

The Impact of the Omnibus Low Cipta Kerja on the Sustainability of MSMEs and Economic Growth by Applying the Canvas Model Business Method and the Use of Financial Technology, Especially Crowdfunding and Microfinance



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ABSTRACT

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The purpose of this study is to find out the impact of the omnibus low cipta kerja on the sustainability of MSMEs and economic growth by applying the canvas model business method and the use of technology financial capital, especially Crowdfunding and microfinance. The role of financial technology, especially in crowdfunding and microfinance, has an important role in improving the performance of MSMEs and will affect the increasing economy, when the Covid-19 Pandemic hit in Indonesia creating uncertainty in almost all aspects of life, especially the economy. To restore and maintain economic activity still running well, the government issued several policies One of which is maintaining the investment climate in Indonesia by omnibus low cipta kerja, the government provides ease, speed, certainty, and efficiency in business for entrepreneurs. Technology finance especially Crowdfunding and microfinance offer easy access to capital which is expected to help MSMEs to immediately contribute to increasing growth economy through MSME activities that have an impact on reducing unemployment, it is hoped that MSMEs can use the Business Model Canvas to survive because it can make actors MSMEs can capture potential business opportunities that can be taken. The enactment of Law Number 11 of 2020 omnibus low cipta kerja (Ciptaker Law) can provide The advantage for Micro, Small and Medium Enterprises (MSMEs) that a single license is related to MSMEs, for example, home industry licensing (PIRT) is made easier by (1) granting permits one door, (2) Provide incentives & facilities for medium and large businesses partnering with MSEs, (3) Integrated Management of MSMEs, namely by providing opportunities for local agencies involved in empowering MSMEs, (4) Ease and financing of fiscal incentives namely providing convenience and financing to improve the economy, (5) providing the government prioritizes the special Allocation Fund for the development of MSMEs, (6) provides Legal assistance and protection, (7) MSE products are prioritized for government service provision, (8) Partnership with MSMEs, (9) provides convenience for cooperatives. This research uses a Mix Method research approach is a combination of quantitative with a combination of qualitative. Using the combined method is expected to be able to complement each other from the research questions there has been. Quantitative emphasizes the technical analysis of statistical tests so that the data is more accurate Qualitative techniques emphasize process analysis of the inductive thinking process that is related to the dynamics of the relationship between observed phenomena and always using scientific logic. Where this method is a way of formulating and interpreting existing data to provide a clear picture of how to increase Indonesia's economic growth and the performance of MSMEs by implementing the canvas business model and using crowdfunding and microfinance as an intervening variable for the Job Creation Act that provides convenience for MSMEs. Results from this research are (1) There is an increase in the performance of MSMEs and an increase in the growing economy of SMEs that use financial technology, especially in Crowdfunding and microfinance as an alternative to capital requirements through the Job Creation Act, (2) There is an increase MSME performance and increasing economic growth for MSMEs using Business The Canvas Model (BMC) in analyzing the MSME sustainability strategy through the Job Creation Law, There was an increase in the performance of MSMEs and an increase in economic growth in MSMEs that using financial technology, especially in Crowdfunding and microfinance and Business Model Canvas (BMC) through the omnibus low cipta kerja.

1. INTRODUCTION

1.1 Background of the problem

The Coordinating Ministry for the Economy continues to

socialize the various benefits of Law (UU) no. 11 of 2020 concerning Job Creation. The omnibus low cipta kerja will increase public interest in opening a business, especially for micro, small and medium enterprises (MSMEs), because it creates convenience in licensing, the Job Creation Law also

encourages the strengthening of the MSME ecosystem and e-commerce through various kinds of facilities [1]. Among them are related to licensing, certification, financing, market access, training, digital infrastructure, implementation of electronic systems and transactions, as well as the business climate in the e-commerce sector [2]. The Job Creation Law implements harmonization of various regulations and rules, as well as simplification and convenience in the licensing system. The licensing system, which previously seemed unintegrated, and less harmonious, tend to overlap and is sectoral, is now simpler, and easier and creates service certainty for the community and the business world [3].

After the omnibus law cipta kerja is implemented, the licensing sector will try to adopt a system that uses a risk-based approach (risk-based approach). So, businesses that have low risk simply register which will then get a Business Identification Number (NIB). Meanwhile, businesses with medium risk must meet the standards set out in the Norms, Standards, Procedures, and Criteria (NSPK), and for businesses with high risk, must meet the requirements and use certain permits. Each level of business risk is determined based on the parameters of various aspects, especially in terms of Health, Safety, Security, and Environment (K3L) risks. The omnibus law cipta kerja waived licensing fees for micro-enterprises, while waivers were granted for small businesses. In addition, halal certification for MSEs is also free of charge. The government also gives priority to products and services for MSEs and cooperatives at least 40% in the procurement of government goods and services. The Job Creation Law shows the government's alignment with MSE actors as the driving force and backbone of the Indonesian economy [4].

The omnibus law cipta kerja also regulates the strengthening of the e-commerce ecosystem, which can support efforts to digitize MSEs, including accelerating the expansion of broadband infrastructure development, where the central and regional governments facilitate and facilitate the development of telecommunications infrastructure [5]. "The government regulates the obligation to share passive infrastructure as well as cooperation in the use of active infrastructure. The government also regulates the setting of upper and/or lower limit rates to protect the interests of the public and fair business competition.

The government continues to encourage efforts to digitize MSMEs, which is a form of realization of the current two major government agendas, namely the National Economic Recovery (PEN) and Digital Transformation agenda. 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 is integrated with the internet makes the conditions of automation and the digital era of technology have a positive impact by solving problems in the economic and industrial sectors. In the economic sector, it has an impact, one of which is the speed of accessing information and exchanging data, which is very helpful in the transaction process and transparency in the financial sector. The application of information technology in the financial sector or known as financial technology (Fintech). Some products from Fintech that are easy to access by the public can be in the form of loans, online payments, investments, and other products. Crowdfunding and microfinance are of them, products that provide solutions for overcoming economic difficulties in terms of capital to build and develop businesses.

Crowdfunding is a scheme to raise funds from a large number of people to finance a project or business which is

generally done via the internet, while Microfinance is an activity to provide capital for small-scale businesses without collateral. As the name implies, which consists of 2 words: micro and finance, this microfinance has a very noble purpose, which is to implement strategies to reduce poverty through the assistance of an institution. Be it institutions established by the government or certain institutions in the form of companies or cooperatives. This particular institution was later known as the Microfinance Institution [6]. The forms of support provided are in the form of borrowing funds, managing deposits, and consulting related to business development. The presence of microfinance is certainly very beneficial for the lower middle class. The reason is that borrowing business capital through conventional banks tends to be difficult because the lower middle class does not have definite guarantees. For example, fixed income and assets. Another advantage, microfinance contributes to helping the community to be able to manage loan funds as effectively as possible through the provision of sufficient knowledge. This certainly contributes to helping the economic growth of the Indonesian people as well as the welfare of the lower middle class [7].

The purpose of this study was to find out several things, namely whether there was an increase in the performance of MSMEs and an increase in economic growth in MSMEs using financial technology, especially in Crowdfunding and microfinance as an alternative to capital needs through the omnibus law cipta kerja, whether there was an increase in MSME performance and an increase in economic growth in MSMEs. which uses the Canvas Business Model (BMC) in analyzing the MSME sustainability strategy through the omnibus law cipta kerja. Is there an increase in MSME performance and an increase in economic growth in MSMEs using financial technology, especially in Crowdfunding and microfinance and the Canvas Business Model (BMC) through the omnibus law cipta kerja?

1.2 Identification

From the background above, the identification of the problem is as follows:

- a. The omnibus law cipta kerja will increase public interest in opening a business, especially for micro, small and medium enterprises
- b. MSMEs have not implemented the Canvas Business Model (BMC) in the development of business activities to face global market competition
- c. MSMEs have not been able to take advantage of crowdfunding and microfinance as an alternative to capital requirements to face competition in the global market
- d. The decline in people's purchasing power
- e. Decline in economic growth.

1.3 Problem formulation

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

- a. Has there been an increase in MSME performance and an increase in economic growth for MSMEs that use financial technology, especially Crowdfunding and microfinance as an alternative to capital needs through the omnibus law cipta kerja?
- b. Has there been an increase in MSME performance and an increase in economic growth for MSMEs using the Canvas Business Model (BMC) in analyzing MSME sustainability strategies through the omnibus law cipta kerja?

c. Has there been an increase in MSME performance and an increase in economic growth for MSMEs using financial technology, especially in Crowdfunding and microfinance and the Canvas Business Model (BMC) through the omnibus low cipta kerja?

2. LITERATURE REVIEW

2.1 Financial technology

Financial Technology is an innovation in financial services that adapts to technological growth. Fintech provides convenience for the public by providing access to financial products so that transactions are more instant and efficient. Financial Technology describes today's digital technology that facilitates public services in conducting transactions to meet needs and provide certain satisfaction for the public.

2.2 Crowdfunding

Crowdfunding is a fundraising model that is carried out systematically. a lot of people based on digital platforms for various purposes, including for humanitarian, educational, political, and public facilities, or innovative and creative endeavors. Crowdfunding as a concept is a modern financial model based on financial technology that facilitates and accelerates the mobilization of a wealth of the crowd for added value creation. One of the biggest challenges faced by the business sector, especially for Startups is access to funding to realize their business ideas. Crowdfunding become a solution and alternative source of financing for creative and innovative businesses. Institution financial intermediation is facing an excess demand for funding, especially from the small business sector and medium-sized enterprises (MSMEs). 2017 World Bank Group report, total underfunding for The MSME sector is estimated to reach around USD 5.2 trillion or equivalent to 19% of GDP from 128 developing countries. Crowdfunding can encourage the distribution of access to funding, especially for business sectors that are marginalized by the banking financial system as well as increase community participation in funding creative ideas and humanitarian social projects even in small rupiah amounts. -based business financing system crowdfunding is very compatible with Indonesian culture which is famous for its culture of gotong royong and cooperative systems that are widely practiced in the Indonesian economy. Although crowdfunding models vary, crowdfunding systems essentially promote a financial system in which the profits and risks of a business project are shared between the entrepreneur and the fund provider by their respective contributions. On the other hand, crowdfunding allows investment contributions in small amounts and is followed by those who have no experience or knowledge of investment analysis.

The characteristics of crowdfunding are very relevant for developing countries including Indonesia whose average level of community income is still relatively low accompanied by a lack of financial literacy but who have the desire to invest. Thus, the rise of platforms Investment-based crowdfunding can be an alternative investment for the community, especially for those with low income. So far, more public funds are kept in banks which are generally channeled to corporations, because it promises a higher level of profit. Meanwhile, the start-up sector and small and medium enterprises that do not have capital and guarantee do not become a priority for

financing the banking sector. Therefore, the crowdfunding system makes it possible the mobilization of public funds to finance start-up businesses and SMEs which has been the main pillar of the national economy. At this point, crowdfunding creates financial democratization, especially in access to finance for entrepreneurs as well as investment opportunities for each individual. According to Ziegler et al. (2020), transaction volume from crowdfunding globally experienced a significant increase from USD11.06 billion in 2013 to USD418.52 billion in 2017, the majority of which was contributed by investment-based crowdfunding such as P2P lending and equity. Meanwhile, the transaction volume of Non-investment-based crowdfunding such as donations and rewards is only about 0.2% of the total volume of global crowdfunding. Geographically, crowdfunding has operations in at least 161 countries with relatively different levels of development, where America, China, and Europe have become major players by controlling about 97% of the total global crowdfunding market.

In Indonesia, crowdfunding first appeared in 2012, namely with the establishment of the fundraising site embodied.com - the based reward is engaged in creative projects. But unfortunately, this platform had to close in 2017 due to the costs of too large an operation. Then, various other sites appeared such as Kitabisa.com and Ayopeduli. id which is donation-based crowdfunding, and gandengtangan.co.id which is debt-based. The transaction volume of non-investment-based crowdfunding is

quite promising as a source of funding for social activities and creative businesses. platform Kitabisa.com has succeeded in raising funds from the community reaching around IDR 835 billion since its establishment in 2013. Meanwhile gandengtangan.co.id has accumulated Loans since its inception is around 41 billion rupiahs for MSME financing. Related settings crowdfunding in Indonesia was first regulated through the 2018 OJK Regulation on Services Crowdfunding Through Information Technology-Based Stock Offerings (equity crowdfunding) that was subsequently amended by OJK Regulation 2020 concerning Securities Offering Through Crowdfunding Services Information Technology Based Fund. The latest regulation provides an expansion of the offering of securities which is not only limited to shares but also includes debt and Sukuk. Regulation This certainly encourages the emergence of investment-based platforms in the country. OJK recorded seven securities-based platforms, namely Santara, Bizhare, Crowdana, Landx, Stock Fund, SHAFIQ, and FedEx. According to the OJK report, the crowdfunding industry based on the investment has raised funds worth IDR 437 billion as of February 2022 from 193 issuers and 96,432 investors. Although the number of crowdfunding transactions in Indonesia in aggregate is still relatively low when compared to earlier industrialized countries crowdfunding such as the United States and the United Kingdom. But the opportunity for improvement is still open wide, especially with increasing literacy on crowdfunding and economic improvement Public.

2.3 Microfinance

Microfinance is a combination of words from "micro" meaning micro or small scale and "finance" which means finance. So, microfinance is financing to help small-scale businesses through credit that is not too large. Although the amount is not large, the loan nominal microfinance is usually sufficient to meet the needs of the borrower. Microfinance in

Indonesia seems to have a long history since the Dutch colonial era. The history of microfinance in Indonesia started with a people's credit institution called Hulp en Spaarbank which was founded in the 19th century. After independence, the institution developed to become a national bank. Then, banking institutions developed rapidly to provide credit to small business people. Now, microcredit or microfinance in Indonesia is owned by almost all banking institutions concerning regulations from Bank Indonesia. Microfinance in Indonesia is given productive business actors, both groups and individuals.

After discussing what microfinance is and its history, this time we will discuss the types of microfinance. There are two types of microfinance loans, namely consumer microfinance and consumer microfinance productive. The explanation of each type of microfinance is as follows. (1) Loans Consumptive Microfinance, microfinance loans are credit assistance provided to the community for their daily consumption needs and related to meeting their needs for clothing, food, and housing, (2) Productive Microfinance Loans, while loans Productive microfinance is credit for the purchase of assets or other things that can increase value and generate income. Usually, this loan is used as capital to develop the business. Examples of productive microfinance such as business loans or capital work.

Microfinance is very useful in supporting the economic progress of a country [8]. Some of the functions of microfinance loans include (1) Helping to Improve Living Standards in The community, capital injections from microfinance can help business actors in starting and developing their businesses. Increased business activity leads to increased profits or profits so that the level of the economy becomes more advanced. Thus, microfinance's function is to help improve people's living standards. (2) Reducing the Poverty Level, microfinance is financial financing for the poor. The provision of capital for Establishing and running a business provides residents with the opportunity to earn income from profits earned. People who can earn a steady income can reduce poverty in Indonesia, (3) Increasing the Number of Jobs, Businesses getting an injection of funds are expected to be able to grow and expand more business largely. When business activity increases, it certainly requires more human resources to support the running of business operations. So, microfinance can absorb human labor with the availability of several jobs. (1) Promote Economic Equity, one of the functions of microfinance is to promote economic equity. The existence of capital assistance or funds to develop lower-middle businesses, this is supporting economic goals to be more equitable, (2) Improving State Financial Inclusion, Services Microfinance is closely related to financial or banking institutions. Program profitable microfinance enables people to access and use banking financial product services. So that the microfinance function can increase financial inclusion country. The microfinance business is intended for the lower middle class or poor. However, the target microfinance market is still further divided into four groups, among others, (1) The Poorest of The Poor, the first target market of the microfinance business is the poorest of the poor. This group is a community that does not have an income because of several reasons factors, such as illness, physical limitations (disability), old age, and so on. Therefore, group the first of the microfinance target market is called the poorest group. (2) Labouring Poor, Corresponding In other words, the laboring poor are the target market for microfinance

businesses consisting of workers with very little income. Uncertain income of workers and not able to meet daily needs, the labor group should be given financial assistance from microfinance. As a result, microfinance also targets this group through labor-intensive programs., (1) Self-Employed Poor, one of the microfinance business targets is the self-employed poor, namely people with jobs but low-middle economic status. The type of work carried out by the community in the self-employed category, for example collecting junk, selling goods around, and so on. Even though they have income, the self-employed poor still can't afford it meet all of their needs, so they become one of the targets of microfinance loans., (2) Economically Active Poor, the last target market for microfinance business is the economically active poor. This group consists of lower-middle-class people who already have a steady income and savings. This group was given a microfinance loan so that their business develop and improve their economic status.

2.4 Business Model Canvas (BMC)

Business Model Canvas is a framework that discusses business models in visual form in the form of canvas painting so that they can be understood and understood easily. This is a tool in business management strategy to explain concepts, consumers, infrastructure, target customers, as well as company finances more clearly. Usually, this strategy is used by novice business actors to produce a mature business strategy. Previously, perpetrator MSMEs are still not using this strategy too much, but with good access to information better and competition in the market getting tougher, it is not surprising that MSMEs also need to use this strategy.

MSMEs can take advantage of the Business Model Canvas to survive because it can create MSME actors that can capture potential business opportunities that can be taken Business Model Canvas, and then find the advantages and disadvantages that exist while creating several new strategies that can improve the business. This model can be applied when planning to start a business or running it, concept This Business Model Canvas can be very helpful in designing and evaluating strategies that are used in the business so that every choice and step taken can have a maximum good impact on the business [9].

In its application, the Business Model Canvas has 9 indicators, namely (1) Value Benefits (Value Proposition) i.e. something that we offer needs to have benefits for the desired market segment targeted, but also has a distinguishing power, (2) Market Segments (Customer Segments), namely entrepreneurs who recognize consumers and their characteristics and needs, so that the products offered can be present for the appropriate people and be a solution for them, (3) Relationships with customers (Customer Relationship), is a habit, maintaining relationships with customers. Big businesses and SMEs need to think about this maturely. After all, our efforts exist to meet customer needs. Need the right strategy in determining interactions and maintaining customer loyalty so as not to turn away to other business actors. Various communication strategies can be used: can be limited: transactional or buy-out can maintain long-term relationships with customers, can create a customer community, can be served by friendly sales representatives, or even provide promos or discounts to customers, (4) Main Business Activities (Key Activities) are all activities related to business productivity related to business products so that products with

defined value propositions are created and present on the market. The main activity of this business means mandatory activities in the business, such as product design, production, and processing processes, business operations, and delivery of goods, (5) Sources of Operating Income (Revenue Streams) are sources of operating income from transactions customers, this element is a strategy for business actors to make money depending on every activity and thing offered through the business, for example, the sale of products, the sale of services, subscription fees, or even borrowing fees. (6) Channels (Channels) are our way as business actors can reach the market and deliver products on target. (7) Source Daya (Key Resources) to realize products that are valuable, useful, and attractive in the Indonesian market eyes, we need to plan every type of resource needed, starting from materials raw materials, and human resources, to business operational processes. This element is important to support the main activity in the business so that business products can be realized as expected. Multiple asset categories related to this are Physical Assets: factory facilities, buildings, land, vehicles, or machine tools, Intellectual Assets: brands, patents, copyrights, company confidential information, Human Assets: labor employment, Financial Assets: operating cash, credit, bonds or business shares. (8) Cooperation (Key Partnership) Cooperation shows who are the partners who will support our efforts so that we can compete and carry out business activities effectively. (9) Cost Structure (Cost Structure) is a detail of the factors that play a role in shaping costs to support business activities. Usually, This Business Model Canvas element includes things like raw material costs, marketing costs, costs production, packaging and distribution costs, and employee salaries. There are two Fixed Costs: fixed costs that appear that does not depend on the amount of production and Variable Cost: costs that arise vary according to the amount produced so that appropriate financial reports are needed to be able to calculate the cost.

2.5 Omnibus low cipta kerja

Omnibus low cipta kerja is a reference and basis for the birth of other laws and regulations under the law, such as government regulation (PP). In a legal context, omnibus law is a rule of law or regulatory concept that combines several of the rules of the substance of the arrangement are different. The omnibus low cipta kerja is expected to be part of the national economic recovery effort, particularly in encouraging economic transformation to create new job opportunities for the community. The following are 11 clusters in the Job Creation Act, namely (1) Simplification of Licensing, (2) Investment Requirements, (3) Employment, (4) Land Acquisition, (5) Ease of Doing Business, (6) Research and Innovation Support, (7) Administration Government, (8) Imposition of Sanctions, (9) Ease, Empowerment, and Protection of MSMEs, (10) Government Investments and Projects, (11) Economic Zones The purpose of the omnibus low cipta kerja is to create the widest possible employment opportunities for the people of Indonesia equally. , throughout the territory of the Republic of Indonesia (1) Improving the investment ecosystem, (2) Ease of doing business, (3) Improving the protection and welfare of workers, (4) Central Government investment and acceleration of national strategic projects. The benefits of the omnibus low cipta kerja on job creation are to improve the investment climate and realize legal certainty, (1) Simplification and harmonization of

licensing, namely the omnibus low cipta kerja, has a beneficial impact on simplifying licensing in business, namely by simplifying and integrating basic licensing from several laws related to permits. location, environment, and building. (1) Achievement of quality investment, namely encouraging investment in accelerating economic transformation. To accelerate economic transformation, of course, investment needs to be increased in line with the increase in Indonesia's international competitiveness, (3) Creating quality jobs for the welfare of workers, namely the omnibus low cipta kerja is also beneficial for the creation of quality jobs, through arrangements related to increasing government investment. and acceleration of national strategic projects, (4) Empowerment and protection of MSMEs and Cooperatives, namely the omnibus low cipta kerja also provides benefits for higher productivity for micro-enterprises. That way, the empowerment of MSMEs and cooperatives can increase competitiveness. Hopefully, it can add to the knowledge of all [10].

The Government provides ease of doing business, empowerment and protection for Micro and Small Enterprises (UMK) (1) Single Permit for MSEs, Provision of business identification numbers (NIB) through Electronic Business Licensing, NIB applies to all business activities: business license, distribution permit, Indonesian national standard (SNI) & halal product certification (2) Central & regional governments can provide incentives & ease of doing business for medium & large businesses partnering with MSEs, (3) Integrated management of MSEs, Central government synergy, Regions & stakeholders, Assistance in the form of management support, human resources, budget & infrastructure, Provision of facilities: location, certification, promotion, marketing, (4) Ease of Financing & Fiscal Incentives, Simplification of tax administration, Application for free business licenses, Income tax incentives , Customs incentives for export MSEs, (5) Government Prioritizes the Use of DAK for MSE development, (6) Legal assistance and protection kum, (7) MSE products are prioritized in the procurement of government services, a minimum of 40% for MSE products, (8) UMK partnerships Rest areas, stations & terminals (transportation, ports, airports) for promotion & sale of MSE products with a partnership pattern, (9) Ease for Cooperatives, The formation of primary cooperatives is at least 9 people, Annual member meetings can be represented, Cooperatives can be sharia business

2.6 The effect of good SMEs performance

UMKM are economic businesses founded by individuals or business entities that can expand or generate jobs and contribute to the economy and provide broad economic services to the public. With the existence of MSMEs that stand to be able to reduce unemployment. Thus, MSMEs have a very significant position in the economy. The effect of good MSME performance is to increase Gross Domestic Product or GDP, Increased Real Income per Capita, Guaranteed Population Welfare, Decreased Unemployment Rate [11, 12]. The effect of good SMEs performance The effect of good SMEs performance is to increase Gross Domestic Product or GDP, Increased Real Income per Capita, Guaranteed Population Welfare, Decreased Unemployment Rate [13].

2.7 Economic growth

Growth is the state of the country's economy during a

certain period that is better or increased from the previous period based on several indicators. The indicators are an increase in national income and per-capita income, the number of workers being greater than unemployment, and reducing poverty. If the condition of these indicators decreased from the previous period, then the country is experiencing an economic decline, isn't it? economic development. This economic growth can be used as a benchmark to see the progress of the country and how the results of the development were carried out during that period. If the development carried out by the government is successful, it will show significant growth significant in society [14]. This growth also illustrates the prosperity of the people because it is seen based on per-capita income or the average income of the population of a country. The success of a country either in becoming a developing or developed country can be seen in economic growth indicators. Where developing countries usually have economic growth experiencing ups and downs alias unstable. While underdeveloped countries, their economic growth is relatively low. From this, it can be seen that economic growth indicators are used as a reference country classification. Indicators of a country's economic growth can also be used as a reference for the government to increase economic growth to create decently and prosperity for every citizen. So, through economic growth indicators, what do you think? countries that have succeeded in increasing their economic growth will be marked by several things following (1) Productivity is increasing, (2) The high rate of population growth and product per capita, (3) The high rate of structural change, (4) The occurrence of a wave of urbanization namely the movement of people from villages to cities, (5) Expansion from developed countries.

When the economic growth of each country is getting higher, the level of welfare will increase in the community is also high. Then the question is, how to determine growth indicators for a country's economy? Of course, several factors can be used as growth indicators economy, including (1) National income and the increase in output in the form of goods and services through production in one year. This can be seen through the value of GDP which represents real national income by calculating the overall output of goods and services produced. This means that the indicator of a country's economic growth can be seen if the value of GDP has increased compared to the previous period. (2) real income per capita, (3) community income in a country as a whole, has increased from year to year, (4) Welfare population that has a relationship with real per capita income, namely the distribution of goods and services. (5) Reducing Unemployment Rate, this can be realized by the availability of field or employment opportunities, where the absorption of the number of workers in the process reduces the unemployment rate. This also means that productivity is increasing [15].

3. RESEARCH METHODS AND DATA ANALYSIS

This research uses a Mix Method research approach, which is a combination of quantitative and qualitative combinations. Using the combined method is expected to complement each other from the existing hypotheses. Quantitative emphasizes the technical analysis of statistical tests so that the data is more accurate, and qualitative techniques emphasize the analysis of the process of inductive thinking processes related to the dynamics of the relationship between observed phenomena

and always use scientific logic. 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) Observing social phenomena, identifying, revising, and re-checking the data. which exists. (2). Categorize the information obtained. (3). Tracing and explaining the categorization. (4). Explain the categorization relationship. (5). Draw general conclusions. (6). Build or explain the theory. The researcher uses a semi-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.

Population and sample

The population in this study are all MSMEs that use Crowdfunding services as many as 380 MSMEs use the slovin formula, then 192 MSMEs are used as samples with various backgrounds from various businesses.

Framework of thinking (Figure 1)

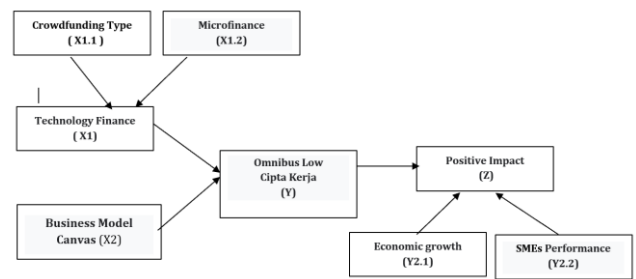


Figure 1. Framework of thinking

Based on the picture above, the framework for thinking is the role of Financial Technology, namely crowdfunding and microfinance and business model canvas in improving MSME performance and economic growth through the omnibus low cipta kerja. Research variables along with research indicators can be seen in Table 1 below:

Table 1. Research variable

No	Variable		Indicator	
1	Financial technology (X)	X1	Crowdfunding	
		X2	Microfinancing	
2	Crowdfunding Type (X1)	X1.1	Donation Based.	
		X1.2	Reward Based.	
		X1.3	Debt Based.	
		X1.4	Equity-Based.	
		Microfinance (X2)	X1.1	The Poorest of The Poor
			X1.2	Laboring Poor
3	Business Model Canvas	X1.3	Self-Employed Poor	
		X1.4	Economically Active Poor	
		X2.1	Customer segments	

		X2.2	Value proposition
		X2.3	Customer relationship
		X2.4	Key activities
		X2.5	Revenue Streams
		X2.6	Channels
		X2.7	Key Resources
		X2.8	Cost Structure
		X2.9	Key Partnership
4	Omnibus low cipta kerja	Y1	MSME Single Permit
		Y2	Provide incentives & facilities for medium and large businesses that partner with MSMEs
		Y3	Integrated Management of MSMEs
		Y4	Ease and financing of fiscal incentives
		Y5	The government prioritizes the Special Allocation Fund for MSME development
		Y6	Legal assistance and protection
		Y7	MSMEs products are prioritized for government service procurement
		Y8	MSME Partnership
		Y9	Convenience for Cooperatives
	Positive Impact	Z1	Economic Growth
		Z2	SMEs Performance
	Economic growth	Z1.1	National Income
		Z1.2	Real income per capita
		Z1.3	Increasing people's income
		Z1.4	Increased welfare in a country
		Z1.5	Reducing unemployment
	SMEs Performance	Z2.1	Gross Domestic Product or GDP
		Z2.2	Increased Real Income per Capita

	Z2.3	Guaranteed Population Welfare
	Z2.4	Decreased Unemployment Rate

4. RESULTS AND ANALYSIS

The validity test serves to test the extent to which the measuring instrument (instruments) used can measure the indicators or variables studied. 43 questions represent all variables to be tested for quality. The results of the validity and reliability of 27 questions become research instruments processed using AMOS 20 with the provisions of 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 confirmatory construct test as follows (Table 2):

Table 2. Confirmatory test results

Goodness of fit	Cut off value	Result	Description
Chi-square	11,07	9,334	good
Probability	≥ 0,05	0,122	good
CMIN/DF	≤ 2,00	1,819	good
GFI	≥ 0,90	0,992	good
AGFI	≥ 0,90	0,999	good
TLI	≥ 0,95	0,982	good
CFI	≥ 0,90	0,905	good
RMSEA	≤ 0,08	0,067	good

Source: Data processed

Based on Table 3, it is known that each variable forming indicator shows results that meet the criteria, namely CR 1.96 with probability 0.05. From these results it can be said that the indicators forming the variables are significant indicators of the factors involved in the research, namely (1) Financial Technology, (2) crowdfunding, (3) microfinance, (4) business model canvas, (5) performance MSMEs, (6) economic growth, (7) omnibus low cipta kerja, it can be concluded that the constructs of the role of Financial Technology, namely crowdfunding and microfinance and business model canvas in improving MSME performance and economic growth through the omnibus low cipta kerja acceptable (Figure 2).

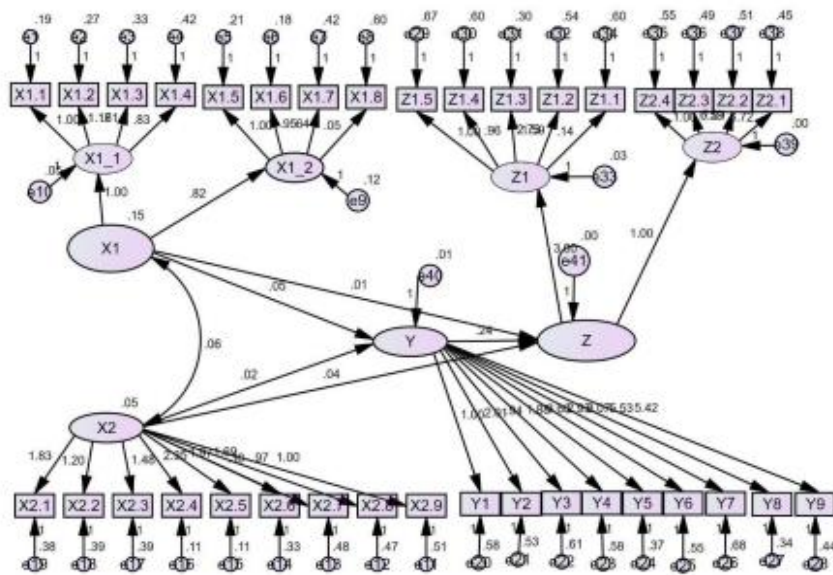


Figure 2. Structural Equation Modeling (SEM) analysis

Table 3. Variable regression results

			Estimate	S.E.	C.R.	P	Label
Y	<---	X1	0.071	0.055	0.923	0.643	
Y	<---	X2	0.018	0.06	0.293	0.769	
Z	<---	X1	0.006	0.024	0.249	0.803	
Z	<---	X2	0.039	0.065	0.595	0.552	
Z	<---	Y	0.242	0.396	0.613	0.564	
Z1	<---	Z	3.001	4.546	0.66	0.509	
Z2	<---	Z	1				
X1_2	<---	X1	0.825	0.189	4.356	***	
X1_1	<---	X1	1				
X1.1	<---	X1_1	1				
X1.2	<---	X1_1	1.172	0.157	7.483	***	
X1.3	<---	X1_1	0.61	0.12	5.068	***	
X1.4	<---	X1_1	0.83	0.143	5.789	***	
X1.5	<---	X1_2	1				
X1.6	<---	X1_2	0.952	0.147	6.461	***	
X1.7	<---	X1_2	0.636	0.134	4.734	***	
X1.8	<---	X1_2	0.902	0.137	6.461	***	
X2.9	<---	X2	1				
X2.8	<---	X2	1.267	0.414	3.572	***	
X2.7	<---	X2	1.727	0.414	3.572	***	
X2.6	<---	X2	1.688	0.451	3.741	***	
X2.5	<---	X2	1.97	0.489	4.027	***	
X2.4	<---	X2	2.347	0.58	4.049	***	
X2.3	<---	X2	1.477	0.414	3.572	***	
X2.2	<---	X2	1.204	0.358	3.358	***	
Z1.5	<---	Z1	1				
Z1.4	<---	Z1	0.965	0.473	2.038	***	
Z1.3	<---	Z1	2.732	1.167	2.342	***	
Z1.2	<---	Z1	1.586	0.646	2.454	***	
Z1.1	<---	Z1	0.139	0.329	0.423	***	
Z2.4	<---	Z2	1				
Z2.3	<---	Z2	2.594	2.513	0.693	***	
Z2.2	<---	Z2	1.006	2.101	0.694	***	
Z2.1	<---	Z2	2.722	9.609	0.694	***	
X2.1	<---	X2	1.803	0.488	3.746	***	
Y3	<---	Y	0.939	1.042	0.902	***	
Y2	<---	Y	2.009	1.667	1.205	***	
Y1	<---	Y	1				
Y4	<---	Y	1.883	1.596	1.18	***	
Y5	<---	Y	3.603	2.766	1.303	***	
Y8	<---	Y	2.526	2.192	1.318	***	
Y7	<---	Y	3.069	2.439	1.259	***	
Y6	<---	Y	2.933	2.315	1.267	***	
Y9	<---	Y	2.415	2.115	1.316	***	

Source: Data processed

Testing this hypothesis is to analyze the Critical Ratio (CR) value and the Probability (P) value of the data processing results, 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, can be explained relationship between variables is as follows:

This research is used to find out several things related to

1. Explaining the hypothesis of whether there is an increase in MSME performance and an increase in economic growth in MSMEs using financial technology, especially in Crowdfunding and microfinance as an alternative to capital needs through the omnibus low cipta kerja. the table in column P above, the effect of increasing MSME performance and increasing economic growth on MSMEs using financial technology, especially in Crowdfunding and microfinance as an alternative to capital needs through the omnibus low cipta kerja, shows CR figures of 5.055 < 1.96 and P 0.803 > 0.05. Thus, it can be said that financial technology, especially in Crowdfunding and

microfinance supports and can be stated that it has a significant positive effect on.

2. Explaining the hypothesis of whether there is an increase in MSME performance and an increase in economic growth in MSMEs using the Canvas Business Model (BMC) in analyzing MSME sustainability strategies through Job Creation Law.

Based on the table in column P above, the effect of increasing MSME performance and increasing economic growth on MSMEs that use financial technology, especially in Crowdfunding and microfinance as an alternative to capital needs through the omnibus low cipta kerja, shows CR figures of 5.055 < 1.96 and P 0.552 > 0.05. Thus, it can be said that the Canvas Business Model (BMC) supports and can be stated that it has a significant positive effect on

3. Is there an increase in MSME performance and an increase in economic growth in MSMEs using financial technology, especially in Crowdfunding and microfinance and the Canvas Business Model (BMC) through omnibus low cipta kerja?

Based on the table in column P above, the effect of increasing MSME performance and increasing economic growth on MSMEs using financial technology, especially in Crowdfunding and microfinance as an alternative to capital needs and using the Canvas Business Model (BMC) strategy through the omnibus law cipta kerja shows a CR figure of $5.055 < 1.96$ and $P 0.564 > 0.05$. Thus, it can be said that the Canvas Business Model (BMC) supports and can be stated that it has a significant positive effect on.

5. CONCLUSION AND RECOMMENDATION

The results of this study are

1. That there is an increase in MSME performance and an increase in economic growth in MSMEs using financial technology, especially in Crowdfunding and microfinance as an alternative to the need for capital through the omnibus law cipta kerja.
2. That there was an increase in the performance of MSMEs and an increase in economic growth in MSMEs using the Canvas Business Model (BMC) in analyzing the MSME sustainability strategy through the omnibus law cipta kerja.

That there was an increase in MSME performance and an increase in economic growth in MSMEs that use financial technology, especially in Crowdfunding and microfinance and the Canvas Business Model (BMC) through the omnibus law cipta kerja.

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