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Relationship Between Islamic Financial Literacy, Islamic Financial Inclusion And Business Performance : Evidence From Culinary Cluster Of Creative Economy

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ABSTRACT
The culinary cluster of creative economy in Indonesia has a strong appeal to business actors, so that business growth in the culinary cluster is always above other clusters. Unfortunately, the level of Islamic financial literacy and Islamic financial inclusiveness has not been created properly in this cluster. This study aims to see the relationship between Islamic financial literacy, Islamic financial inclusion and business growth in the culinary cluster of creative economy. **Methodology** – This study conducted in Pekanbaru, Indonesia. Duet to unavailable data from authority for culinary business, we use non-probability sampling to take sample with sample size was 62 business owners in the culinary cluster. To see this relationship, data were analyzed using the SEM-GeSCA approach. **Findings** - The results of this study found that Islamic financial literacy has a positive and significant impact on Islamic financial inclusion and business growth. We also found that a positive and significant impact relationship between Islamic financial inclusion and business growth. **Practical implications** - This result give us an information that financial literacy and Islamic financial inclusion gave an important variable for the development of enterprise. This study implies that business actors in the culinary cluster must continue to improve Islamic financial literacy and Islamic financial inclusion so that sustainable growth of their business can be created. Beside that, this finding also suggestion that Islamic banking should be aware to this sector. **Originality** – This is the first study in Pekanbaru, Indonesia. Nevertheless, this study has limitation in the sample size and sampling method.
Keywords : *Culinary Cluster, Creative Economy, Islamic Financial Literacy, Islamic Financial Inclusion and Business Performance*

A. INTRODUCTION
In the last ten years, the creative economy has become a hot topic of conversation by many groups, both academics and the government. Creative economy is considered as

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one of the solutions to improve people's welfare. The creative economy is considered the right solution in developing alternative income for the community and the state because the creative economy has the advantage of being a renewable economic source, making it worthy of being a leading sector by the government. Even though it has advantages and is a mainstay of the Government, the creative economy sector does not get serious attention by financial institutions, in this case banking. There are many obstacles to why this sector is less attractive to banks, including the first, financial aspect which includes the limitations of a suitable and easily accessible financing scheme and the ability to manage business finances. Second, the market aspect which includes the demand for short cycles of product design changes and short-term contracts. Third, production aspects that include static and traditional product designs (Bank Indonesia, 2015).

The creative economy sector is not yet attractive to the non-creative economy sector, but the creative economy has now become a new alternative for economic development in the era of the industrial revolution 4.0. In the creative economy outlook report delivered by the United Nation Conference on Trade and Development (UNCTAD), the creative economy contributes to the world economy through export and import activities. Creative economy exports in 2002 only reached USD 208 billion, but in 2015 it increased to USD 509 billion. In 2015, the export of creative economy from developing countries was higher when compared to developed countries and China was the largest country in exporting goods from the creative economy. For developed countries, the United States is the country with the most exporters from the creative economy sector, followed by France, Italy, England and Germany. Meanwhile, World exports of creative goods by product groups showed that design, visual arts, art crafts, new media and publishing are the most dynamic sectors in international trade in 2015 (UNCTAD, 2018).

Meanwhile, exports of Indonesia's creative economy in 2010 reached USD 13.51 billion or 8.56 percent of Indonesia's total exports. In 2011, exports of the creative economy experienced an increase to USD 15.64 billion, but in percentage terms, it decreased to 7.69 percent. In 2012, the export of creative economy also experienced a decline to USD 15.44 billion, but in percentage terms it increased to 8.13 percent. In 2015, the export value of the creative economy reached USD 19.36 or 12.88 percent of Indonesia's total exports. In 2016, Indonesia's creative economy exports again increased to reach USD 19.99 billion or reached 13.77 percent of Indonesia's total exports (BPS, 2017). Indonesia also experienced a surplus of USD 2 billion from the creative economy export-import activities (UNCTAD, 2018).

Culinary is one of the clusters in the creative economy sector which has received great attention from business actors. In 2018, the culinary cluster grew by 12.7 percent

(Sindonews, 2019). The large number of enthusiasts in the culinary cluster has a significant impact on the national economy, both in the form of its contribution to GDP, absorption of labor and investment. In 2018, the culinary cluster contributed 41 percent of the total contribution of the creative economy sector to GDP or reached IDR 410 trillion, absorbing a workforce of up to 8.8 million people (UGM, 2019). Meanwhile, the Ministry of Industry said that the culinary cluster succeeded in contributing to a national GDP of 6.34 percent with an investment value of IDR 56.20 trillion (Okezone, 2019). Unfortunately, the inclusion of Islamic finance in this sector is still not evenly distributed, even though the inclusion of Islamic finance allows them to expand their business (Cámara & David, 2015). To encourage business development in the culinary sector to develop properly, a systematic effort is needed. One of the efforts made by the Government is to ensure that this sector gets support from formal financial institutions such as Islamic banking.

Islamic banking is halal finance in the halal ecosystem in Indonesia which is being strived for by the government to develop properly. The development of Islamic banking in Indonesia since the 2000s has continued to increase significantly in terms of assets, channeled financing and collected third party funds. Until September 2020, the assets of Islamic banking in Indonesia reached Rp. 575.8 trillion, financing reached Rp. 384.7 trillion and third party funds that have been collected reached Rp. 460.5 trillion. (OJK, 2020). However, the development of Islamic banking in Indonesia has not been matched by the market share they have. In September 2020 the market share of Islamic banks in Indonesia only reached 6.24 percent. The low market share of Islamic banking in Indonesia is due to the low level of Islamic financial literacy in Indonesia, which has only reached 8.1 percent, meaning that out of 100 people in Indonesia, only eight people know the Islamic financial services industry (Segara, 2017). The government encourages Islamic banking to take an appropriate approach so that Islamic financial inclusion can be achieved (Kompas, 2018). One of the strategies so that Islamic financial literacy in Indonesia can increase is to educate the public, one of which is the target group, namely the MSMEs community (Segara, 2017).The culinary sector is a sector that is one of the targets for education so that it is hoped that Islamic financial inclusion can occur and in turn it can have an impact on the development of Islamic banking in Indonesia and business development in the partner sector.

Research related to the creative economy, particularly those discussing the relationship between Islamic financial literacy, Islamic financial inclusion and business performance in the culinary cluster, has not been explored much by previous researchers. However, research related to the creative economy has been done and most of them use a qualitative approach. For example, research conducted by Herawaty & Raharja, (2018) which highlights the problem of developing a creative industry strategy in Bandung Indonesia with the SWOT Analysis approach. Meanwhile Hidayat & Asmara, (2017) analyzed the support of the creative economy for Indonesia's economic growth using a qualitative approach.

Thefore, it needs to be explored more deeply regarding the role of Islamic financial literacy in creating Islamic financial inclusion and business development in the culinary sector using the quantitative approach. The culinary cluster is the target in this study because the culinary cluster is the most popular cluster of business actors when compared to other clusters in the creative economy sector and research on specific clusters such as culinary has never been done by previous researchers in Indonesia. Therefor this research was conducted in order to fill this gap and provide insight to creative economy actors, especially in the culinary and Islamic banking clusters in developing their business. This study aims first, to determine the effect of Islamic financial literacy on Islamic financial inclusion and business performance in the culinary cluster of creative economy in Pekanbaru, Indonesia. Second, to determine the effect of Islamic financial inclusion on the business performance of the culinary cluster of creative economy in Pekanbaru, Indonesia.

B. THEORITICAL

Creative Economy as a New Direction

The creative economy has become an important and growing part of the global economy. Governments and creative sectors across the world are increasingly recognising its importance as a generator of jobs, wealth and international trade. The creative economy not just a driver of the economy but also in promoting social inclusion, diversity and future prosperity (Goldenstein & Rosselló, 2014). UNESCO (2013) state that the creative economy not only about the income generation, job creation and export earning but also about generate non-economy value, so the creative economy does not have a single definition. Because it is built on the interaction between creativity and human ideas, intellectual property, knowledge and technology (UNCTAD, 2015). Howkins, (2001) defines the creative economy as creation of value as a result of idea. Meanwhile Davis was quoted by Stern & Seifert, (2008) defines the creative economy as the the sum of economic activity arising from a highly educated segment of the workforce encompassing a wide variety of creative individuals —like artists, architects, computer programmers, university professors and writers from a diverse range of industries such as technology, entertainment, journalism, finance, high-end manufacturing and the arts.

However, this definition received criticism from Galloway & Dunlop, (2007) said that the definition was inconsistent and confusing, especially related to cultural and creative industries. For example, art performance and visual art are categorized as cultural industries or as creative industries? This must be made clear because it will have implications for public policy. UNCTAD (2004) distinguishes creative and cultural industries based on copyright, where creative industries derives from copyrighting and distributive creative content while cultural industries are generative creative content it is a local context through literacy, visual and performing art. Therefore Garnham, (2005) identifies that what is associated in the term of creative economy is copyright industries, intellectual property industries, knowledge industries and information industries. Meanwhile the Indonesian Government defines the creative economy as the embodiment of added value from intellectual property that comes from human creativity based on cultural heritage, science and / or technology. (Law No.24 of 2019).

Regardless of the pros and cons associated with the definition of creative economy, creative economy has become a new direction of world economic development. The creative economy is grouped into two parts, namely creative good and creative services (UNCTAD, 2018). Creative good consist of art performing, audiovisual, design, new media, digital fabrication and publishing. Meanwhile, creative services consist of advertising, market research and public opinion services, architectural, engineering, research and development services, personal, cultural and recretional services. Meanwhile, according to the Indonesian government, the creative economy includes publishers, films, videos, animation, interior design, culinary, fashion, product design, crafts, photography, performing arts, architecture, advertising. To accelerate the development of a country's creative economy, the right strategy is needed. According to (Foord, 2009), there are at least six strategies that must be taken, namely (1) property and promises strategy, (2) business development, advise and network building, (3) direct grants and loan schemes to creative or entrepreneurial, (4) fiscal Initiatives, (5) phycal and IT infrastructure and (6) soft infrastructure. The Indonesian government has formulated a program to accelerate the development of the creative economy through four principles, first mastering science and technology, secondly increasing literacy in thinking about creative design, third preserving arts and culture and fourth developing and utilizing media. (Pascasuseno, 2014).

Islamic Financial Literacy and Islamic Finance Development

An understanding of financial literacy for someone is important in a person because it will have a good impact on him. Likewise with business people, they must have a good understanding of financial literacy. Thus he has the ability to develop his business well because he has expertise in managing his finances, planning his finances and having access to sources of capital (Abubakar, 2015). Some of the scholarships such as van Rooij, Lusardi, & Alessie, (2011), Mackinnon et al., (2008), Lusardi & Tufano, (2015) say that someone who has good financial literacy tends to have skill in managing finances, always updates his knowledge of financial products and is even able to manage debt well.

The Indonesian Financial Services Authority (OJK) defines financial literacy as knowledge, skills and beliefs that influence attitudes and behaviour to improve the quality of decision making and financial management in order to achieve prosperity (OJK, 2017). Meanwhile OECD INFE (2011) defined as combinantion of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. In the context of Islamic financial literacy, one's understanding is of course linked to knowledge of Islamic financial products such as wadiah savings, mudhorabah savings, profit and loss-sharing (PLS) contracts, non-PLS contracts such as murabahah, ijarah, salam, istishna. 'etc. For an entrepreneur, being able to understand various financing contracts has various alternatives that can be taken in making investment decisions and other business decisions.

The development of Islamic finance in Indonesia includes Islamic banking, Islamic rural banks, Islamic microfinance, Islamic social finance, insurance, Islamic capital markets and Islamic financing. The development of Islamic finance in Indonesia is aimed at providing various financing alternatives for Indonesian Muslims who reject the concept of usury in conventional financing. OJK (2015) in the activities of the OJK International Conference on Islamic Finance in November 2015 made a roadmap for the development of Islamic Banking for 2015 - 2019 which includes several program priorities including strengthening synergies for policy development between banking authority with government and other stakeholders. Second, to enhance competitiveness of Islamic banking. Third, to enhance public literacy and preference of Islamic banking and its product. The implementation of this program has placed Indonesia in the first rank of Islamic finance development in the world in 2019 (Kontan, 2019).

Islamic Financial Inclusion and Development of MSMEs

The purpose of the development of Islamic banking is to provide access to capital for business actors. With access to capital, it is hoped that it will increase opportunities for business actors to develop their businesses (World Bank, 2014). In recent decades, several countries and also Wold Bank have campaigned so that all low-income people and MSMEs have access to formal financial institutions or financial inclusion. Financial inclusion is defined as the availability of access to various financial institutions, products and services in accordance with the needs and abilities of the community in order to improve the welfare of the community (OJK, 2017). Rangarajan (2008) defined that financial inclusion is the process of ensuring access to financial services and timely and equitable credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.

There are at least three dimensions to measure financial inclusion, namely access, use and barriers. The Access dimension is related to how much financial services are available in a region, agency to other facilities such as ATMs. Meanwhile, the use dimension relates to ownership of savings, savings and financing accounts. Meanwhile, the dimension of barriers can include the distance between the availability of financial services and the place of residence, the level of trust in financial institutions, administrative requirements and costs (Cámara & Tuesta, 2017). However, OJK adds one more dimension, namely quality (OJK, 2017). In the context of Islamic financial inclusion, it means a person's ability to access Islamic financial institutions such as Islamic banking, Islamic rural banks or Islamic Microfinance Institutions. With the access to formal financial institutions, it is hoped that the business performance of business actors can increase sharply.

The performance of a business can be influenced by many factors, both internal and external factors. Management must fully understand these factors so that they make the right decisions in business. Making the right decision, is expected to have a positive impact on company performance. The performance of a business can be seen from the increase in company assets, increased company profits and can even be seen from the non-financial side such as growth, customers and the internal condition of the company (Neely, Gregory & Platts, 1995); (Kaplan & Norton, 1996). Some scholars such as Lebas, (1995) say that the performance of a business can be seen from the input and output side. The performance of a business can also be seen from the marketing that is carried out by the company, the company's operations and the activities of the people in the company (Maisel, 2001) and even seen from the strategic goals (Franco-Santos et al., 2007), Harvard Manage Mentor (2012) more specifically describes the performance of a business which can be seen in the following table:

Table I : Specific Performance Metric

Business Activity	Posible Performance Metric
Finance	Profit margin and revenue
Marketing	Market share and profitability
Production	1. Number of units manufacturd within a specific time periode 2. Number of item shipped out time 3. Machine changeover time
Sales	1. Percentase of customer visit or phone calls that general sales 2. Percentase increase in sales over in previous qurter or year 3. Percentase of customer retained this period
Customer Service	1. Number of customers complients 2. Service-calls response time
Purchasing	1. Vendor ability to provide servise or materials on times 2. Defect rate of vendor's product
Quality	1. Product yield : ratio of goods products produced to total products started into production 2. Defect rates of a key process
Human Resources	1. Workforces turnover 2. Abseenteism rates

Source : Harvard Manage Mentor, 2012

Previous Studies and Hypothesis Development

Bongomin, Mpeera Ntayi, & C. Munene, (2017) investigated the role of financial literacy in creating financial inclusion in Uganda. This study was conducted using the SEM-AMOS approach where the sample involved 375 poor people in Uganda. The results of this study indicate that financial literacy has an influence on the occurrence of financial inclusion. Kalunda, (2014) investigated the role of small-scale business financial inclusion in tea farmers in Kenya. This research was conducted using descriptive analysis with a sample size of 133. The results of this study indicate that financial literacy has an association with financial inclusion. Besides having an impact on financial inclusiveness, financial literacy also has an impact on business performance. Chepngetich, (2016) found empirical facts in Kenya that financial literacy knowledge by

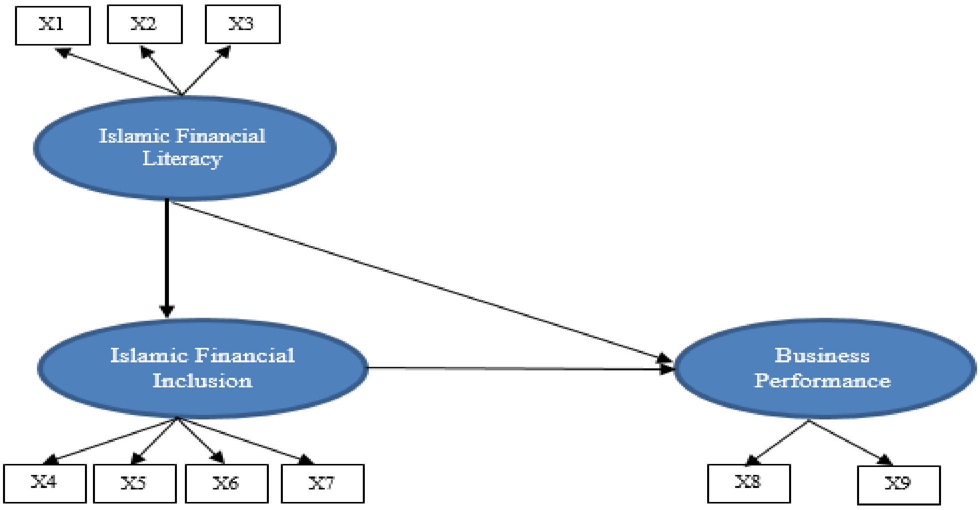
MSMEs has a significant impact on company performance. This research was conducted on 250 MSMES in Kenya and analyzed using a descriptive analysis approach. Based on the above previous studies, following is our hypothesis :

H1 : Islamic Financial Literacy has a positive impact on the inclusiveness of Islamic finance in culinary cluster of creative economy
H2 : Islamic Financial Literacy has a positive impact on business performance in the culinary cluster of creative economy

One of the goals of financial inclusion for business actors is so that their business can develop properly. If the business develops well, this will also have an impact on increasing economic growth. Babajide, Adegboye, & Omankhanlen, (2015) examined the role of financial inclusion on economic growth in Nigeria. This research was conducted using ordinary least square regression model analysis. The results of this study indicate that financial inclusion is an important element in economic growth in Nigeria. The same finding was made by Sharma, (2016), that economic growth has a strong association with the dimensions of financial inclusion. This research was conducted in India using VAR analysis. In the micro context, financial inclusion also has a positive impact on business development. Riwayati, (2017) investigated the role of financial inclusion on the success of MSMEs in a brick craft business in Magelang, Indonesia. This research was conducted using Partial Least Square analysis with a sample of 76 business actors. The results of this study indicate that financial inclusion that occurs in brick crafts in Magelang Indonesia has a positive impact on the success of business actors. In line, Fan & Zhang, (2017) conducted an investigation of 19 industries in 31 provinces in China and showed the results that financial inclusion has an important role in driving business growth in the country. Following is our next hypothesis:

H3 : Islamic Financial Inclusion has a positive impact on business performance in the culinary cluster of creative economy

The conceptual framework of this research can be seen in the following figure:



Note :

X1 = Awarness	X4 = Accessibility	X7 = Quality
X2 = Knowledge	X5 = Usage	X8 = Growth in sales
X3 = Skill	X6 = Barriers	X9 = Growth in profit

Figure 1 : Theoretical Framework

C. METHODOLOGY

Data

The data in this study use primary data taken directly from respondents. The respondents of this study are culinary business owners in Pekanbaru, Indonesia. The questionnaire was developed based on latent variables and indicator variables. In this study, there were three latent variables, namely Islamic Financial Literacy, Islamic Financial Inclusion and Business Performance with the variable indicator is nine. Due to unavailable data from authority or government for the culinary business, the data were collected use non-probability sampling. Data collection techniques using online questionnaires with a Likert scale of 1-5 and using google form. The use of online questionnaires was carried out because the spread of the Covid-19 outbreak in Pekanbaru was still high. Researchers received online feedback questionnaires from 102 respondents, and after screening there were only 62 feedback that met the criteria in this study, so that the sample in the study was 62 business actors in the culinary field. The number of samples has met the criteria in conducting analysis using component-based SEM, namely SEM-GeSCA (Chumney, 2013).

Method

To analyze the collected data, researchers used a quantitative approach with SEM-GeSCA analysis. SEM-GeSCA was chosen to perform data analysis due to limited sample. Some scholars recommendation to use SEM-GeSCA because this analysis tool is more stable in results when compared to other statistical tools such as SEM-AMOS or SEM-LISREL (Afthanorhan et al., 2016). SEM-GeSCA can also accommodate non-linear (Hwang & Takane, 2010) and able to analyzed with small samples below 100 (Chumney, 2013). In the SEM-GeSCA analysis, there are three components to do evaluation, namely the FIT Evaluation Model, the Innver Model Evaluation and the Outer Model Evaluation. The FIT Evaluation model consists of FIT, AFIT, GFI and SRMR. The Innver Model Evaluation consists of the loading value, Average Variance Extracted (AVE) and alpha. Meanwhile, Outer Model Evaluation was conducted to see the relationship between latent variables.

D. RESULT AND DISCUSSION

Descriptive Statistics

The culinary business in Pekanbaru, Indonesia is one of the most popular sectors for entrepreneurs. In this study, business actors in the culinary sector were dominated by male entrepreneurs at 56.45 percent, while women only reached 43.55 percent. In table II, it can be seen that business in the culinary field is a special attraction for graduates from higher education, where the percentage reaches 58.06 percent. This is interesting to study because the graduates from universities in Pekanbaru have a high entrepreneurial spirit. This condition is certainly very encouraging because college graduates can begin to change their mindset of thinking. So far, most university graduates have an orientation to work for companies or become civil servants (PNS). With the change in orientation from looking for work to opening a business, of course this is a very good thing because it can open job opportunities for other people so that it can reduce unemployment.

In Table II, it can be seen that the culinary sector in Pekanbaru is able to absorb a workforce of 1-4 people per business unit and the number reaches 82.56 percent, and there are even some culinary sectors that are able to absorb a workforce of more than 10 people, reaching 6.52 percent. However, most of the culinary businesses in Pekanbaru have a sales turnover of less than Rp. 100 million, only 4.84 percent have a turnover of above Rp. 100 million. Even so, the culinary business in this study that has financed through formal financial institutions has reached 38.71 percent. Meanwhile, entrepreneurs in the culinary field who have opened accounts, saved, made financing until the payroll has only reached 4.84 percent.

Table II : Descriptive Statistics

No.	Descriptions	Total	Percentage
1	Gender		
	a. Male	35	56.45
	b. Female	27	43.55
2	Education		
	a. Elementary School & Junior High School	9	14.52
	b. Senior High School	17	27.42
	c. University	36	58.06
3	Age		
	a. 20 – 29 years old	18	29.03
	b. 30 – 39 years old	18	29.03
	b. 40 – 59 years old	24	38.71
	c. 60 years old and above	2	03.23
4	Business Omzet Per Years		
	a. Under Rp. 100 Million	59	95.16
	b. Rp.100 Million – Rp.300 Million	3	04.84
	c. Rp.300 Million – Rp. 1 Billion	-	-
	d. Above Rp. 1 Billion	-	-
5	Number of Employee		
	a. 1 – 4 employee	51	82.56
	b. 5 – 9 employee	6	09.68
	c. 10 – 19 employee	2	03.26
	d. Above 20 employee	2	03.26
6	Type of Inclusion		
	a. Opening bank account	12	19.35
	b. Opening and saving	23	37.10
	c. Opening, saving and financing	24	38.71
	d. Opening, saving, financing and payroll	3	04.84

Source : Authors Calculations, 2020

SEM GeSCA Output Analysis

Model FIT Evaluation

In SEM-GeSCA Analysis, the first step in conducting the analysis is to look at the FIT evaluation model. In the FIT model evaluation is carried out to see the feasibility of a research model being built. The appropriateness of this research model can be seen from the value of the Goodness of Fit Index (GFI). A good model is a model where the GFI value is above 0.90. In this study, the resulting GFI value is above 0.90, which is equal to 0.995, meaning that the model built in the research is feasible to continue in the next stage. For more details, see table III below:

Table III : Model Fit Evaluation

Model Fit	
FIT	0.677
AFIT	0.664
GFI	0.995
SRMR	0.069
NPAR	21

Source : Authors Calculation, 2020

Outer Model Evaluation

The second evaluation in the SEM-GeSCA analysis is the outer model evaluation. This evaluation is carried out to see the level of validity of a construct being built. The level of validity can be seen from the loading factor value, where the recommended value is above 0.50. In addition to the loading factor value, in this second stage of evaluation it can be seen from the Average Variance Extracted (AVE) value or the discriminant validity value. This discriminant validity value is recommended above 0.50. The results of the analysis show that all indicator variables have a loading factor value above 0.5, where the largest loading estimate value is X8, which is 0.986 and the smallest is X4, which is 0.785. This result means that the indicator variables used in this study are very suitable and suitable in reflecting latent variables. Likewise with the discriminant validity value, where the value is above 0.60 where the greatest discriminant validity is the latent business growth variable, which is 0.942. For more details, see table IV below :

Table IV : Outer Model Evaluation

Variable	Loading			AVE	Alpha
	Estimate	SE	CR		
Islamic Financial Literacy					
X1	0.790	0.044	17.8*	0.748	0.825

X2	0.922	0.022	41.65*		
X3	0.878	0.035	25.44*		
Islamic Financial Inclusion					
X4	0.785	0.056	14.13*	0.754	0.887
X5	0.941	0.023	40.5*		
X6	0.878	0.049	17.98*		
X7	0.863	0.057	15.16*		
Business Growth					
X8	0.986	0.008	129.0*	0.942	0.943
X9	0.955	0.018	53.98*		

CR = Significant at 0.5 level*
Source : Authors Calculation, 2020

Inner Model Evaluation

The final step in the analysis using the SEM-GeSCA approach is the Inner Model Evaluation. This step is an activity to see the effect of exogenous variables on endogenous variables. The results of this study indicate that the Islamic financial Literacy variable has a positive and significant impact on the Islamic Financial Inclusion variable with a path coefficient value of 0.576 and thus accepts H1. The results of this study also show that the Islamic Financial Literacy variable has a positive and significant impact on the Business Performance variable with a path cooeficinet value of 0.243. For this reason, the proposed hypothesis can be accepted (Accepted H2).

Table V : Inner Model Evaluation

Relationships	Path Coefficients		
	Estimate	SE	CR
Islamic Financial Literacy ---> Islamic Financial Inclusion	0.576	0.084	6.86*
Islamic Financial Literacy ---> Business Performance	0.243	0.111	2.19*
Islamic Financial Inclusion ---> Business Performance	0.638	0.122	5.21*

CR = Significant at 0.5 level*
Source : Authors Calculation, 2020

Table V above also shows that the inclusion of Islamic finance for business actors in the culinary sector has a positive and significant impact on their business performance. Therefore, the hypothesis proposed in this study can be accepted (Accepted H3).

Discussion

Financial literacy has an important role in creating financial inclusion and also providing better opportunities for business development for business actors. The results of this study show that Islamic financial literacy is able to create Islamic financial inclusion in culinary entrepreneurs in Pekanbaru, Indonesia. The results of this study are in line with research conducted by (Bongomin et al., 2017) and (Kalunda, 2014). This result implies that in order to create financial inclusion in the culinary cluster, it is necessary to increase understanding of Islamic financial literacy. With the increase in financial literacy, it is hoped that they can increase their skills in managing finances and in turn have a positive impact on their business performance. Although in a study conducted by Mokhtar, Sabri, Ho, & Moga Dass, (2018), a good understanding of financial literacy does not guarantee that it is capable in practice.

This increase can be done by disseminating information to business actors in the culinary cluster. This is in line with the policies of the Indonesian Financial Services Authority (OJK), where they map a strategy to create Islamic financial inclusion in target groups, one of which is business actors (OJK, 2017). The World Bank (2020) has also established the Financial Inclusion Support Framework (FISF) with the aim of accelerating financial inclusion for low-income people and MSMEs. In table 2, it can be seen that the culinary sector business actors are the millennial generation, which is 29.03 percent, meaning that the entrepreneurial millennial group must also be targeted because this group tends to have financial literacy skills (Mulyana et al., 2019).

Besides having a role in creating financial inclusion, financial literacy also has a role in developing a business. The results of this study indicate that Islamic financial literacy has a positive and significant impact on the performance of the culinary cluster business. The results of this study are in line with research conducted by Chepngetich, (2016), Fatoki, (2014), Amri & Iramani, (2018). This result implies that business actors in the culinary cluster sector must improve their ability to manage finances, because with this ability they can make important decisions in their business so that their business can develop properly. Pond, (2003) states that a person who has financial prowess has the ability to make financial decisions. Lusardi & Tufano, (2015) add that people who have a good understanding of financial literacy tend to be able to manage their debts well.

Islamic financial inclusion also has a significant impact on business performance. The results of this study are consistent with the findings of Babajide et al., (2015), Sharma, (2016), Riwayati, (2017), Fan & Zhang, (2017) and (Trianto, 2020). This implies that the availability of access to formal financial institutions for business actors in the culinary cluster is something that must be pursued. To expand financial access for business actors in the culinary sector, obstacles must be removed immediately by business actors in the culinary sector in accessing formal financial institutions. According to Bank Indonesia (2015), the most important obstacle to accessing Islamic financial institutions in Indonesia is the limited financing scheme that is easily accessible to business actors. The Indonesian Creative Economy Agency (Bekraf) provides input for Sharia improvements to provide a financing scheme for MSMEs through the company's CRS funds (Kompas, 2018).

E. CONCLUSION

Conclusions

The culinary cluster of creative economy is a sector that has attracted many people. Islamic financial institutions certainly have an important role in developing this sector, but unfortunately not all business actors have the opportunity to access financial institutions formally. The results of this study indicate that entrepreneurs in the culinary sector who have access to Islamic financial institutions are able to develop their business well. This study also found that there are positif relationship between Islamic financial literacy and Islamic financial inclusion and also positif relationship between Islamic financial literacy and business performance. From these found, we can take an important note that Islamic financial literacy and Islamic financial inclustion variable can play an important role in the development of culinary business in the culinary cluster in Pekanbaru, Indonesia. However, this study has limitation in the number of samples and the variables involved. For further research, the sample size can be increased and the research variables added so that more comprehensive results can be obtained. Another limitation in this study is sampling method.

Recommendations

The results of this study show the importance of Islamic financial literacy and Islamic financial inclusion in developing a business in the culinary cluster. For this reason, the authors recommend that business actors in the culinary sector can improve Islamic financial literacy. To carry out Islamic financial literacy in this business actor, stakeholders in Islamic finance can be involved, namely Islamic financial institutions such as Islamic banking and Islamic Microfinance, the Financial Services Authority (OJK) to educational institutions. Especially for financial institutions, they must provide space for MSMEs, especially the culinary sector, to be able to access formal financial institutions by creating financing schemes in accordance with the capabilities of MSMEs. Thus it is hoped that business development in the culinary business can run well through formal support from financial institutions. For entrepenurs, they should an initiative to improve their self about the financial literacy, so they will get well literate in Islamic finance.

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