JCRS (JOURNAL OF COMMUNITY RESEARCH AND SERVICE)
Vol. 7 No. 2, August 2023
ISSN (print): 2549-1849 ISSN (online): 2549-3434
Available online at https://jurnal.unimed.ac.id/2012/index.php/jcrs

Study Of Sustainable Economic Growth Through Strengthening Digitalpreneur and Creativepreneur in Msme Actors in Kota Pari Village

[1]M. Chaerul Rizky, [2]Noni Ardian, [3]Nusa Ekasyah Putra, [4]Eva Santika

[1,2,4]Management Department, Panca Budi Development University, Medan
[3]Department of Architecture, Panca Budi Development University, Medan
[1]mchaerulrizky@dosen.pancabudi.ac.id

Abstract. This study's objective was to identify and analyze sustainable economic growth through the strengthening of digitalpreneurs and creativepreneurs for MSME actors in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Province. In addition, economic growth is the process of changing a nation's economic conditions in a sustainable fashion towards a more prosperous state for all its citizens over time. In an effort to increase economic growth, the government has promoted the spirit and spirit of entrepreneurship, particularly becoming a digitalpreneur, which is part of entrepreneurship based on the large number of internet users in Indonesia, especially mobile internet, in the hope that digitalpreneurs can become a potential new pillar of the national economy that grows and develops from the creative-preneur spirit of the nation's generation in developing businesse. The method employed is a quantitative descriptive method, namely the study of literature, theory, or literature in order to provide an overview of certain facets of the examined population's way of life. The research sample included 30 respondents who were involved with MSMEs. The results of the study indicate that digitalpreneurs and creativepreneurs have a positive and significant impact on sustainable economic growth.

Keywords: Sustainable Economic Growth, Digitalprenuer, Creativeprenuer, MSMEs

Article history: Received: 25-5-2023; Revised: 15-7-2023; Accepted: 21-7-2023; Available online: 15-8-2023
How to cite this article: Rizky, M.C., Ardian, N., Putra, N.E., Santika, E. (2023) STUDY OF SUSTAINABLE ECONOMIC GROWTH THROUGH STRENGTHENING DIGITALPRENEUR AND CREATIVEPRENEUR IN MSME ACTORS IN KOTA PARI VILLAGE. *Journal of Community Research and Service,7*(2).

1. Introduction

MSMEs make a substantial contribution to the increase of employment possibilities and employment, as well as the growth of the gross domestic product (GDP). MSMEs have been able to absorb about 97% of the Indonesian workforce, according to data from the Ministry of Cooperatives and MSMEs, and their contribution to GDP will reach 61.07% in 2020. Micro, small, and medium-sized enterprises should be empowered to improve the quality of economic development in order to boost the economy and minimize economic inequality. MSMEs are always described as an essential sector in economic development since the majority of the population has a low level of education and works in small business operations in both traditional and modern sectors, and because MSMEs can absorb a significant number of people.

The existence of MSMEs in 34 Indonesian regions has narrowed the economic gap between the poor and the wealthy. Furthermore, the little village does not need to relocate to the city in significant numbers to find work. Economic development is the process of raising a country's overall income and per capita income while accounting for population increase and experiencing major economic structural changes. The success of contemporary economic growth can be measured by a country's ability to economically deliver numerous kinds of goods and services in response to ever-expanding needs and breakthroughs in information technology. According to Bappenas data, the current pace of economic growth is around 5.1%. Meanwhile, the Central Statistics Agency (BPS) reported that economic growth in Indonesia was

5.07 percent year on year in 2017, which was lower than the 5.2 percent target in the 2017 Revised State Budget. This is thus the highest rate of economic growth since 2014, when it was 5.01 percent, followed by 4.88 percent in 2015 and 5.03 percent in 2016. Meanwhile, information technology supports economic growth.

Digital entrepreneurs are part of Indonesia's creative business, which is growing and expanding on a yearly basis. Digitalpreneur indicates that Indonesia, a country with a sizable Internet user population, can also develop Internet-based enterprises. Digitalpreneurs are a new potential sector in the creative business that can increase and contribute to GDP. The government, on the other hand, is assisting digitalpreneurs by adopting related rules, specifically (Peraturan Presiden Republik Indonesia Nomor 28, 2008) and (Instruksi Presiden Republik Indonesia Nomor 6, 2009), so that digitalpreneurs can develop and be legally protected. The rapid advancement of technology, particularly internet technology, has given rise to a new breed of entrepreneur called as digital entrepreneurs or digitalpreneurs. Pamudi (2010) defines a digital entrepreneur as someone who uses the internet to develop commercial opportunities, spread knowledge, and communicate with clients and business partners.

It has given rise to new digitalpreneurs who are willing to compete in order to be successful in their professions, and the presence of creativepreneurs is ready to develop original creativity in the business world, which will eventually contribute to economic progress. If a digitalpreneur has creative capital and fortitude, they can create a business online for food, beverages, applications, consulting services, and so on. Similarly, social media facilitates and accelerates business promotion and marketing. The Indonesian government is committed to accelerating economic development based on broad community participation as business actors because the development of business actors leads to increased efficiency through the use of digital technology, which is expected to have a significant impact on boosting the Indonesian economy's competitiveness.

2. Literature Review

2.1 UMKM (Micro, Small and Medium Enterprises)

MSMEs, or micro, small, and medium enterprises, are startups whose founders believe in the power of economic democracy to transform a country's economy for the better. This shows that (MSMEs) are a tool of national struggle to construct and develop the national economy through the participation of as many economic actors as feasible, and that those economic actors must also have potential based on justice for all stakeholders (Wilantara & Indrawan, 2016). Furthermore, MSME is a business activity that can create new jobs while also providing economic services to the larger society. MSMEs can also contribute to the process of equity and enhance people's income, as well as promote economic progress and national stability.

2.2 Definition of Entrepreneur

An entrepreneur is a person who identifies an opportunity and then establishes a business to capitalize on that opportunity or a capacity to manage something that is inherent in us to be utilized and developed so that it is more optimal in order to increase our standard of living (Ariani, 2018). The entrepreneur fair, in which many organizations participate, is one of the activities employed. They make some food and drink to sell, and it is here that they learn how to be entrepreneurs.

2.3 Economic Growth

The theory of economic development in the twentieth century was based on classical schools. Adam Smith and David Ricardo were classical economists who addressed many economic theories, including economic growth. In his book An Inquiry into the Nature and Causes of National Weakness (1776), Adam Smith provides his viewpoint on how to measure economic growth using two factors: total production and population increase. Meanwhile, Joseph A Schumpeter emphasizes the importance of entrepreneurs in development in his book The Theory of Economic Development. According to Schumpeter, the process of economic growth is fundamentally an innovation process carried out by

innovators and entrepreneurs in the global market in tandem with the advancement of knowledge and technology.

Economic growth is defined as an increase in a country's long-term capacity to deliver various economic goods and services to its population. Technological, institutional (institutional), and ideological developments in diverse existing contexts determine capacity growth (Todaro, 2006). According to economic analysts, four elements drive economic growth: total population, total stock of capital goods, land area and natural resources, and level of technology utilised.

2.4 Industrial Revolution 4.0

The phrase "Industrial Revolution 4.0" refers to a concept based on the fourth industrial revolution. This industrial word first appeared in Germany in 2011, during the Hannover Fair. The German state is quite interested in this topic. For Germany, this means keeping its industrial sector competitive worldwide. The High-Tech Strategy 2020 includes this technological upheaval in its blueprint for future growth. Multiple nations' efforts brought this revolution closer to its goal. Even though they go by different names or terminologies, the purpose is the same: to strengthen industrial competitiveness in each country in the face of such a volatile global market (Prasetyo & Sutopo, 2018).

Another literacy explains that the industrial revolution 4.0 is a word used in an era with unique characteristics such as the extensive use of digitalization technology and artificial intelligence in all sectors of human existence, including education (2018) (Putrawangsa & Hasanah). According to a journal, Hoyles and Lagrange underline that digital technology has the potential to provide outstanding appeal in learning related to the effectiveness and efficiency of the global education system (Putrawangsa & Hasanah, 2018). According to some of these interpretations, the industrial revolution 4.0 is a period of change in numerous sectors of life characterised by rapid technological breakthroughs that accelerate the dissemination of information, often known as the digitalization era.

2.5 Definition of Digitalpreneur

Entrepreneurship in digital technology has had a huge impact on the world. Digital enterprises founded on internet networks have changed the globe and established communication patterns that transcend geographical boundaries. Digitalization has an impact on the growth of new entrepreneurs as well. Because of prospects for digitizing business branches and transitioning firms from offline to online, the possibility for new business creation has expanded. Governments around the world are prioritizing the adoption of digital technologies because of the positive effects they have on entrepreneurship in terms of fostering innovation, expanding employment opportunities, and boosting economic and social productivity (Shane & Venkataraman, 2020; Wong et al., 2005; Sartori et al., 2013; Karimi et al., 2015). As a result of developments in ICT, a new phenomenon has emerged: digital entrepreneurship. Indonesia has several advantages, including a vast population demographic, easier and cheaper internet access, and relatively high penetration. Some people have taken advantage of this advancement to become digital entrepreneurs, or digipreneurs. It is difficult to become a digital entrepreneur since you must combine understanding of entrepreneurship and technology. However, with today's technology, there are numerous avenues to seek this knowledge.

2.6 Definition of Creativepreneur

Every industry in which we work undoubtedly necessitates innovation in order to catch the attention of individuals or buyers. A creativepreneur is someone who operates in this manner. A creativepreneur begins his business by selling a creative notion such as designs or paintings. According to the British Council, creativepreneur is a term used to describe persons who are creative entrepreneurs who undertake initiatives (festivals, exhibits, etc.) to grow the creative sector market. Being a creativepreneurTo be successful, you must possess numerous parts of yourself in order to realize a creative-based firm that is sophisticated, innovative, and increasing.

3. Method

The descriptive method with a quantitative approach was used for this inquiry. A descriptive research approach, according to (Sugiyono, 2018), is a study undertaken to discover the value of an independent variable, one or more (independent) variables, without making comparisons or establishing correlations with other variables. This indicates that, unlike experimental or correlational research, the focus of this study is exclusively on the condition of the variable, with no concern for its influence on or relationship with other variables. Quantitative research methods are defined as research methods based on the positivist philosophy that are used to examine specific populations or samples, data collection employs research instruments, and data analysis is quantitative/statistical in nature, with the goal of testing hypotheses (Sugiyono, 2018).

This form of research employs a quantitative, causal methodology. To test hypotheses, quantitative research employs methods grounded in positivism, such as the use of research instruments for data collection and analysis, and a primarily quantitative/statistical approach to data analysis (Sugiyono, 2018). This research focuses on fostering sustainable economic development in Kota Pari Village by bolstering the digitalpreneur and creativepreneur communities.

A population, as defined by (Sugiyono, 2018), is a conceptual space made up of things and people who share certain traits that the researcher has chosen to examine in order to draw conclusions. This study's demographic is the community of Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency, which is assumed to consist of 30 respondents. While the sample, according to (Sugiyono, 2018), represents a portion of the population's size and characteristics, it is not representative of the population as a whole. If the number of subjects is less than 100, the complete population serves as the sample (Arikunto, 2016). The sample size for this investigation was determined to be thirty respondents.

Data analysis method is a) Observation. It was carried out by means of moderate participant observation. In this observation, there is a balance between the researcher being an insider and an outsider. Researchers in data collection took part in participatory observations in various activities, but not all of them, only related to sustainable economic growth, digitalprenuers, creativeprenuers and MSME actors. b) Interview. Not carried out with a strict structure, but increasingly focusing on problems so that the information collected is quite in-depth. This kind of leeway is considered capable of finding the honesty of informants to provide true information. Especially in sustainable economic growth. c) Documentation. Conducted to obtain evidence of research documentation in the form of photos of the interview process, the activities of researchers.

The five assumptions are put to the test here using partial regression analysis (Partial Keast Square/PLS). SmartPLS 3.0 software will be used to examine each hypothesis and test the causality between variables.

According to (Abdillah & Jogiyanto, 2015), the data was analyzed using the Partial Least Square (PLS) method. Multiple dependent and independent variables can be compared using PLS, a multivariate statistical method. PLS is a variance-based SEM statistical technique designed to address issues with multiple regression data, such as a lack of study participants, missing information, and multicollinearity. We used the PLS method since our investigation involved three latent variables, all of which were generated by formative indicators and had a moderating influence. Assumed in the formative model is a causal relationship between the construct (latent variable) and the indicator (manifest) (Ghozali, 2013). And as (Ghozali, 2013) notes, the formative model postulates that indicators influence the construct, with the causal relationship running from the indicator to the construct, indicating that the indicators are the primary source of the construct's development.

PLS parameter estimation consists of three (three) steps (Ghozali, 2013):

a) The weight estimate that was used to generate the latent variable scores.
b) Path estimation (path estimate) that connects latent variables and loading estimates between latent variables and their indicators.
c) Means and parameter positions for indicators and latent variables (regression constant values, intercept).

The phases in the analysis with partial least squares are as follows (Yamin, 2011):

a) Creating the Structural Model (the inner model). At this point, the researcher develops a model of the constructs' interaction.

b) Creating a Measurement Model (the outer model). The researcher defines and specifies the link between latent constructs and their indicators, whether reflective or formulative, at this step.
c) Creating Path Diagrams. The major purpose of creating a path diagram is to depict the relationship between indicators and their constructions, as well as between constructs, to help researchers perceive the model as a whole.

4. Result

4.1 Outer Model Testing (Measurement Model)

The Partial Least Squares (PLS) technique, with the help of the SmartPLS 3.0 tool, will be utilized to analyze this research model. According to Yamin and Kurniawan (2009), PLS can be used in place of Structural Equation Modeling (SEM) to address intricate issues arising from the interplay of several variables. However, the data does not relate to a specific distribution because of the small sample size (30-100 samples) and non-parametric assumptions.

4.2 Path Diagram Model Analysis

The first model in the study utilized all indicators for each construct. Using the framework of the fundamental reference model shown in Figure, the first model is analyzed as follows:

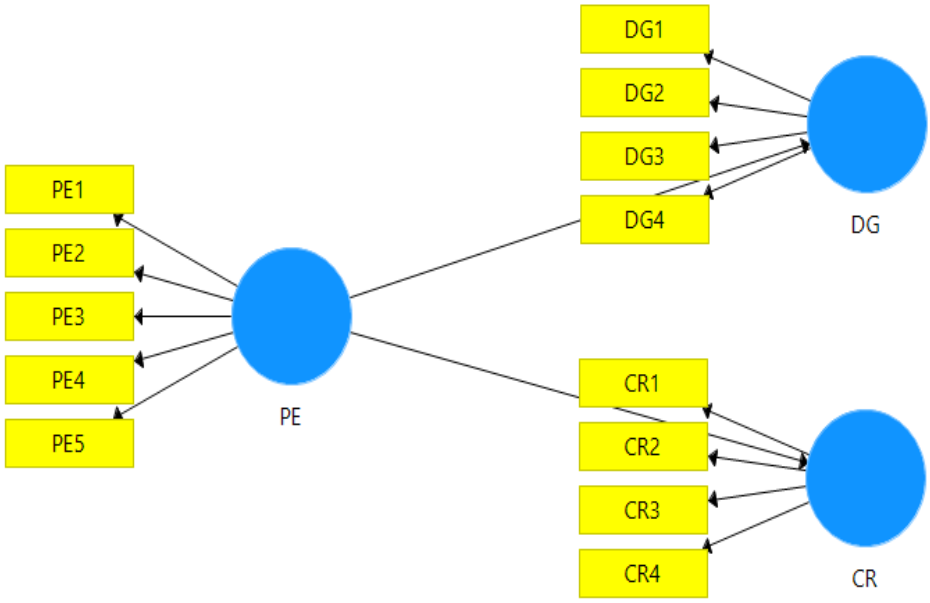

Fig. 1. Path Diagram Model Framework.
Source: SmartPLS 3.0, 2023

The first model in the study utilized all indicators for each construct. Using the framework of the fundamental reference model shown in Figure, the first model is analyzed as follows:

1. Convergent Validity

The loading factor value is a legitimate indicator of the item's reliability and is used to calculate Convergent Validity. The loading factor is a numerical indicator of the correlation between an item's score and the scores of the construct indicators. Any loading factor value greater than 0.7 is accepted. In this analysis, a loading factor of 0.7 was considered to be the upper bound. Following SmartPLS 3.0 analysis of the data. The table below displays the loading factor results:

Table 1. Loading Factor Value.

Variable	Indicator	PE	DG	CR
Sustainable Economic Growth (PE)	PE1	0.873		
	PE2	0.643		
	PE3	0.990		
	PE4	0.923		
	PE5	0.802		
***Digitalprenuer*(DG)**	DG1		0.776	
	DG2		0993	
	DG3		0.945	
	DG4		0.841	
***Creativeprenuer*(CR)**	CR1			0.946
	CR2			0.755
	CR3			0.843
	CR4			0.851

Source: SmartPLS 3.0, 2023

Table 1 shows that the majority of indicators for each study variable have loading factors more than 0.70 and are thus accepted as valid. Indicators of variables with a loading factor larger than or equal to 0.70 have strong convergent validity. In addition, indicators of variables with loading values below 0.70 are not very reliable and should be deleted from the model.

2. Composite Reliability

The composite reliability value of the construct or latent variable is another way to assess the outer model's quality in addition to convergent and discriminant validity. If the composite dependability is more than or equal to 0.70, then the construct can be trusted. The table below displays the output findings from SmartPLS for composite reliability values:

Table 2. Composite Reliability Value.

Variable	Composite Reliability
PE	0.836
DG	0896
CR	0.842

Source: SmartPLS 3.0, 2023

According to Table 2, the average reliability of all building types is more than 0.70. All the structures are sufficiently reliable, with the final value matching the required minimum. Convergent and discriminant validity were used to assess the robustness of the overarching model. Each acceptable construct had an Average Variance Extracted (AVE) value above 0.5, which was used to establish convergent validity. The following table displays the AVE value determined by the SmartPLS Algorithm:

Table 3. Average Variance Extracted (AVE).

Variable	Average Variance Extracted (AVE)
PE	0.806
DG	0.856
CR	0892

Source: SmartPLS 3.0, 2023

Table 3 demonstrates that all constructs in the final model had Average Variance Extracted (AVE) values greater than 0.5, as expected. Convergent validity is thus achieved for the suggested structural equation model.

4.3 Inner Model Testing (Structural Model)

Once the external model is verified, the internal model (the structure model) is analyzed. The r-square (indicator reliability) for the dependent construct and the t-statistical value of the path coefficient test can be used to assess the internal model. A larger r-square value indicates that the proposed research model provides more reliable predictions. When testing hypotheses, the values of the path coefficients indicate the level of significance.

4.4 Analysis of Variables (R2) or Determination Test

The coefficient of determination can be shown in the following formats for use in either Variant Analysis (R2) or Determination Test, i.e., to ascertain the impact of the explanatory variables on the outcome variable.

Table 4. R-square value.

Variable	R Square
DG	0.477
CR	0.493

Source: SmartPLS 3.0, 2023

According to Table 4, the R-Square value indicates that Digitalpreneur may explain 47.7% of the variability of the construct on Sustainable Economic Growth, with the remaining 52.3% explained by constructs other than those explored in this study. While Creativepreneur may explain 49.3% of the variability of the construct on Sustainable Economic Growth, the remaining 50.7% is explained by constructs other than those explored in this study.

4.5 Hypothesis Test

The r-squared, parameter coefficients, and t-statistics from the Inner Model (structural model) test are used to examine the veracity of the hypotheses. T-statistics, p-values, and the significance value between constructs are used to determine if a hypothesis can be accepted or rejected. SmartPLS 3.0 was used to assess the study's hypotheses. These numbers are what we find when we do a bootstrapping study. A positive beta coefficient and a t-statistic more than 1.96 with a p-value less than 0.05 (5%) served as cutoffs for significance in this study. The following table shows why it's crucial to conduct experiments to verify the hypothesis of this study.

Table 5. Path Coefficients Results.

hypothesis	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
PE -> DG	0.750	0.660	0.609	2,903	0.036
PE -> DG	0.763	0.505	0.499	11.129	0.025

Source: SmartPLS 3.0, 2023

According to Table 4.5, Sustainable Economic Growth has a significant and favorable impact on Digitalpreneurs. The test results show that there is a positive and statistically significant relationship between Sustainable Economic Growth through Digitalpreneurs and MSME Communities in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency (P-Values = 0.036 0.05); thus, the first hypothesis is accepted.

Creative entrepreneurs have a big and favorable impact on long-term economic growth. The test results show that there is a positive and statistically significant relationship between Sustainable Economic Growth and the Creativepreneur Community of MSME Actors in Kota Pari Village, Pantai

Cermin District, Serdang Bedagai Regency (P-Values = 0.025 0.05); thus, the second hypothesis is accepted.

5. Discussion

5.1 Effects of Sustainable Economic Growth Through Digitalprenuer

Based on the results of the direct influence test, it can be concluded that Sustainable Economic Growth has a positive and significant effect via Digitalpreneur among Micro, Small, and Medium-Sized Enterprises (MSMEs) in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency. The value of the path coefficient for SEG was found to be 0.750, with a p-value of 0.036.

All stakeholders must collaborate to create more competitive MSMEs through the growth of entrepreneurship and the digital sector. To build a suitable ecosystem, not only the government but also the business community, academics, and the general public must work together. Creating a digitally sustainable economy while also generating entrepreneurs who can drive the economy and create new employment via their ingenuity and business innovation. Becoming a digitalpreneur is a difficult task that necessitates a paradigm shift in the growth and use of the internet world. Digital entrepreneurs must seek to become global business leaders like the founders of Yahoo, Facebook, and Google, among others.

5.2 Effects of Sustainable Economic Growth Through Creativeprenuer

The results of the direct influence test show that Sustainable Economic Growth has a positive and significant influence via Creativepreneur, with a path coefficient value of 0.76 and a significant value of 0.025 0.05, respectively, on the success of MSMEs in the Creativepreneur Community in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency.

The emergence of creativepreneurs is expected to support long-term economic growth. The quick growth of creativepreneurs has resulted in the creation of many new employment, an improvement in the investment climate as new investors enter the country to build new firms, an increase in export volume income, and an increase in the skilled and skilled workforce. On the other side, it is required to be able to maintain the national image and cultural identity by generating works for the general public that are exciting, informative, entertaining, motivational, and educational.

6. Conclusion

The MSME community's sustainable economic growth through digitalpreneurs and creativepreneurs is also expected to be competitive, with each MSME actor prepared to address global technological challenges. It is also expected that this economic growth will help not just the community of Kota Pari Village, but will also promote national economic progress. Sustainable economic growth activities facilitated by digitalpreneurs and creativepreneurs will continue to grow in tandem with the advancement of information technology, and this must be used as effectively as possible to stimulate quality and internationally competitive economic growth in Indonesia. All governments, villages, corporate sectors, and communities are expected to work together to create a sustainable economy for MSME actors.

References

[1] Abdilah, W., & Jogiyanto. (2015). Partial Least Square (PLS) Alternatif Structural Equation Modeling (SEM) dalam Penelitian Bisnis. CV Andi Offset.

[2] Ariani, D. W. (2018). Pengertian Dasar Bisnis, Kewirausahaan, dan Lingkungan Bisnis. In Pengantar Bisnis.

[3] Arikunto, S. (2016). Prosedur Penelitian Suatu Pendekatan Praktik. Rineka Cipta.

[4] Ghozali, I. (2013). Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 Update PLS Regresi. Badan Penerbit Universitas Diponegoro.

[5] Instruksi Presiden Republik Indonesia Nomor 6. (2009). Tentang Pengembangan Ekonomi Kreatif.
[6] Karimi, S., Biemans, H. J. A., Mahdei, K. N., Lans, T., Chizari, M., & Mulder, M. (2015). Testing The Relationship Between Personality Characteristics, Contextual Factors and Entrepreneurial Intentions in a Developing Country. International Journal of Psychology, 5(1).
[7] Pamudi, T. S. (2010). Riding the Wave: Strategi Andal Menaklukkan Industri Software. Elex Media Komputindo.
[8] Peraturan Presiden Republik Indonesia Nomor 28. (2008). Tentang Kebijakan Industri Nasional.
[9] Prasetyo, H., & Sutopo, W. (2018). Industri 4.0: Telaah Klasifikasi Aspek dan Arah Perkembangan Riset. Jurnal Teknik Industri, 13(1), 17–18.
[10] Putrawangsa, S., & Hasanah, U. (2018). Integrasi Teknologi Digital dalam Pembelajaran di Era Industri 4.0 Kajian dari Perspektif Pembelajaran Matematika. Tasqif Pemikiran Dan Penelitian Pendidikan, 16(1), 43.
[11] Sartori, R., Favretto, G., & Ceschi, A. (2013). The Relationships Between Innovation and Human and Psychological Capital in Organizations: a Review. The Innovation Journal: The Public Sector Innovation Journal, 18(3), 2.
[12] Shane, S., & Venkataraman, S. (2020). The promise of entrepreneurship as a field of research. Academy of Management Review, 25(1), 217–226.
[13] Sugiyono. (2018). Metode Penelitian Pendidikan (Pendekatan Kuantitaif, Kualitatif, dan R&D). CV Alfabeta.
[14] Todaro, M. P. (2006). Economic Development. Seventh Edition. Addition Wesley Longman, Inc.
[15] Wilantara, F. R., & Indrawan, R. (2016). Strategi Dan Kebijakan Pengembangan UMKM (p. 20).
[16] Wong, P. K., Ho, Y. P., & Autio, E. (2005). Entrepreneurship, Innovation and Economic Growth: Evidence From GEM Data. Small Business Economics, 24(3), 335–350.
[17] Yamin, S. (2011). Generasi Baru Mengolah Data Penelitian Dengan Partial Least Square Path Modeling. Salemba Infotek.
[18] Yamin, S., & Kurniawan, H. (2009). SPSS Complete: Tekhnik Analisis Statistik Terlengkap dengan Software SPSS. Salemba Infotek.