the utilization of local identity.

Through this systematic approach, the study aims to generate evidence-based policy recommendations that address the four fundamental challenges of the creative economy in Palangka Raya. By integrating theoretical and contextual perspectives, the study seeks to formulate policies that not only overcome limitations in regulation, access to capital, and supporting infrastructure, but also optimize the unique potential of Dayak culture and local wisdom as key drivers of the creative economy. Ultimately, this approach is expected to foster an inclusive and sustainable creative economy ecosystem that enhances community welfare and strengthens the competitiveness of Palangka Raya at both national and global levels.

4. RESULT AND DISCUSSION

William N. Dunn's approach to public policy analysis provides a systematic framework for designing and resolving policies related to creative economy development in Palangka Raya. This model consists of five interrelated stages that form a comprehensive policy cycle.

4.1 Agenda Setting

The agenda-setting stage in the creative economy development of Palangka Raya represents a fundamental process of identifying and prioritizing key issues within the sector. Empirical data from BPS Central Kalimantan (2023) indicate that 65% of creative micro, small, and medium enterprises (MSMEs) face difficulties in accessing capital, while only 40% have adequate digital infrastructure.

This process can be optimized through a *Creative Economy Forum*, involving all relevant stakeholders, including government institutions, creative communities, academics, and business actors. Such a multi-stakeholder forum serves as an effective mechanism to integrate diverse perspectives in identifying structural barriers and opportunities for creative economy development based on Dayak cultural uniqueness and local wisdom in Central Kalimantan.

4.2 Policy Formulation

Policy formulation focuses on developing comprehensive alternative solutions that consider regulatory feasibility, economic impact, and program effectiveness. This process involves comparative analysis with successful regions and in-depth cost-benefit evaluation.

Three strategic policy options are proposed:

1. ***Creative Investment Fund*** – a dedicated financing scheme that integrates regional banking institutions and crowdfunding platforms to address capital constraints faced by 65% of creative MSMEs.
2. ***Creative Hub Development*** – the establishment of an innovation and collaboration center equipped with digital infrastructure and integrated business incubation programs.

Local Product Regulation – a policy mandating minimum quotas for local creative products in modern retail networks to expand market access and strengthen the creative economy value chain from upstream to downstream through more structured and sustainable distribution channels.

4.3 Policy Adoption

Policy adoption is a critical stage involving formal decision-making by the government and local parliament, taking into account political support, budget readiness, and institutional synergy to ensure sustainable implementation.

Three forms of policy adoption are proposed:

1. ***Regional Regulation (Perda)*** on Creative Economy Development, comprehensively governing funding schemes, tax incentives, and the promotion of local creative products.
2. ***Formalized partnerships (MoUs)*** between the tourism office and banking institutions to provide low-interest credit schemes for creative enterprises.

Long-term creative economy roadmap, developed through quadruple helix collaboration (academia, government, creative communities, and industry), formally integrated into regional planning documents to ensure legitimacy and strategic direction.

4.4 Policy Implementation

Policy implementation is carried out through three main strategic programs aimed at addressing core sectoral challenges:

1. ***Training and Business Incubation Programs***, integrating the capacities of government, universities, and creative communities to enhance skills in digital marketing, product design, and branding.
2. ***Digital Infrastructure Enhancement***, including expanding internet access in creative industry clusters and developing a dedicated local marketplace platform connecting producers to broader markets.

Annual Creative Economy Festival, positioning Palangka Raya as an epicenter for exhibitions and performances of creative products rooted in Dayak culture, thereby increasing national and international exposure and strengthening the city's positioning as a creative economy hub in Kalimantan.

4.5 Policy Evaluation

Policy evaluation represents a systematic assessment stage using both quantitative and qualitative indicators to measure policy effectiveness and identify areas for continuous improvement.

This evaluation is conducted through three main mechanisms:

1. ***Collaborative research and periodic surveys*** involving academic institutions and independent organizations to assess policy impacts on sectoral growth, employment generation, and the welfare of creative economy actors.
2. ***Annual audits and government reports***, analyzing achievements, challenges, and policy recommendations with full transparency to the public.
3. ***Multi-stakeholder policy evaluation forums***, involving all components of the creative economy ecosystem to gather feedback, ensure policy responsiveness to real sector needs, and formulate future policy improvements based on collective learning.

5. CONCLUSION AND POLICY RECOMMENDATION

Based on the analysis and discussion, the formulation and resolution of creative economy development policies in Palangka Raya face multidimensional challenges that require a systematic and comprehensive approach. The application of William N. Dunn's theoretical framework offers strategic solutions through five interconnected stages of public policy: agenda setting, policy formulation, policy adoption, policy implementation, and policy evaluation.

With its vast territorial area and distinctive Dayak cultural potential, Palangka Raya possesses strong foundational capital to develop a creative economy based on local identity. However, this potential is constrained by four fundamental challenges: the lack of supporting regulations, limited access to capital, uneven infrastructure distribution, and the underutilization of local identity.

Transforming these challenges into opportunities requires policies that are not only responsive to the needs of creative economy actors but also capable of fostering a sustainable and globally competitive ecosystem.

POLICY RECOMMENDATIONS

Based on the literature analysis, several policy recommendations can be implemented to enhance the effectiveness of creative economy development in Palangka Raya:

1. Policy Synchronization through Regional Regulation
   It is essential to establish a comprehensive regional regulation (*Peraturan Daerah*) on creative economy development that specifically governs dedicated funding schemes, fiscal incentives, and the mandatory promotion of local products. This regulation should also institutionalize quadruple helix collaboration (academia, government, creative communities, and industry) as the foundation for a sustainable creative economy ecosystem in Palangka Raya.
2. Development of an Integrated Creative Hub
   The establishment of an integrated creative hub is necessary to serve as a center for innovation and collaboration. This hub should be equipped with adequate digital infrastructure, business incubation programs, and training facilities to address the uneven distribution of digital access, which currently reaches only 40% of creative economy actors. Additionally, it should function as an epicenter for the development of creative products rooted in Dayak culture and local wisdom of Central Kalimantan.
3. Implementation of a Dedicated Financing System
   A Creative Investment Fund should be established by integrating the roles of regional banks, crowdfunding platforms, and targeted regional budget allocations (APBD). This system should be complemented by financial mentoring programs to address capital access constraints faced by 65% of creative MSMEs, thereby expanding community participation in utilizing the creative economy potential of Palangka Raya.

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