

## Reconstructing the Habermasian Public Sphere through Community-Based Creative Economy: Evidence from Payungi Space, Indonesia

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| Abstract                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Article Info                                                                                                                                                                                                                                                                                                                                                                       |
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| <p>This study explores how Payungi Space reconstructs the Habermasian public sphere through a community-based creative economy in Indonesia. Unlike the conventional understanding of the public sphere as a space for rational deliberation, this study argues that public spheres in community settings are simultaneously shaped by participatory communication, local culture, religiosity, and collective empowerment. The research adopts a qualitative ethnographic approach integrated with Participatory Action Research (PAR) and Asset-Based Community Development (ABCD). Data were collected through participant observation, in-depth interviews with eleven key informants, and document analysis, and analyzed using thematic analysis with data triangulation. The findings reveal three interconnected dimensions. First, Pancadaya serves as the normative foundation that fosters critical consciousness, collective learning, and community capacity. Second, Rembug Warga functions as a deliberative mechanism where communicative action generates consensus, trust, and collective action. Third, the integration of creative economy, digital media, cultural identity, and religious values produces multidimensional transformation, including improved livelihoods, stronger social cohesion, knowledge creation, and sustainable community empowerment. This study proposes the concept of the Community-Based Creative Public Sphere, extending Habermas's theory by demonstrating that public spheres in developing countries can integrate deliberative communication with local assets, cultural values, and creative economy practices. The findings provide both theoretical contributions to public sphere scholarship and practical insights for participatory community development and sustainable local economic transformation.</p> | <p><b>Article History</b><br/> <i>Received :</i><br/> January 09, 2026<br/> <i>Revised :</i><br/> March 16, 2026<br/> <i>Accepted :</i><br/> April 30, 2026</p> <p><b>Keywords:</b><br/> Habermasian<br/> Public Sphere;<br/> Community-Based<br/> Creative Economy;<br/> Pancadaya;<br/> Participatory<br/> Action Research;<br/> Asset-Based<br/> Community<br/> Development</p> |

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## INTRODUCTION

Modernisation has brought about changes to public spaces, giving rise to increasingly complex issues due to the dominance of market logic, the commercialisation of space, and instrumental rationality. This dominance has become problematic in sociological studies and has shifted the function of public space, which was originally a space for dialogue, the building of solidarity, and citizen participation, into a commercial space (Kempf, 2024). Local economic development projects based on the creative economy paradigm in Indonesia, which ought to be a collective effort towards local economic development, the strengthening of micro-enterprises, the arts and tourism have, in practice, resulted in initiatives that are oriented towards increasing visitor numbers and transaction values. These policies actually undermine the

strengthening of social capital, deliberative democracy and collective empowerment. This situation reflects the thesis of the Frankfurt School philosopher Jürgen Habermas regarding the process of the 'colonisation of the lifeworld', which reveals that the logic of money and bureaucracy subjugates organic social interaction that should be based on communicative rationality.

In contrast to this phenomenon, Payungi (Pasar Yosomulyo Pelangi) has become both a community and a public space in the city of Metro that successfully integrates spaces to serve the interests of many different parties. Payungi optimises public space to foster interaction, education and economic activity. This study will examine in greater depth how a space can be transformed into an arena for economic exchange, whilst simultaneously serving as a space for the production of knowledge, solidarity and the building of trust, all of which contribute to economic development, collectivity and the collective knowledge of the community. Payungi embodies a space that demonstrates that the success of empowerment cannot be measured solely by profit and loss calculations; rather, the success of empowerment lies in the social values that are built, such as mutual aid, ecological concern and communal resilience.

Studies carried out by experts on the creative economy and community empowerment generally examine the creative economy as a means of boosting the local economy, creating jobs and improving the economic well-being of the community (Kalfas et al., 2024; Pratomo et al., 2021). Other studies have focused more on the extent to which social capital, community participation and governance contribute to the sustainability of local communities (Kusakabe, 2013; N. S. Sabet & Khaksar, 2024). Meanwhile, Jürgen Habermas's theory of the public sphere explains that the public sphere is a communicative arena which provides citizens with the opportunity to build consensus through communicative actions that are not constrained by the dominance of power and economic interests (De Angelis, 2021; M. Sabet, 2023). Previous studies have not extensively examined the relationship between Habermas's theory of the public sphere and community-based creative economy practices, particularly in developing countries. Most studies emphasise the success of the creative economy through economic indicators, whilst the mechanisms by which the public sphere is constructed and how it fosters collective awareness, strengthens community capacity and reduces the colonisation of the modern world have yet to be fully explained empirically.

Based on this phenomenon, this study adopts a paradigm that views the creative economy not as an economic activity, but as a social process that produces a space for public deliberation. Payungi, as a public space, offers an alternative perspective through the Pancadaya philosophy, which identifies five key elements in the development of public spaces—namely Knowledge, Movement, Sacrifice, Culture and Well-being—as the foundation of an empowerment movement. This foundation illustrates that the economic transformation taking place within the Payungi community proceeds hand in hand with social transformation through the strengthening of collective consciousness, transformative education, participatory leadership, and the revitalisation of local culture. In this regard, Habermas's theory of communicative action gains a rich empirical context through its integration with the philosophy of local empowerment, thereby yielding a new understanding of how public space can be reconstructed through inclusive and participatory community practices.

This study aims to evaluate how the Payungi community's public space reconstructs what was originally a private space into a public one from a Habermasian perspective through communicative action. This reconstruction of public space has driven a community-based creative economy transformation in Lampung. Theoretically, this study will expand the application of Habermas's theory of public space by integrating the philosophy of Pancadaya as a local perspective in explaining the process of community empowerment. In practical terms, this study is expected to provide implications for local government, community organisations and creative economy stakeholders regarding the importance of optimising public spaces that are not only oriented towards economic value, but can also strengthen community capacity, social capital, deliberative democracy and the sustainability of community-based development.

## **Literature Review**

### **Habermasian Public Sphere and Communicative Action**

The public sphere is the arena of social discourse between the state and its citizens, including the market and the family (Friedland & Kunelius, 2023). Every individual, when they come together, forms a public sphere where they have the opportunity to discuss matters of common interest and shape public opinion through critical thinking (Charles & Fuentes-Rohwer, 2015; Friedland & Kunelius, 2023). Habermas defines the public sphere as a space that facilitates the mediation of public interests and political authority, which is not limited to the physical realm (Boeder, 2005; Seeliger & Seignani, 2022). This area has even become a space that provides every individual with the opportunity to debate and serves as a source of democratic legitimacy based on public opinion and the will of the people (Ager, 2012; Verovšek, 2023). The public sphere can transform social experiences into a shared concern that exerts normative pressure on decision-making (O'Mahony, 2021).

In this context, 'communicative action' explains how social interests and political legitimacy are integrated through communication based on mutual understanding (Fuchs, 2026; Verovšek, 2023). Communicative action is an action that emphasises mutual understanding, rather than merely strategic success (Kämper, 2024; Martineau et al., 2026). Habermas expanded the concept of communicative action through his theories of the lifeworld, systems and deliberative democracy. This expansion of the concept has opened the way for critiques concerning exclusion, pluralism and digital media (Fraser, 2021; Lubenow, 2012). The public sphere is not understood as a single space, but as a plurality of spaces, open to counterpublics, and increasingly influenced by digital media (Emden & Midgley, 2012; Pfister, 2018).

### **Community-Based Creative Economy and Collective Empowerment**

The creative economy has shifted from being an engine of economic growth to a framework for community- and value-based development (Pratt, 2026). This development paradigm is based on the processes of creativity, breadth of knowledge, innovation and culture as key sources of added value (Hmyria, 2023; Rodrigues-Ferreira et al., 2023). The creative economy, which is based on ideas, skills, intellectual capital, culture and technology, is in practice capable of shifting the dominance of traditional factors of production (Tkachenko, 2025; Verbytska, 2024).

Over time, the creative economy has shifted towards a community-based creative economy paradigm. This paradigm positions the local community as the primary agent in development and the management of local resources, rather than merely as a beneficiary. This development model encourages community participation, the strengthening of local institutions, and cross-sectoral collaboration (Yusmanto et al., 2023). The creative economy is now widely understood as a concept that integrates economic, social, cultural and environmental dimensions into a single development ecosystem (Cerisola & Panzera, 2021; Pratt, 2026; Rodrigues-Ferreira et al., 2023). Within this development framework, culture is not merely regarded as an instrument of growth, but as the driving force behind change itself (Pratt, 2026).

### **Collective Empowerment through Pancadaya**

Empowerment is the process of gaining control over one's life and community, enabling people to build the capacity needed to make decisions, run organisations and improve their quality of life (Perkins et al., 2002; Zimmerman, 2000). In an empowerment initiative, a participatory approach is used to provide space for residents to act collectively and become key actors, decision-makers and take collective action (Kurniawan et al., 2023). Such an approach can foster a sense of collective identity and expand the scale of the movement, thereby giving it sufficient strength to transform a civilisation (Zhang & Perkins, 2023).

The empowerment process is not solely focused on increasing income, but also on enhancing critical understanding of changes in the social environment and the ability to steer the direction of future change (Perkins et al., 2002). In the process of empowerment, the development of social capital is a valuable achievement, as networks, norms and trust facilitate

cooperative action between citizens and institutions (Khasanah & Setyo Prabowo, 2025; Kurniawan et al., 2023). Empowerment encourages citizens to engage collectively in a forum or association, thereby fostering a greater sense of ownership of the organisation, strengthening the community, and enhancing its capacity for collective action (Ida Afidah, 2025).

## **METHOD**

This study employs an ethnographic approach to explore how Payungi Space reconstructs Habermas's public sphere. The ethnographic approach enables the researcher to become part of the community by actively participating in empowerment activities whilst simultaneously observing everyday social interactions, cultural practices and collective decision-making processes. This study also employs a PAR (Participatory Action Research) approach, which positions all parties as subjects of knowledge, formulators of solutions, and implementers of collective action. In line with the ABCD framework, this research emphasises the identification and mobilisation of local assets, including human capital, social networks, cultural heritage, religious values and local entrepreneurship, as the main drivers of community transformation. The integration of ethnography, PAR and ABCD provides a comprehensive understanding of how communicative action translates into sustainable social and economic empowerment.

This research was conducted in Payungi, Metro, Indonesia, which has developed a community-based creative economy movement. Data for this study were collected through observation, semi-structured and unstructured in-depth interviews, and a review of documents. Observations were made of all residents' activities during community meetings (Rembug Warga), entrepreneurship training, cultural events, and programmes on women's empowerment, transformative education and community cooperation, thereby enabling the researcher to capture interactions as they occurred naturally. In-depth interviews involved eleven key informants, comprising five women (housewives and micro-entrepreneurs), three male community empowerment actors, one women's rights activist, and a community leader. The informants were selected purposively to represent the community. Documentary sources included community archives, historical records, empowerment programme reports, and other institutional documents providing contextual and historical evidence regarding the community's evolution.

To ensure the reliability of the data obtained, this study employed triangulation. Triangulation is a practice that uses various methods and data sources to examine the same phenomenon (Carter RN, PhD et al., 2014). Consequently, all information was analysed by identifying patterns, themes and meanings within each observed event. This analysis is carried out repeatedly to validate the findings and explore them in greater depth throughout the research process. The researcher then compiles the findings into a detailed manuscript. Not only does the researcher explain the research findings, but they also reveal the social, cultural and emotional context of the group under study. This research presents the subjects' perspectives directly by providing an open space for them to have their say.

## **RESULT AND DISCUSSION**

### **The Genealogy of Payungi Space and Living Spaces**

The Yosomulyo Pelangi (Payungi) Market was officially opened on 28 October 2018 on Jalan Kedondong, Metro City, thanks to the collaboration between local residents and the Genpi Lampung youth group. The metamorphosis of this movement is marked by a conceptual transition towards 'Payungi Space'. This creative space has evolved from a creative economy hub—often used as a traditional food stall market open every Sunday morning—into a community economic ecosystem and a space where everyone can interact. Payungi has transformed from a conventional market space into a comfortable public space, demonstrating that Payungi is more than just a market. The increasing availability of spaces such as Lamban Ugahari, Berkemajuan and Sugih, as well as the development of the Kampung Kopi concept,

represent an expansion of meaning. This expansion has transformed what was originally a place for the trading of commodities into a gathering place for millennials and local residents to exchange creative ideas.

**Table 1. Typology and Functions of Spatial Elements in the Reconstruction of Public Spaces**

| <b>Types of Spaces</b>    | <b>Shape of Space</b>                                                                                     | <b>Functions in the Reconstruction of Public Spaces</b>                                         |
|---------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <b>Economic Space</b>     | Payungi Market, SMEs, Kampung Kopi                                                                        | Economic exchange, social interaction, community networking                                     |
| <b>Deliberative Space</b> | Community meetings, community forums, informal discussions                                                | Consultation, negotiation, problem-solving, collective decision-making                          |
| <b>Educational Space</b>  | Payungi University, Village School, Women's School, Entrepreneurial Islamic Boarding School, Media School | Knowledge production, capacity building, fostering critical awareness                           |
| <b>Cultural Space</b>     | Art performances, Lampung tapestries, local cuisine, traditional games                                    | The preservation of cultural identity and the perpetuation of local values                      |
| <b>Religious Space</b>    | Sabilil Mustaqim Mosque, philanthropic activities, entrepreneurship study groups                          | The development of social ethics, solidarity and economic morality                              |
| <b>Ecological Space</b>   | Smart Farm, community garden, educational garden                                                          | Environmental education and community cooperation in resource management                        |
| <b>Digital Space</b>      | Payungi Media, Instagram, YouTube, community digital platforms                                            | The expansion of public spaces into the virtual realm and the expansion of public participation |

Source: the researcher's data analysis

### **Pancadaya as a Public Sphere Foundation**

The Payungu empowerment movement has crystallised its philosophy of empowerment into the concept of 'Pancadaya'. This concept stands in contrast to the government's top-down approach to development. The development of the Pancadaya concept was influenced by Paulo Freire's pedagogical concept of 'conscientização' and the spirit of Tan Malaka's logical mass struggle. Pancadaya is formulated around five pillars of strength: knowledge, movement, sacrifice, culture and welfare.

Pancadaya is understood not merely as an organisational slogan, but as a guiding principle for all empowerment activities. Pancadaya serves as the spirit of the movement, capable of encouraging active community participation in building the economy and spaces that are imbued with meaning and value. Informants explained that economic change always begins with a shift in the community's mindset through a process of collective learning.

*"We don't teach people how to sell, make products or source raw materials. The first thing we work on is changing people's mindset – showing them that they actually have the potential and the choice to grow. Only then do we move forward together." (Informant 1, Founder of Payungi)*

This view was reinforced by the management of Payungi University, who explained that community education is designed to enable people to generate knowledge from their own experiences.

*"Payungi is a space for education because every corner of Payungi has meaning and serves as a space for the production of knowledge. The education in question is transformative education that does not lead to a qualification. Here, people learn from experience, teach one another, and subsequently generate new knowledge and solutions to their own problems." (Informant 2, Payungi University Manager)*

One MSME owner also revealed that, before joining Payungi, they had been focused

solely on making a daily profit. After taking part in various community learning activities, they began to understand the importance of collaboration and business capacity building.

*"I used to wonder how we managed to sell out every week. Now we're learning how our business can grow alongside other traders." (Informant 3, MSME operator)*

Pancadaya serves as the cornerstone in the formation of the public sphere through the enhancement of critical awareness, collective learning and the strengthening of community capacity. Through the processes of enhancing critical awareness, participatory learning and the mobilisation of local assets, Pancadaya transforms communities from mere recipients of programmes into key actors who produce knowledge, build collaborations and foster social innovation. From Habermas's perspective, the process undergone by the Payungi community represents a form of communicative action that yields mutual understanding and collective action. The public sphere established in Payungi is not built solely through the construction of physical spaces, but through processes of learning, dialogue and empowerment that position the community as the primary agents in community-based creative economic transformation.

### **Deliberative Communication**

This research shows that the Rembug Warga, organised within the educational setting of the entrepreneurial pesantren every Thursday evening, forms the core of the deliberative mechanism that shapes the governance of the Payungi community. In contrast to hierarchical models, all policies, empowerment programmes and the resolution of various community issues are developed through an open, participatory and inclusive dialogue process. This forum serves as a public space where every community member has an equal opportunity to express their views, exchange experiences and formulate joint solutions. In this context, the Rembug Warga functions not only as a forum for deliberation, but also as a space for communicative action that generates social legitimacy through argumentation, mutual understanding and collective participation.

The community's founder explained that no decisions are made unilaterally.

*"All ideas are discussed together. If there's a problem, we talk it through. If there's a new activity, we discuss it first. So everyone feels a sense of ownership." (Informant 1)*

One member of the community explained that the forum has made people more willing to put forward their ideas than before.

*"At first, I just came along to listen. Gradually, I plucked up the courage to put forward suggestions. It turned out that our suggestions were actually listened to and implemented together." (Informant 4, Community Member)*

This deliberative process was evident when the community was preparing for Payungi's anniversary celebrations. One of the stallholders explained that the idea of voluntary fundraising arose from discussions amongst residents and developed into a collective effort.

*"At first, we just wanted to chip in to buy a goat. After everyone had discussed it and pitched in, we were eventually able to buy a cow. That happened because everyone felt they had a stake in the event." (Informant 5, Payungi business group)*

Community meetings are a tangible manifestation of the deliberative space as conceptualised by Habermas. Community meetings aim for decisions to be reached through communication free from hierarchy and domination, with a focus on achieving a common understanding. However, this study also found that deliberation in Payungi does not stop at the formation of consensus, but rather transforms into collective action that fosters mutual cooperation, strengthens social capital, and drives community-based creative economic growth. The community forum serves not only as an arena for public discussion, but also functions as an institutional mechanism linking communication, community participation and collective action in bringing about sustainable social and economic transformation.

These findings confirm Habermas's argument that, in the context of Payungi, the public sphere is realised through a process of deliberation that simultaneously builds trust, solidarity and the collective capacity of the community.

## Community Transformation

The empowerment process, established through Pancadaya and reinforced by deliberative communication within the Rembug Warga, has brought about changes that the community has experienced in economic, social, cultural, religious and digital spheres. This transformation is reflected not only in the increased income of MSME operators, but also in the growth of social solidarity, increased community self-confidence, the expansion of collaborative networks, and the formation of a collective identity that strengthens the sustainability of the empowerment movement. These findings indicate that the public space in Payungi functions as an ecosystem capable of integrating various dimensions of community life into a single, mutually reinforcing process of transformation.

A business owner explained that their income had increased significantly after joining Payungi.

*"My income used to be just enough to cover my day-to-day needs. Now, the money I make from sales can be used to repair my house, send my children to school, and even start saving." (Informant 6, MSME owner)*

In addition to the economic benefits, community members have also seen an improvement in social relations amongst business operators.

*"If anyone is having difficulties, we help each other out. We don't just sell together, but we also share information and customers, and even help each other out with small amounts of capital." (Informant 7, Community Member)*

The manager of Payungi Media explained that digital media has expanded the community's public sphere.

*"Nowadays, people know Payungi not only for its market, but also for the stories of its community. Social media has enabled more people to learn about and support this movement." (Informant 8, Payungi Media Manager)*

The community's founder also emphasised that all economic activities cannot be separated from cultural values and religious beliefs.

*"We don't just want to build a market. What we're building is the people. Culture, religion, mutual support – all of these form the foundation to ensure the economy does not lose its value." (Informant 1)*

These findings indicate that the transformation of public space in Payungi is not only measured by economic indicators such as increased income or business growth, but also through the formation of social capital, the strengthening of cultural identity, the internalisation of religious values, and the expansion of opportunities for community participation via digital media. These various changes demonstrate that the public space established in Payungi is capable of generating economic value alongside social, cultural and moral values simultaneously. Thus, this research expands our understanding of Habermas's theory of the public sphere by demonstrating that, in the context of Indonesian society, the public sphere is not merely an arena for the formation of opinion and consensus, but also functions as a community-based empowerment ecosystem that simultaneously fosters well-being, strengthens social cohesion, preserves cultural identity, and drives inclusive and sustainable creative economic transformation. These findings confirm that the Payungi Space model represents a form of Community-Based Creative Public Sphere, in which communicative acts are translated into collective action that brings about tangible social change.

## DISCUSSION

This study found that the Pancadaya philosophy has served as a strong normative foundation for the reconstruction of community-based public spaces (Dharma Setyawan et al., 2025). Unlike empowerment models focused on external aid (needs-based development), Pancadaya initiates the transformation process through the development of critical consciousness, collective learning and the mobilisation of community assets. This approach is in line with the principles of Asset-Based Community Development (ABCD), which regards social,

cultural and knowledge assets, as well as community networks, as the primary capital for development. In the context of Payungi, knowledge is not treated as a commodity transferred from outside, but is produced through the community's lived experiences, which are then developed into social innovations. This finding reinforces Freire's idea of transformative education, which liberates communities through dialogue and critical reflection, whilst also expanding Habermas's concept of the public sphere which has traditionally emphasised rational discourse, into a space for social learning that fosters collective capacity and economic empowerment (Mathie & Cunningham, 2003; Otto & Fourie, 2009; Takona, 2025).

This study also shows that the reconstruction of public spaces in Payungi has brought about a multidimensional transformation. The increase in income among MSME operators is just one indicator of the changes that have taken place. The study found an increase in social capital, trust amongst community members, community self-confidence, and the development of a culture of mutual assistance in economic activities. These findings support various studies on community empowerment which state that the success of empowerment is not only measured by economic growth, but also by the community's increased capacity to collaborate as social capital, build social networks, and manage local resources independently (Chen et al., 2025; Dushkova & Ivlieva, 2024). From Habermas's perspective, this change demonstrates that the public sphere has succeeded in strengthening the lifeworld, that is, the social space in which values, norms, identities and solidarity are produced through everyday communication, thereby acting as a counterbalance to the logic of the market and bureaucracy (Friedland & Kunelius, 2023; O'Mahony, 2021).

The research findings also show that Payungi's public sphere is not limited to physical space, but has evolved into a public-sphere ecosystem that integrates economic, educational, cultural, religious, ecological and digital spaces. The presence of Payungi Media extends the process of deliberation and the dissemination of community values into the digital realm, so that public participation is no longer constrained by space and time. On the other hand, local culture and religiosity do not act as barriers to public communication, as is often assumed in the Western secular tradition, but rather strengthen the community's moral legitimacy, trust and solidarity. These findings enrich the development of contemporary public sphere theory, which views the public sphere as a plural, multi-layered arena that continues to evolve in line with changes in the social context and communication media (Bruns, 2023).

Overall, this study offers a theoretical contribution in the form of the concept of the 'Community-Based Creative Public Sphere' as a development of Habermas's theory of the public sphere. Whilst Habermas views the public sphere primarily as an arena for the formation of public opinion through rational discourse, the findings of this study indicate that, in the context of Indonesian society, the public sphere has evolved into an ecosystem of empowerment that integrates communicative action, transformative education, asset-based community development (ABCD), community participation (PAR), the creative economy, local culture, religiosity, and digital innovation within a single, mutually reinforcing process of social transformation. Thus, the public sphere not only generates democratic consensus but also produces knowledge, strengthens social capital, creates shared well-being, and builds community resilience in a sustainable manner. This model offers a new perspective for the development of public sphere theory in developing countries, where deliberative democracy coexists with cultural values, religion, and community-based social empowerment practices.

## CONCLUSION

This study demonstrates that the reconstruction of the Habermasian public sphere in Payungi Space extends beyond the creation of a community marketplace. Instead, it is built upon the integration of Pancadaya as the normative foundation, Rembug Warga as the deliberative mechanism, and community-based creative economy initiatives that collectively empower local communities. Through participatory communication, collective learning, and the mobilization of local assets, Payungi transforms community members from passive

beneficiaries into active agents who generate knowledge, strengthen social solidarity, and promote sustainable economic development.

The study contributes to the public sphere literature by proposing the concept of the Community-Based Creative Public Sphere, in which communicative action is translated into collective action that simultaneously produces economic, social, cultural, and moral values. This finding extends Habermas's theory by demonstrating that, within the Indonesian context, an effective public sphere is not solely sustained by rational deliberation but also by the integration of local culture, religious values, participatory empowerment, and creative economy practices. The model offers an alternative framework for community development that is more inclusive, participatory, and sustainable.

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