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Factors Affecting the Inclusive and Sustainable Development of The Creative Economy in Semarang City

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Abstract
The Covid-19 pandemic has precipitated a shift in business transactions from offline to online, presenting opportunities for growth in Semarang City's creative economy sectors such as Applications and Games, Music, Culinary, Fashion, and Crafts. Despite these opportunities, the development of the creative economy in Semarang City appears fragmented and lacks clear direction, compounded by challenges in accessing comprehensive development data. This study aims to identify the factors influencing the inclusive and sustainable development of Semarang City's creative economy. Utilizing primary data from direct surveys and Focus Group Discussions (FGD), alongside secondary data from Semarang City's regional government and the Central Bureau of Statistics (BPS), this research employs the Partial Least Squares (PLS) Analysis Method to analyze these factors. Findings reveal significant ongoing development across Semarang City's creative industries, with culinary (22.9%), music (20.8%), product design (7.08%), fashion (9.91%), and crafts (9.2%) emerging as key subsectors. The study identifies academician and government support as directly influencing the competitive advantage of Semarang City's creative economy, while private sector, community, and media involvement show indirect effects. The model proposes that a collaborative approach involving academicians, government, private sector, community, and media—a Penta Helix framework—is crucial for fostering further growth and mobilizing Semarang City's creative economy.

Keywords: Creative Economy, Inclusive, Sustainable, Semarang City.

INTRODUCTION

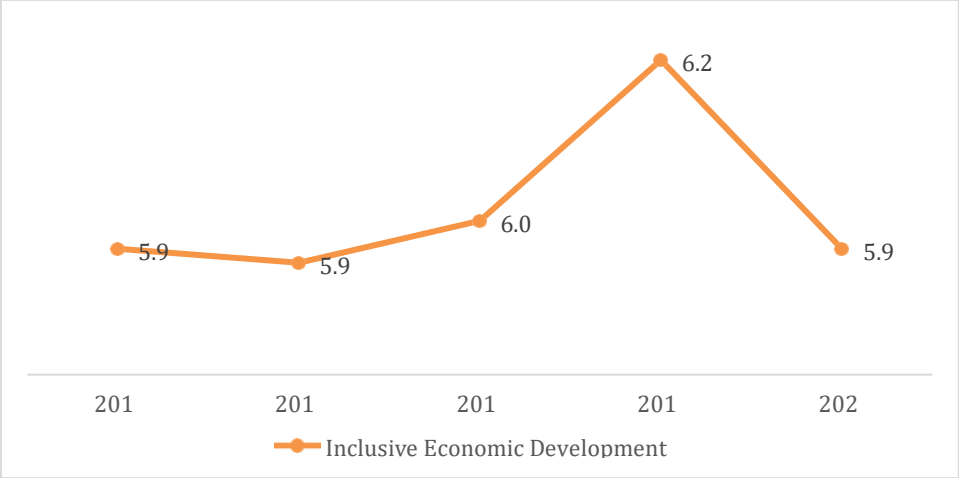
The term creative economy was first introduced by John Howkins (2002)in his book entitled "The Creative Economy". Creative Economy is a manifestation of efforts to seek sustainable development through creativity, where sustainable development is an economic climate that is competitive and has renewable resource reserves. The big role offered by the creative economy is the utilization of resource reserves that are not only renewable, but even unlimited, which are ideas, talents, and creativity. Internationally, there are various terminologies used to describe creative economy, which are: Cultural Industries; Creative Industries, or Cultural Creativity and Innovation.

UK DCMS through Creative Economic Estimates 2015 differentiates creative economy and creative industry. Creative industry is an inseparable part of creative economy (creative economy also includes creative industry) (Bilan et al., 2019). Indonesia uses the nomenclature of the creative economy. This is in accordance with the inclusion of the creative economy in Presidential Instruction Number 6 of 2009 concerning Creative Economy Development (Presidential Instruction Number 6 of 2009). As for what is meant by creative economy according to the First Dictum of Presidential Instruction Number 6 of 2009 is "... economic activities based on individual creativity, skills, and talents to create individual creativity and inventiveness that has economic value and has an impact on the welfare of Indonesian society". According to the Ministry of Trade, creative economy is the creation of added value based on ideas born from the creativity of human resources (creative people) and based on knowledge, including cultural heritage and technology.

The role of the creative economy in the national economy and the characteristics of Indonesia which is famous for its socio-cultural diversity spread throughout the archipelago definitely can be a source of inspiration in developing the creative economy. In general, each region has product potential that can be raised and developed. The uniqueness or peculiarity of local products must be the core, then add elements of creativity with a touch of technology. Cities in Indonesia, with their unique features, have the potential to be developed as creative cities. Creative economic development can be carried out in line with tourism development (Nusraningrum & Pratama, 2019).

One of the areas that has great creative economic potential is Semarang City. Many creative economy sectors have been established in Semarang, consisting of 17 creative economy categories. However, in its calculations, the creative economy sector is still mixed with its conventional parent sector. From 2016 to 2019, all Semarang City GRDP sectors experienced an increase, however, the Semarang City GRDP sector in 2020 experienced a decline, including the construction, wholesale and retail; car and motorbike repairs, transportation and warehousing, provision of accommodation and food and drink, real estate, corporate services, government administration, defense and mandatory social security, educational services, and other services. The decline in GRDP in several sectors is the impact of the Covid-19 pandemic which began in 2020, and caused the government to implement various policies to limit people's economic activities.

The decline in economic growth to minus value was caused by the effects of the Covid-19 pandemic, which caused a decline in the GDRP sector value in several sectors. By developing the creative economy, it is expected that Semarang City's economic growth can be boosted again. Semarang City has a local cultural heritage that has good potential to be developed but does not yet have the characteristics of local products in terms of culture. MSME academician also admits that Semarang City itself still does not have local characteristics that are formed through their creative MSME products (Darwanto & Tri U, 2013). In fact, this sector could actually develop rapidly and be able to become a driving force for the economy of Semarang City in the future which relies on services. Regional governments are expected to not only pursue economic growth but also more inclusive and sustainable regional development. Bappenas carries out calculations related to the Inclusive Economic Development Index with three pillars, namely (1) economic growth and development, (2) income distribution and poverty reduction, and (3) expanding access and opportunities. Figure 1.2 shows the Inclusive Economic Development Index for Semarang City during 2016-2020.



Source : Bappenas RI (2021)

Figure 1. Inclusive Economic Development Index of Semarang City 2016-2020.

Over the past five years, the Inclusive Economic Development Index of Semarang City has tended to fluctuate. Therefore, more massive efforts are needed so that the development direction of Semarang City can reduce income inequality, reduce poverty rates, and provide more access and opportunities to society. Another main thing is to focus on sustainable city development. In the Regional Medium Term Development Plan (RPJMD), Semarang City for 2016-2021 also contains more inclusive and sustainable development targets, such as reducing poverty rates, income inequality, and employment or expanding employment opportunities. One of the sectors that can be directed towards inclusive and sustainable development is the creative economy. The creative economy can provide opportunities for all parties, for large businesses and MSMEs to be involved in business activities, and provide economic benefits.

One of the sectors that can be directed towards inclusive and sustainable development is the creative economy. The development of the creative economy can be encouraged more. Efforts to develop the creative economy have been carried out by several previous studies but still produce different concepts and models. Efforts to develop the creative economy can be carried out with the concept of optimizing the role of stakeholders which consist of three main actors (triple helix) which include business people, government, and academiciansn (Daulay, 2018). Then, other research reveals that the development of the creative economy needs to be carried out by optimizing the role of the quadruple helix (Khusniyah & Kumalasari, 2020; Mulyana & Sutapa, 2014; Priantoro, 2018; Sopacua & Primandaru, 2020). Meanwhile, other research reveals that efforts to develop the creative economy need to involve more comprehensive stakeholders using a penta helix approach which includes business actors, government, academician, community, and also media (Indrawijaya et al., 2018; Rozikin & AP, 2019; Setya Yunas, 2019; Sukarno et al., 2020; Sutrisno & Anitasari, 2020).

This research aims to identify factors influencing inclusive and sustainable development within the creative economy sector in Semarang City, analyze stakeholder roles in promoting inclusive and sustainable practices, develop effective strategies and recommendations based on empirical findings and best practices, address research gaps by focusing on underexplored

inclusive and sustainable aspects compared to previous studies emphasizing stakeholder roles and strategic development, and provide insights to support policy-making and practical interventions for enhancing a more inclusive and sustainable creative economy ecosystem in Semarang City.

METHODS

Partial Least Square (PLS) is a powerful analysis method and is often referred to as soft modeling because it eliminates the assumptions of OLS regression (Chin, 1998). PLS can be used to test weak theories and weak data such as small sample sizes or data normality problems (Purwanto, 2021). The model in PLS consists of two, namely the outer model (measurement model) and the inner model (structural model). A measurement model is a model that describes the relationship between latent variables and measurement variables (indicators), and a structural model is a model that connects the relationship between latent variables. The analytical method used in the research uses the following flow:

1. Descriptive Analysis aims to find out in general, the distribution of data used in the research
2. The evaluation of the measurement model (Outer model) by looking at the validity and reliability of the indicators on the latent variable.
3. Structural Equation Modeling Partial Least Square Analysis
    a. Designing concept and theory-based models
    b. Creating a path diagram
    c. Converting path diagrams to equations.
    d. Estimating parameters and evaluating models
    e. Hypothesis test
    f. Drawing conclusions

H1a : Academicians have an effect on the performance of creative economy businesses in Semarang City,
H1b : Academicians have an effect on the competitive advantage of the creative economy in Semarang City,
H2a : The government has an effect on the performance of creative economy businesses in Semarang City,
H2b: The government has an effect on the competitive advantage of the creative economy in Semarang City,
H3a : The private sector has an effect on the performance of creative economy businesses in Semarang City. Drawing conclusions,
H3b : The private sector has an effect on the competitive advantage of the creative economy in Semarang City,
H4a : Community has an effect on the performance of creative economy businesses in Semarang City,
H4b : Community has an effect on the competitive advantage of the creative economy in Semarang City,
H5a : Media has an effect on the performance of creative economy businesses in Semarang City,

H5b : Media has an effect on the competitive advantage of the creative economy in Semarang City,
H6a : Human capital has an effect on the performance of creative economy businesses in Semarang City,
H6b : Human capital has an effect on the competitive advantage of the creative economy in Semarang City,
H7 : Business performance has a significant effect on the competitive advantage of the creative economy in Semarang City,
H8 : Academicians have a significant effect on the competitive advantage of the creative economy in Semarang City through business performance,
H9 : The government has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance,
H10 : The private sector has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance,
H11 : Community has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance,
H12 : Media has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance,
H13 : Human capital has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance

RESULTS AND DISCUSSION

Descriptive Analysis

In general, all sub-sectors of the creative economy are evidently growing and developing in Semarang City. As one of the largest trading cities in Central Java and one of the largest in Indonesia, the creative industry in Semarang City certainly continues to develop. This can be seen from the many and varied creative industry actors. Below is a table of types of creative economy businesses that have collaborated with the Semarang City Government, in this case, creative economy exhibition events. The data on creative economy actors are obtained from the Economic Committee of Semarang City and searched through the Economic sub-sector Coordinator of Semarang City. The data are community-based and each sub-sector has its coordinator.

Table 1. below shows the number of creative economy actors in 2021 who joined the auspices of the Creative Economy Committee of Semarang City. Semarang City currently has actors in all sub-sectors of the creative economy. This shows that the Creative Economy development in Semarang City has developed significantly. Of the 17 subsectors, Semarang City has five main Creative Economy subsectors, namely culinary, music, product design, fashion, and crafts. Three mainstay subsectors such as culinary, crafts, and fashion are still very promising because the demand is still high. The music subsector has great potential for development because there are many communities or actors. Based on information in Table 4.1, it is known that the five main sub-sectors of the creative economy in Semarang City are culinary (22.9%), music (20.8%), fashion (9.91%), crafts (9.2%), and product design. (7.08 %). Meanwhile, other sub-sectors are still below 5%, such as Interior Design, Visual Communication Design, Publishing, Architecture, Applications, Fine Arts, Television and Radio, Advertising, Photography, Performing Arts, and Game Developers.

Table 1. Number of Creative Economy Actors in 2021 based on the data from the Economic Committee of Semarang City and the Economic sub-sector Coordinator of Semarang City

No	Type of Business	Total actors	Percentage (%)
1	Advertising	13	0.19
2	Architecture	16	0.23
3	Product Design	30	0.43
4	Craft	127	1.83
5	Fashion	81	1.17
6	Film, Animation, and Video	10	0.14
7	Publishing	78	1.12
8	Game Developer	10	0.14
9	Culinary	5.691	81.93
10	Music	672	9.67
11	Interior Design	17	0.24
12	Visual Communication Design	17	0.24
13	Television and Radio	30	0.43
14	Photography	17	0.24
15	Performing Arts	114	1.64
16	Arts	11	0.16
17	Applications	12	0.17
	Total	**6946**	**100%**

Source: Economic Committee of Semarang City and Economic sub-sector Coordinator of Semarang City

Structural Model Design Results

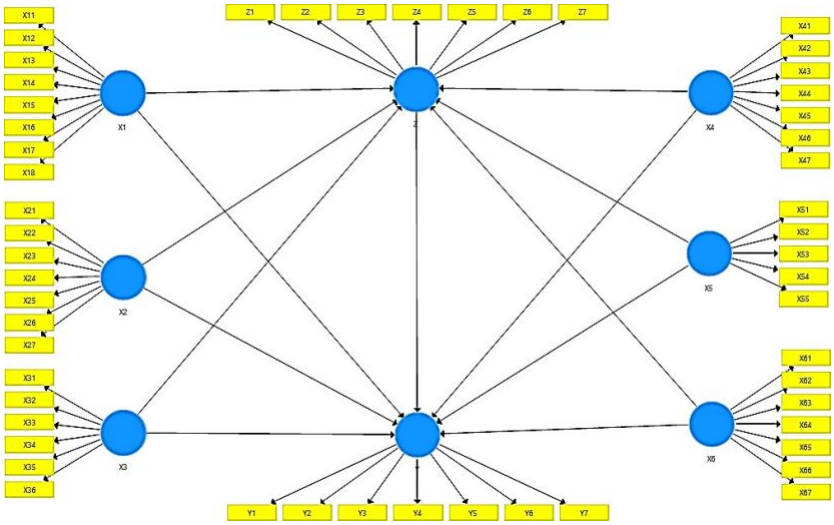
Description of the latent variables and their manifest variables are as follows:

1. The exogenous latent variable of Academician (X1) has eight manifest variables (indicators), namely training (X11), materials (X12), mentoring (X13), skills (X14), innovation (X15), consultation (X16), service (X17), progress (X18).
2. The exogenous latent variable of government (X2) has seven manifest variables (indicators), namely licensing (X21), patents (X22), capital (X23), promotion (X24), partnerships (X25), regulations (X26), assistance (X27).
3. The exogenous latent variable of the private sector (X3) has six manifest variables (indicators), namely access (X31), business development (X32), involvement (X33), marketing (X34), product development (X35), cooperation (X36)
4. The exogenous latent variable of Community/Society (X4) has seven manifest variables

(indicators), namely activity drivers (X41), objects and subjects (X42), facilitation (X43), contribution of ideas (X44), self-quality (X45), mastery of technology (X46), contribution of criticism & suggestions (X47).

5. The exogenous latent variable of Media (X5) has five manifest variables (indicators), namely publication (X51), branding (X52), education (X53), promotional media (X54), and marketing media (X55).
6. The exogenous latent variable of Human Capital (X6) has seven manifest variables (indicators), namely education (X61), skills (X62), knowledge (X63), motivation (X64), leadership (X65), innovation (X66), creativity (X67).
7. The endogenous latent variable of Business Performance (Z) has seven manifest variables (indicators), namely input costs (Z1), profits (Z2), work quality (Z3), production (Z4), product innovation (Z5), risk minimization (Z6), goal achievement (Z7).
8. The endogenous latent variable of Competitive Advantage (Y) has seven manifest variables (indicators), namely product price (Y1), product uniqueness (Y2), technology mastery (Y3), human resource responsibility (Y4), sensitivity (Y5), quality product (Y6), speed of product innovation (Y7

Based on the description of the manifest variables (indicators) of each exogenous variable and endogenous variable, a structural model can be designed as follows:



Source: Processed primary data output, 2021

Figure 2. Structural Model Design

Analysis of *Structural Equation Modeling Partial Least Square (SEM-PLS)*

Outer-Model Evaluation

Evaluation of the outer model is carried out by measuring validity and reliability. Evaluation of the validity of the measurement model, namely convergent validity and discriminant validity. The reliability test in PLS is used to measure internal consistency, one of the ways that can be used is to look at the composite reliability value.

Evaluation of convergent validity is shown by the loading factor value. An indicator is said to be valid if the loading correlation with the construct being measured has a value > 0.6. The table below shows the evaluation of convergent validity in this research as follows:

Table 2. Output Result for Outer Loading

Variable	Indicator	Loading Factor	Explanation
Penta Helix: Academician	X11	0.720	Valid
	X12	0.605	Valid
	X13	0.778	Valid
	X14	0.767	Valid
	X15	0.691	Valid
	X16	0.737	Valid
	X17	0.682	Valid
	X18	0.750	Valid
Government	X21	0.652	Valid
	X22	0.719	Valid
	X23	0.839	Valid
	X24	0.773	Valid
	X25	0.756	Valid
	X26	0.760	Valid
Private Sector	X27	0.882	Valid
	X31	0.828	Valid
	X32	0.900	Valid
	X33	0.819	Valid
	X34	0.829	Valid
	X35	0.866	Valid
Community	X36	0.808	Valid
	X41	0.792	Valid
	X42	0.805	Valid
	X43	0.841	Valid
	X44	0.906	Valid
	X45	0.846	Valid
Media	X46	0.831	Valid
	X47	0.755	Valid
	X51	0.823	Valid
	X52	0.778	Valid
	X53	0.796	Valid
	X54	0.830	Valid
	X55	0.796	Valid
	X61	0.688	Valid
	X62	0.849	Valid
	X63	0.826	Valid

Human Capital	X64	0.777	Valid
	X65	0.851	Valid
	X66	0.776	Valid
	X67	0.797	Valid
Business Performance	Z1	0.817	Valid
	Z2	0.795	Valid
	Z3	0.862	Valid
	Z4	0.880	Valid
	Z5	0.876	Valid
	Z6	0.893	Valid
	Z7	0.816	Valid
Competitive Advantage	Y1	0.591	Valid
	Y2	0.724	Valid
	Y3	0.742	Valid
	Y4	0.815	Valid
	Y5	0.741	Valid
	Y6	0.867	Valid
	Y7	0.790	Valid

Source: Processed primary data output, 2021

Based on table 2. it can be explained that all indicators for each variable have a loading factor value above 0.5 so it can be concluded that all indicators meet the requirements for convergent validity.

The reflective indicators need to be tested for discriminant validity by comparing the Average Variance Extracted (AVE) value of the extracted average variance and the correlation involving the latent variable. The model has good discriminant validity if the root AVE value of each latent variable is greater than the correlation value between the latent variable and other latent variables in the model and it is recommended that the AVE value should be greater than 0.50 (Kock and Lyn, 2012).

Table 3. The Comparison of AVE Values and Correlation Between Variables

	X1	X2	X3	X4	X5	X6	Y	Z
X1	0.718							
X2	0.560	0.772						
X3	0.612	0.747	0.842					
X4	0.477	0.600	0.735	0.826				
X5	0.505	0.528	0.639	0.705	0.805			
X6	0.392	0.382	0.462	0.669	0.594	0.796		
Y	0.414	0.435	0.518	0.627	0.651	0.671	0.747	
Z	0.402	0.595	0.662	0.642	0.657	0.539	0.639	0.849

Source: Processed primary data output, 2021

Table 3. shows that the Average Variance Extracted (AVE) value of the average variance extracted for each variable is greater than 0.5, and the correlation value between the latent variable and other latent variables in the model is greater, so it can be concluded that the discriminant validity in the model is met.

The next examination is measuring reliability. This examination is carried out to see the construct internal consistency, which is evaluated through Cronbach's alpha and composite reliability values. The Cronbach's alpha and composite reliability values obtained for all latent variables are above 0.6, so it is said to be reliable.

Table 4. Cronbach's Alpha Reliability Test Results

Constructs	Cronbach's Alpha	Explanation
Academician (X1)	0.935	**Reliable**
Government (X2)	0.922	**Reliable**
Public Sector (X3)	0.918	**Reliable**
Community (X4)	0.903	**Reliable**
Media (X5)	0.885	**Reliable**
Human Capital (X6)	0.866	**Reliable**
Business Performance (Z)	0.864	**Reliable**
Competitive Advantage (Y)	0.863	**Reliable**

Source: Processed primary data output, 2021

Based on table 4. It can be seen that all constructs in the model have a Cronbach's Alpha value > 0.70, so it can be concluded that all constructs in the model are reliable.

Table 5. Combined Reliability Test Results (Composite Reliability)

Construct	Cronbach's Alpha	Explanation
Academician (X1)	0.935	**Reliable**
Government (X2)	0.922	**Reliable**
Public Sector (X3)	0.918	**Reliable**
Community (X4)	0.903	**Reliable**
Media (X5)	0.885	**Reliable**
Human Capital (X6)	0.866	**Reliable**
Business Performance (Z)	0.864	**Reliable**
Competitive Advantage (Y)	0.863	**Reliable**

Source: Processed primary data output, 2021

Based on table 5. it can be seen that all constructs in the model have composite reliability values > 0.70 so it can be concluded that all indicators in the variables are reliable.

Inner-Model Evaluation

Evaluation of the structural model in SEM with PLS is carried out by conducting the R-

squared (R2), Goodness of Fit (Gof) test, and significance test by estimating the path coefficient.

Table 6. The result of the R-Square (R^2) Test

Construct	R-Square	R-Square Adjusted
Competitive Advantage (Y)	0.592	0.561
Business Performance (Z)	0.576	0.549

Source: Processed primary data output, 2021

Based on Table 6, it can be seen that the R-Square value for the competitive advantage variable shows a value of 0.592. This value indicates that academician, government, private sector, community, media, human capital, and business performance variables affect competitive advantage by 59.2%. This value shows that the model in this study falls within the moderate criteria because the value of 0.592 ranges from the value of 0.33.

PLS Path Modeling analysis can identify global optimization criteria to determine the Goodness of Fit index. The Goodness of Fit or GoF index was developed by Tenehause et al. (2004) and is used to evaluate measurement models and structural models, as well as provide a simple measurement of the overall model predictions. The Gof value criteria are 0.10, 0.25, and 0.36 which indicate that GoF Small, Gof Medium, and GoF Large (Ghozali and Latan, 2015). The Gof value in this research model can be seen in Table 7. as follows:

Table 7. The result of the Goodness of Fit (GoF) Test

Constructs	R-Square	Communality
Academician (X1)	-	0.516
Government (X2)	-	0.596
Public Sector (X3)	-	0.710
Community (X4)	-	0.683
Media (X5)	-	0.648
Human Capital (X6)	-	0.634
Business Performance (Z)	0.576	0.558
Competitive Advantage (Y)	0.592	0.721
Mean	0.584	0.650

Source: Processed primary data output, 2021

Based on Table 7, the GoF value can be calculated using the square root of the average communality index and average R-squares values (Ghozali and Latan, 2015) as follows:

$$GoF = \sqrt{Com \; x \; R^2}$$

$$GoF = \sqrt{0.650 \; x \; 0.584}$$

GoF = 0.616

Based on the calculations above, a GoF value of 0.616 can be obtained, so it can be

concluded that the model in this research is included in the GoF Large criteria. Next, a Significance Test (Bootstraping) is carried out to see whether a hypothesis can be accepted or rejected, which can be done by paying attention to the significance value between the t-statistic constructs and p-values. With this technique, measurement estimates and standard errors are no longer calculated using statistical assumptions but are based on empirical observations. In the bootstrap resampling method in this research, the significance value used (two-tailed) t-value is 1.985 (significance level=5%) with the condition that the t-statistic value must be greater than 1.985. Hypothesis testing using the SEM PLS method is carried out by carrying out a bootstrapping process with the help of SmartPLS 3.3 software so that the relationship between the effect of exogenous variables on endogenous variables is obtained as follows:

Table 8. The Results of Bootstrapping Calculation of Research Data

Hypothesis	Construct	*Original Sample Estimate*	*Sample Mean*	*Standard Deviation*	*t Statistic*	*P-Values*	Explanation
Direct Effect Between Variables							
H1a	X1 → Z	0.257	0.070	0.129	1.993	0.044	Significant
H1b	X1 → Y	0.209	0.109	0.105	1.998	0.045	Significant
H2a	X2 → Z	0.224	0.033	0.107	2.099	0.023	Significant
H2b	X2 → Y	0.205	0.201	0.103	1.994	0.049	Significant
H3a	X3 → Z	0.038	0.046	0.143	0.265	0.791	Insignificant
H3b	X3 → Y	0.283	0.280	0.142	2.002	0.046	Significant
H4a	X4 → Z	0.087	0.098	0.141	0.613	0.540	Insignificant
H4b	X4 → Y	0.315	0.038	0.148	2.131	0.041	Significant
H5a	X5 → Z	0.216	0.204	0.122	1.775	0.077	Insignificant
H5b	X5 → Y	0.295	0.296	0.113	2.610	0.009	Significant
H6a	X6 → Z	0.341	0.344	0.107	3.181	0.002	Significant
H6b	X6 → Y	0.172	0.183	0.123	1.401	0.162	Insignificant
H7	Z → Y	0.278	0.280	0.101	2.749	0.006	Significant
Indirect Effect Between Variables							
H8	X1 → Z → Y	0.063	0.030	0.031	2.023	0.032	Significant
H9	X2 → Z → Y	0.078	0.055	0.036	2.157	0.020	Significant
H10	X3 → Z → Y	0.109	0.079	0.054	2.011	0.047	Significant

H11	X4 → Z → Y	0.058	0.029	0.044	1.310	0.257	Insignificant
H12	X5 → Z → Y	0.092	0.083	0.046	1.999	0.048	Significant
H13	X6 → Z → Y	0.096	0.054	0.044	2.178	0.027	Significant

Source: Processed primary data output, 2021

Based on table 8. then a hypothesis test can be carried out as follows:

Direct Effect Between Variables

H1a: Academicians have a significant effect on the performance of creative economy businesses in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of the effect of academician (X1) on business performance (Z) is 1.993 > 1.985 (t count) and the p-value is 0.044 < 0.05 (alpha 5%) so it can be concluded that H1a is accepted. This means that academicians have a significant effect on the performance of creative economy businesses in Semarang City. The original sample estimate value shows a figure of 0.257, which shows that the relationship between academician and business performance variables has a positive direction.

H1b: Academicians have a significant effect on the competitive advantage of the creative economy in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of the effect of academician (X1) on competitive advantage (Y) is 1.998 > 1.985 (t count) and the p-value is 0.045 < 0.05 (alpha 5%) so it can be concluded that H1b is accepted. This means that academicians have a significant effect on the competitive advantage of the creative economy in Semarang City. The original sample estimate value shows a figure of 0.209, which shows that the relationship between academician and competitive advantage variables has a positive direction.

H2a: The government has a significant effect on the performance of creative economy businesses in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of government effect (X2) on business performance (Z) is 2.099 > 1.985 (t count) and the p-value is 0.023 < 0.05 (alpha 5%) so it can be concluded that H2a is accepted. This means that the government has a significant effect on the performance of creative economy businesses in Semarang City. The original sample estimate value shows a figure of 0.224, which shows that the relationship between government and business performance variables has a positive direction.

H2b: The government has a significant effect on the competitive advantage of the creative economy in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of government effect (X2) on advantage (Y) is 1.994 > 1.985 (t count) and the p-value is 0.049 < 0.05 (alpha 5%) so it can be concluded that H2b is accepted which means the government has a significant effect on the advantage of the creative economy in Semarang City. The original sample estimate value shows a figure of 0.205, which shows that the relationship between government and advantage variables has a positive direction.

H3a: The private sector has a significant effect on the performance of creative economy businesses in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of private sector effect (X3) on business performance (Z) is 0.265 < 1.985 (t count) and the p-value is 0.791 > 0.05 (alpha 5%) so it can be concluded that H3a is rejected. This means that the private sector does not have a significant effect on the performance of creative economy businesses in Semarang City. The original sample estimate value shows a figure of 0.038, which shows that the relationship between the private sector and business performance variables has a positive direction.

H3b: The private sector has a significant effect on the competitive advantage of the creative economy in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of private sector effect (X3) on competitive advantage (Y) is 0.2002 > 1.985 (t count) and the p-value is 0.046 < 0.05 (alpha 5%) so it can be concluded that H3b accepted, which means the private sector has a significant effect on the competitive advantage of the creative economy in Semarang City. The original sample estimate value shows a figure of 0.283, which shows that the relationship between the private sector and competitive advantage variables has a positive direction.

H4a: Community has a significant effect on the performance of creative economy businesses in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of community effect (X4) on business performance (Z) is 0.613 < 1.985 (t count) and the p-value is 0.791 > 0.05 (alpha 5%) so it can be concluded that H4a is rejected. This means that the community does not have a significant effect on the performance of creative economy businesses in Semarang City. The original sample estimate value shows a figure of 0.087, which shows that the relationship between community and business performance variables has a positive direction.

H4b: Community has a significant effect on the competitive advantage of the creative economy in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of community effect (X4) on competitive advantage (Y) is 2.131 > 1.985 (t count) and the p-value is 0.041 < 0.05 (alpha 5%) so it can be concluded that H4b is accepted. This means that the community has a significant effect on the competitive advantage of the creative economy in Semarang City. The original sample estimate value shows a figure of 0.315, which shows that the relationship between community and competitive advantage variables has a positive direction.

H5a: Media has a significant effect on the performance of creative economy businesses in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of media effect (X5) on business performance (Z) is 1.775 < 1.985 (t count) and the p-value is 0.077 > 0.05 (alpha 5%) so it can be concluded that H5a is rejected. This means that media does not have a significant effect on the performance of creative economy businesses in Semarang City. The original sample estimate value shows a figure of 0.216, which shows that the relationship between media and business performance variables has a positive direction.

H5b: Media has a significant effect on the competitive advantage of the creative economy in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of media effect (X5) on competitive advantage (Y) is 2.610 > 1.985 (t count) and the p-value is 0.009 < 0.05 (alpha 5%) so it can be concluded that H5b is accepted. This means that media has a significant effect on the competitive advantage of the creative economy in Semarang City. The original sample estimate

value shows a figure of 0.295, which shows that the relationship between media and competitive advantage variables has a positive direction.

H6a: Human capital has a significant effect on the performance of creative economy businesses in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of the effect of human capital (X6) on business performance (Z) is 3.181 > 1.985 (t count) and the p-value is 0.002 < 0.05 (alpha 5%) so it can be concluded that H6a is accepted which means that human capital has a significant effect on the performance of creative economy businesses in Semarang City. The original sample estimate value shows a figure of 0.341, which shows that the relationship between human capital and business performance variables has a positive direction.

H6b: Human capital has a significant effect on the competitive advantage of the creative economy in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of the effect of human capital (X6) on competitive advantage (Y) is 1.401 < 1.985 (t count) and the p-value is 0.162 > 0.05 (alpha 5%) so it can be concluded that H6b is rejected which means that human capital does not have a significant effect on the competitive advantage of the creative economy in Semarang City. The original sample estimate value shows a figure of 0.172, which shows that the relationship between human capital and competitive advantage variables has a positive direction.

H7: Business performance has a significant effect on the competitive advantage of the creative economy in Semarang City

Based on the estimation result of SEM PLS, the t-statistic value of the effect of business performance (Z) on competitive advantage (Y) is 2.749 > 1.985 (t count) and the p-value is 0.006 < 0.05 (alpha 5%) so it can be concluded that H7 is accepted which means business performance has a significant effect on the competitive advantage of the creative economy in Semarang City. The original sample estimate value shows a figure of 0.278, which shows that the relationship between business performance and competitive advantage variables has a positive direction.

Indirect Effect Between Variables

H8: Academicians have a significant effect on the competitive advantage of the creative economy in Semarang City through business performance

Based on the estimation result of SEM PLS, the t-statistic value of the effect of academician (X1) on competitive advantage (Y) through business performance (Z) is 2.023 > 1.985 (t count) and the p-value is 0.032 < 0.05 (alpha 5%) so that it can be concluded that H8 is accepted, which means that academicians have a significant effect on the competitive advantage of the creative economy in Semarang City through business performance. The original sample estimate value shows a figure of 0.063, which shows that the relationship between academician and competitive advantage variables through business performance has a positive direction.

H9: The government has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance

Based on the estimation result of SEM PLS, the t-statistic value of government effect (X2) on competitive advantage (Y) through business performance (Z) is 2.157 > 1.985 (t count) and the p-value is 0.020 < 0.05 (alpha 5%) so that it can be concluded that H9 is accepted, which means the government has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance. The original sample estimate value shows a figure of 0.078, which shows that the relationship between government and competitive

advantage variables through business performance has a positive direction.

H10: The private sector has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance

Based on the estimation result of SEM PLS, the t-statistic value of private sector effect (X3) on competitive advantage (Y) through business performance (Z) is 2.011 > 1.985 (t count) and the p-value is 0.047 < 0.05 (alpha 5%) so that it can be concluded that H10 is accepted, which means the private sector has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance. The original sample estimate value shows a figure of 0.109, which shows that the relationship between the private sector and competitive advantage variables through business performance has a positive direction.

H11: Community has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance

Based on the estimation result of SEM PLS, the t-statistic value of community effect (X4) on competitive advantage (Y) through business performance (Z) is 1.310 < 1.985 (t count) and the p-value is 0.257 > 0.05 (alpha 5%) so that it can be concluded that H11 is rejected, which means that community does not have a significant effect on the competitive advantage of the creative economy in Semarang City through business performance. The original sample estimate value shows a figure of 0.058, which shows that the relationship between community and competitive advantage variables through business performance has a positive direction.

H12: Media has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance

Based on the estimation result of SEM PLS, the t-statistic value of media effect (X5) on competitive advantage (Y) through business performance (Z) is 1.999 > 1.985 (t count) and the p-value is 0.048 < 0.05 (alpha 5%) so that it can be concluded that H12 is accepted, which means the media has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance. The original sample estimate value shows a figure of 0.092, which shows that the relationship between media and competitive advantage variables through business performance has a positive direction.

H13: Human capital has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance

Based on the estimation result of SEM PLS, the t-statistic value of the effect of human capital (X6) on competitive advantage (Y) through business performance (Z) is 2.178 > 1.985 (t count) and the p-value is 0.027 < 0.05 (alpha 5%) so it can be concluded that H13 is accepted, which means that human capital has a significant effect on the competitive advantage of the creative economy in Semarang City through business performance. The original sample estimate value shows a figure of 0.096, which shows that the relationship between human capital and competitive advantage variables through business performance has a positive direction.

Manuscripts can be written in Indonesian or English with a maximum number of 20 pages including images and el tabs . Manuscripts must be written according to this article template in a ready-to- print form (Camera ready). Articles must be written in A4 (210 x 297 mm) writing area and with the format of the left margin of 3 cm, right margin of 3 cm, bottom margin of 3 cm , and top margin of 3 cm . Manuscripts must be written in Times New Roman typeface with a font size of 12 pt, one spaced apart, and in one column format (except for the article title, author's name, and abstract). The distance between the columns is as far as 1 c m.

Foreign words or terms are used in italics (Italic). It is better to avoid using foreign terms for articles in Indonesian. The new paragraph starts 1.15 cm from the left border, while between paragraphs there is no space between.

Tables and Figures are placed in the text group after the table or figure is referenced. Each image must be given a title image (Figure Caption) at the bottom of the image and numbered sequentially followed by the image title. Each table must be given a table title (Table Caption) and numbered sequentially at the top of the table followed by the table title. Images must be guaranteed to be printed clearly (font size, resolution and line size must be sure printed clearly). Figures and tables and diagrams/schematics should be placed in columns between groups of text or if they are too large they should be placed in the center of the page. Tables may not contain vertical lines, while horizontal lines are allowed but only those that are essential.

CONCLUSION

The creative industry in Semarang City continues to experience significant development. Of the 17 subsectors, Semarang City has five main Creative Economy subsectors, namely culinary (22.9%), music (20.8%), product design (7.08%), fashion (9.91%), and crafts. (9.2 %). Three mainstay subsectors such as culinary, crafts, and fashion are still very promising because the demand is still high. The music subsector has great potential for development because there are many communities or actors. Meanwhile, other sub-sectors are still below 5%, such as Interior Design, Visual Communication Design, Publishing, Architecture, Applications, Fine Arts, Television and Radio, Advertising, Photography, Performing Arts, and Game Developers.

Based on the PLS test results, the factors that affect the development of an inclusive and sustainable creative economy in Semarang City are divided into 2, which are
Direct Effects of Penta helix on economic business performance and competitive advantage of the creative economy in Semarang City;

Academician, Significant and positive effect on the performance of creative economy businesses in Semarang City; Significant and positive effect on the competitive advantage of the creative economy in Semarang City. Government, Significant and positive effect on the performance of creative economy businesses in Semarang City; Significant and positive effect on the competitive advantage of the creative economy in Semarang City. Private Sector, Has no effect, but has a positive direction on the performance of creative economy businesses in Semarang City. Significant and positive effect on the competitive advantage of the creative economy in Semarang City. Community, Has no effect, but has a positive direction on the performance of creative economy businesses in Semarang City; Significant and positive effect on the competitive advantage of the creative economy in Semarang City. Media, Has no effect, but has a positive direction on the performance of creative economy businesses in Semarang City; Significant and positive effect on the competitive advantage of the creative economy in Semarang City. Human Capital, Significant and positive effect on the performance of creative economy businesses in Semarang City; Has no effect, but has a positive direction on the performance of creative economy businesses in Semarang City.

Indirect Effect Between Variables can be seen from the indirect effect of Penta helix on the competitive advantage of the creative economy in Semarang City through business performance as follows: Academician has a significant and positive effect on the competitive advantage of the

creative economy in Semarang City through business performance. The government has a significant and positive effect on the competitive advantage of the creative economy in Semarang City through business performance. The private sector has a significant and positive effect on the competitive advantage of the creative economy in Semarang City through business performance. The community does not have a significant effect but has a positive direction on the competitive advantage of the creative economy in Semarang City through business performance. The media has a significant and positive effect on the competitive advantage of the creative economy in Semarang City through business performance. Human capital has a significant and positive effect on the competitive advantage of the creative economy in Semarang City through business performance.

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