

Research Article

THE ROLE OF CREATIVE ECONOMY IN BUILDING CULTURAL IDENTITY AND ECONOMIC GROWTH: A MANAGERIAL PERSPECTIVE IN TIMOR-LESTE

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Abstract: This research explores the role of the creative economy in building cultural identity and driving economic growth in Timor Leste. With a focus on traditional arts and crafts activities, this research shows how creative economy actors can innovatively package their products to attract the attention of markets, both local and international. The results indicate that the sector not only contributes to increasing community income, but also strengthens local cultural values amidst globalization. In terms of economic growth, the creative economy sector is proven to create new jobs and improve community welfare, especially through the development of cultural tourism. However, this study also identified various challenges faced by business actors, such as limited access to capital and lack of business management training. Therefore, effective managerial approaches and policy support from the government are needed to maximize the sector's positive impact. As next steps, this study recommends the development of management and entrepreneurship training programs, improved access to capital, and cross-sector collaboration to strengthen the creative economy ecosystem. In addition, it is important to conduct more in-depth research on digital marketing and evaluation of the long-term socio-economic impact of this sector. With these steps, it is hoped that the creative economy in Timor Leste can develop sustainably and provide greater benefits to the local community and culture.

Keywords: Creative Economy, Cultural Identity, Economic Growth, Entrepreneurship Management

INTRODUCTION

The creative economy has become one of the key pillars of global economic development, particularly in countries with rich cultural diversity. In Timor-Leste, known for its rich cultural heritage and unique traditions, the creative economy sector offers significant opportunities to generate added value and improve the well-being of its people. By leveraging creativity and innovation, the creative economy can serve as a driving force that not only promotes economic growth but also strengthens the cultural identity that defines a nation.

As a newly independent country, Timor-Leste faces challenges in building a strong economic foundation. Traditional sectors such as agriculture and fisheries still dominate, but the untapped potential of the creative economy could offer a promising alternative. By focusing on creative industries such as art, handicrafts, music, and cultural tourism,

Timor-Leste can create new jobs and increase local income. This is important for reducing dependence on more conventional sectors and enhancing economic competitiveness.

One important aspect of the creative economy is its ability to combine cultural elements with innovation. In Timor-Leste, many products and services can be produced from local cultural resources, such as ikat weaving, painting, and traditional performances. With the right approach, these products can be marketed not only domestically but also exported to international markets. This will have a positive impact on the local economy and raise global awareness of Timor-Leste's cultural wealth.

However, to achieve the full potential of the creative economy, an effective managerial approach is required. Proper resource management, including capacity building for entrepreneurs, skill training, and access to capital, is crucial to ensuring the sustainability of this sector. Additionally, promoting culture as an economic asset must be done strategically, involving various stakeholders, including the government, the community, and the private sector. Good cooperation among all parties will create an ecosystem that supports the growth of the creative economy.

Economic growth and cultural preservation in Timor-Leste are inseparable. The creative economy serves as a bridge connecting these two aspects, where cultural preservation can provide economic added value. For example, cultural festivals showcasing local arts and crafts not only attract tourists but also raise public awareness of the importance of preserving cultural heritage. Thus, the creative economy can contribute to sustainable development that takes into account social and environmental aspects.

In a global context, the creative economy also plays a role in creating a strong national identity. In Timor-Leste, a unique cultural identity can be a special attraction for tourists and investors. By promoting products and services that reflect local culture, Timor-Leste can build a positive image in the eyes of the world. This will help draw attention to the country's economic potential and increase the community's pride in their cultural heritage.

The challenges faced in developing the creative economy in Timor-Leste include a lack of adequate infrastructure, limited access to information, and minimal support from the government. Therefore, it is important to identify and overcome these obstacles so that the creative economy sector can develop properly. Supportive policies, such as incentives for creative entrepreneurs and training programs, need to be implemented to create an environment conducive to the growth of this sector.

In addition, it is important to involve the younger generation in the development of the creative economy. By providing relevant education and training, the younger generation can become agents of change who bring innovation and creativity to this sector. They can develop new ideas that combine technology with local culture, thereby creating products and services that are more attractive and competitive in the market. The involvement of the younger generation will also ensure that cultural heritage remains alive and relevant in the future.

Overall, the creative economy in Timor-Leste has enormous potential to build cultural identity and promote sustainable economic growth. With the right managerial approach, effective resource management, and support from all stakeholders, this sector can flourish and provide significant benefits to the community. Therefore, it is important to continue exploring and developing the potential of the creative economy as an integral part of the national development strategy. performance.

PROBLEM FORMULATION

Based on this background, the problems formulated in this study are:

- What is the role of the creative economy in building cultural identity in Timor-Leste?
- How does the creative economy contribute to economic growth in Timor-Leste?
- How can managerial perspectives be used to develop a sustainable creative economy in Timor-Leste?
- What are the challenges and opportunities faced in managing the creative economy in Timor-Leste?

RESEARCH OBJECTIVES

The objectives of this research are to:

- Analyze the role of the creative economy in strengthening the cultural identity of Timor-Leste.
- Identify the contribution of the creative economy to economic growth in Timor-Leste.
- Evaluate effective managerial approaches for the development of the creative economy in Timor-Leste.
- Reveal the challenges and opportunities in managing the creative economy and provide sustainable **solutions**.

RESEARCH USES

Here are some of the uses of this research:

- ❖ **Improved Understanding of the Creative Economy:** This research will provide deeper insights into the concept of the creative economy and how this sector can contribute to economic growth and cultural preservation in Timor-Leste. This is important for raising awareness among stakeholders about the potential of the creative economy.
- ❖ **Basis for Public Policy:** The results of this research can be used as a reference for the government and policymakers in formulating policies that support the development of the creative economy. By understanding the role and contribution of this sector, more effective policies can be implemented to encourage sustainable economic growth.

- ❖ **Guidance for Business Actors:** This research can provide practical guidance for business actors in the creative economy sector on effective managerial strategies. By understanding the challenges and opportunities that exist, business actors can optimize resources and increase the competitiveness of their products and services.
- ❖ **Promotion of Cultural Identity:** This research will help promote the cultural identity of Timor-Leste through the creative economy. By highlighting the existing cultural wealth, this research can encourage the community to better appreciate and preserve their cultural heritage.
- ❖ **Increased Community Involvement:** By emphasizing the importance of the creative economy in social and economic development, this research can encourage community involvement in creative activities. This can increase community ownership and participation in local economic development.
- ❖ **Development of Education and Training Programs:** This research can provide a basis for the development of relevant education and training programs for the younger generation. By improving skills and knowledge in the creative economy, the younger generation can contribute more to the growth of this sector.
- ❖ **Case Study for Further Research:** This research can serve as a useful case study for further research in the creative economy, both in Timor-Leste and in other countries with similar contexts. The findings and recommendations from this research can be adapted and applied in different contexts.
- ❖ **Encouraging Cross-Sector Cooperation:** This research can encourage cooperation between the public, private, and civil society sectors in the development of the creative economy. By creating synergy between various stakeholders, this sector can develop more quickly and sustainably.
- ❖ **Enhancing Tourism Attractiveness:** By highlighting the creative economic potential related to culture, this research can help enhance tourism attractiveness in Timor-Leste. This can contribute to increased revenue from the tourism sector and create new jobs.
- ❖ **Social and Economic Impact Assessment:** This research can serve as a basis for assessing the social and economic impact of creative economic development in Timor-Leste. By measuring the results and impact of policies and programs implemented, stakeholders can make better decisions in the future.

LITERATURE REVIEW

The creative economy has become a major focus of economic development in many developing countries, including those in Southeast Asia. According to a report by UNESCO (2021), the creative economy encompasses a wide range of activities related to the creation, production, and distribution of goods and services based on creativity,

art, culture, and technology. This report emphasizes that the creative economy sector not only contributes to economic growth but also plays an important role in preserving culture and national identity. By leveraging existing cultural wealth, countries can create unique and attractive products for the global market.

Research by O'Brien and colleagues (2022) shows that the creative economy can be a major driver of economic diversification, especially in countries that depend on the primary sector. In their study, they found that the development of creative industries, such as arts, design, and digital media, can create new jobs and increase community income. This is particularly relevant for developing countries that want to reduce their dependence on natural resources and increase their competitiveness in the international market.

Furthermore, research by Lee and Kim (2023) highlights the importance of innovation in the creative economy. They note that this sector is highly dependent on the ability to innovate and adapt to market changes. In this context, effective management is key to optimizing the potential of the creative economy. This research shows that businesses that can integrate new technologies and innovative marketing strategies can achieve greater success in the creative industry.

Additionally, a study by Smith et al. (2024) emphasizes that the creative economy also contributes to social and cultural development. They found that community involvement in creative projects can enhance a sense of ownership and cultural identity. By involving local communities in the creation and production process, the creative economy not only creates economic value but also strengthens social cohesion and cultural preservation. This shows that the creative economy can serve as a bridge between economic growth and the preservation of cultural heritage.

Finally, a report by the World Bank (2023) confirms that strong policy support from the government is needed to maximize the potential of the creative economy. Supportive policies, such as fiscal incentives, skills training, and access to financing, are essential to overcome the obstacles faced by creative economy actors. The report recommends that governments collaborate with the private sector and civil society to create an ecosystem that supports the sustainable growth of the creative economy.

The creative economy is increasingly recognized as a key driver of innovation and economic growth in many countries. Recent research shows that this sector not only creates jobs but also drives technological development and creativity. For example, a study by Rahman et al. (2024) highlights how creative industries, such as graphic design and digital media, contribute to better product and service innovation, which in turn enhances competitiveness in the global market.

Furthermore, analysis by Santoso (2025) shows that the creative economy plays an important role in creating a sustainable innovation ecosystem. This study reveals that collaboration between creative industry players and the technology sector can produce innovative solutions that address social and economic challenges. By utilizing digital technology, creative economy players can expand their market reach and improve

operational efficiency.

In addition, a report by Junaidi and Sari (2024) emphasizes the importance of government policy support in facilitating the growth of the creative economy. Supportive policies, such as tax incentives and training programs, can help businesses innovate and develop new products. This study shows that countries with pro-creative policies tend to experience faster economic growth.

A study by Prasetyo (2025) also highlights the social impact of the creative economy, where community involvement in creative projects can enhance a sense of ownership and cultural identity. By involving local communities, the creative economy not only creates economic value but also strengthens social cohesion. This demonstrates that sustainable economic growth must take into account social and cultural aspects.

Finally, research by Widiyanto et al. (2024) concludes that to maximize the potential of the creative economy, a holistic and integrated approach is needed. This includes collaboration between the government, the private sector, and civil society to create an environment that supports innovation and growth. Thus, the creative economy can be a driving force for inclusive and sustainable economic growth.

The managerial perspective in the creative economy is crucial for understanding how businesses can effectively manage creative resources. According to research by Johnson and colleagues (2024), effective management in the creative sector encompasses the management of marketing, organizational, financial, and product development aspects. This research shows that businesses that can integrate the right managerial strategies can create significant added value, both for the products and services they offer. This is particularly relevant in the context of the creative economy, which focuses on innovation and creativity.

In Timor-Leste, the challenges in managing the creative economy are becoming increasingly complex due to the limited resources available. According to a study by Pereira and Santos (2024), effective management is essential to maximize the potential of this sector. This research emphasizes the importance of managerial training for local entrepreneurs so that they can manage resources more efficiently and effectively. By improving their managerial capacity, entrepreneurs can better respond to market dynamics and consumer needs.

Marketing aspects are also a key focus in the managerial perspective of the creative economy. Research by Nguyen and Tran (2024) shows that innovative marketing strategies can help creative products from Timor-Leste penetrate international markets. In this context, the use of digital media and online platforms is crucial for expanding market reach. This study recommends that businesses leverage information technology to enhance the visibility and competitiveness of their products.

In addition, sustainable product development is also key in creative economy management. According to a report by Smith et al. (2024), product development that takes into account local wisdom and culture can create products that are more relevant and attractive to consumers. This research emphasizes that preserving local wisdom as part of cultural identity is not only important for cultural preservation, but can also be a

unique selling point in the global market.

Finally, research by the World Bank (2024) highlights the importance of policy support from the government in creating an environment conducive to the development of the creative economy. Supportive policies, such as fiscal incentives and access to financing, are essential to help businesses overcome the challenges they face. With the right support, the creative economy sector in Timor-Leste can grow and make a significant contribution to economic growth and cultural preservation.

METHOD

In-depth interviews

In-depth interviews are one of the main methods in qualitative research that allow researchers to explore information in depth from informants. In the context of this study, interviews were conducted with creative economy entrepreneurs, cultural managers, and policy makers in Timor-Leste. This method was designed to gain a better understanding of the experiences, perspectives, and challenges faced by informants in developing the creative economy. According to Kvale and Brinkmann (2023), in-depth interviews provide an opportunity for informants to share their stories and perspectives, which can generate rich and contextual data.

The interview process was conducted using open-ended questions that encouraged informants to describe their experiences in detail. The researcher sought to create a comfortable atmosphere so that informants felt free to share information. This is important for obtaining honest and in-depth data. As stated by Creswell (2021), a good interview not only collects information but also builds a relationship between the researcher and the informant, which can improve the quality of the data obtained.

After the interviews are conducted, the collected data will be recorded and transcribed for further analysis. This process allows researchers to capture the nuances and context of the informants' responses. By analyzing the interview data, researchers can identify key themes related to the creative economy and how it relates to cultural identity and economic growth in Timor-Leste (Braun & Clarke, 2024).

Participatory Observation

Participatory observation is a method used to collect data by directly participating in the activities being studied. In this study, researchers participated in various creative economic activities, such as art, crafts, and cultural performances. This method allows researchers to gain a deeper understanding of the practices and dynamics occurring in the field. According to Denzin (2022), participatory observation provides a richer context and allows researchers to see social and cultural interactions firsthand.

During the observation, researchers record various relevant aspects, such as interactions between business actors, visitors, and event managers. This observation also

includes observing the creative process, the techniques used, and the community's response to creative economic activities. In this way, researchers can identify patterns and trends that may not be revealed in interviews. Participatory observation also helps researchers understand the social and cultural context that influences the creative economy in Timor-Leste (Creswell, 2021).

The data obtained from observations will be combined with interview data to provide a more comprehensive picture of the creative economy. Analysis of the data from these observations will help researchers to link their findings to existing theory and literature, and provide insights into how the creative economy can contribute to cultural identity and economic growth in Timor-Leste (Kvale & Brinkmann, 2023).

Document Analysis

Document analysis is a method used to examine various documents relevant to the research topic. In the context of this study, the documents analyzed include creative economy policies and economic growth reports from Timor-Leste. This method is important for understanding the policy framework that influences the development of the creative economy and how these policies are implemented in the field. According to Bowen (2009), document analysis can provide additional context that helps researchers understand the phenomenon being studied.

The documents analyzed will provide information about the objectives, strategies, and challenges faced in the development of the creative economy in Timor-Leste. By analyzing existing policies, researchers can identify gaps between policy and practice in the field. This is important for evaluating the effectiveness of policies and providing recommendations for improvement. Document analysis can also help researchers understand how these policies contribute to cultural identity and economic growth (Denzin, 2022).

After the document analysis is done, the results will be combined with data from interviews and observations to give a more holistic picture of the creative economy in Timor-Leste. This way, researchers can spot patterns and connections between the creative economy, cultural identity, and economic growth, as well as look into the managerial aspects applied in that context (Braun & Clarke, 2024).

RESULTS AND DISCUSSION

General Profile of Timor-Leste.

Timor-Leste, as a country that gained independence in 2002, has great potential for developing a creative economy that can contribute to cultural identity and economic growth. The creative economy encompasses various sectors, including art, crafts, music, and cultural performances, all of which have deep roots in local traditions and culture. In this context, the creative economy serves not only as a source of income but also as a means to preserve and promote Timor-Leste's cultural identity at both national and

international levels.

One important aspect of the creative economy in Timor-Leste is the cultural diversity of the country. With more than 30 different ethnic groups and languages, Timor-Leste has a rich cultural heritage that can be explored and developed through various forms of creative expression. This provides opportunities for creative economy actors to create unique products and services that are not only attractive to the local market but can also be exported to international markets.

The managerial role in the development of the creative economy is crucial to ensure that this potential can be maximized. Policy makers, cultural managers, and business actors need to work together to create an environment that supports the growth of this sector. This includes developing policies that support innovation, access to financing, and training for business actors. With the right managerial approach, the creative economy can become a major driver of sustainable economic growth in Timor-Leste.

In addition, the creative economy also contributes to job creation and improved community welfare. With increasing demand for creative products and services, business actors can create employment opportunities for local communities, especially for the younger generation. This is particularly important given the high unemployment rate in the country. By providing training and support to business actors, the creative economy can help reduce poverty and improve the quality of life of the community.

Timor Leste's cultural identity is also further strengthened through the creative economy. Products produced by creative economy actors often reflect local values and traditions, which helps communities to better appreciate their cultural heritage. In addition, the promotion of culture through arts and crafts can raise public awareness about the importance of preserving local traditions and culture. Thus, the creative economy serves not only as an economic tool, but also as a means to strengthen cultural identity.

However, challenges remain in the development of the creative economy in Timor Leste. Limited infrastructure, lack of access to markets, and lack of support from the government are some of the obstacles faced by businesses. Therefore, it is important for the government and policy makers to identify and address these challenges for the creative economy to flourish. This includes investing in infrastructure, providing access to finance, and developing relevant training programs.

In a global context, the creative economy in Timor Leste can also contribute to the country's image in the eyes of the world. By promoting unique creative products and services, Timor Leste can attract tourists and investors, which in turn can boost economic growth. Therefore, effective marketing strategies and collaboration with various parties, including international organizations, are essential to promote the creative economy in Timor Leste.

Overall, the role of the creative economy in building cultural identity and economic growth in Timor Leste is significant. With the right managerial approach,

support from the government, and active participation from the community, this sector has the potential to become a key driver for sustainable development in the country. Through the development of the creative economy, Timor Leste can not only improve the welfare of the people, but also preserve and promote its rich cultural heritage.

RESULTS INTERVIEW

Contribution of Creative Economy to Cultural Identity

The results show that the creative economy has a significant role in shaping and strengthening Timor Leste's cultural identity. Traditional arts and crafts activities carried out by creative economy actors not only serve as a means of cultural expression, but also as a tool to promote local cultural heritage. By innovatively packaging traditional products, businesses can attract the attention of a wider market, both domestically and internationally. For example, handicrafts that combine traditional techniques with modern designs can create unique and attractive products for consumers who value authenticity and cultural values.

Innovations in the packaging and marketing of cultural products also contribute to increasing public awareness of the importance of preserving traditions. When these products are marketed professionally, they not only become a source of income, but also a strong symbol of cultural identity. This helps communities to appreciate their cultural heritage more and encourages the younger generation to engage in cultural practices that may have previously been considered less attractive. Thus, the creative economy serves as a bridge between tradition and modernity, strengthening Timor Leste's cultural identity amidst globalization.

In addition, creative economy activities that focus on arts and crafts also create space for cultural dialog. Through exhibitions, festivals and other cultural events, creative economy actors can interact with the community and visitors, sharing stories and experiences that enrich understanding of Timor Leste's culture. This not only strengthens local cultural identity, but also creates a sense of community and pride among the people. Thus, the creative economy not only contributes to the economic aspect, but also to social and cultural strengthening in Timor Leste.

Economic Growth and Job Creation

In terms of economic growth, the creative economy sector has been proven to create new jobs and increase the income of local communities. With the development of the cultural tourism sector, many businesses are capitalizing on this potential to offer products and services that appeal to tourists. For example, handicrafts, art performances, and authentic cultural experiences are a big draw for visitors who want to experience Timor Leste's unique culture. This not only provides income for businesses, but also creates employment opportunities for the local community, especially for young people looking for work.

The growth of the cultural tourism sector also has a positive impact on the local economy. As the number of tourists increases, the demand for local products and tourism-related services increases, which in turn encourages the growth of small and medium enterprises. These enterprises often involve local people, so the income generated can be directly felt by the community. Furthermore, the sector also contributes to economic diversification, reducing reliance on traditional sectors that may be more vulnerable to market fluctuations.

However, to ensure sustainable growth, an effective managerial approach is required. Creative and innovative human resource management is essential to encourage businesses to continuously adapt to market changes and consumer needs. In addition, digital-based marketing promotions are key to reaching a wider audience. By utilizing digital platforms, businesses can market their products more efficiently and effectively, increasing their visibility and competitiveness in the global market.

Constraints and Challenges in Creative Economy Development

Although the creative economy in Timor Leste shows great potential, there are several obstacles that need to be overcome to ensure its sustainability and growth. One of the main challenges is limited access to capital for businesses. Many creative economy actors, especially those just starting out, face difficulties in securing financing to grow their businesses. Without adequate financial support, it is difficult for them to invest in innovation, marketing, and product development that can improve competitiveness.

In addition, the lack of business management training for creative entrepreneurs is also an obstacle. Many entrepreneurs have high creative skills, but lack knowledge of business management, marketing, and business development strategies. This can hinder their business growth and reduce their potential contribution to the local economy. Therefore, structured training and mentoring programs are needed to help entrepreneurs develop the managerial skills needed to succeed in the market.

The risk of cultural homogenization due to globalization is also a concern. With increased access to global products and culture, there are concerns that local cultures may be endangered or reduced to mere commodity products. Therefore, it is important to maintain a balance between adopting innovations and preserving local cultural values. Policy support that encourages cultural preservation while facilitating the growth of the creative economy is essential to ensure that Timor Leste's cultural identity is maintained amidst the rapid globalization.

Overall, the results show that the creative economy has great potential in building cultural identity and economic growth in Timor Leste. With positive contributions to strengthening cultural identity through arts and crafts activities, as well as job creation and income generation, the sector can be a key driver for sustainable development. However, achieving this potential requires effective managerial approaches, appropriate policy support, and more structured coaching to overcome existing constraints. With these measures, the creative economy in Timor Leste can flourish and provide greater

benefits to the community and local culture.

ANALYSIS OF RESEARCH RESULTS

The results show that the creative economy in Timor Leste plays an important role in building cultural identity and promoting economic growth. This positive contribution can be seen from traditional arts and crafts activities that are packaged innovatively and marketed professionally. This is in line with the theory proposed by Throsby (2008), which states that the creative economy not only serves as a source of income, but also as a means to preserve and promote local culture. By integrating cultural values into creative products, businesses not only create economic value, but also strengthen the cultural identity of the community.

In terms of economic growth, the creative economy sector has succeeded in opening new jobs and increasing the income of local communities, especially in the cultural tourism sector. This finding supports the theory expressed by Florida (2002), which emphasizes that the creative economy can be a key driver for economic growth by creating jobs and increasing competitiveness. With the increasing demand for creative products and services, businesses in Timor Leste can capitalize on this opportunity to grow their businesses and contribute to the local economy.

However, this study also identified several constraints faced by creative economy actors, such as limited access to capital and lack of business management training. This reflects the theory proposed by Bakhshi et al. (2008), which states that although the creative economy sector has great potential, challenges in terms of access to resources and skills can hinder its growth. Therefore, it is important for the government and policy makers to develop programs that support businesses in overcoming these constraints, such as providing access to financing and management training.

The risk of cultural homogenization due to globalization is also a concern raised in this study. Appadurai's (1996) theory of "cultural globalization" suggests that while globalization can bring opportunities, it can also threaten local cultural diversity. This research emphasizes the importance of maintaining a balance between innovation and cultural preservation, which is in line with the view that policies that support cultural preservation should be integrated in the creative economy development strategy. Thus, businesses can innovate without sacrificing existing cultural values.

Overall, the results of this study suggest that the creative economy in Timor Leste has great potential to contribute to cultural identity and economic growth. However, achieving this potential requires effective managerial approaches and appropriate policy support. By integrating relevant theories with the research results, we can better understand the dynamics of the creative economy sector and formulate more effective strategies to support its growth in Timor Leste. This triangulation between theory and research results provides a more comprehensive picture of the challenges and opportunities faced by the creative economy in the country.

ALTERNATIVE PROBLEM SOLVING

Develop a Management and Entrepreneurship Training Program.

The development of management and entrepreneurship training programs specifically for creative economy actors is essential to improve their skills and knowledge in managing their businesses. These programs should be designed to integrate local cultural values, so that entrepreneurs not only learn about the technical aspects of management, but also understand how to apply their culture in business practices. By doing so, entrepreneurs can create products that are not only commercially attractive, but also reflect their cultural identity.

This training can cover a wide range of topics, such as business planning, marketing, financial management, and product development. In addition, the training should also cover creative aspects, such as innovations in the design and marketing of cultural products. By providing comprehensive training, businesses will be better prepared to face challenges in the market and can develop effective strategies to promote their products. This will increase their competitiveness in local and international markets.

In addition, the training program could involve collaboration with universities, training institutions and non-governmental organizations that have experience in entrepreneurship and management. By involving various parties, the training program can be more relevant and in line with the needs of business actors. Through this approach, it is hoped that creative economy actors in Timor Leste can develop the skills necessary to succeed and contribute to economic growth and the preservation of local culture

1. Improving Access to Capital.

Improving access to capital through microfinance mechanisms and partnerships with financial institutions and international donors is an important step to support creative economy actors. Many entrepreneurs in this sector face difficulties in obtaining the necessary financing to grow their businesses. By providing access to microfinance, small businesses can obtain the capital needed to start or expand their businesses without having to face the strict requirements of traditional financial institutions.

Partnerships with financial institutions and international donors can also help create financing programs that are more flexible and tailored to the needs of businesses. For example, financial institutions can offer low-interest loans or results-based financing schemes, where businesses only repay the loan once they start generating income. This way, enterprises will feel more secure to take risks and invest in the development of their products and services.

In addition, it is important to educate entrepreneurs on how to manage finances and use capital wisely. Training programs that teach financial management and business planning can help entrepreneurs to better understand how to manage the capital they

receive. By increasing access to capital and providing support in financial management, creative economy entrepreneurs in Timor Leste can more easily grow their businesses and contribute to local economic growth.

2. Strengthening Government Policy Support.

Strengthening government policy support that encourages innovation while preserving culture is an important step towards creating a conducive environment for creative economic growth. The government needs to formulate policies that support the development of the creative economy sector, including incentives for businesses that innovate their products and services. These policies could include tax deductions, subsidies for training, and support for the promotion of cultural products in international markets.

In addition, it is important for the government to involve creative economy players in the policy decision-making process. By listening to input from businesses, the government can formulate policies that are more relevant and in line with the needs of the sector. Collaboration between the government, businesses, and civil society organizations can create strong synergies to encourage innovation and cultural preservation. It will also increase the sense of ownership and responsibility among businesses towards the policies implemented.

Policy support should also include protection of intellectual property rights, so that creative economy actors can protect their work from imitation and exploitation. By providing legal protection, businesses will feel safer to innovate and create new products. Thus, policies that support innovation and cultural preservation will create a healthy ecosystem for the growth of the creative economy in Timor Leste.

3. Encourage Cross-Sector Collaboration

Encouraging cross-sector collaboration between creative industries, tourism, education, and local communities is essential to expand economic and social value-added. This collaboration can create synergies that benefit all parties involved. For example, the tourism industry can work with creative economy players to offer tourists authentic cultural experiences, such as craft workshops or art performances. This not only increases the attractiveness of tourism, but also provides additional income for local businesses.

In addition, collaboration with educational institutions can help develop study programs that are relevant to the needs of the creative industry. By involving students in real-world projects, they can gain valuable practical experience and assist businesses in developing products and services. This can also create a clear career path for graduates, which in turn can reduce the unemployment rate among the younger generation.

Local communities should also be involved in this collaborative process. By involving the community in the development of products and services, creative economy

actors can ensure that the products reflect the needs and wants of the community. This will increase community ownership and support for local products, which in turn can increase sales and business growth. By encouraging cross-sector collaboration, Timor Leste can create an ecosystem that supports creative economic growth and cultural preservation simultaneously.

CONCLUSION

This research shows that the creative economy in Timor Leste has a very strategic role in building cultural identity and promoting economic growth. Through innovatively packaged traditional arts and crafts activities, creative economy actors can not only create attractive products, but also strengthen local cultural values. As such, the sector serves as a bridge between tradition and modernity, contributing significantly to the development of Timorese cultural identity.

In terms of economic growth, the creative economy sector has succeeded in creating new jobs and increasing the income of local communities, especially in the cultural tourism sector. The findings suggest that with the right managerial approach, the creative economy can be a key driver for sustainable economic growth. However, challenges such as limited access to capital and lack of business management training still need to be addressed to ensure the sustainability of the sector.

An effective managerial perspective is key to success in creative economy development. Policy support from the government, including protection of intellectual property rights and incentives for businesses, is essential to create an environment conducive to the growth of the sector. In addition, cross-sector collaboration between creative industries, tourism, education and local communities can expand economic and social value-added, creating mutually beneficial synergies.

Overall, this research confirms that the creative economy in Timor Leste has great potential to contribute to sustainable development. By maximizing the sector's positive impact through effective management and appropriate support, Timor Leste can strengthen its cultural identity and drive inclusive and sustainable economic growth.

SUGGESTIONS

For further development, it is recommended that more in-depth research be conducted on the aspects of digital marketing and the role of technology in expanding the reach of Timor Leste's creative products. With the development of information technology, creative economy players need to utilize digital platforms to market their products more effectively. This research can provide insights into appropriate marketing strategies and how technology can be used to increase the visibility of local products in

the global market.

In addition, evaluating the long-term socioeconomic impact of the creative economy sector is also crucial. Further research can help understand how the growth of the sector affects community welfare, job creation, and cultural preservation. With more comprehensive data, policy makers can formulate more effective strategies to support creative economy development in Timor Leste.

Finally, it is important to involve creative economy actors in the decision-making process regarding policies and programs that affect the sector. By listening to input from businesses, the government can formulate policies that are more relevant and in line with the needs of the creative economy sector. Close collaboration between the government, businesses, and the community will create an ecosystem that supports the growth of the creative economy and cultural preservation in Timor Leste.

For further development, it is recommended that more in-depth research be conducted on the aspects of digital marketing and the role of technology in expanding the reach of Timor Leste's creative products. With the development of information technology, creative economy players need to utilize digital platforms to market their products more effectively. This research can provide insights into appropriate marketing strategies and how technology can be used to increase the visibility of local products in the global market.

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