



Efforts to Increase Economic Growth Post-Covid-19 Pandemic by Implementing Financial Technology Innovation and Resource Base Strategies Through Crowdfunding and Peer-to-Peer Lending, as Well as Its Implementation Towards MSME Sustainability

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Abstract: The purpose of this research is to find out the efforts to increase economic growth during the Covid-19 pandemic by implementing Financial Technology Innovation and resource base strategies through crowdfunding and Peer-to-peer lending as well as their implementation towards the sustainability of MSMEs. This study uses a Mix Method research approach, namely a combination of quantitative and qualitative. The population in this study were all SMEs using crowdfunding and Peer-to-peer lending services, totaling 380 SMEs using the slovin formula, and 192 SMEs were sampled. The results of this study are (1) There is an increase in MSME performance if Financial Technology innovation uses Crowdfunding (2) There is an increase in Economic Growth if Financial Technology innovation uses Crowdfunding, (3) There is an increase in MSME performance when implementing a Resource Base Strategy using Peer-to-peer lending, (4) there will be an increase in economic growth if implementing the Resource Strategy Base using Peer-to-peer lending, (5) there will be an increase in the performance of MSMEs if they carry out Financial Technology innovation and Base Strategy Research using Crowdfunding, (6) there will be an increase in growth the economy if we carry out Financial Technology innovation and our Resource Base strategy Peer-to-peer lending, (7) MSME performance increases if Financial Technology Innovation and Resource Base Strategy is carried out using Crowdfunding and Peer-to-peer lending, (8) Economic growth will increase if internal improvements are made in the form of Innovation the Financial Technology and Resource Base Strategy using Peer to Peer Lending Crowdfunding. This research contributes to the government in obtaining the maximum investment so that it can create a lot of jobs can increase economic growth. This research can be used by MSMEs for business models in dealing with situations during the Covid-19 pandemic.

Keywords: MSMEs; Crowdfunding; Peer-to-peer lending (P2P Lending); Economic growth

1. Introduction

The Covid-19 pandemic has had a significant impact on the decline in the national and global economy (Kryshtanovych et al., 2022). Various efforts have been made by the government to increase economic growth so that Indonesia can avoid an economic recession. the government encourages the development of micro, small and medium enterprises as the motor of the people's economy that can boost economic growth and national economic recovery.

According to data from the Ministry of Cooperatives, Small and Medium Enterprises (KUKM) for 2021, the number of MSME actors is 87.2 million, or 99.99% of the number of business actors in Indonesia. The absorption capacity of MSME workers is as many as 197 million workers or 97% of the absorption capacity of the business

world workforce. Meanwhile, the contribution of MSMEs to the national economy (GDP) was 61.1%, and the remaining 38.9% was contributed by large business actors whose number was only 5,550 or 0.01% of the total business actors. These MSMEs are dominated by micro-entrepreneurs, amounting to 98.68% with a workforce absorption of around 89%. Meanwhile, the contribution of micro-enterprises to GDP is only around 37.8%. The government is aware of the potential of these MSMEs, therefore, the government has adopted a policy to increase the capacity of micro and small businesses so that they can upgrade to become medium-sized businesses. Empowering micro-enterprises can help people who have experienced termination of employment and loss of income because their businesses have been affected by the Covid19 pandemic. The government issued a policy to encourage the re-growth of micro-enterprises. small and medium enterprises through the National Economic Recovery (PEN) policy (Yunus et al., 2020). For micro businesses, the government, among other things, provides grants for startup businesses, as well as increasing LPDB (Revolving Fund Management Institution) funds for Cooperatives and MSMEs which can be used for low-cost loans for MSMEs (Jatmiko et al., 2022). The government also provides interest subsidies and facilitates credit or financing and funding requirements for MSMEs, including through the People's Business Credit (KUR), as well as providing loan payment relief for MSMEs. It is necessary to increase cooperation between Ministries/Institutions, local governments, banking institutions, fintech, marketplaces, and all business actors to be able to prepare MSMEs so that they can compete in the domestic market and global market during this pandemic.

To reduce the impact of Covid-19 from the internal aspect, MSMEs must change and implement various innovations to support the success of MSMEs (Ferejo et al., 2022) in facing the global market, the changes that must be made the Resource Base Strategy (3.4), namely using an approach to achieve a competitive advantage, namely MSMEs looking to In terms of the potential possessed by MSMEs to find sources of competitive advantage and see a competitive environment as a potential and opportunity to create MSME advantages, the internal resources that are seen are (1) Financial Resources, (2) Physical Resources, (3) Human Resources, (4) Technological Resources, (5) Product Innovation and (6) Internal Resources, while to deal with technological advances, Financial Technology Innovation (ITK) is used, namely in the fields of (1) payments, (2) Loans, (3) planning and (4) financing.

The government continues to encourage efforts to digitize MSMEs (Widjajanti et al., 2022), which is a form of realization of the two major agendas of the current government, namely the National Economic Recovery (PEN) agenda and Digital Transformation. Thus, it is hoped that the efforts made by the government will be able to realize the potential of Indonesia's digital economy. The era of the industrial revolution 4.0 which was integrated with the internet created conditions for automation and the digital era of technology had a positive impact by solving problems in the economic and industrial sectors (Wulandari et al., 2021). The economic sector has an impact, one of which is the speed of accessing information and data exchange which is very helpful in the transaction process and transparency in the financial sector (Arsal, et al, 2020). Application of information technology in the field of finance or what is known as Financial technology (Fintech). Some products from Fintech that are easily accessible to the public can be in the form of loans, online payments, investments, and other products. Crowdfunding and Peer-to-peer lending (P2P Lending) are of them, products that provide solutions to overcome economic difficulties in terms of capital to build and develop a business.

MSMEs are one of the vulnerable groups that are currently not served by the formal financial sector. According to OJK, the amount of financing needed by MSMEs but not served by the formal financial sector is IDR 900 trillion per year (Thorgren & Williams, 2020). This is where the role of Peer-to-peer lending (P2P Lending) and crowdfunding fintech companies can help achieve financial inclusion (Hidajat, 2020). Peer-to-peer lending (P2P Lending) means direct interaction between two people with the same status or ability (Liu et al., 2019). In terms of Peer-to-peer lending (P2P Lending), the two interact directly without the interference of financial institutions to make loans and borrow money/funds. Typically, borrowers offer attractive interest rates that lenders are willing to lend in return. Peer-to-peer lending (P2P Lending) and crowdfunding, especially collecting funds from the public to achieve certain goals, in this case, commercial loans to MSMEs. Because it is community-based or community-based, there are business loan opportunities funded by crowdfunding hundreds of people (Widodo et al., 2021). Crowdfunding is a scheme for collecting funds from a large number of people to finance a project or business which is generally carried out via the internet, while Peer-to-peer lending (P2P Lending) is a lending and borrowing service in the rupiah currency directly between creditors/lenders (lenders) and debtors/borrowers (recipients). loans) based on information technology.

The purpose of this study is to find out efforts to increase economic growth during the Covid-19 pandemic by implementing Financial Technology Innovation and resource base strategies through crowdfunding and Peer-to-peer lending (P2P Lending), as well as its implementation towards the sustainability of MSMEs in several ways, namely:

1.1 Identification

Formulation of the problem, problem identification, from the background above, the identification of the

problem is as follows. Many aspects arise from Covid-19 in MSMEs, one of which is the capital aspect and the internal aspect. MSMEs have not maximally implemented the Resource Base Strategy (SRB) and financial technology innovation to face global market competition. MSMEs have not optimally utilized crowdfunding and Peer to peer leaning as alternative capital requirements to face competition in the global market competition. Declining economic growth.

1.2 Problem Formulation

This research is used to find out several things related to whether will there be an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations by using crowdfunding as an alternative to capital requirements. Will there be an increase in Economic Growth if MSMEs carry out internal improvements in the form of Financial Technology innovations by using Crowdfunding as an alternative to capital requirements? Will there be an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of a Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements? Will there be an increase in economic growth if MSMEs carry out internal improvements in the form of a Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements? Will there be an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using crowdfunding as an alternative to capital requirements? Will there be an increase in economic growth if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements? Will there be an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies using crowdfunding and Peer-to-peer lending (P2P Lending) as alternative capital requirements? Will there be an increase in economic growth if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies using Peer-to-peer lending (P2P Lending) Funding as an alternative to capital requirements? Can the improvement in the performance and growth of MSMEs be able to justify the paradigm shift in economic growth from Resource Driven to Innovation Driven?

2. Methodology

This study uses a Mix Method research approach, namely a combination of quantitative and qualitative combinations (Creswell, 2010). By using a combined method, it is hoped that it can complement each other from the existing hypotheses. Quantitative emphasize statistical test analysis techniques so that data is more accurate, while qualitative techniques emphasize process analysis of inductive thinking processes related to the dynamics of relationships between observed phenomena and always use scientific logic (O'Cathain et al., 2010).

Where this method is a way of formulating and interpreting existing data to provide a clear picture and provide solutions on how to empower MSMEs through crowdfunding in Indonesia by using (1) Making observations of social phenomena, identifying, revising, and re-checking data that exists. (2). Categorizing the information obtained. (3). Tracing and explaining categorization. (4). Explain categorization relationships. (5). Draw general conclusions. (6). Build or explain the theory.

The researcher used a semi-structured interview method with Mr. Luthfy Zain Fuady head of the capital market supervision department 1A of the Financial Services Authority, from the results of the interview it can be concluded as follows (1) For publishers (SMEs) is alternative financing for MSMEs and helps start-up (startup entrepreneurs) MSMEs to develop (2) For organizers Helping financial technology start-up companies to develop and divide (3) it is used as an investment alternative for investors and as an alternative to owning a company with shares.

Structured interview method with Mr. Luthfy Zain Fuady the head of the capital market supervision department 1A of the Financial Services Authority, from the results of the interview it can be concluded as follows (1) For publishers (SMEs) it is alternative financing for MSMEs and helps start-ups (MSMEs). start-up entrepreneurs) MSMEs to develop (2) For organizers Assist financial technology start-up companies to develop and for (3) For financiers/investors it is used as an alternative investment for investors and as an alternative to owning a company with shares. The variables in this study can be seen in Table 1 of research variables.

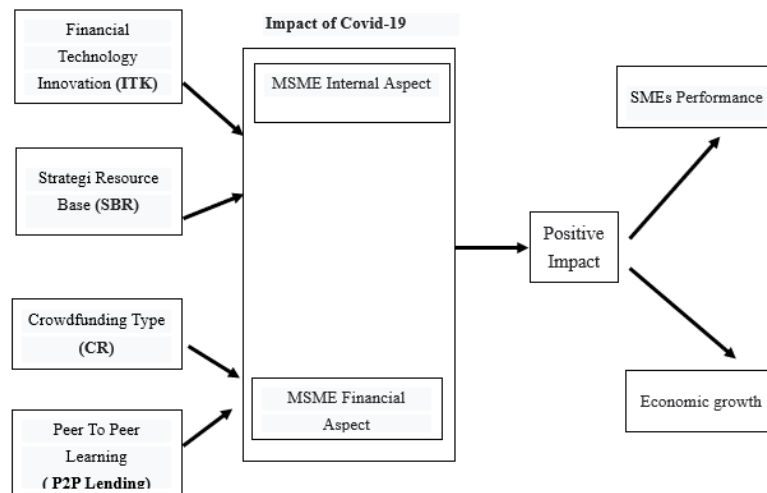
2.1 Population and Sample

The population in this study were all SMEs that used Crowdfunding and Per to Per Leaning services as many as 380 SMEs used the slovin formula, so 192 SMEs were used as samples with various backgrounds from various businesses.

Table 1. Research variables

| No | Variable | Indicator |
|----|--|---|
| 1 | Financial Technology Innovation | X1.1 Payment |
| | | X1.2 Borrowing |
| | | X1.3 Planning |
| | | X1.4 Financing |
| 2 | Strategi Resource Base (SRB) | X2.1 Financial Resources |
| | | X2.2 physical Resources |
| | | X2.3 Human Resources |
| | | X2.4 Technology Resources |
| | | X2.5 Product Innovation |
| | | X2.6 Internal Source |
| 3 | Crowdfunding Type (Y1) | Y1.1 Donation Based |
| | | Y1.2 Reward Based |
| | | Y1.3 Debt Based |
| | | Y1.4 Equity-Based |
| 4 | Type Peer-to-peer lending (P2P Lending) (Y2) | Y2.1 Cash Payday |
| | | Y2.2 P2P Microcredit |
| | | Y2.3 Working Capital Loan |
| | | Y2.4 Invoice Financing |
| | | Y2.5 Installment Without Credit Card |
| | | Y2.6 Educational Needs |
| | | Y2.7 Syariah |
| | | Y2.8 Online Seller Finance |
| 5 | MSME Performance (Z1) | Z1.1 Technological Innovation |
| | | Z1.2 Human Relations |
| | | Z1.3 Labor absorption |
| | | Z1.4 Market Adaptation |
| | | Z1.5 Managerial dynamism and financial ratios |
| 6 | Economic growth (Z2) | Z2.1 National Income |
| | | Z2.2 Real income per capita |
| | | Z2.3 Increasing people's income |
| | | Z2.4 Increased welfare in a country |
| | | Z2.5 Reducing unemployment |

2.2 Framework of Thinking

**Figure 1.** Framework of thinking

Based on Figure 1 above, the frame of mind, namely the impact of Covid-19, namely the internal aspect and the financial aspect, while the solution from MSMEs is on the internal aspect of financial technology innovation and resource base strategy, then on the financial aspect, namely using crowdfunding and Peer-to-peer lending (P2P Lending) so that it has a positive effect namely improving the performance of MSMEs and improving economic growth.

3. Results

Table 2. Confirmatory test results

| <i>Goodness of fit</i> | <i>Cut off value</i> | Result | Description |
|------------------------|----------------------|---------------|--------------------|
| <i>Chi-square</i> | 11,07 | 9,781 | good |
| <i>Probability</i> | $\geq 0,05$ | 0,212 | good |
| CMIN/DF | $\leq 2,00$ | 1,539 | good |
| GFI | $\geq 0,90$ | 0,986 | good |
| AGFI | $\geq 0,90$ | 0,929 | good |
| TLI | $\geq 0,95$ | 0,972 | good |
| CFI | $\geq 0,90$ | 0,995 | good |
| RMSEA | $\leq 0,08$ | 0,087 | good |

Source: Data processed

Table 3. Variable regression results

| | | | Estimate | S.E. | C.R. | P | Label |
|------|------|----|-----------------|-------------|-------------|----------|--------------|
| X1 | <--- | X2 | .037 | .136 | 3.639 | .523 | |
| Y2 | <--- | X1 | .925 | 1.362 | 2.679 | .497 | |
| Y2 | <--- | X2 | .953 | .768 | 2.448 | .654 | |
| Y1 | <--- | X1 | .522 | .122 | 4.281 | .764 | |
| Y1 | <--- | Y2 | .412 | .147 | 2.809 | .345 | |
| Z2 | <--- | Y1 | .339 | .165 | 2.059 | .340 | |
| Z1 | <--- | Y2 | .159 | .102 | 2.559 | .119 | |
| Z2 | <--- | Y2 | .609 | .262 | 2.327 | .720 | |
| Z1 | <--- | Y1 | .131 | .079 | 3.661 | .697 | |
| X1.4 | <--- | X1 | 1.000 | | | | |
| X1.3 | <--- | X1 | .955 | .175 | 5.448 | *** | |
| X1.2 | <--- | X1 | 1.095 | .203 | 5.408 | *** | |
| X1.1 | <--- | X1 | .945 | .173 | 5.467 | *** | |
| X2.4 | <--- | X2 | 1.000 | | | | |
| X2.3 | <--- | X2 | 6.124 | 9.632 | .636 | .525 | |
| X2.2 | <--- | X2 | 8.423 | 13.158 | .640 | .522 | |
| X2.1 | <--- | X2 | 10.583 | 16.513 | .641 | .522 | |
| Y1.1 | <--- | Y1 | 1.000 | | | | |
| Y1.2 | <--- | Y1 | 1.711 | .275 | 6.221 | *** | |
| Y1.3 | <--- | Y1 | 1.372 | .225 | 6.103 | *** | |
| Y1.4 | <--- | Y1 | 1.224 | .231 | 5.306 | *** | |
| Y2.4 | <--- | Y2 | 1.000 | | | | |
| Y2.3 | <--- | Y2 | 1.955 | .501 | 3.900 | *** | |
| Y2.2 | <--- | Y2 | 1.333 | .363 | 3.670 | *** | |
| Y2.1 | <--- | Y2 | .616 | .253 | 2.435 | .015 | |
| Z2.1 | <--- | Z2 | 1.000 | | | | |
| Z2.2 | <--- | Z2 | 1.497 | .457 | 3.275 | .001 | |
| Z2.3 | <--- | Z2 | .520 | .227 | 2.290 | .022 | |
| Z2.4 | <--- | Z2 | .699 | .255 | 2.745 | .006 | |
| Z1.1 | <--- | Z1 | 1.000 | | | | |
| Z1.2 | <--- | Z1 | 1.555 | .822 | 1.893 | .058 | |
| Z1.3 | <--- | Z1 | 3.302 | 1.482 | 2.228 | .026 | |
| Z1.4 | <--- | Z1 | 4.084 | 1.847 | 2.211 | .027 | |
| X2.5 | <--- | X2 | 10.520 | 16.429 | .640 | .522 | |
| X2.6 | <--- | X2 | 8.523 | 13.326 | .640 | .522 | |
| Y2.5 | <--- | Y2 | .309 | .242 | 1.277 | .202 | |
| Y2.6 | <--- | Y2 | .001 | .244 | .005 | .996 | |
| Y2.7 | <--- | Y2 | .764 | .291 | 2.626 | .009 | |
| Y2.8 | <--- | Y2 | .757 | .267 | 2.835 | .005 | |
| Z2.5 | <--- | Z2 | .499 | .215 | 2.323 | .020 | |
| Z1.5 | <--- | Z1 | 1.905 | .919 | 2.073 | .038 | |
| Y6 | <--- | Y | 2.933 | 2.315 | 1.267 | *** | |
| Y9 | <--- | Y | 2.415 | 2.115 | 1.316 | *** | |

Source: Data processed

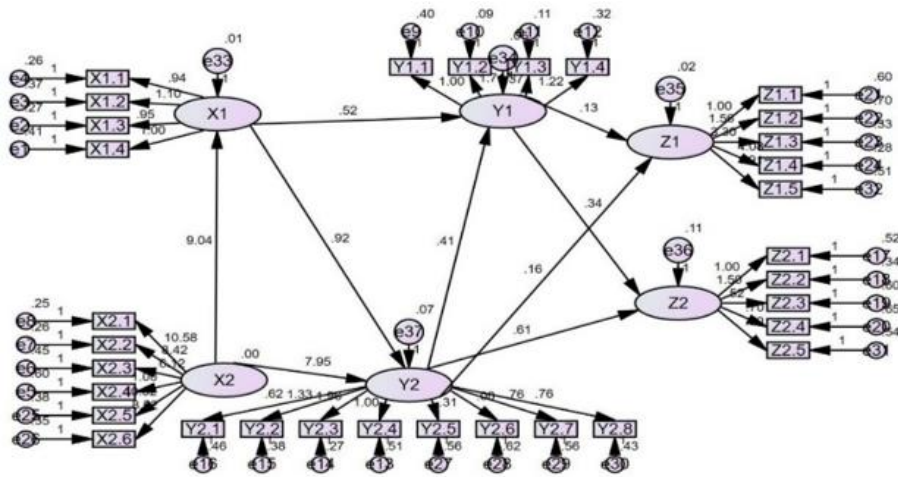


Figure 2. Structural Equation Modeling (SEM) analysis

The validity test functions to test the extent to which the measuring instrument (instrument) used can measure the indicators or variables studied. there are 43 questions representing all variables to be tested for quality. The results of the validity and reliability are 40 questions which are the research instruments processed using AMOS 20 with the provisions that the instrument can be said to be valid if it has a correlation coefficient < 0.05 . The results of the validity test can be seen from the construct confirmatory test as follows coefficient < 0.05 . The results of the validity test can be seen from Table 2 Confirmatory Test Results that all indicators are valid and acceptable.

Based on Table 3 above, it is known that each variable forming indicator shows results that meet the criteria, namely $CR \geq 1.96$ with probability ≤ 0.05 . From these results, it can be said that the variables forming indicators are significant indicators of the factors involved in the study, namely (1) Financial Technology Innovation, (2) Strategy Resource Base, (3) crowdfunding, (4) Peer-to-peer lending (P2P Lending), (5) MSME performance, (6) economic growth. Thus it can be concluded that the construction of efforts to increase economic growth during the Covid-19 pandemic by implementing Financial Technology Innovation and resource base strategies through crowdfunding and Peer-to-peer lending (P2P Lending), as well as its implementation towards the sustainability of MSMEs.

The results of the modeling test show that the model made can be concluded that it has been identified, and almost all modeling criteria have been met. The modified model can be seen in Figure 2. Structural Equation Modeling (SEM) Analysis with almost all of the data with good variable indicators, latent variables and manifest variables can be said to be appropriate

Testing this hypothesis is by analyzing the Critical Ratio (CR) value and Probability (P) value as a result of data processing, compared with the required statistical limits, which are above 1.96 for the CR value and below 0.05 for the P value. Based on Table 3 above it can be explained the relationship between variables as follows:

This research is used to find out several things related to:

(1) Explain the hypothesis of whether there is an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations by using Crowdfunding as an alternative to capital requirements.

Based on the table in column P above, is there an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations using crowdfunding as an alternative to capital requirements showing $CR 3.661 < 1.96$ and $P 0.691 > 0.05$ Thus it can be said that carrying out internal improvements in the form of Financial Technology innovations using Crowdfunding supports MSME performance improvement and it can be stated that it has a significant positive effect.

(2) Explain the hypothesis of whether there is an increase in economic growth if MSMEs carry out internal improvements in the form of financial technology innovations using crowdfunding as an alternative to capital requirements.

Based on the table in column P above, is there an increase in economic growth if MSMEs carry out internal improvements in the form of Financial Technology innovation using crowdfunding as an alternative to capital requirements showing $CR 2.059 < 1.96$ and $P 0.340 > 0.05$ Thus it can be said that carrying out internal improvements in the form of Financial Technology innovation using Crowdfunding supports Economic Growth and it can be found that it has a significant positive effect.

(3) Explain the hypothesis of whether there is an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of a Resource Base Strategy (SRB) using Per to Per Leaning as an alternative to capital requirements.

Based on the table in column P above, is there an increase in the performance of MSMEs if MSMEs carry out

internal improvements in the form of a Resource Base Strategy (SRB) using Per to Per Leading as an alternative to capital requirements showing $CR\ 2.559 < 1.96$ and $P\ 0.119 > 0.05$. Thus it can be said that MSMEs are making internal improvements in the form of a Resource Base Strategy (SRB) by using Per to Per Leading as an alternative to capital requirements to support MSME performance improvement and it can be stated that it has a significant positive effect.

(4) Explain the hypothesis of whether there is an increase in economic growth if MSMEs carry out internal improvements in the form of a Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements.

Based on the table in column P above, is there an increase in economic growth if MSMEs carry out internal improvements in the form of a Resource Base Strategy (SRB) using Per to Per Leading as an alternative to capital requirements showing $CR\ 2.327 < 1.96$ and $P\ 0.720 > 0.05$. Thus it can be said that MSMEs that carry out internal improvements in the form of a Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements support increased Economic Growth and it can be stated that it has a significant positive effect.

(5) Explain the hypothesis of whether there is an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using crowdfunding as an alternative to capital requirements.

Based on the table in column P above, will there be an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovation and Resource Base Strategy (SRB) using crowdfunding as an alternative to capital requirements showing $CR\ 4.281 < 1.96$ and $P\ 0.764 > 0.05$. Thus it can be said that MSMEs are making internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using Crowdfunding as an alternative to capital requirements to support MSME performance and it can be stated that it has a significant positive effect.

(6) Explain the hypothesis of whether there is an increase in economic growth if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using Per to Per Leading as an alternative to capital requirements.

Based on the table in column P above, will there be an increase in Economic Growth if MSMEs carry out internal improvements in the form of Financial Technology innovation and Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements showing a CR number of $2.679 < 1.96$ and $P\ 0.497 > 0.05$. Thus it can be said that MSMEs that carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements support increased Economic Growth and it can be stated that there is a significant positive effect.

(7) Explaining the hypothesis of whether there is an increase in MSME performance if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using crowdfunding and Peer-to-peer lending (P2P Lending) as alternative capital requirements.

Based on the table in column P above, is there an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovation and Resource Base Strategy (SRB) using crowdfunding and Peer-to-peer lending (P2P Lending) as alternative capital requirements showing a CR number of $2.807 < 1.96$ and $P\ 0.345 > 0.05$. Thus it can be said that MSMEs are making internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using crowdfunding and Peer-to-peer lending (P2P Lending) as alternative capital requirements. support the improvement of MSME performance and it can be stated that it has a significant positive effect.

(8) Explain the hypothesis of whether there is an increase in economic growth if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using Per to Per Leading Funding as an alternative to capital requirements.

Based on the table in column P above, will there be an increase in Economic Growth if MSMEs carry out internal improvements in the form of Financial Technology innovation and Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) Funding as an alternative to capital requirements showing a CR number of $2.448 < 1.96$ and $P\ 0.654 > 0.05$. Thus it can be said that MSMEs are carrying out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) Strategies by using Peer-to-peer lending (P2P Lending) Crowdfunding as an alternative to capital requirements supporting increased Economic Growth and it can be stated that it has a significant positive effect on.

(9) Explaining the hypothesis of whether improving the performance and growth of MSMEs can justify the paradigm of economic growth changing from Resource Driven to Innovation Driven. Qualitatively based on proving the hypothesis that has been made, the efforts made through internal improvements in the form of Financial Technology innovation by using crowdfunding as an alternative to capital requirements show a paradigm shift from resource-driven to innovation-driven. The increase in performance of MSMEs has increased due to the strengthening of the innovation aspect as an important part of the Innovation Driven-based economic growth paradigm.

4. Discussion

Based on the results of the study, it is explained that if MSMEs carry out internal improvements in the form of Financial Technology innovations using Crowdfunding it supports improving MSME performance and can be stated to have a significant positive effect. The results of this study are in line with research conducted by (Eniola & Entebang, 2015) which states that crowdfunding can serve as a source of financing provision, and the positive impact on Small and Medium Enterprises (SMEs) bank loans and advances to SMEs have been decreasing. Based on the results of the study it can be explained that if MSMEs carry out internal improvements in the form of Financial Technology innovations using Crowdfunding it supports Economic Growth and it can be seen that it has a significant positive effect. This research is in line with research conducted by (Eldridge et al., 2021) which states that Crowdfunding can conclude that crowdfunding has a positive influence on the performance of MSMEs and has opportunities and helps to reach a better level.

Based on the results of the study it can be explained that if MSMEs carry out internal improvements in the form of Resource Base Strategy (SRB) by using Peer-to-peer Lending as an alternative capital requirement to support improving MSME performance and it can be said to have a significant positive effect. Based on the results of the study it can be explained that if MSMEs carry out internal improvements in the form of a Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements it supports increased Economic Growth and it can be said that there has been a significant positive effect. Based on the results of the study explained that if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using Crowdfunding as an alternative to capital requirements to support MSME performance and can be said to have a significant positive effect.

Based on the results of the study it can be said that if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies use Peer-to-peer lending (P2P Lending) as an alternative to capital requirements to support increased Economic Growth and it can be stated that there is a positive effect significant. Based on research results it can be said that if MSMEs make internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies using crowdfunding and Peer-to-peer lending (P2P Lending) as alternative capital requirements support the improvement of MSME performance and can be stated to have a significant positive effect.

Based on the research results, it can be said that if MSMEs have made internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies using Crowdfunding Peer-to-Peer Lending (P2P Lending) as an alternative to supporting capital requirements for increasing Economic Growth, it can be stated that it has a significant positive effect on. based on the results of qualitative research based on proving the hypothesis that has been made, the efforts made through internal improvements in the form of Financial Technology innovation by using crowdfunding as an alternative to capital requirements show a paradigm shift from resource-driven to innovation-driven. The increase in performance of MSMEs has increased due to the strengthening of the innovation aspect as an important part of the Innovation Driven-based economic growth paradigm.

5. Conclusion

The results of this study are That there is an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations by using crowdfunding as an alternative to capital requirements. That there is an increase in economic growth if MSMEs carry out internal improvements in the form of financial technology innovations by using crowdfunding as an alternative to capital requirements. That there is an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of a Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements. That there is an increase in economic growth if MSMEs carry out internal improvements in the form of a Resource Base Strategy (SRB) using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements.

That there is an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using crowdfunding as an alternative to capital requirements. That there is an increase in economic growth if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using Peer-to-peer lending (P2P Lending) as an alternative to capital requirements. That there is an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using crowdfunding and Peer-to-peer lending (P2P Lending) as alternative capital requirements. That there is an increase in economic growth if MSMEs carry out internal improvements in the form of Financial Technology innovations and Resource Base (SRB) strategies by using Peer-to-peer lending (P2P Lending) Funding as an alternative to capital requirements. Whereas the increase in the performance and growth of MSMEs confirms the justification of the paradigm of economic growth that has changed from Resource Driven to Innovation Driven.

Author Contributions

This research can be utilized by the government in getting as much investment as possible to create many job opportunities that can increase economic growth, this research can be used by MSMEs for a business model in dealing with situations during the Covid-19 pandemic.

Funding

This research was funded by a team of research groups that focused on improving the performance of MSMEs so that it affected increasing economic growth after the Covid-19 pandemic.

Informed Consent Statement

By using a letter of cooperation between researchers and the government, the Indonesian Crowdfunding Association, statements from these informants can be more objective and produce accurate data according to needs.

Data Availability

For the study population, namely crowdfunding owners, MSME owners who use funds through crowdfunding and the government as well as from the OJK. For qualitative data analysis, researchers used 15 participants with ALUDI member participants 4 participants, UMKM ALUDI members 8, ALUDI Chair 1 Parisipan, OJK 1 Participant, and Government (Cooperative and UMKM services) 1 participant, while for quantitative data the researcher used the slovin formula with a population of 370, the sample used was 192 UMKM that partnered with ALUDI with a tolerance level of 5%.

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Conflicts of Interest

There is no conflict of interest between various parties because collaboration is established to be able to improve MSME performance which has an impact on increasing economic growth, this research supports the involvement of various parties in improving MSME performance which has an impact on increasing economic growth after the Covid-19 pandemic.

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