

The Impact of Industrial Clustering on Artisans' Welfare Improvement with the Mediating Role of Business Performance: A Case Study of the Goldsmith Artisan Cluster in Sekarbela, Mataram City

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ABSTRACT: Gold smith artisans are part of the Small and Medium Industry (IKM) that plays a strategic role in the national economy, but still faces various challenges in improving welfare. Industrial clustering is seen as an approach to improve the competitiveness and business performance of craftsmen. The Sekarbela gold craftsmen cluster in Mataram City, West Nusa Tenggara, is one of the important centers of gold and pearl crafts, but empirical studies on the effect of clustering on the welfare of craftsmen are still limited. This study aims to analyze the impact of Inter-artisan collaboration, access to resources, external support, and cluster infrastructure on the welfare of artisans, as well as to examine the mediating role of business performance. The study uses a quantitative descriptive approach with the Structural Equation Modeling–Partial Least Square (SEM–PLS) method through SmartPLS software. The results show that access to resources has a positive and significant effect on business performance and the welfare of artisans, while inter-artisan collaboration, external support, and cluster infrastructure do not have a significant effect. Furthermore, business performance does not mediate the relationship between clusterization elements and artisan welfare. This study concludes that optimizing access to resources is a key factor in improving the business performance and welfare of gold artisans.

KEYWORDS: Industrial Clustering, Gold Smiths, Business Performance, Artisans' Welfare

I. INTRODUCTION

Small and Medium Industries (SMIs) are a strategic sector in the Indonesian economy due to their significant contribution to the Gross Domestic Product (GDP) and national employment. SMEs not only play a role as a pillar of the macroeconomy, but also have a social function in poverty alleviation and local community economic empowerment (Tambunan, 2008; Tasya et al., 2022). The continued growth of SMEs shows that this sector is relatively adaptive to national economic dynamics (Limansetyo, 2024).

Gold smiths are part of SMEs with characteristics of traditional skill-based businesses, labor-intensive, and oriented towards small-scale production. Production activities that have been carried out for generations not only generate economic value but also represent local cultural identity. However, limited access to capital, technology, and marketing remains a major challenge for the sustainability of artisan businesses (Supriyanto et al., 2014).

The Indonesian government has encouraged the development of SMEs through various policies, such as the National Economic Recovery Program, the implementation of the Job Creation Law, and the Proudly Made in Indonesia/Bangga Buatan Indonesia (BBI) campaign, which is integrated with the tourism sector (Kemenperin, 2024). However, data shows that most SME actors still face structural constraints, particularly in access to capital, technology, and marketing, including in West Nusa Tenggara Province (BPS NTB, 2024; Parawangsa et al., 2024).

One approach that is widely used to improve the competitiveness of SMIs is industrial clustering. Industrial clustering is believed to be able to create production efficiency, strengthen collaboration, and expand access to resources and markets (Alamanda et al., 2022). However, a number of studies show that the existence of clusters does not automatically improve business performance and the welfare of SME actors. The impact of clusters is highly dependent on the internal readiness of business actors, such as managerial capabilities, innovation, and marketing strategies (Aramburu et al., 2012; Supir, 2011).

This condition is reflected in the gold craftsmen cluster in Sekarbela, Mataram City, which is known as one of the largest centers of gold and pearl crafts in NTB. Although this cluster has a significant social and economic impact, there are still disparities in

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business capacity, limitations in production facilities, and differences in performance levels among craftsmen (Sushanti & Kurniawan, 2018). The development of the modern jewelry market also demands improvements in product quality, design, and innovation, which not all craftsmen are fully capable of meeting (Ilhamudin et al., 2024).

These variations in business performance among artisans have a direct impact on their welfare, given that artisans' incomes are highly dependent on business stability and competitiveness. This shows that business performance plays an important role as a mediating variable in the relationship between industrial clustering and artisan welfare. Without improved business performance, clustering tends not to produce optimal welfare impacts (Supir, 2011; Lamopia et al., 2024).

Based on this gap, this study aims to analyze the impact of industrial clustering on the welfare of gold smith artisans with business performance as a mediating variable, through a case study of the gold smith artisan cluster in Sekarbela, Mataram City. The results of this study are expected to contribute academically and serve as a basis for formulating more effective and sustainable cluster-based SME development policies.

II. LITERATURE REVIEW

A. Industrial Clustering

Industrial clustering refers to the grouping of interrelated companies located close to each other in a specific geographical area, including core producers, suppliers, buyers, and supporting institutions that form an integrated production and marketing network. The United Nations Development Programme through UNIDO defines a cluster as a group of local companies that produce and market complementary products in a single business sector. In its development, clusters are not only understood as physical agglomerations, but also as collaborative systems that promote efficiency, knowledge exchange, and innovation through interconnections between actors and supporting institutions (Papilo et al., 2016; Alamanda et al., 2022).

The concept of industrial clusters was enriched by Michael through the diamond of competitive advantage model, which explains that the competitiveness of clusters is influenced by factor conditions, market demand, supporting industries, as well as company strategies and competition intensity, with the role of government and opportunity factors as supporting elements (Porter, 1998). Historically, clusters are rooted in the concept of industrial districts characterized by the dominance of small businesses, cooperation between business actors, quality-based competition, strong social ties, and local government support, enabling the creation of collective efficiency and increased competitiveness of innovation-based industries (Suryono, 2012).

B. Economies of Scale

Economies of scale is a concept that explains the relationship between increased output and production costs in the long term. A company is said to achieve economies of scale when the increase in operational costs is smaller than the increase in output, resulting in a decrease in production costs per unit (Kusuma, 2005). This phenomenon is illustrated by the long-run average cost (LRAC) curve, where average costs decline until they reach a minimum point. After this point, an increase in output actually causes an increase in average costs, indicating the occurrence of diseconomies of scale due to increased complexity and operational inefficiencies (Rahadi, 2015). Economies of scale are influenced by several key factors, including specialization of production factors, increased production capacity, and the use of technology and mechanization. Specialization enables increased productivity through more efficient division of labor, while greater production capacity opens up opportunities for cost efficiency through bulk purchasing of raw materials and optimization of resource use, according to Sukirno (2008). Based on the relationship between costs and output, economies of scale are classified into increasing, constant, and decreasing returns to scale. In addition, economies of scale are also distinguished into internal economies of scale, which originate from company policies and capacity, and external economies of scale, which are influenced by business environment factors such as technology and government policies (Adiningsih & Kadarusman, 2008; Verdayanti, 2019).

C. Economics Welfare

Welfare is a condition of life that reflects the fulfillment of material, social, and spiritual needs in a proper manner. According to the Big Indonesian Dictionary, welfare is defined as a state of security and prosperity (KBBI VI Daring, 2016). Legally, welfare is defined in Law Number 11 of 2009 concerning Social Welfare as a social life and livelihood, both material and spiritual, which enables every citizen to fulfill their physical, spiritual, and social needs by upholding human rights and Pancasila values (Darmawan & Rismawati, 2020). In an economic context, welfare is understood as a condition in which individuals or households are able to meet a standard of living in accordance with prevailing perceptions and values of humanity (Darmawan & Rismawati, 2020).

In the economic perspective of welfare, there is a difference in approach between classical and modern views. Adam Smith emphasized the role of market mechanisms and individual freedom in creating social welfare through the principle of the invisible hand, while acknowledging the need for state intervention to maintain justice (Susanto, 2018). Conversely, Amartya Sen, through

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his capability approach, asserts that welfare is not only determined by income levels, but also by the ability of individuals to develop their potential, access resources, and enjoy basic freedoms (Susanto, 2018). In practice, welfare in Indonesia is measured through indicators such as income, education, health, housing conditions, and household consumption patterns used by the Mataram City Statistics Agency (BPS Kota Mataram, 2024).

D. Agency Theory

Agency theory explains the contractual relationship between the principal as the mandator and the agent as the mandate recipient in the execution of tasks and decision-making. Michael C. Jensen and William H. Meckling (1976) state that an agency relationship arises when the principal delegates authority to the agent to act on their behalf. Differences in interests and information asymmetry have the potential to cause agency problems, where agents tend to maximize their personal interests rather than the principal's objectives (Jensen & Meckling, 1976; Jamaluddin & Anwar, 2023).

In the context of public policy and industrial cluster development, agency theory is relevant to explain the relationship between the government or cluster-driving institutions as principals and business actors as agents. Misalignment of interests can be influenced by individual characteristics such as self-interest, bounded rationality, and risk aversion, according to Kathleen M. Eisenhardt (1989). Therefore, effective oversight mechanisms and incentive systems are needed to ensure that policy implementation is in line with the objectives of improving business performance and the welfare of economic actors (Jamaluddin & Anwar, 2023).

E. Business Performance

Performance is defined as the execution of tasks or the level of achievement of work assigned to individuals or groups (Ishak et al., 2017). In the context of organizations, performance is understood as behavior or actions that are relevant to organizational goals and can be measured based on the contributions made in Campbell (1993). John P. Campbell, through his Performance Theory, asserts that performance is the result of the interaction between individual factors and the work environment, which together influence organizational output (Campbell, 1990; Purnamasari, 2024).

Business performance is an important indicator in assessing the success of business activities, especially in SMEs, because it reflects the ability of business actors to achieve goals and face competition (Samosir et al., 2016; Ketut et al., 2018). Business performance is understood as the results of a company's work in a certain period, measured through various dimensions, including sales growth, capital growth, human resource quality, market growth, and profit growth. These dimensions show that business performance is dynamic and is the result of a continuous process influenced by strategy, resources, and business environment conditions (Fadila & Yuniarti, 2021).

F. Artisan and Gold Smiths

Artisans are individuals who have special skills in producing handicraft products by relying on manual skills, creativity, and artistic value, so that the products produced have both economic and cultural functions. In the industrial context, artisans are included in the Small and Medium Industry (IKM) category, which plays an important role in the development of the creative economy and the preservation of local culture (Ministry of Industry of the Republic of Indonesia, 2025). This definition is in line with the Big Indonesian Dictionary, which states that an artisan is a person who is skilled in making handicrafts, where skill is the main characteristic of the profession (KBBI VI Daring, 2016).

Gold smiths are precious metal craftsmen who have special expertise in processing gold into various products of artistic and economic value, such as jewelry and accessories. The expertise of gold smiths has been known since ancient Java and is generally passed down from generation to generation within certain families or communities (Wahyuni, 2018; Supriyanto et al., 2014). In addition to serving as a source of livelihood for local communities, gold craftsmanship also carries symbolic value and regional cultural identity. However, the sustainability of this profession faces challenges in the form of limited capital, fluctuations in raw material prices, competition from modern products, and declining interest among the younger generation, thus requiring policy support and sustainable innovation.

III. METHODOLOGY

This study uses a quantitative approach with a quantitative descriptive method. A quantitative approach was chosen because it is able to measure the relationship between variables objectively through numerical data and statistical analysis (Sugiyono, 2013). This study aims to analyze the effect of industrial clustering on the welfare of gold smiths by considering the role of collaboration, access to resources, external support, and cluster infrastructure. The location of the study was determined to be in

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Sekarbela District, Mataram City, West Nusa Tenggara Province, which was selected purposively because it is the main center for gold smiths. The research was conducted in October–November 2025.

The research population consisted of all 65 gold smiths in Sekarbela District. The sampling technique used was saturated sampling (census), in which the entire population was used as respondents to obtain a high level of data accuracy (Sugiyono, 2018). The data used was primary data collected through a survey using a closed questionnaire based on a four-point Likert scale, which was designed to avoid the central tendency effect and improve the quality of respondents' answers (Garland, 1991; Pranatawijaya et al., 2019). The research instrument was designed to measure the variables of industrial clustering, business performance, and artisan welfare.

Data analysis was performed using Partial Least Square-based Structural Equation Modeling (PLS-SEM). This method was chosen because it is capable of analyzing simultaneous relationships between latent variables and is suitable for use with relatively small sample sizes (Ghozali & Latan, 2015). The analysis stages included an outer model evaluation to test the validity and reliability of the indicators, as well as an inner model evaluation to test the structural relationships and research hypotheses using the bootstrapping technique (Hardisman, 2020). PLS-SEM also allows for more comprehensive predictive analysis than conventional regression, making it relevant for examining the relationship model between industry clustering, business performance, and artisan welfare (Wuri et al., 2019).

A. Measurement Model (Outer Model)

The measurement model (outer model) serves to evaluate the quality of indicators in representing the measured latent variables. The evaluation of the outer model is carried out through testing convergent validity, discriminant validity, and construct reliability. Convergent validity is assessed from the factor loading and Average Variance Extracted (AVE) values, where indicators are considered valid if they have a factor loading ≥ 0.5 – 0.7 and an AVE value > 0.5 . Discriminant validity is tested through the cross loading value, with the provision that the indicator value for the original construct must be higher than other constructs. Furthermore, construct reliability was measured using Cronbach's Alpha and Composite Reliability, which indicate the internal consistency of indicators in measuring latent variables (Haryono, 2016; Hardisman, 2020).

1. Convergent Validity

Convergent validity describes the degree of correlation between indicators and the latent constructs they represent. Indicators are said to have good convergent validity if they have high and significant loading factor values. In addition, an AVE value greater than 0.5 indicates that the construct is able to explain more than 50% of the variance of its indicators, so that the construct is considered statistically valid (Hardisman, 2020).

2. Discriminant Validity

Discriminant validity aims to ensure that a construct is truly different from other constructs. Testing is done by comparing cross-loading values between indicators. An indicator is said to meet discriminant validity if it has the highest correlation with the measured construct compared to other latent constructs, so that there is no overlap in measurement between variables (Ghozali & Latan, 2015).

3. Reliability

The reliability model is used to assess the consistency and stability of research instruments in measuring latent constructs. Reliability is evaluated through Cronbach's Alpha and Composite Reliability values. Constructs are considered reliable if the Cronbach's Alpha and Composite Reliability values are ≥ 0.7 , and are still acceptable if ≥ 0.6 for exploratory research. Good reliability values indicate that the indicators are capable of providing consistent measurement results (Hardisman, 2020).

B. Structural Model (Inner Model)

The structural model (inner model) is used to explain and test the causal relationships between latent variables constructed based on theoretical foundations and research hypotheses. The inner model describes the influence of exogenous variables on endogenous variables as well as the direction and strength of the relationship between constructs. The inner model is evaluated to determine the extent to which independent variables can explain dependent variables through R-Square (R^2) and Effect Size (F-Square/ F^2) values. The R^2 value indicates the predictive ability of the model, while F^2 is used to assess the contribution of each exogenous variable to the endogenous variable. The significance of the relationship between variables is tested through the bootstrapping procedure in PLS-SEM (Ghozali & Latan, 2015; Hardisman, 2020).

C. Hypothesis Testing (Bootstrapping)

Hypothesis testing in this study was conducted using the Partial Least Square–Structural Equation Modeling (PLS-SEM) approach with the bootstrapping technique. This technique is used to test the statistical significance of the relationship between

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latent variables, with principles similar to regression analysis, but does not require normal data distribution and large sample sizes (Hardisman, 2020). The testing process was carried out using SmartPLS version 3.0 software, producing t-statistic and p value values as the basis for hypothesis decision making.

The t-test is used to assess the significance of the independent variables' influence on the dependent variables. The testing criteria are set at a 5 percent significance level, where a relationship is considered significant if the t-statistic value is > 1.96 or the p-value is < 0.05 . If the calculated t-value is greater than the table t-value, then the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted, which means that there is a significant influence between the variables. Conversely, if the calculated t-value is smaller than the table t-value, then H_0 is accepted and H_1 is rejected, indicating that there is no significant influence (Basuki & Prawoto, 2016).

IV. RESULTS AND DISCUSSION A. Measurement Model (Outer Model)

There are three tests considered to examine the measurement model (indicators of the research variables), namely convergent validity, discriminant validity, and reliability. Each test has parameters that must be met. 1. *Convergent Validity*

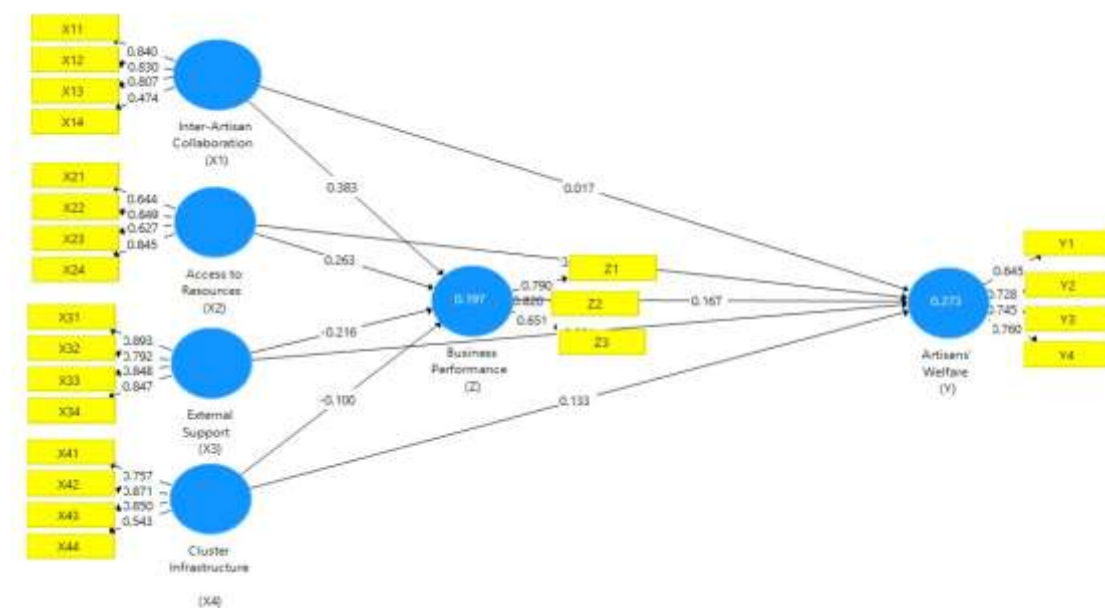


Figure 1. Model SmartPLS (Path Model)
Source: SmartPLS 3 Output Results

Based on the SmartPLS Model (Path Model) estimation results, the path coefficients show that Access to Resources (X_2) has a positive and relatively strong influence on Artisans' Welfare (Y) with a coefficient value of 0.478 and on Business Performance (Z) with a coefficient value of 0.263. This finding indicates that artisans' ability to access raw materials, capital, information, and technology plays an important role in improving business performance and economic welfare. In addition, Business Performance (Z) is also proven to have a positive effect on Artisan Welfare (Y) with a coefficient of 0.167, indicating that improved business performance can promote artisan welfare, although the effect is still moderate.

The Inter-Artisan Collaboration variable (X_1) shows a fairly strong positive effect on Business Performance (Z) of 0.383, but its effect on Artisan Welfare (Y) is relatively very small (0.017). This indicates that collaboration has a greater impact on the operational and productivity aspects of the business than on direct welfare improvement. Cluster Infrastructure (X_4) has a positive effect on artisan welfare (0.133), but shows a negative effect on business performance (-0.100), indicating that the existence of cluster infrastructure has not been optimally utilized to support improved business performance. Meanwhile, External Support (X_3) shows a negative effect on both welfare (-0.001) and business performance (-0.216), indicating that programs or interventions from external parties have not been able to provide a tangible impact on improving the performance and welfare of artisans. Overall, these results confirm that internal factors, particularly access to resources, play a more dominant role than external factors in improving business performance and the welfare of artisans.

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Table 1. Average Variance Extracted Test (AVE)

<i>Average Variance Extracted</i>			
Latent Variable	AVE Value	Criteria	Description
Inter-Artisan Collaboration (X_1)	0.561	> 0.50	Valid
Access to Resources (X_2)	0.715	> 0.50	Valid
External Support (X_3)	0.587	> 0.50	Valid
Cluster Infrastructure (X_4)	0.568	> 0.50	Valid
Artisans' Welfare (Y)	0.520	> 0.50	Valid
Business Performance (Z)	0.571	> 0.50	Valid

Source: SmartPLS 3 Output Results

The convergent validity test results show that all latent variables in this study have an Average Variance Extracted (AVE) value above 0.50. The AVE values for each construct are Inter-artisan Collaboration (X_1) at 0.561, Access to Resources (X_2) of 0.715, External Support (X_3) of 0.587, Cluster Infrastructure (X_4) of 0.568, Artisan Welfare (Y) of 0.520, and Business Performance (Z) of 0.571.

These findings indicate that each construct is able to explain more than 50% of the variance of its constituent indicators, so that all variables are declared to meet the criteria for convergent validity and the measurement model is suitable for further analysis.

2. Diskriminant Validity

Discriminant validity in this study was evaluated through cross loading values by comparing the correlation of indicators to the construct being measured with the correlation to other constructs. An indicator is declared to meet discriminant validity if it has the highest loading value in its original construct compared to other latent constructs. The results of the analysis show that, in general, the indicators in each construct have higher loadings on their respective constructs, thus fulfilling the criteria for discriminant validity.

The results of the discriminant validity test based on cross loading values refer to the SmartPLS Model (Path Model) above, showing that all indicators have the highest loading on their original construct compared to other constructs. Although there are several indicators with loading values of 0.4–0.6, these indicators are still retained because the construct still meets the AVE and reliability criteria, as permitted in PLS-SEM analysis (Ghozali & Latan, 2015). Thus, all constructs in this research model are declared to meet the criteria for discriminant validity and are suitable for further analysis.

3. Reliability

Table 2. Reliability Based on Cronbach's Alpha

	<i>Cronbach's Alpha</i>	<i>Composite Reliability (rho_A)</i>	<i>Composite Reliability (rho_C)</i>	Description
Access to Resources	0.727	0.735	0.833	Reliable
External Support	0.872	0.923	0.909	Reliable
Cluster Infrastructure	0.779	0.953	0.847	Reliable
Inter-Artisan Collaboration	0.750	0.829	0.834	Reliable
Artisan Welfare	0.717	0.736	0.812	Reliable
Business Performance	0.646	0.675	0.799	Reliable

Source: SmartPLS 3 Output Results

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The reliability test results show that all constructs have Cronbach's Alpha and Composite Reliability values above the minimum threshold of 0.60, thus deemed reliable. This indicates that the research instrument has good internal consistency and is suitable for use in research model analysis (Hardisman, 2020).

Specifically, the constructs of Access to Resources, External Support, Cluster Infrastructure, Inter-Artisan Collaboration, and Artisan Welfare showed good to very good reliability levels. Meanwhile, Business Performance has a Cronbach's Alpha value of 0.646, which is still acceptable in explanatory research. Thus, all constructs meet the reliability criteria and support the feasibility of the research model (Hardisman, 2020).

B. Structural Evaluation (Inner Model)

The inner model is a structural analysis to test the research model and hypotheses by assessing the strength of the relationship between variables through the R-Square (R^2) value and the magnitude of the influence using f-Square (f^2) (Ghozali & Latan, 2015).

1. R-Square Value

The R-square value was obtained through PLS Algorithm analysis at the outer model testing stage (Hardisman, 2020) and was used to explain the magnitude of the influence between constructs as presented in the table below.

Table 3. R-Square Values

	<i>R-Square</i>	<i>R-Square Adjusted</i>
Artisan Welfare	0.273	0.212
Business Performance	0.197	0.143

Source: SmartPLS 3 Output Results

The results show that Inter-artisan Collaboration (X_1), Access to Resources (X_2), External Support (X_3), and Cluster Infrastructure (X_4) simultaneously affect the welfare of artisans (Y) in the Sekarbela gold artisan cluster, Mataram City. The coefficient of determination (R^2) value of 0.273 indicates that these four variables explain 27.3% of the variation in artisan welfare, while the remaining 72.7% is influenced by other factors outside the research model.

Furthermore, testing of business performance (Z) shows an R^2 value of 0.197, which means that Inter-artisan Collaboration, Access to Resources, External Support, and Cluster Infrastructure can only explain 19.7% of the variation in artisan business performance, while the remaining 80.3% is influenced by other variables that have not been examined.

2. f-Square Effect Size Value

The f-square value is used to assess the magnitude of the influence of exogenous variables on endogenous variables and is obtained through the PLS Algorithm stage (Hardisman, 2020). The level of influence is then classified based on the f-square value as presented in the table below.

Table 4. f-Square Values

	<i>f-Square</i>	<i>Description</i>
Access to Resources (X_2) -> Artisans' Welfare (Y)	0.249	Influential
Access to Resources (X_2) -> Business Performance (Z)	0.073	Influential
External Support (X_3) -> Artisans' Welfare (Y)	0.000	Not Influential
External Support (X_3) -> Business Performance (Z)	0.053	Influential
Cluster Infrastructure (X_4) -> Artisans' Welfare (Y)	0.022	Influential
Cluster Infrastructure (X_4) -> Business Performance (Z)	0.011	Influential
Inter-Artisan Collaboration (X_1) -> Artisan Welfare (Y)	0.000	Not Influential
Inter-Artisan Collaboration (X_1) -> Business Performance (Z)	0.146	Influential
Business Performance (Z) -> Artisan Welfare (Y)	0.031	Influential

Source: SmartPLS 3 Output Results

The effect size analysis results show that Access to Resources (X_2) is the variable with the strongest influence on Artisans' Welfare (Y) with a value of 0.249 (medium effect), confirming that the availability of raw materials, capital, information, and

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technology plays a dominant role in improving the socio-economic conditions of artisans. However, the effect of Access to Resources on Business Performance (Z) is relatively small (0.073).

External Support (X_3) shows a very low effect on both Welfare (0.000) and Business Performance (0.053), indicating that external programs have not had a significant impact. Cluster Infrastructure (X_4) also has a small effect on Welfare (0.022) and Business Performance (0.011).

Meanwhile, Inter-Artisan Collaboration (X_1) contributes relatively more to Business Performance (Z) with an effect size of 0.146 (small to moderate), but does not have a direct impact on Artisan Welfare (Y). The relationship between Business Performance (Z) and Artisan Welfare (Y) also shows a small effect (0.031), indicating that improvements in business performance have not been fully reflected in artisan welfare in the short term.

Overall, Access to Resources is the most dominant construct, while most relationships show a small effect size, indicating that the welfare and business performance of artisans are also influenced by factors outside this research model.

C. Hypothesis Testing (Bootstrapping)

Hypothesis testing was conducted using the PLS-SEM approach with the help of SmartPLS version 3.0 software through the bootstrapping procedure (Hardisman, 2020). Hypotheses were declared significant if the t-statistic value was > 1.96 at a 5% significance level (Sugiyono, 2018). The complete results of the hypothesis testing are presented in the testing results table.

Table 5. Bootstrapping Regression Coefficient Values for Direct Effects (Path Coefficient)

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>	Description
Inter-Artisan Collaboration (X_1) -> Artisan Welfare (Y)	0.017	0.021	0.190	0.088	0.930	Not Significant
Access to Resources (X_2) -> Artisans' Welfare (Y)	0.478	0.469	0.126	3.789	0.000	Significant
External Support (X_3) -> Artisans' Welfare (Y)	-0.001	-0.003	0.186	0.006	0.995	Not Significant
Cluster Infrastructure (X_4) -> Artisans' Welfare (Y)	0.133	0.065	0.202	0.655	0.514	Not Significant
Inter-Artisan Collaboration (X_1) -> Business Performance (Z)	0.383	0.390	0.145	2.648	0.009	Significant
Access to Resources (X_2) -> Business Performance (Z)	0.263	0.266	0.110	2.390	0.019	Significant
External Support (X_3) -> Business Performance (Z)	-0.216	-0.222	0.180	1.199	0.233	Not Significant
Cluster Infrastructure (X_4) -> Business Performance (Z)	-0.100	-0.081	0.157	0.635	0.527	Not Significant
Business Performance (Z) -> Artisans' Welfare (Y)	0.167	0.147	0.135	1.236	0.219	Not Significant

Source: SmartPLS 3 Output Results

The results of hypothesis testing using PLS-SEM bootstrapping analysis show that not all relationships between variables in the research model have a significant effect. These findings reflect the complexity of industrial cluster dynamics in influencing business performance and the welfare of gold smiths in Sekarbela, Mataram City.

The test results show that **Collaboration** does not have a significant effect on **Artisans' Welfare**, indicating that existing collaboration practices have not been able to have a direct impact on improving welfare. However, collaboration has been proven **to have a positive and significant effect on Business Performance**, showing that cooperation between artisans plays an important role in increasing productivity, marketing, and business development.

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Furthermore, **Access to Resources** was found to **have a positive and significant effect on both Artisans' Welfare and Business Performance**. This finding confirms that easy access to raw materials, capital, production tools, and information are key factors in improving business performance and the welfare of artisans.

Conversely, **external support** did not show a significant effect on **the welfare of artisans or business performance**. These results indicate that assistance, training, and programs from external parties have not been effective or have not been tailored to the real needs of artisans, and therefore have not been able to have a tangible impact. Similar findings were also found in Cluster Infrastructure, which did not have a significant effect on either endogenous variable, indicating that the availability of cluster facilities and infrastructure has not been optimal in supporting business activities and improving welfare.

In addition, **Business Performance** was also not proven to have a significant effect on **Artisans' Welfare**. This finding shows that improvements in business performance have not been directly translated into improvements in welfare, possibly influenced by other factors such as income distribution, household needs, and the economic stability of artisan.

Overall, the results of this study confirm that **Access to Resources** is the most consistent and significant factor in improving business performance and the welfare of artisans. **Collaboration** plays an important role in improving business performance, but has not had a direct impact on welfare. Meanwhile, **External Support** and **Cluster Infrastructure** have not made a meaningful contribution, so it is necessary to improve policy design, increase program effectiveness, and strengthen the cluster ecosystem so that the benefits of clustering can be felt more optimally by artisans.

D. Discussion

Based on the results of data processing using SmartPLS 3.0 through bootstrapping analysis, it was found that not all variables in the structural model had a significant effect on the business performance and welfare of gold smith artisans in Sekarbela, Mataram City. These results indicate that the dynamics of industrial clusters are complex and not all clustering mechanisms are directly capable of improving the welfare of artisans.

The test results show that **Inter-Artisan Collaboration** has a positive but insignificant effect on **Artisan Welfare**, indicating that existing collaboration practices are not yet strong and structured enough to have a direct economic impact. Collaboration is still informal and not oriented towards collective strategies that can increase artisans' income and economic stability. This finding is in line with previous studies which state that collaboration in clusters does not automatically improve welfare without strong institutional support and coordination (Alemu, 2015; Aramburu et al., 2012).

Conversely, **access to resources** has been proven to have a **positive and significant effect on the welfare of artisans**. Easy access to raw materials, capital, labor, technology, and business information has been proven to increase production capacity, income stability, and the ability of artisans to meet their daily needs. These findings are consistent with Porter's cluster theory (1998) and empirical research confirming that access to production inputs is a fundamental factor in improving the welfare of small business actors.

Meanwhile, **External Support** and **Cluster Infrastructure** did not show a significant effect on artisan welfare. This indicates that assistance programs, training, and the provision of physical facilities have not been integrated with the real needs of artisans and have not been managed sustainably. The available cluster infrastructure has not been optimally utilized and has not become a driver of efficiency or income growth. This finding confirms that the existence of infrastructure and external support alone is not sufficient without effective governance and utilization.

In the context of **Business Performance**, the results of the study show that **Inter-Artisan Collaboration** and **Access to Resources** have a positive and significant effect. The collaboration that has been established is able to increase productivity, efficiency, innovation, and market access for artisans through knowledge exchange and production cooperation. Adequate access to resources also strengthens business performance through improved product quality, cost efficiency, and production continuity. These findings support the cluster theory and economies of scale, which emphasize the importance of proximity and resource sharing in improving business competitiveness.

Conversely, **External Support** and **Cluster Infrastructure** again showed a positive but insignificant effect on business performance. This indicates that although supporting facilities and programs are available, their utilization is not yet optimal and has not been able to drive uniform improvement in business performance among artisans.

Furthermore, the test results show that **Business Performance** does not have a significant effect on **Artisans' Welfare**. This finding indicates that improved business performance does not automatically translate into improved welfare. Factors such as production cost structures, gold price fluctuations, dependence on intermediaries, and unequal profit distribution are suspected to be the main causes of the weak direct relationship between business performance and artisan welfare.

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Overall, the results of this study confirm that **access to resources** is the most consistent and dominant factor in improving business performance and the welfare of artisans. **Inter-Artisan Collaboration** plays an important role in improving business performance, but has not yet had a direct impact on welfare. Meanwhile, **External Support**, **Cluster Infrastructure**, and **Business Performance** have not been able to directly improve the welfare of artisans, indicating the need to strengthen cluster governance, policy effectiveness, and integration of development programs that are more responsive to the real needs of Pande Emas Sekarbela artisans.

V. CONCLUSION

Inter-artisan collaboration, external support, and cluster infrastructure have proven to have no significant effect on the welfare or business performance of artisans in the Sekarbela Cluster. These findings indicate that the clustering of artisans has not been able to drive a tangible increase in the income, productivity, or quality of life of artisans because collaboration is still informal, support is uneven, and infrastructure is not being optimally utilized. On the contrary, access to resources has a positive and significant effect on both business performance and the welfare of craftsmen. This means that the ease of obtaining raw materials, equipment, labor, and business information is indeed a key factor in driving improvements in the performance and economic conditions of craftsmen. However, business performance is unable to mediate the influence of collaboration, external support, and infrastructure on welfare, because the improvement in performance that has occurred is not strong enough to generate a significant increase in income. In other words, even though some artisans have experienced an increase in production or sales, this increase has not been able to improve their welfare consistently.

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