

Kasongan Pottery Cluster

YOGYAKARTA,
INDONESIA

Yogyakarta is the capital city of the Yogyakarta special region on the Indonesian island of Java. Indonesia's second most popular tourist destination after Bali, the city has registered relatively inclusive and sustainable economic growth; with the creative industries, tourism, education and light industries forming Yogyakarta's major economic sectors.

Project overview

The Department of Industry, Trade and Cooperation, a regional government body in Yogyakarta, has integrated a bottom-up local government cluster programme with a top-down State programme in order to strengthen competitiveness of the Kasongan pottery cluster. As such, it is rather different from the development of other clusters in Indonesia which are mainly developed by a top-down approach. The programmes focus on the development of an information centre; training of pottery makers (including design; marketing and use of IT); access to exhibitions; technology transfer (e.g. new heating systems) and new production techniques; infrastructural works and funding.

Results and impact

To date, the programmes have contributed to the competitiveness of firms across the pottery cluster. Significantly, the institutional structure supporting the cluster has improved considerably; with enhanced networks and

trust between the business association; firms; various government layers and the information centre. Enhanced institutional arrangements have proved a major exception in the Indonesian context, overcoming the widespread challenges of bureaucracy and corruption to become one of the most competitive clusters in the country. The programmes have also contributed to skill development and networking opportunities of local firms, introducing potters to new products and production technologies. Although there is still progress to be made in the development of a sustainable competitive cluster, the collaborative reconstruction of the Kasongan and its firms after the Java earthquake in 2006, has created trust in a country where public-private partnership has often been characterised by corruption, collusion and nepotism.

Enablers

The successful development of the Kasongan cluster rests on four key factors. Firstly, a crucial enabler of the programme has been the steadfast vision of Yogyakarta, framing itself as a city of education, culture and tourism. Secondly, the formal leadership of the Department of Industry, Trade and Cooperation has firmly integrated and managed the local cluster programme alongside the national One Village, One Product programme, allowing for the integration and collaboration services under one roof. A third enabler has been the informal leadership of the largest exporter of the cluster. The company's founder has played a major role in contributing to, and implementing, cluster policies; and can be regarded as a bridge between cluster firms and public institutes, universities and international markets. Lastly, the success of the cluster can also be linked to exporters and international buyers who have given local firms access to global value chains, contributing to the transfer of knowledge and best practices. All of the above however, would not be possible without the enhanced levels of trust that have been established between the public and private sector as the cluster seeks to sustain competitive future growth.

