THE INFLUENCE OF CREATIVE ECONOMY, BANK CREDIT, AND COMMUNITY SAVINGS ON ECONOMIC GROWTH, POVERTY, AND UNEMPLOYMENT: EVIDENCE FROM INDONESIAN PROVINCES (2015-2024)

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ABSTRACT

This study aims to analyze the influence of the creative economy, bank credit, and community savings on economic growth, poverty, and unemployment in Indonesia during the period 2015–2024. The research adopts a quantitative approach using panel data from 34 provinces, sourced from Badan Pusat Statistik and Bank Indonesia. The analytical method employed is panel data regression, with the Fixed Effect Model selected as the best-fitting model based on the Chow Test and Hausman Test results. The findings indicate that the creative economy does not have a significant effect on economic growth and poverty; however, it has a positive and significant effect on unemployment. Bank credit demonstrates a positive and significant influence on economic growth, while exerting a negative and significant effect on poverty and unemployment, suggesting its important role in promoting inclusive development. Meanwhile, community savings positively affect economic growth but are also associated with increases in poverty and unemployment, indicating that savings accumulation alone does not automatically translate into productive economic expansion.Simultaneously, the three independent variables significantly influence economic growth, poverty, and unemployment. These results highlight the critical importance of optimizing financial intermediation, strengthening the productive allocation of savings, and enhancing inclusive economic development policies to achieve balanced and sustainable economic outcomes across provinces in Indonesia.

Keywords: Creative Economy; Bank Credit; Community Savings; Economic Growth

INTRODUCTION

Economic development in Indonesia is in a crucial period of demographic bonus, demanding the optimization of resources to achieve inclusive growth Bapenas (2024). Although National Economic Growth (GDP) shows a positive trend in recent years BPS, (2023), it has not been able to overcome structural problems such as Poverty, Unemployment, and economic inequality evenly. The spatial disparity in regional GRDP contribution and significant fluctuations in Poverty and Unemployment figures post-pandemic (2020–2024) indicate that the growth is still vulnerable and not yet inclusive World Bank, (2006) Bank, (2006). Poverty and Unemployment must also be analyzed separately, considering the phenomenon of working poor underscores the importance of improving job quality, not just creating jobs Todaro & Smith (2020).

To respond to this inclusive development challenge, this research focuses on three strategic pillars: Creative Economy (CE), Bank Credit (BC), and Community Savings (CS). CE is a sector recognized for having a large multiplier effect in creating innovative employment Ismanti & Indra Prianto (2024). Meanwhile, BC and CS reflect the vital financial intermediation mechanism for funding real investment. In this context Muttaqin et al. (2023)emphasizes that macroeconomic stability is a prerequisite for financial intermediation to drive inclusive growth. Furthermore, the volume of CS is highly dependent on consumer trust and decision-making in the banking sector (Sari et al. (2023). These mechanisms can stimulate business expansion, ultimately creating more employment opportunities, increasing income, and reducing poverty (Sipahutar, 2016). Analyzing the synergy of these three variables is crucial to uncover the most effective policy leverage in driving GRDP while simultaneously reducing Poverty and Unemployment at the regional level.

Based on a literature review (which will be explained in the Literature Review), there are two main gaps underlying this research. First, the Model Integration Gap: Most previous studies analyzed CE, BC, and CS separately on development indicators (GRDP, Poverty, or Unemployment). Studies that examine all three simultaneously in one comprehensive model are still very limited. Second, Empirical Contradictio: The literature shows wide contradictions in the direction and significance of the influence of these variables, indicating the need for mediating research with a more thorough econometric approach, using the latest data from the crisis and recovery period (2015–2024) in Indonesia.

Therefore, the purpose of this study is to scientifically assess and explain the partial and simultaneous effects of community savings, bank credit, and the creative economy on economic growth, unemployment, and poverty in all Indonesian provinces between 2015 and 2024.

LITERATURE REVIEW, RESEARCH FRAMEWORK
Creative Economy

Howkins (2001) introduced the concept of the creative economy as an economic activity based on creativity, cultural heritage, and environment. The creative economy is considered one of the important pillars in supporting future economic development (Munajat et al., 2016). In the creative economy, creativity, innovation, and protection of intellectual property rights are important elements in driving job creation, economic growth, and the preservation and development of culture (Riswanto et al., 2023). In addition, Angin (2019) and Paramita et al. (2021) state that the creative economy originates from innovative human ideas as an individual.

Credit

According to UU Nomor 10 Tahun 1998, 1998, credit is the provision of money or bills that may be equated with it, based on a loan arrangement between a bank and another party that requires the borrower to repay the debt with interest after a specific period of time. Meanwhile, the theory introduced by McKinnon (1973) and Shaw (1973) emphasizes the important role of financial deepening in driving economic growth. Financial deepening occurs when the financial sector is able to provide various instruments, including credit facilities, which function to channel savings towards productive investment. The more developed and deeper a country's financial system, the more optimal the efficiency in allocating economic resources Levine (2005). Andrianto (2020) defines credit as the provision of funds or goods that must be returned along with compensation within a certain period. Marbawi (2017) adds that credit is the main source of bank income, so credit growth becomes a key element of the intermediation function.

Savings

Keynes in 1936 developed a theory stating that savings are directly related to income. According to him, when income increases, the amount of savings will also increase. This relationship is known as the Marginal Propensity to Save (MPS). Keynes also emphasized that savings play an important role in driving investment and economic growth Sukirno, (2019). According to the (Banking Special Inspection Department, 2021), savings are defined as public funds held by banking institutions through deposit agreements. These financial holdings can take various forms, including demand deposits, time deposits, and certificates of deposit, among other similar saving instruments

Economic Growth

According to Solow in Mukhyi (2024), long-term economic growth is mainly determined by capital accumulation and technological progress. Without improvement in both, the economy will reach a point of stagnation even if supported by labor and natural resources. Solow emphasized that the main goal of economic activity is to achieve sustainable growth reflected in increasing output, especially GDP, which ultimately improves welfare and opens up more job opportunities.

Proverty

Poverty manifests when people or families do not have enough income or expenditure to meet basic living needs decently Firdausy (2020). According to Keynes in Safitri et al., (2022), poverty occurs because of poverty in the midst of plenty, which is poverty that arises even though the economy is actually abundant. He emphasized that economic instability is endogenous, because market mechanisms are unable to automatically balance consumption and production. This imbalance triggers inequality and marginalizes certain groups in society.

Unemployment

Unemployment is people of working age who are diligently looking for work but have not found it Zakariya (2008). Elmizan & Asy'ari (2021) define unemployment as the working-age population who are looking for work but are not yet working, and is usually calculated as a percentage of the total labor force. According to Keynes (1936), unemployment is mainly caused by weak aggregate demand which depresses production and labor demand, so government intervention is needed in the short term to encourage

consumption, create jobs, and reduce unemployment because market mechanisms are not yet able to fully absorb labor Qausar & Aminda (2018).

Previous Studies

The creative economy has been widely studied in relation to economic development, but shows varied results. Research by Insana et al.,(2022) and Puteh et al.,(2018) found that the creative economy contributes to reducing poverty through job creation and community empowerment. In addition, Ismanti & Indra Prianto (2024) and Mere et al., (2023) show a positive influence of the creative economy on labor absorption. However, other studies show different results. Ahmad et al., (2024), Wahyuningsih et al., (2019), Fahmi & Koster (2017), and Domenech et al., (2022) found that the creative economy is not necessarily the main driver of economic growth and has the potential to widen regional disparities. These differences in results indicate that the impact of the creative economy is highly dependent on the regional context and systemic support.

Bank credit and community savings also play an important role in economic development. Research by Lestari et al., (2022), Sipahutar (2018), and Simbolon et al. (2024) show that bank credit has a positive effect on economic growth. Credit also contributes to reducing poverty and unemployment through job creation (Sipahutar, 2016; Tridewi et al., 2023). In light of a structural shift in the financial industry from labor-intensive to capital-intensive activities, Erlando et al., (2020) discovered an insignificant relationship between increased financial sector services or greater financial accessibility and higher unemployment rates..

However,Awad & Al Karaki (2019) and Sukomo et al., (2021) found an insignificant relationship. On the other hand, community savings have been proven to have a positive effect on economic growth (Jagadeesh, 2015; Ribaj & Mexhuani, 2021), although some studies state that increased savings do not always have a direct impact on reducing poverty and unemployment (Juelsrud & Wold, 2020; Tridewi et al., 2023)

Based on these differences in empirical findings, there are still limitations in research that examines the simultaneous influence of the creative economy, bank credit, and community savings on economic growth, poverty, and unemployment. Therefore, this research aims to fill this gap by using a panel data regression approach at the provincial level in Indonesia for the period 2015–2024.

The conceptual framework of this research is built to analyze the influence of the creative economy, bank credit, and community savings on economic development measured through GRDP, poverty rate, and unemployment rate. The creative economy is seen as a productive sector that drives value-added creation, increased income, and labor absorption. Bank credit plays a role as the main source of financing that supports production activities, investment, and job creation. Meanwhile, community savings reflect the banking sector's funding capacity in channeling productive credit. These three independent variables are assumed to have not only a partial but also a simultaneous influence on increasing GRDP and reducing poverty and unemployment. This relationship is then empirically tested through the formulation of research hypotheses

Creative Economy (and Its Influence on GRDP, Poverty, and Unemployment

The creative economy is considered a productive sector that can drive GRDP growth by increasing value-added and productivity (Romer, 1990; as cited in Aghion & Howitt (1998). It is idea-intensive and talent-based, such as in culinary and handicraft subsectors, and generates spillover effects to other sectors including tourism, trade, and technology (Syafri et al., 2023; Susmawati et al., 2022). Moreover, creative economy

activities can reduce poverty by creating employment opportunities and increasing household income (Narayan, 2002; Insana et al., 2022; Puteh et al., 2018), and decrease unemployment due to its labor-intensive nature and accessibility (ILO, 2020; Susmawati et al., 2022; Ismanti & Prianto, 2024). Based on these explanations, the following hypotheses are proposed:

> *H1: The creative economy positively and significantly affects GRDP.*
> *H2: The creative economy negatively and significantly affects the poverty rate.*
> *H3: The creative economy negatively and significantly affects the unemployment rate.*

Bank Credit and Its Influence on GRDP, Poverty, and Unemployment

Bank credit plays a strategic role in supporting economic growth through investment and working capital expansion (Levine, 2005;Mishkin, 2016). Empirical studies show that investment and working capital credits significantly increase GRDP in various regions of Indonesia (Simbolon et al., 2024; Lestari et al., 2022). Access to credit also helps MSMEs expand their business capacity, create jobs, and reduce poverty (Beck et al., 2008; TRIDEWI et al., 2023; Sipahutar, 2016). Additionally, increased credit has been proven to reduce unemployment both nationally and regionally through business expansion and growth of productive sectors (Blanchard, 2017; Abdul Sada & Al-Shammari, 2019; Sipahutar, 2016). Therefore, the following hypotheses are proposed:

> *H4: Bank credit positively and significantly affects GRDP.*
> *H5: Bank credit negatively and significantly affects the poverty rate.*
> *H6: Bank credit negatively and significantly affects the unemployment rate.*

Community Savings and Its Influence on GRDP, Poverty, and Unemployment

Community savings serve as a major source of capital formation and investment, which in turn stimulate regional economic growth Harrod-Domar model as cited in (David N. Weil, 2013). Empirical evidence indicates that increased community savings positively contribute to GRDP in several regions (Sukomo et al., 2021; Ribaj & Mexhuani, 2021). Savings also strengthen household financial resilience, thereby reducing the risk of poverty (Demirgüç-Kunt et al., 2018 ; Olori et al., 2021; TRIDEWI et al., 2023), and enhance bank liquidity, which improves credit capacity and employment absorption (Mishkin & Eakins, 2018 ; Syata, 2023). Accordingly, the following hypotheses are proposed:

> *H7: Community savings positively and significantly affect GRDP.*
> *H8: Community savings negatively and significantly affect the poverty rate.*
> *H9: Community savings negatively and significantly affect the unemployment rate.*

Simultaneous Influence of Creative Economy, Bank Credit, and Community Savings

Conceptually, the creative economy, bank credit, and community savings form an integrated economic ecosystem capable of generating inclusive growth through increased production, job creation, and strengthened household economic capacity Stiglitz & Greenwald (2014). Empirical studies support this, showing that integration of creative economy policies and financial access increases creative sector GDP in the UK Leyva & Solano (2021), reduces poverty in South Korea Leyva & Solano, (2021), and adds employment in Indonesia (BPS, 2024). Therefore, the following simultaneous hypotheses are proposed:

> *H10: The creative economy, bank credit, and community savings simultaneously positively affect GRDP.*

H11: The creative economy, bank credit, and community savings simultaneously negatively affect the poverty rate.

H12: The creative economy, bank credit, and community savings simultaneously negatively affect the unemployment rate.

Figure 1 presents the conceptual framework of this study. The framework shows that the creative economy (X1), bank credit (X2), and community savings (X3) are proposed to affect economic development indicators, namely GRDP (Y1), poverty (Y2), and unemployment (Y3). The arrows in the figure indicate both the partial effects of each independent variable on the dependent variables and their simultaneous effect when analyzed together in the regression model.
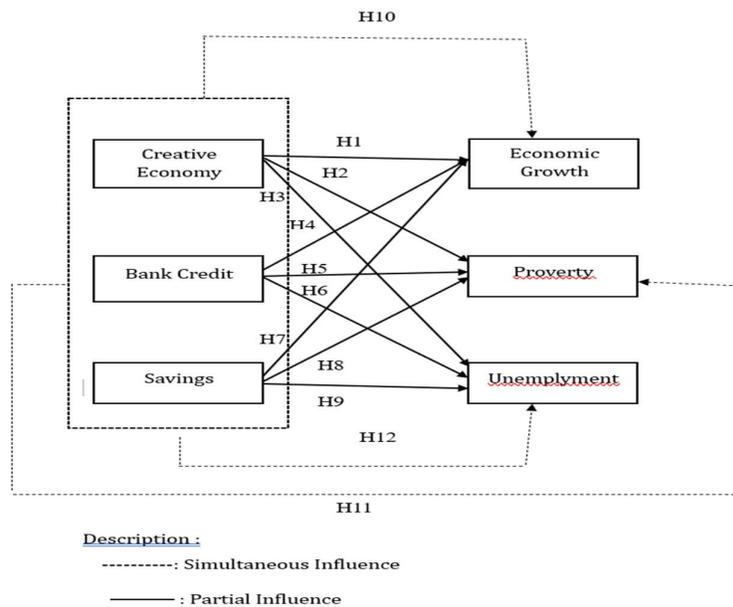
Source : Constructed by authors, 2025

Figure 1
Research Framework

METHOD

This study employs a quantitative methodology using panel data, which is secondary data that covers 34 Indonesian provinces between 2015 and 2024. The Central Statistics Agency's (BPS) official publications and Bank Indonesia's Indonesian Financial and Economic Statistics (SEKI) provided the data.

Independent variables include creative economy, bank credit, and community savings, while dependent variables consist of GRDP, poverty rate, and unemployment rate. Analysis was conducted using panel data regression with the best model selection through the Chow Test, Hausman Test, and Lagrange Multiplier Test. Hypothesis testing was conducted using the t-test for partial influence and the F-test for simultaneous influence at a 5% significance level Sugiyanto et al., (2022).

Analysis model:

$$Y_{it} = \alpha + \beta_1\ Ekraf_{it} + \beta_2 Kredit_{it} + \beta_3\ Simpanan_{it} + \epsilon_{it}$$

Description:

Y_{it} = Dependent variable (GRDP, Poverty, or Unemployment) in region i and time t.
$Ekraf_{it}$ = Contribution of creative economy in region i and time t.
$Kredit_{it}$ = Volume of bank credit in region i and time t.
$Simpanan_{it}$ = Amount of community savings in region i and time t.
α = Intercept.
$\beta_1, \beta_2, \beta_3$ = Regression coefficients.
ϵ_{it} = Error term.

RESULTS AND DISCUSSION

The panel data regression model estimation analysis begins with a series of classical assumption tests. Based on the diagnostic test results showing symptoms of heteroscedasticity, to ensure Best Linear Unbiased Estimator (BLUE) estimation, the independent variables (Creative Economy, Bank Credit, and Community Savings) have been transformed into natural logarithm (Ln) form, as listed in the regression output Gujarati (2003). Next, the selection of the best model (between Common Effect, Fixed Effect, or Random Effect) was conducted through the Chow Test and Hausman Test Sugiyanto et al., (2022).

The results of both tests confirm that the Fixed Effect Model (FEM) is the most suitable model for all three regression models (GRDP, Poverty, and Unemployment), because it can accommodate the characteristics of panel data that have unobserved heterogeneity between provinces. The following is a summary of the FEM estimation results presented in the Tables 1, 2, and 3, which display the partial effects of the creative economy, bank credit, and community savings on GRDP, poverty, and unemployment, as well as their simultaneous influence when analyzed together.

Panel Data Regresssion Model Estimation Result
Economic Growth Model (GRDP) (Y1)

Table 1 presents the estimation results of the Economic Growth Model using the Fixed Effect Model (FEM). The results show that bank credit and community savings have a positive and significant effect on economic growth, while the creative economy variable is not statistically significant.

Tabel 1
Economic Growth Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.191956	0.223818	9.793476	0.0000
LNX1	-0.004767	0.026853	-0.177518	0.8592
LNX2	0.574454	0.046437	12.37070	0.0000
LNX3	0.222559	0.044246	5.030007	0.0000

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.078515	R-squared	0.981798
Mean dependent var	10.88737	Adjusted R-squared	0.979628
S.D. dependent var	0.582817	S.E. of regression	0.083186
Akaike info criterion	-2.032766	Sum squared resid	2.089799
Schwarz criterion	-1.615179	Log likelihood	381.5539
Hannan-Quinn criter.	-1.866358	F-statistic	452.4846
Durbin-Watson stat	0.587212	Prob(F-statistic)	0.000000

Source: Data Analyzed, 2025

Based on the estimation results using the Fixed Effect Model (FEM) approach, the variable for creative economy (X1) yielded a coefficient value of -0.0048. With a t-statistic of -0.1775 and a corresponding p-value of 0.8592, this specific indicator shows no significant impact on economic growth at the 5% alpha level. Furthermore, the analysis of bank credit (X2) reveals a positive coefficient of 0.5745. Given its t-statistic of 12.3707 and a p-value of less than 0.0001, it is evident that bank credit significantly and positively influences the growth of the economy. In a similar vein, community savings (X3) demonstrated a positive coefficient of 0.2226, supported by a t-statistic of 5.0300 and a p-value below 0.0001, marking it as another significant driver of economic expansion. Additionally, the model's constant stands at 2.1920 (p-value < 0.0001), which implies that even if all independent factors remain unchanged, the level of economic growth continues to hold a positive value.

Proverty Model (Y2)
Table 2 presents the estimation results of the Poverty Model using the Fixed Effect Model (FEM). The results show that bank credit has a significant negative effect on poverty, community savings has a significant positive effect, and the creative economy variable is not statistically significant.

Tabel 2
Proverty Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.910743	0.311946	22.15367	0.0000
LNX1	0.048484	0.037426	1.295459	0.1962
LNX2	-0.271695	0.064721	-4.197944	0.0000
LNX3	0.149201	0.061668	2.419413	0.0161

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.109430	R-squared	0.989693
Mean dependent var	6.018322	Adjusted R-squared	0.988464
S.D. dependent var	1.079470	S.E. of regression	0.115940
Akaike info criterion	-1.368774	Sum squared resid	4.059500

Schwarz criterion	-0.951187	Log likelihood	269.0072
Hannan-Quinn criter.	-1.202366	F-statistic	805.5083
Durbin-Watson stat	1.183693	Prob(F-statistic)	0.000000

Source: Data Analyzed, 2025

Regarding the Fixed Effect Model (FEM) analysis, the data demonstrates that the creative economy (X1) yields an estimated coefficient of 0.0485. With a t-statistic of 1.2955 and a significance level (p-value) of 0.1962, this specific factor does not reach statistical significance at the 5% threshold, suggesting it currently lacks a substantial impact on the poverty rate. In contrast, bank credit (X2) shows a negative coefficient of -0.2717, supported by a t-statistic of -4.1979 and a p-value below 0.0001. This indicates that higher bank credit is significantly associated with a decrease in poverty levels. Meanwhile, community savings (X3) exhibits a positive coefficient of 0.1492 (t-statistic 2.4194; p-value 0.0161), signifying a positive and significant influence on the poverty rate. Furthermore, the model's intercept of 6.9107 (p < 0.0001) confirms that the poverty rate remains at a positive baseline even when all independent variables are held constant

Unemployment Model (Y3)

Table 3 presents the estimation results of the Unemployment Model using the Fixed Effect Model (FEM). The results show that all independent variables have a significant effect on unemployment. The creative economy and community savings have a positive effect, while bank credit has a negative effect on the unemployment rate.

Tabel 3
Unemployment Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.593808	0.130874	42.74199	0.0000
X1	1.755972	0.685490	2.561631	0.0109
X2	-5.098238	0.987044	-5.165160	0.0000
X3	1.717219	0.415318	4.134710	0.0000

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.814596	R-squared	0.791253
Mean dependent var	5.115853	Adjusted R-squared	0.766452
S.D. dependent var	1.785551	S.E. of regression	0.862900
Akaike info criterion	2.645398	Sum squared resid	225.6126
Schwarz criterion	3.062077	Log likelihood	-412.7177
Hannan-Quinn criter.	2.811427	F-statistic	31.90335
Durbin-Watson stat	1.262620	Prob(F-statistic)	0.000000

Source: Data Analyzed, 2025

The regression estimation results indicate an intercept (C) of 5.5938, which is statistically significant at the 5% level (P-Value < 0.0001). This suggests that the unemployment rate maintains a baseline of 5.5938 when variables for the creative economy (X1), bank credit (X2), and community savings (X3) are held constant. Looking at the specific indicators, the creative economy (X1) demonstrates a positive coefficient of 1.7560. Supported by a t-statistic of 2.5616 and a P-Value of 0.0109, this variable exerts

a significant upward influence on the unemployment rate. Conversely, bank credit (X2) yields a negative coefficient of -5.0982 (t-statistic -5.1652; P-Value < 0.0001), signifying a significant reduction in unemployment levels. Furthermore, community savings (X3) shows a positive coefficient of 1.7172 with a t-statistic of 4.1347 and a P-Value below 0.0001, marking it as another significant factor affecting the labor market.

Simultaneous Significance Test (F Test) and Coefficient of Determination (R^2)

Regarding the Economic Growth (Y1) model, the F-statistic of 452.4846 (P-Value < 0.0001) suggests that Creative Economy, Bank Credit, and Community Savings collectively exert a significant influence. The Adjusted R-squared of 0.9796 indicates that these three predictors account for 97.96% of the variance in economic growth, while the remaining 2.04% is attributed to external factors.

For the Poverty (Y2) model, a significant collective impact from all independent variables is evidenced by an F-statistic of 805.5083 (P-Value < 0.0001). This model achieves an Adjusted R-squared of 0.9885, signifying that nearly 98.85% of the fluctuations in the poverty rate are explained by the combined effects of savings, credit, and the creative industry.

Finally, the Unemployment (Y3) analysis yields an F-statistic of 31.9034 with a P-Value below 0.0001, confirming that the independent factors significantly determine the unemployment rate. The Adjusted R-squared value of 0.7665 shows that 76.65% of the changes in unemployment are captured by this model, while other variables outside this study influence the rest

The Influence of Creative Economy on Economic Growth, Poverty, and Unemployment

The estimation results show that the creative economy does not have a significant effect on economic growth (GRDP) or the poverty rate, but has a positive and significant effect on the unemployment rate. This finding indicates that the development of the creative economy in Indonesia has not been able to directly drive economic output or reduce poverty, but is instead correlated with increased unemployment. This result is in line with the findings of Ahmad et al., (2024) and Wahyuningsih et al., (2019)who state that the creative economy is not yet significant in influencing local economic growth due to limitations in innovation, business scale, and competitiveness. At the macro level, Fahmi & Koster, (2017), and Domenech et al., (2022) also emphasize that the creative industry plays more of a role as an indicator of already developed regions rather than as a main driver of economic development.

The positive influence of the creative economy on unemployment indicates that the growth of this sector is not yet fully inclusive and sustainable in absorbing labor. This supports the view of Banks (2020) who stated that the creative economy tends to be concentrated in urban areas and only benefits certain groups, thus potentially widening labor market inequality. This finding is also consistent with research by Zaman & Suhartini (2021) and Pradana (2018) who found that the creative economy has not been effective in reducing unemployment.

The Influence of Bank Credit on Economic Growth, Poverty, and Unemployment

Empirical evidence indicates that bank credit plays a dual role: it significantly fosters economic growth while simultaneously reducing unemployment and poverty levels. These findings highlight the essential function of banking institutions as financial intermediaries that effectively stimulate real sector activities. This outcome is consistent

with previous research conducted by Lestari et al., (2022), Sipahutar (2018), and Simbolon et al., (2024) which shows that increasing credit distribution can drive regional economic growth through increased investment and consumption.

In addition, the negative influence of bank credit on poverty and unemployment indicates that credit channeled effectively can expand employment opportunities and increase community income. This is consistent with the results of research by Sipahutar (2016), and Tridewi et al., (2023) who state that working capital credit and investment credit play an important role in creating jobs and reducing poverty. Thus, bank credit functions as a link between economic growth and the improvement of socio-economic conditions of the community.

The Influence of Community Savings on Economic Growth, Poverty, and Unemployment

The findings indicate that community savings significantly drive economic growth, a result that aligns with established economic theories. However, the data also reveals a parallel increase in unemployment and poverty levels. While the positive relationship with growth confirms traditional savings-growth models, the simultaneous rise in social indicators suggests a more complex economic dynamic in the region, and is supported by research by Ribaj & Mexhuani (2021), and Sukomo et al., (2021) which state that increased savings enlarge domestic funding sources for investment.

However, the positive influence of community savings on poverty and unemployment indicates a savings paradox. This finding supports research by Tridewi et al., (2023) which states that increased savings do not automatically reduce poverty if not followed by an increase in productive investment. In addition, Juelsrud & Wold (2020) explain that excessive increases in savings can reduce household consumption, thus impacting the weakening of labor demand and increased unemployment. Nevertheless, community savings still have the potential to indirectly reduce unemployment through banking intermediation mechanisms if allocated optimally to productive sectors Syata, (2023).

CONCLUSION AND SUGGESTION

This research evaluates how the creative economy, bank credit, and community savings affected Indonesia's economic growth, unemployment, and poverty between 2015 and 2024. The empirical results reveal that the creative economy lacks a statistically significant impact on growth and poverty reduction; instead, it shows a positive correlation with unemployment, suggesting that the sector is not yet inclusive or effective in labor absorption. Conversely, bank credit serves as a vital engine for development, demonstrating a significant positive effect on growth while effectively lowering poverty and unemployment. This underscores the critical function of financial intermediation. However, community savings present a unique paradox; while they support economic growth, they also appear to increase poverty and joblessness, likely due to inefficient fund allocation into productive areas. Ultimately, all three indicators significantly influence Indonesia's overall development progresss.

The government needs to direct creative economy policies towards creating more inclusive employment through improving the quality of human resources and equitable development of subsectors. Financial authorities and banks are expected to strengthen the effectiveness of credit intermediation, especially to productive and labor-intensive sectors. In addition, the increase in community savings needs to be balanced with policies that encourage productive channeling of funds so that economic growth can be translated more effectively into poverty and unemployment reduction.

For future research, it is recommended to examine potential mediating and moderating variables, such as education level and digital access, as these factors may affect labor absorption and productivity. Future studies may also incorporate variables such as minimum wage, digital infrastructure, foreign direct investment (FDI), and institutional quality, since these factors are closely related to economic performance and labor market conditions. In addition, expanding the scope of analysis by using district- or city-level data may provide a more detailed understanding of regional disparities.

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