



## Efforts to Support Economic Growth and Improve MSMEs' Performance During the Pandemic



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**Abstract:** The purpose of this study is to find out whether micro-, small and medium-sized enterprises (MSMEs) can boost economic growth and achieve their sustainability during the COVID-19 pandemic by implementing financial technology innovations and the Resource Base Strategy (SRB) through crowdfunding and peer-to-peer lending (P2P lending). This study used a mixed approach, namely a combination of quantitative and qualitative methods. The population in this study were SMEs who used crowdfunding and P2P lending services, totaling 380 SMEs. Through calculation by the Slovin's Formula, 192 SMEs were sampled. The results of this study are as follows: (1) the performance of MSMEs will be improved if MSMEs carry out internal improvements in the form of financial technology innovations using crowdfunding as an alternative to meet capital requirements; (2) the economic growth will be supported if MSMEs carry out internal improvements in the form of financial technology innovations using crowdfunding as an alternative to meet capital requirements; (3) the performance of MSMEs will be improved if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements; (4) the economic growth will be supported if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements; (4) the economic growth will be supported if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements; (5) the performance of MSMEs will be improved if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding as an alternative to meet capital requirements; (6) the economic growth will be supported if MSMEs carry out internal improvements in the form of financial technology innovations and SRB strategies using P2P lending as an alternative to meet capital requirements; (7) the performance of MSMEs will be improved if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding and P2P lending as alternatives to meet capital requirements; (8) the economic growth will be supported if MSMEs carry out internal improvements in the form of financial technology innovations and SRB strategies using crowdfunding and P2P lending as alternatives to meet capital requirements; and (9) the improved performance and growth of MSMEs justifies the paradigm shift from the resource driven economic growth to the innovation driven one. This study helps MSMEs obtain the maximum investment so that they can create a great number of jobs to boost economic growth. The conclusions can be used by MSMEs in their business models to deal with the impacts from the Covid-19 pandemic.

**Keywords:** MSMEs; Crowdfunding; P2P lending; Economic growth

### 1. Introduction

The COVID-19 pandemic has had significant impacts on the national and global economy (Kryshtanovych et al., 2022). To increase economic growth and avoid an economic recession, governments in different countries have made various efforts. For example, the Indonesian government has encouraged the development of MSMEs to work as the engine to boost national economic growth and drive economic recovery.

According to data from the Ministry of Cooperatives, Small and Medium Enterprises (KUKM) for 2021, there were 87.2 million MSMEs, accounting for 99.99% of the businesses in Indonesia. The MSMEs have absorbed as many as 197 million workers or 97% of the workforce in the business world. Meanwhile, MSMEs contributed 61.1% of the national economy's (GDP), while major business actors - who accounted for just 5,550, or 0.01% of all company actors - contributed the remaining 38.9%. These MSMEs are dominated by micro-enterprises, which accounted for 98.68% of the total number, with a workforce absorption of around 89%, and contributed around 37.8% of the GDP. The government is aware of the potential of these MSMEs, and therefore, it has adopted a policy to increase the capacity of micro- and small enterprises to upgrade them to medium-sized businesses. Empowering micro-enterprises can help people who have lost their jobs and income because of the COVID-19 pandemic. That was why the government issued the National Economic Recovery (PEN) policy to encourage the re-growth of MSMEs (Yunus et al., 2020). For micro-enterprises, the government has provided, among other things, subsidies for startup businesses, and also increased the 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 has also provided interest subsidies and facilitated credit or financing and funding requirements for MSMEs, including People's Business Credit (KUR), as well as loan payment relief for MSMEs. Given such support from the government, it is truly necessary to increase the cooperation among ministries, local governments, banking institutions, fintech companies, marketplaces, and all business actors to prepare MSMEs so that they can compete in the domestic market and global market during this pandemic.

To reduce the impacts of COVID-19, MSMEs must make changes and implement various innovations to support themselves in the face of the global market (Ferejo et al., 2022). One change that must be made is in the Resource Base Strategy (3.4), which means MSMEs should find whatever resources they have as their competitive advantages in the competitive environment. The resources include (1) financial resources (2) physical resources, (3) human resources, (4) technological resources, (5) product innovations and (6) internal resources. At the same time, they need to make use of the technological advances in the fields of (1) payments, (2) loans, (3) planning and (4) financing.

The government has also encouraged the efforts to digitize MSMEs (Widjajanti et al., 2022), which is currently one of its two major agendas - National Economic Recovery (PEN) and Digital Transformation. Hopefully the efforts made by the government will be able to exert the potential of Indonesia's digital economy. The industrial revolution 4.0 which was integrated with the internet created conditions for such digitalization. The advanced information technology solved problems in and brought positive impacts to the economic and industrial sectors (Wulandari et al., 2021), one of which is the fast speed of information access and data exchange, which is very helpful in the transaction process and transparency in the financial sector (Arsal et al., 2020). Information technology or what is known as Financial technology (Fintech) has been extensively applied in the field of finance. Some applications of Fintech that are easily accessible to the public are seen in loans, online payments, investments, and other products. Crowdfunding and P2P lending are just two examples. Such products provide solutions for businesses in overcoming financial difficulties and developing.

MSMEs are one of the vulnerable groups that are currently not served by the formal financial sector. According to Otoritas Jasa Keuangan (OJK), Financial Services Authority of Indonesia, 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 P2P lending and crowdfunding fintech companies in financial inclusion (Hidajat, 2020). Crowdfunding is a scheme of collecting funds from a large number of people to finance a project or business, which is generally carried out via the internet, while P2P lending is a lending and borrowing service in the rupiah currency directly between creditors/lenders (lenders) and debtors/borrowers (recipients). based on information technology. P2P lending means direct interactions between two peers with the same status or ability to make loans and borrow money/funds (Liu et al., 2019) without the interference of financial institutions. Typically, borrowers offer attractive interest rates so that lenders are willing to lend. P2P lending and crowdfunding, especially from the public, are actually commercial loans to MSMEs. Since it is community-based, there are business loan opportunities offered by countless people (Widodo et al., 2021).

The purpose of this study is to find out whether micro-, small and medium-sized enterprises (MSMEs) can boost economic growth and achieve their sustainability during the COVID-19 pandemic by implementing financial technology innovations and the Resource Base Strategy (SRB) through crowdfunding and peer-to-peer lending (P2P lending).

## 1.1 Problem Identification

From the background information above, the problem is identified as follows. COVID-19 has brought many impacts on MSMEs, two of which are capital and internal impacts. MSMEs have not implemented the Resource Base Strategy (SRB) and financial technology innovations to the greatest extent and not fully utilized crowdfunding and P2P lending as the alternative ways of financing to cope with global market competition.

## 1.2 Research Questions

This research is used to find out several things related to the effects of crowdfunding and P2P lending on the performance of MSMEs if MSMEs carry out internal improvements in financial technology innovations and SRB. So the questions that this research attempts to answer are as follows: (1) Will it improve the performance of MSMEs if MSMEs carry out internal improvements in the form of financial technology innovations using crowdfunding as an alternative to meet capital requirements? (2) Will it support economic growth if MSMEs carry out internal improvements in the form of financial technology innovations using crowdfunding as an alternative to meet capital requirements? (3) Will it improve the performance of MSMEs if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements? (4) Will it support economic growth if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements? (5) Will it improve the performance of MSMEs if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding as an alternative to meet capital requirements? (6) Will it support economic growth if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using P2P lending as an alternative to meet capital requirements? (7) Will it improve the performance of MSMEs if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding and P2P lending as alternatives to meet capital requirements? (8) Will it support economic growth if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding and P2P lending as alternatives to meet capital requirements? (9) Can the improved performance and growth of MSMEs be able to justify the paradigm shift from the resource driven economic growth to the innovation driven one?

## 2. Methodology

**Table 1.** Research variables

No	Variable		Indicator
1	Financial Technology Innovation (X1)	X1.1	Payment
		X1.2	Borrowing
		X1.3	Planning
		X1.4	Financing
2	SRB (X2)	X2.1	Financial Resources
		X2.2	Physical Resources
		X2.3	Human Resources
		X2.4	Technology Resources
		X2.5	Product Innovation
		X2.6	Internal Resources
3	Crowdfunding (Y1)	Y1.1	Donation Based.
		Y1.2	Reward Based.
		Y1.3	Debt Based.
		Y1.4	Equity-Based.
4	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	MSMEs' 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	Increase in People's Income
		Z2.4	Increase in National Welfare
		Z2.5	Unemployment Reduction

This study used a mixed research approach, namely a combination of quantitative and qualitative methods (Creswell, 2010), in the hope that such methods can complement each other based on the existing hypotheses. Quantitative methods emphasize statistical test analysis techniques to make data more accurate, while qualitative ones emphasize process analysis of inductive thinking related to the dynamics of relationships between observed phenomena, which relies on scientific logic (O’Cathain et al., 2010).

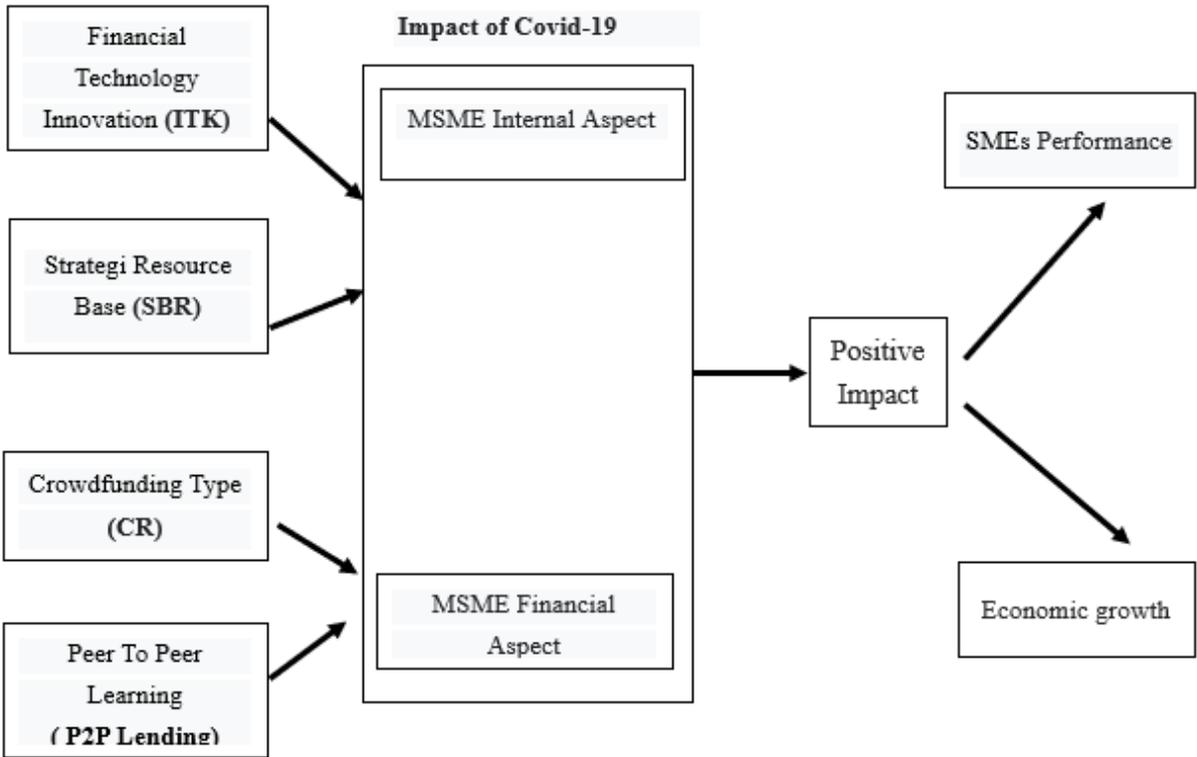
The mixed approach is aimed to formulate and interpret existing data to provide a clear picture and also solutions on how to empower MSMEs through crowdfunding and P2P lending in Indonesia. It consists of (1) making observations of social phenomena, and identifying, revising, and re-checking existing data; (2) categorizing the information obtained; (3) tracing and explaining the categorization; (4) explaining relationships between categories; (5) drawing general conclusions; (6) establishing or explaining the theory.

The researcher conducted a semi-structured interview with Mr. Luthfy Zain Fuady, Head of the Capital Market Supervision Division 1A of OJK. From the results of the interview, it can be concluded that: (1) for MSMEs, crowdfunding and P2P lending are alternative ways of financing and can help start-ups grow and develop; (2) for governments, they should assist financial technology start-up companies to develop; (3) for financiers/investors, crowdfunding and P2P lending can be used as alternative ways of investment in addition to owning a company with shares. The variables studied in this research are listed in Table 1.

**2.1 Population and Samples**

The population in this study were SMEs that used crowdfunding and P2P lending services (as many as 380 SMEs). With the help of the Slovin’s Formula, 192 SMEs were selected as samples, who had various backgrounds from various industries.

**2.2 Framework of the Research**



**Figure 1.** Framework of the research

Based on Figure 1 above, the purpose of this research is to find out how to deal with the impacts of COVID-19, namely the internal and financial impacts. For the internal impacts, SMEs implement financial technology innovations and SRB, while for the financial impacts, SMEs resort to crowdfunding and P2P lending, so as to improve their performance and boost economic growth.

### 3. Results

**Table 2.** Confirmatory test results

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

Source: Data processed

**Table 3.** Variable regression results

			<b>Estimate</b>	<b>S.E.</b>	<b>C.R.</b>	<b>P</b>	<b>Label</b>
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

The validity tests are used to test the extent to which the measuring instruments used can measure the indicators or variables studied. There are 43 questions representing all variables, which are the research instruments, to be tested for validity, using AMOS 20. An instrument can be said to be valid if it has a correlation coefficient  $<0.05$ . From the results of the validity test (Table 2), it can be seen that all indicators are valid and acceptable.

Based on Table 3 above, it is known that all variables forming the indicators met the criteria, namely  $CR \geq 1.96$  and probability  $\leq 0.05$ . From these results, it can be said that the variables forming the indicators are significant indicators of the factors involved in the study, namely (1) financial technology innovation, (2) SRB, (3) crowdfunding, (4) P2P lending, (5) MSME's performance, (6) economic growth. Thus, it can be concluded that implementing financial technology innovations and SRB through crowdfunding and P2P lending can boost economic growth and help MSMEs achieve sustainability during the COVID-19 pandemic.

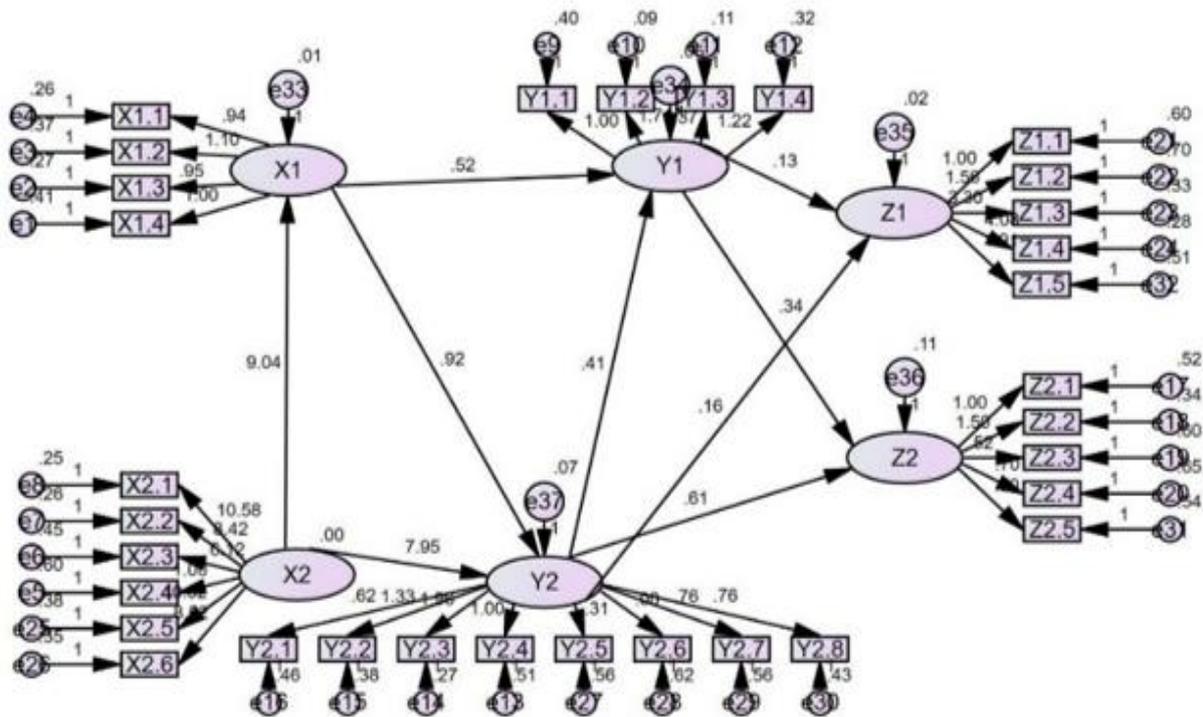


Figure 2. Structural Equation Modeling (SEM) analysis

From the results of the modeling test, it can be concluded that almost all modeling criteria have been met. The revised model is shown in Figure 2. Through SEM analysis, it is found that all latent variables and manifest variables are appropriate.

The hypotheses are analyzed using the Critical Ratio (CR) value and Probability (P) after data processing. The CR is required to be above 1.96, and P below 0.05. Based on Table 3 above, the relationships between variables are explained as follows:

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

(1) The hypothesis of whether there will be 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 meet capital requirements.

Based on the data listed in column P in the table above,  $CR = 3.661 > 1.96$ , and  $P = 0.691 > 0.05$ , and therefore, it can be said that carrying out internal improvements in the form of financial technology innovations using crowdfunding has a significant positive effect on MSMEs' performance, which means this measure can improve MSMEs' performance.

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

Based on the data listed in column P in the table above,  $CR = 2.059 > 1.96$ , and  $P = 0.340 > 0.05$ , and therefore, it can be said that carrying out internal improvements in the form of financial technology innovation using crowdfunding has a significant positive effect on economic growth, which means that this measure can support economic growth.

(3) The hypothesis of whether there is an increase in the performance of MSMEs if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements.

Based on the data listed in column P in the table above,  $CR = 2.559 > 1.96$ , and  $P = 0.119 > 0.05$ , and therefore, it can be said that carrying out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements has a significant positive effect on MSMEs' performance, which means this measure can improve MSMEs' performance.

(4) The hypothesis of whether there is an increase in economic growth if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements.

Based on the data listed in column P in the table above,  $CR = 2.327 < 1.96$ , and  $P = 0.720 > 0.05$ , and therefore, it can be said that carrying out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements has a significant positive effect on economic growth, which means that this measure can support economic growth.

(5) 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 SRB using crowdfunding as an alternative to meet capital requirements.

Based on the data listed in column P in the table above,  $CR = 4.281 < 1.96$ , and  $P = 0.764 > 0.05$ , and therefore, it can be said that carrying out internal improvements in the form of financial technology innovations and SRB using crowdfunding as an alternative to meet capital requirements has a significant positive effect on MSMEs' performance, which means this measure can improve MSMEs' performance.

(6) 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 SRB using P2P lending as an alternative to meet capital requirements.

Based on the data listed in column P in the table above,  $CR = 2.679 < 1.96$ , and  $P = 0.497 > 0.05$ , and therefore, it can be said that carrying out internal improvements in the form of financial technology innovations and SRB using P2P lending as an alternative to meet capital requirements has a significant positive effect on economic growth, which means that this measure can support economic growth.

(7) The hypothesis of whether there is an increase in MSMEs' performance if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding and P2P lending as an alternative to meet capital requirements.

Based on the data listed in column P in the table above,  $CR = 2.807 < 1.96$ , and  $P = 0.345 > 0.05$ , and therefore, it can be said that carrying out internal improvements in the form of financial technology innovations and SRB using crowdfunding and P2P lending as an alternative to meet capital requirements has a significant positive effect on MSMEs' performance, which means this measure can improve MSMEs' performance.

(8) 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 SRB using crowdfunding and P2P lending as an alternative to meet capital requirements.

Based on the data listed in column P in the table above,  $CR = 2.448 < 1.96$ , and  $P = 0.654 > 0.05$ , and therefore, it can be said that carrying out internal improvements in the form of financial technology innovations and SRB using P2P lending and crowdfunding as alternatives to meet capital requirements has a significant positive effect on economic growth, which means that this measure can support economic growth.

(9) The hypothesis of whether improving the performance and growth of MSMEs can justify the paradigm shift of economic growth from resource driven to innovation driven.

Based on qualitative analysis of the hypotheses above, the internal improvements made in the form of financial technology innovations using crowdfunding as an alternative to meet capital requirements show a paradigm shift from the resource-driven economic growth to the innovation-driven one, which is partly manifested in the improved performance of MSMEs due to the strengthening of the innovation aspect.

#### **4. Discussion**

Based on the results of this study, it can be known that if MSMEs carry out internal improvements in the form of financial technology innovations using crowdfunding, it will improve their performance, and that the positive impact will be significant. This result is in line with the research conducted by (Eniola & Entebang, 2015), which states that crowdfunding can serve as an alternative source of financing in addition to bank loans and advances and brings a positive impact on SMEs. Based on the results of this study, it can also be known that if MSMEs

carry out internal improvements in the form of financial technology innovations using crowdfunding, it will support economic growth, and that the positive impact will be significant. This result is in line with the research conducted by (Eldridge et al., 2021), which states that crowdfunding has a positive impact on the performance of MSMEs and helps MSMEs find more opportunities and reach a better level.

Based on the results of this study, it can be known that if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements, it will improve their performance, and that the positive effect will be significant. Based on the results of this study, it can also be known that if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements, it will support economic growth, and that the positive effect will be significant.

Based on the results of this study, it can be known that if MSMEs carry out internal improvements in the form of financial technology innovations and SRB strategies using crowdfunding as an alternative to meet capital requirements, it will improve their performance, and that the positive effect will be significant. Based on the results of this study, it can also be known that if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using P2P lending as an alternative to meet capital requirements, it will support economic growth, and that the positive effect will be significant.

Based on results of this study, it can be known that if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding and P2P lending as alternatives to meet capital requirements, it will improve their performance, and that the positive effect will be significant. Based on the results of this study, it can also be known that if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding and P2P lending as alternatives to meet capital requirements, it will support economic growth, and that the positive effect will be significant.

Based on the results of the qualitative research on the hypotheses made, the internal improvements made in the form of financial technology innovations using crowdfunding as an alternative to meet capital requirements show a paradigm shift from the resource-driven economic growth to the innovation-driven one, which is partly manifested in the improved performance of MSMEs due to the strengthening of the innovation aspect.

## **5. Conclusion**

The results of this study are as follows: (1) the performance of MSMEs will be improved if MSMEs carry out internal improvements in the form of financial technology innovations using crowdfunding as an alternative to meet capital requirements; (2) the economic growth will be supported if MSMEs carry out internal improvements in the form of financial technology innovations using crowdfunding as an alternative to meet capital requirements; (3) the performance of MSMEs will be improved if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements; (4) the economic growth will be supported if MSMEs carry out internal improvements in the form of SRB using P2P lending as an alternative to meet capital requirements; (5) the performance of MSMEs will be improved if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding as an alternative to meet capital requirements; (6) the economic growth will be supported if MSMEs carry out internal improvements in the form of financial technology innovations and SRB strategies using P2P lending as an alternative to meet capital requirements; (7) the performance of MSMEs will be improved if MSMEs carry out internal improvements in the form of financial technology innovations and SRB using crowdfunding and P2P lending as alternatives to meet capital requirements; (8) the economic growth will be supported if MSMEs carry out internal improvements in the form of financial technology innovations and SRB strategies using crowdfunding and P2P lending as alternatives to meet capital requirements; and (9) the improved performance and growth of MSMEs justifies the paradigm shift from the resource driven economic growth to the innovation driven one.

## **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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