

## **ABSTRACT**

*The purpose of this study is to decide SME creative economy development strategy for bakaran batik in Pati, Central Java to improve competitiveness. SMEs creative economy bakaran batik believed to able to develop the local economy surrounding communities armed with knowledge, creativity, innovation and in the develop employment. However, SMEs creative economy bakaran batik still not able to be characteristic spesific for Pati, Central Java. This study uses the Analytical Network Process (ANP). Analysis of the development strategy of SMEs competitiveness in creative bakaran batik covers aspects of the industry, technology, resources, institutional, and financial intermediation.*

*ANP analysis results showed that of the five aspects of the development of creative SMEs competitiveness in bakaran batik, generating resource aspects as the top priority and the appropriate development strategies to do is to improve the quality of human resources in hopes of helping creative utilization of renewable raw materials. Strategy recommendation of improving the quality of creative human resources is with the highest priority strategy with a score of 0.2329.*

*Keywords: strategy development, SMEs, batik bakaran, creative economy, the local economy, ANP (Analytical Network Process).*