

## Integrating the Local Creative Economy into the Global MICE Value Chain: Evidence from Surakarta

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### ABSTRACT

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Political communication media play a crucial role in shaping public opinion and influencing voter behavior in contemporary electoral contests. However, limited studies have specifically examined how non-traditional political candidates strategically integrate multiple communication media to achieve electoral success in local elections. This study aims to analyze the utilization of political communication media by the Respati-Astrid candidate pair in the 2024 Solo Mayoral Election. The research employs a descriptive qualitative approach, with data collected through interviews, documentation, and media analysis. Data were analyzed using the interactive model of Miles, Huberman, and Saldaña, which includes data condensation, data display, and conclusion drawing. The findings reveal that the Respati-Astrid campaign implemented an integrated political communication strategy through the combination of outdoor media, digital media, interpersonal communication, and mass media. Outdoor media such as billboards were used to strengthen visibility and political branding, while digital platforms including Instagram, TikTok, and YouTube effectively expanded outreach and engagement among younger voters. Interpersonal communication through blusukan activities enhanced emotional connection and public trust, whereas mass media reinforced political legitimacy and public narratives. The study demonstrates that the convergence of multiple communication channels, combined with audience-oriented messaging, contributed significantly to the candidates' electoral success. This research contributes to political communication studies by providing empirical evidence on the importance of integrated media strategies and adaptive communication approaches in local electoral politics in Indonesia.



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### Introduction

The creative economy has become an increasingly important driver of global economic development and competitiveness. In many countries, economic growth is no longer determined solely by natural resources and industrial production, but also by the capacity to generate value through creativity, cultural assets, innovation, and knowledge-based activities. According to the United Nations Conference on Trade and Development (UNCTAD, 2024), the creative economy contributes significantly to global employment, trade, and gross domestic product (GDP), particularly through sectors such as cultural industries, digital media, performing arts, fashion, culinary production, and tourism. The rapid expansion of digital technology and globalization has further accelerated the integration of creative industries into international markets, enabling local cultural products and services to reach global consumers. As a result, the creative economy has increasingly been recognized as a strategic sector capable of enhancing regional competitiveness and supporting sustainable economic development.

Within the tourism sector, the Meetings, Incentives, Conferences, and Exhibitions (MICE) industry has emerged as one of the fastest-growing sectors closely connected to the development of the creative economy. Unlike conventional tourism, the MICE industry depends not only on physical infrastructure

such as hotels, convention centers, and transportation systems, but also on the ability of destinations to provide distinctive cultural experiences and creative attractions. Cultural performances, culinary experiences, local crafts, fashion products, and digital creative content have become essential components in enhancing destination branding and visitor experiences within MICE activities. Consequently, cities with strong cultural identities and active creative economy ecosystems possess significant opportunities to strengthen their competitiveness within the global MICE industry.

In Indonesia, the development of the creative economy has become an important component of national economic policy. The government has actively promoted creative economy development through institutional support, tourism policies, and cultural promotion programs. Several Indonesian cities have been positioned as creative and cultural destinations capable of supporting international tourism and MICE activities. Among these cities, Surakarta, also known as Solo, represents an important example of a culturally rich urban area with strong creative economy potential. The city is widely recognized for its traditional performing arts, including wayang kulit, gamelan, kethoprak, and classical dance, as well as its batik industry, culinary heritage, and growing digital creative sector. These cultural assets provide a distinctive identity that differentiates Surakarta from other urban tourism destinations in Indonesia.

Surakarta has also demonstrated increasing involvement in national and international MICE activities. The city has hosted various cultural festivals, conferences, exhibitions, and international events, including the Solo International Performing Arts (SIPA), International Mask Festival, ASEAN Para Games, and several national government meetings. These events indicate the growing role of Surakarta as an emerging MICE destination supported by cultural and creative resources. In addition, the expansion of tourism infrastructure, including hotels, convention facilities, transportation access, and digital promotional platforms, has strengthened the city's readiness to support larger-scale MICE activities. The integration of local creative economy actors into these activities creates opportunities for local communities, small and medium enterprises, artists, and creative entrepreneurs to participate in broader economic networks.

From the perspective of global value chain (GVC) theory, participation in global industries depends not only on the ability to produce goods and services, but also on the capacity to connect local actors with international production, distribution, and marketing networks. Gereffi and Fernandez-Stark (2011) explain that value creation in global industries is distributed across interconnected activities involving production, branding, marketing, coordination, and service provision. Within this structure, actors occupying higher-value segments such as branding, innovation, and network coordination generally capture greater economic benefits compared to actors positioned only as suppliers of raw materials or localized content. In the context of the MICE industry, creative economy actors contribute important cultural and experiential value that strengthens destination attractiveness and competitiveness.

Previous studies have examined the relationship between the creative economy, tourism, and MICE development. Research has shown that cultural industries contribute to urban revitalization, destination branding, employment creation, and regional economic growth. Studies on performing arts, culinary tourism, cultural festivals, and creative city development also demonstrate the importance of cultural assets in attracting visitors and strengthening tourism competitiveness. Similarly, research on the MICE industry highlights its contribution to tourism revenue, infrastructure development, and international visibility. However, existing studies often examine creative economy subsectors separately and place limited attention on how collaboration among different creative subsectors contributes to integration into global value chains. In addition, relatively few studies focus on emerging MICE destinations in developing countries, particularly regarding the institutional and collaborative mechanisms that support global integration.

This study addresses these gaps by examining how collaboration among creative economy subsectors contributes to the integration of Surakarta's creative economy into the global MICE value chain. The study focuses on the interaction among performing arts, culinary businesses, fashion, crafts, digital media, and event management actors, as well as the role of local government institutions in facilitating coordination, capacity-building, and global connectivity. Understanding these collaborative dynamics is important because integration into global value chains requires not only individual productive capacity but also coordinated institutional support and cross-sector collaboration.

This research contributes both theoretically and practically. Theoretically, the study extends global value chain literature by emphasizing the importance of local collaboration, institutional facilitation, and creative economy ecosystems in supporting participation in globally connected industries. Practically, the findings provide policy insights for local governments, tourism authorities, and creative economy

stakeholders regarding strategies to strengthen institutional coordination, global connectivity, and functional upgrading within the MICE industry. Strengthening these dimensions is essential for enabling culturally rich cities such as Surakarta to enhance their competitiveness and achieve deeper integration into the global MICE value chain.

## **Method**

This study employs a qualitative descriptive approach with an explanatory orientation to analyze how collaboration among creative economy subsectors contributes to the integration of the local creative economy into the global value chain (GVC) of the MICE industry in Surakarta. A qualitative approach was selected because the research focuses on understanding social interactions, institutional dynamics, and collaborative processes among actors involved in creative economy and MICE development. This approach enables an in-depth exploration of how local creative actors interact with institutional structures and participate in globally connected industries.

The study utilizes both primary and secondary data sources. Primary data were collected through semi-structured in-depth interviews with key stakeholders directly involved in the development of the creative economy and MICE sector in Surakarta. Informants included officials from the Surakarta Office of Culture and Tourism, representatives of creative economy communities, event organizers, cultural practitioners, performing arts academics, culinary entrepreneurs, and digital media actors. Informants were selected using purposive sampling based on their expertise, institutional roles, and direct involvement in creative economy activities and MICE-related programs. In addition to interviews, field observations were conducted during cultural events, tourism activities, and creative economy programs to examine the interaction among creative subsectors and their contribution to MICE activities.

Secondary data were obtained from government reports, policy documents, tourism statistics, training program reports, and relevant academic literature related to creative economy development, MICE tourism, collaborative governance, and global value chain theory. These data were used to complement and strengthen the findings derived from interviews and observations.

Data analysis followed the interactive model developed by Miles and Huberman, consisting of data reduction, data display, and conclusion drawing and verification. Data reduction involved selecting and organizing information relevant to collaboration, institutional facilitation, and value chain integration. Data display was conducted through thematic categorization and descriptive interpretation to identify relationships among actors and subsectors. Finally, conclusions were continuously verified through triangulation between interviews, observations, and documentary evidence to ensure the credibility and validity of the research findings.

## **Results and Discussion**

### **Local Creative Economy as the Foundation for Global Value Chain Participation**

The creative economy in Surakarta constitutes a critical foundation for the city's participation in the global value chain (GVC) of the MICE industry. The city possesses a distinctive cultural advantage rooted in its long-standing traditions of performing arts, culinary heritage, and creative production, which collectively form a key source of value creation. Traditional performing arts such as wayang orang, gamelan, and classical dance serve as core cultural assets that differentiate Surakarta from other MICE destinations by offering culturally embedded experiences (Darlenis, 2021). These cultural expressions are complemented by a diverse culinary sector, including nasi liwet, serabi, and tengkleng, which enrich the experiential dimension of MICE activities and strengthen the city's attractiveness to domestic and international visitors (Pradipta, 2021). In addition, the city has benefited from expanding tourism infrastructure, digital media utilization, and the continued growth of creative economy actors, which together enhance its readiness to support MICE-related activities (Haqqi & Wijayati, 2024).

From the perspective of creative ecosystem theory, these assets represent a form of cultural capital that underpins the development of a sustainable creative economy (Darsono et al., 2023). In Surakarta, the creative ecosystem is shaped by the interaction of multiple actors, including creative producers, institutional enablers, and supporting infrastructure. Creative actors consist of artists, culinary entrepreneurs, craft producers, and digital content creators who generate cultural products and services. Institutional enablers include local government agencies, academic institutions, and cultural communities that provide regulatory support, training programs, and knowledge resources. Supporting infrastructure includes performance

venues, hotels, convention facilities, and digital platforms that facilitate the delivery and promotion of creative content (Warintarawej et al., 2025). These interconnected components collectively form the structural basis for creative economy participation in the MICE sector.

Empirical findings from interviews with officials from the Surakarta Office of Culture and Tourism confirm the presence of a diverse and active network of creative economy actors who contribute directly to MICE-related activities. These actors include performing artists, culinary entrepreneurs, creative communities, and event organizers who provide cultural content and services required for conferences, exhibitions, and cultural events (Interview with Head of Human Resources and Creative Economy Division, Surakarta Office of Culture and Tourism, 12 September 2025). Institutional support from local government and academic institutions further strengthens this ecosystem by providing policy frameworks, training programs, and promotional platforms. In addition, the availability of supporting infrastructure such as performance halls, hotels, convention centers, and digital media platforms enables creative economy actors to operate within an organized and scalable environment.

The role of the creative economy in supporting Surakarta's MICE development is also reflected in broader economic recovery and growth trends. Following the COVID-19 pandemic, the revival of cultural events, performances, and festivals has contributed to local economic recovery and reinforced the city's position as a cultural and MICE destination (Setda Solo, 2023). These developments demonstrate that the creative economy not only serves as a cultural asset but also functions as a strategic economic resource that supports the city's engagement with globally connected industries.

From a global value chain perspective, the presence of a well-developed creative ecosystem represents an essential prerequisite for integration into global production and service networks. According to (Gereffi & Fernandez-Stark, 2011), participation in global value chains requires the existence of local productive capacities capable of generating value-added goods and services. In Surakarta, the creative economy provides this foundational capacity by producing culturally distinctive content that enhances the attractiveness and competitiveness of the city's MICE sector. Cultural capital, supported by institutional facilitation and infrastructure development, enables local creative actors to contribute to value creation within the broader global MICE ecosystem.

However, while Surakarta's creative ecosystem provides a strong foundation for value creation, its integration into global value chains depends on the extent to which local capacities can be connected to international networks and higher value-added activities. As such, the creative economy in Surakarta should be understood not only as a local cultural asset but also as a strategic entry point for participation in the global MICE value chain.

### **Structural Position of Surakarta in the Global MICE Value Chain**

Within the global value chain (GVC) of the MICE industry, Surakarta currently occupies an upstream position, primarily functioning as a supplier of cultural content and localized creative experiences. This role is reflected in the contribution of various creative economy subsectors, including performing arts, culinary production, fashion, crafts, and digital media, which provide essential cultural and experiential components that enhance the attractiveness of MICE events. Field observations of Surakarta's cultural event calendar indicate that creative subsectors are regularly integrated into conferences, exhibitions, and cultural festivals. Traditional dance performances, for example, are frequently presented as part of conference entertainment programs, while local culinary products are incorporated into official receptions and hospitality services. Digital media platforms are also utilized to promote events and strengthen destination visibility, demonstrating the integration of creative outputs into the broader MICE ecosystem.

From a global value chain perspective, value creation in globally connected industries involves multiple stages, ranging from content creation and production to marketing, branding, and global distribution (Gereffi, 2015). In this context, Surakarta's creative economy actors primarily contribute to upstream activities, particularly in generating cultural content that serves as a key input in the MICE value chain. Performing arts such as wayang orang, traditional dance, and kethoprak provide cultural differentiation that enhances Surakarta's competitiveness as a culturally distinctive MICE destination. These performances are frequently featured in national and international events, functioning as cultural showcases that reinforce the city's identity. Similarly, local culinary products such as nasi liwet, timlo, and serabi contribute to the experiential dimension of MICE tourism, creating memorable cultural experiences for visitors and strengthening the city's cultural branding.

In addition, the fashion and craft subsectors, including batik production, traditional attire, and handmade crafts, play an important role in supporting MICE activities through souvenir production and cultural exhibitions. However, empirical findings indicate that these subsectors continue to face challenges related to global branding, intellectual property commercialization, and access to international distribution channels. As a result, their participation remains largely limited to localized or event-specific activities rather than sustained engagement in global markets. Meanwhile, digital media and event management actors contribute to promotional and organizational functions, particularly through social media platforms and official tourism websites managed by local authorities.

These findings indicate that Surakarta’s creative economy currently functions as an entry point into the global MICE value chain by supplying culturally distinctive content. Cultural capital, including traditional performances, culinary heritage, and craft production, provides a unique value proposition that differentiates Surakarta from other destinations. However, the city’s position remains concentrated in upstream segments, with limited participation in higher value-added activities such as global branding, intellectual property monetization, and international event ownership.

According to global value chain theory, actors positioned primarily in upstream segments often capture relatively lower economic value compared to those engaged in downstream and strategic functions, such as global marketing, network coordination, and brand ownership (Gereffi & Fernandez-Stark, 2011). This structural position creates both opportunities and constraints. On one hand, Surakarta’s strong cultural foundation provides a competitive advantage as a cultural content provider. On the other hand, limited access to global networks, branding platforms, and international partnerships constrains the city’s ability to capture greater value within the global MICE industry.

Nevertheless, the current position also presents significant opportunities for upgrading. Process upgrading can be achieved through improving the professionalism and efficiency of event management and creative production. Product upgrading involves developing creative products and cultural services that meet international standards and global market preferences. Functional upgrading, which represents a higher level of value chain participation, can be pursued by expanding into activities such as global marketing, digital content commercialization, and international cultural event production. These upgrading pathways provide strategic opportunities for Surakarta to transition from a cultural content supplier to a more active and influential participant in the global MICE value chain.

**Institutional Facilitation and Capacity Building for Value Chain Integration**

Institutional facilitation plays a critical role in enabling local creative economy actors to participate in the global value chain (GVC) of the MICE industry. In Surakarta, the local government, particularly through the Office of Culture and Tourism, has implemented a series of structured capacity-building programs aimed at strengthening creative economy subsectors between 2020 and 2024. These programs target diverse actors, including performing artists, culinary entrepreneurs, fashion and craft producers, digital content creators, and event organizers. The initiatives focus on enhancing technical skills, managerial capacity, and digital competencies, which are essential for supporting the development of the MICE sector and improving the readiness of local actors to engage with broader market opportunities.

These institutional interventions are summarized in Table 1, which illustrates the range of training programs conducted by the Surakarta Office of Culture and Tourism. The programs cover key areas such as destination management, creative entrepreneurship, digital marketing, content production, event organization, and branding.

**Table 1.** Creative Economy Capacity-Building Programs by the Surakarta Office of Culture and Tourism (2020–2024)

<b>Program / Training</b>	<b>Target Subsectors / Participants</b>
Destination Management Training (2020)	Museums, tourism awareness groups, batik villages, tourism parks
<b>Destination Governance and Development (2021)</b>	Tourism managers, creative communities
<b>Craft and Culinary Training (2021)</b>	Batik SMEs, craft producers, culinary entrepreneurs
<b>Digital Marketing Training (2022)</b>	SMEs, fashion, craft, and culinary subsectors
<b>Photography and Videography Training (2022)</b>	Digital media communities, freelance creators

Program / Training	Target Subsectors / Participants
Digital Creative Content Training (2023)	Local influencers, creative content communities
Event Organizer Training (2023)	Event organizers, students, event practitioners
Creative Economy Marketing Training (2024)	Fashion, culinary, and craft SMEs
Product Branding and Storytelling Training (2024)	Creative SMEs and startups
Creative Photography Training (2024)	Local photography communities

Source: Surakarta Office of Culture and Tourism (2020–2024)

These programs reflect a structured effort to enhance human capital and strengthen the creative economy ecosystem. Participants include a wide range of stakeholders, such as museum managers, tourism communities, batik producers, digital creators, and creative entrepreneurs, demonstrating the government’s broad engagement with multiple creative subsectors. From a global value chain perspective, such initiatives represent a critical mechanism for building local productive capacity, which is a key prerequisite for participation in globally interconnected industries (Gereffi, 2015). By improving technical competencies, digital skills, and event management capabilities, these programs enhance the ability of local actors to contribute to value creation within the MICE ecosystem.

Further analysis of these training programs reveals their potential contribution to strengthening Surakarta’s position within the global MICE value chain, while also highlighting key institutional gaps. Table 2 presents an analytical mapping of training programs, their potential contributions to the MICE and global value chain ecosystem, and the associated constraints and strategic implications.

**Table 2.** Relationship Between Creative Economy Training Programs and Global Value Chain Integration Opportunities (2020–2024)

Training Focus	Target Subsectors	Potential Contribution to MICE and GVC	Constraints	Strategic Implications
Destination Governance	Tourism destinations, batik villages	Improved professional capacity to host MICE events	Limited global network integration	Strengthening linkages with international MICE networks
Event Management and Brand Activation	Event organizers, creative communities	Enhances creative event production and branding	Limited global exposure	Cross-sector collaboration and global platform engagement
Creative Entrepreneurship and Digital Content	Young entrepreneurs, digital creators, culinary actors	Supports creative product integration into global markets	Limited business incubation and financing	Strengthening incubation and funding access
Fashion, Music, and Crafts	Designers, musicians, artisans	Enriches cultural showcases in MICE activities	Limited strategic coordination	Developing cross-sector collaboration platforms
Digital Marketing and Content Creation	SMEs, digital creators	Expands global digital visibility and destination promotion	Limited digital infrastructure and global strategy	Sustainable digital talent development and institutional collaboration

Source: Surakarta Office of Culture and Tourism; Field Data Analysis (2025)

Despite these institutional efforts, empirical findings indicate that capacity-building initiatives remain largely focused on strengthening individual competencies rather than facilitating systematic integration into global value chain networks. Interviews with cultural academics and creative practitioners suggest that

collaboration among subsectors and institutional actors remains fragmented, with limited coordination between government agencies, educational institutions, and creative communities (Interview with cultural academic, Surakarta, 25 August 2025). In addition, internal coordination challenges within local government institutions have resulted in overlapping programs and fragmented policy implementation, reflecting institutional incoherence and sectoral fragmentation.

From a global value chain perspective, these findings suggest that while institutional facilitation has successfully strengthened local productive capacity, it has not yet fully enabled creative economy actors to access higher value-added functions within the global MICE value chain. Capacity-building programs have improved local readiness and technical capability, but their effectiveness in supporting global integration remains constrained by the absence of structured institutional mechanisms linking local actors to international markets, global networks, and sustained collaborative platforms. This condition reflects a transitional stage of value chain integration. Institutional support has strengthened the foundation for participation in global industries, but further institutional coordination, international linkage development, and integrated governance mechanisms are required to enable Surakarta's creative economy to move beyond localized participation toward deeper and more sustained integration within the global MICE value chain.

### **Collaboration and Governance Constraints in Global Value Chain Integration**

Collaboration among creative economy subsectors and institutional actors represents a critical mechanism for enabling integration into global value chains. In the context of the MICE industry, effective value chain participation requires coordinated interactions among cultural producers, service providers, government institutions, and market intermediaries. In Surakarta, empirical findings indicate that collaboration among creative economy actors—including performing artists, culinary entrepreneurs, craft producers, digital content creators, and event organizers—has contributed to supporting MICE-related activities. These actors collectively provide cultural content, hospitality services, promotional materials, and event support that enhance the overall MICE experience.

However, despite the presence of diverse creative actors and ongoing institutional support programs, collaboration across subsectors remains limited in scope and continuity. Existing collaborative activities are largely event-driven, occurring primarily in conjunction with annual festivals, cultural celebrations, or government-sponsored events. While such events provide opportunities for cross-sector engagement, they do not constitute sustained or institutionalized forms of collaboration that enable long-term integration into global value chains. As a result, interactions among creative subsectors remain episodic rather than structurally embedded within a coordinated value chain framework.

Interviews with creative economy stakeholders and government officials reveal that institutional fragmentation represents a major barrier to effective collaboration. One key challenge is the lack of alignment among different government agencies regarding the definition, scope, and strategic direction of creative economy development. This institutional incoherence has resulted in overlapping training programs and fragmented policy implementation, with creative actors often participating in similar programs organized by different agencies without coordinated follow-up or integration into broader strategic frameworks (Interview with Head of Human Resources and Creative Economy Division, Surakarta Office of Culture and Tourism, 12 September 2025). This fragmentation reflects a lack of integrated institutional design, which limits the effectiveness of government interventions in supporting value chain development.

From a global value chain perspective, governance structures play a crucial role in coordinating actors, facilitating knowledge transfer, and enabling access to higher value-added activities (Gereffi, 2014). In the absence of coordinated governance mechanisms, local actors may remain confined to lower-value segments of the value chain, even when they possess strong productive capacities. In Surakarta, the absence of formal collaborative platforms, such as creative hubs, integrated industry networks, or sustained cross-sector coordination mechanisms, has constrained the ability of creative economy actors to collectively engage with global markets. This condition limits opportunities for co-creation, innovation, and coordinated branding strategies that are essential for strengthening global competitiveness.

Institutional rigidity further exacerbates these challenges. Bureaucratic structures and sectoral divisions within local government institutions often hinder flexible coordination and strategic alignment. As noted by De Beukelaer, (2014), institutional rigidity can constrain the development of creative economy

ecosystems, particularly in developing country contexts where policy coordination mechanisms remain fragmented. In Surakarta, this rigidity is reflected in the absence of sustained mechanisms to connect training program participants, creative communities, and MICE industry stakeholders within a unified value chain framework.

In addition, limited access to international networks represents a significant structural constraint. While Surakarta’s creative economy actors possess strong cultural assets and technical capabilities, their ability to engage with global markets remains constrained by insufficient international partnerships, limited exposure to global platforms, and the absence of structured pathways for global engagement. Without access to international event networks, global branding channels, and cross-border collaboration opportunities, local actors remain positioned primarily as cultural content suppliers rather than active participants in higher-value segments of the global MICE value chain.

These findings indicate that collaboration in Surakarta’s creative economy ecosystem remains at an early stage of institutional development. Although government facilitation and creative capacity-building initiatives have strengthened local productive capacity, the absence of integrated governance mechanisms and sustained collaborative platforms has limited the effectiveness of these efforts in enabling global value chain integration. Strengthening institutional coordination, establishing formal collaborative platforms, and improving alignment among stakeholders will be essential for transforming episodic collaboration into sustained value chain integration. Such institutional strengthening represents a critical step toward enabling Surakarta’s creative economy to move beyond localized participation and achieve deeper integration into the global MICE value chain.

**Pathways for Functional Upgrading and Deeper Global Value Chain Integration**

Although Surakarta’s creative economy has established a strong foundation as a supplier of culturally distinctive content, its current position within the global MICE value chain remains concentrated in upstream activities. To achieve deeper integration and capture higher economic value, strategic upgrading is required to enable local creative economy actors to expand their roles beyond cultural content provision toward higher value-added functions. In global value chain theory, upgrading refers to the process by which economic actors enhance their capabilities and move into more sophisticated and higher value-added activities, including process upgrading, product upgrading, and functional upgrading (Gereffi, 2015).

Empirical findings indicate that Surakarta’s creative economy subsectors possess significant potential to support upgrading within the global MICE value chain. Performing arts, culinary production, digital media, fashion, crafts, and event management collectively provide a diverse range of cultural and creative assets that can be leveraged to enhance the city’s global positioning. However, each subsector also faces structural constraints that limit its ability to fully participate in higher value-added segments of the global value chain. These potentials, constraints, and upgrading opportunities are summarized in Table 3.

**Table 3.** Potentials, Constraints, and Collaboration Opportunities among Creative Economy Subsectors in Surakarta’s MICE Ecosystem

<b>Creative Economy Subsector</b>	<b>Key Potentials</b>	<b>Main Constraints</b>	<b>Collaboration and Global Value Chain (GVC) Upgrading Opportunities</b>
Performing Arts	Strong cultural assets including wayang kulit, kethoprak, traditional dance, and karawitan, which provide distinctive cultural attractions for MICE events	Limited human resource regeneration, insufficient long-term funding, and limited scalability for international markets	Integration with culinary and fashion subsectors to develop comprehensive cultural showcase packages for international MICE events
<b>Culinary</b>	Rich and diverse culinary heritage, such as selat Solo, tengkleng, and traditional wedangan culture, with strong appeal to tourists	Limited integration into formal MICE service packages and insufficient global branding strategies	Integration into official MICE hospitality services, cultural tourism packages, and digital promotion for global gastronomic branding

Creative Economy Subsector	Key Potentials	Main Constraints	Collaboration and Global Value Chain (GVC) Upgrading Opportunities
<b>Digital Media and Promotion</b>	Existing use of social media platforms, tourism websites, and digital applications (e.g., Let's Go to Solo, Solo Destination) to promote events and tourism	Limited budget allocation, infrastructure constraints, and absence of advanced digital tools such as virtual platforms or digital twins	Expansion of integrated digital promotion strategies, cross-sector content development, and utilization of digital platforms to enhance global visibility
<b>Fashion and Crafts</b>	Internationally recognized cultural products such as batik, traditional attire, and handmade crafts with export potential	Limited participation in coordinated branding strategies and lack of sustained access to global markets	Development of co-branded cultural products and official MICE merchandise through collaboration with performing arts and culinary subsectors
<b>Event Management</b>	Regular organization of cultural festivals and major events such as Solo Batik Carnival and Sekaten, demonstrating strong event experience	Event coordination remains fragmented, with limited long-term strategic planning and international partnerships	Establishment of cross-sector event consortiums and strategic partnerships with international MICE organizations

Source: Field Data Analysis (2025)

Table 3 illustrates that while each subsector possesses significant cultural and economic potential, structural constraints continue to limit their ability to fully participate in higher value-added segments of the global MICE value chain. From a global value chain perspective, process upgrading can be achieved through improving the efficiency, professionalism, and technological capabilities of creative production and event management. The implementation of digital marketing strategies, improved event coordination, and enhanced production quality can strengthen the operational capacity of local creative actors. Product upgrading involves developing creative products and cultural services that align with global market preferences and international quality standards. This includes the development of globally marketable cultural performances, internationally branded culinary products, and high-quality creative goods that can be promoted beyond local markets.

Functional upgrading represents the most significant opportunity for Surakarta's creative economy. This involves expanding the roles of local actors beyond cultural production into higher value-added activities such as global marketing, intellectual property commercialization, digital content monetization, and international event organization. For example, performing arts can be transformed into globally distributed digital cultural content, while culinary and craft products can be integrated into internationally branded cultural tourism and MICE service packages. Similarly, digital platforms can be utilized to enhance global visibility and facilitate direct engagement with international audiences.

Institutional development plays a critical role in enabling this upgrading process. The establishment of formal collaborative platforms, such as creative hubs and cross-sector industry networks, can facilitate sustained collaboration, knowledge exchange, and coordinated value chain participation. Such platforms can serve as intermediaries that connect local creative actors with global markets, international event organizers, and strategic partners. In addition, strengthening partnerships with educational institutions, international cultural organizations, and global MICE networks can enhance the global competitiveness of Surakarta's creative economy.

These upgrading pathways highlight the strategic importance of transitioning from a content-supplier role toward a more integrated and value-generating position within the global MICE value chain. While Surakarta's creative economy already provides a strong foundation for participation in global cultural industries, achieving deeper integration will require coordinated institutional support, sustained

collaboration, and strategic investment in upgrading capabilities. Through these efforts, Surakarta can enhance its capacity to capture greater economic value and strengthen its position as an internationally competitive MICE destination within the global value chain.

### **Conclusion**

This study demonstrates that Surakarta possesses a strong creative economy ecosystem that supports its participation in the global MICE value chain. Creative subsectors such as performing arts, culinary production, fashion, crafts, digital media, and event management provide culturally distinctive content that enhances the city's attractiveness as a MICE destination. Institutional facilitation through government-led training and capacity-building programs has strengthened local productive capacity and improved the readiness of creative economy actors to engage in MICE-related activities. These findings confirm that cultural capital and creative production serve as important entry points for participation in globally connected industries, although Surakarta's role remains concentrated in upstream activities as a supplier of cultural content.

From a practical perspective, the findings highlight the importance of strengthening institutional coordination and establishing sustained collaborative platforms to support deeper integration into the global value chain. Local governments should move beyond fragmented capacity-building programs by developing integrated strategies, such as establishing creative hubs, strengthening cross-sector collaboration, expanding international partnerships, and improving global branding and digital promotion. These efforts are essential to enable functional upgrading and enhance the ability of creative economy actors to capture greater value from global MICE activities.

This study has several limitations. As a qualitative case study focusing on Surakarta, the findings are context-specific and based on interviews, observations, and institutional program data, which may limit broader generalization. In addition, this study primarily examines institutional facilitation and collaboration processes and does not quantitatively measure the economic impact of creative economy integration into the global value chain. Future research may address these limitations by conducting comparative studies across multiple cities, incorporating quantitative approaches to measure value chain upgrading outcomes, or examining the effectiveness of specific institutional interventions in supporting global value chain integration.

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