

ANALYSIS OF THE ROLE OF SHARIA PEER-TO-PEER LENDING FINANCING ON MSMES

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Abstract. *The objective of this study is to identify the benefits, opportunities, costs, and priority risks, as well as alternative strategies in the long and short term for Sharia Peer to Peer Lending companies and SMEs. This research was conducted using the ANP BOCR 2-floor method with in-depth interviews, literature studies, and questionnaires completed by 9 respondents. The ANP analysis included the stages of pre-research, data collection, data management, and interpretation of results. Based on the research results, benefits and opportunities as well as costs became priorities in the BOCR model cluster. In the benefit cluster, the main priority is more efficient costs with technology. In the opportunity cluster, the main priority is to expand the network, while in the cost cluster, the main priority is the need for assistance. In the risk cluster, the main priority is the vulnerability to data misuse. In addition to showing BOCR priorities, this study also shows alternative strategies in the long and short term. The alternative strategy in the long term is to collaborate with figures, communities, and business centers. Then, the strategy in the short term is to hold a fintech incubation program. This paper discusses the role of Sharia Peer to Peer Lending financing for MSMEs.*

Keywords: *Sharia Peer-to-Peer Lending, MSMEs, Financing*

Abstrak. *Tujuan penelitian ini adalah untuk mengidentifikasi manfaat, peluang, biaya, dan risiko prioritas, serta strategi alternatif dalam jangka panjang dan pendek bagi perusahaan pinjaman peer-to-peer syariah dan UMKM. Penelitian ini dilakukan menggunakan metode ANP BOCR 2-floor dengan wawancara mendalam, studi literatur, dan kuesioner yang diisi oleh 9 responden. Analisis ANP mencakup tahap pra-penelitian, pengumpulan data, pengelolaan data, dan interpretasi hasil. Berdasarkan hasil penelitian, manfaat, peluang, dan biaya menjadi prioritas dalam kluster model BOCR. Dalam kluster manfaat, prioritas utama adalah biaya yang lebih efisien dengan teknologi. Dalam kluster peluang, prioritas utama adalah perluasan jaringan, sementara dalam kluster biaya, prioritas utama adalah kebutuhan akan bantuan. Dalam kluster risiko, prioritas utama adalah kerentanan terhadap penyalahgunaan data. Selain menunjukkan prioritas BOCR, studi ini juga menunjukkan strategi alternatif dalam jangka panjang dan pendek. Strategi alternatif dalam jangka panjang adalah berkolaborasi dengan tokoh, komunitas, dan pusat bisnis. Kemudian, strategi dalam jangka pendek adalah mengadakan program inkubasi fintech. Artikel ini membahas peran pembiayaan Peer to Peer Lending Syariah untuk UMKM.*

Kata Kunci: *Peminjaman Peer-to-Peer Syariah, UMKM, Pembiayaan*

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are rapidly growing businesses in Indonesia. Not only in Indonesia, but this type of business also plays an important role in developed countries. In Japan, SMEs contribute 70 percent to employment, 50 percent to GDP, and account for 99 percent of the total number of companies in the country (Primus, 2018). Therefore, the development of the quantity and quality of MSMEs affects the country's economy (Priantina & Sapian, 2021).

It is known that the number of MSMEs increased from 1999 to 2014. The proliferation of MSMEs in Indonesia has certainly increased Indonesia's GDP. This can also be seen from data obtained by BPS. The contribution of MSMEs to GDP continued to increase until 2014, followed by growth in the contribution of MSMEs to GDP. In 2013, the contribution of MSMEs to GDP reached 1.5 trillion rupiah. This indicates that MSMEs play a significant role in increasing Indonesia's GDP. Therefore, regulators need to take specific actions to further improve the quality and quantity of MSMEs in Indonesia.

The role of MSMEs in contributing to Indonesia's GDP is not yet fully supported by existing regulations. This is evident based on data from the World Bank's (WB) "*ease of doing business*" research and the difficulties faced by MSMEs in doing business according to the Central Statistics Agency (BPS). Both agree that the number one problem faced by MSMEs is capital. Around 60-70% of MSMEs do not have access to or financing from banks. One of the reasons for this is geographical barriers. Not many banks are able to reach remote and isolated areas. Then there are administrative obstacles, as MSME business management is still managed manually and traditionally, especially financial management. Managers are not yet able to separate household and business finances. Meanwhile, both sharia and conventional banking regulations do not seem to favor MSME players in developing their businesses (Bank Indonesia, 2015).

Based on data from Statistics Indonesia, banking financing for MSMEs in

Indonesia is still very low. However, efforts to improve MSMEs internationally began in 2005 with the "*International Year of Microcredit*" launched by the *United Nations* (UN) for the whole world. Indonesia has also signed a *Financial Inclusion* (FI) commitment with the United Kingdom and Kenya at the 2008 G20 meeting. This means that there have been efforts by the government to improve the quality and quantity of MSMEs. Creating pro-MSME policies, namely through the *Financial Inclusion* (FI) Movement, whose components are poverty alleviation and assistance to MSMEs, is being pursued by the government. The inclusive finance policy itself is a form of *financial service deepening* aimed at the bottom of the pyramid so that they can take advantage of formal financial products and services such as safe means of *keeping* money, transfers, savings, loans, and insurance. The private sector, namely companies engaged in *financial technology* (fintech), also supports the movement and development of MSMEs. The development of financial technology (fintech) has also given rise to capital lending companies, better known as *peer-to-peer lending*. These companies first appeared in the United Kingdom in 2005. Subsequently, other countries followed suit. This concept has been around for centuries in China. Thus, in modern times, it has been modified to be *online based*, as in other countries.

P2P lending allows individuals to borrow or lend money without a financial institution acting as an intermediary. *P2P lending* supports MSME players in terms of capital and administrative convenience. Registration is done through *an online platform*, without face-to-face meetings, *surveys*, and with flexible collateral requirements (Gunadi, 2017). This allows all levels of society to benefit from *P2P lending*. The existence of *P2P lending* is one way for MSME players to easily build and develop their businesses. However, capital borrowing through *P2P lending* still uses a conventional system with additional uncertainties, or what is known as usury. To avoid this and still enjoy the convenience of borrowing capital, a similar sharia-based company is needed. As of August 30, 2018, there were 64 companies engaged in *peer-to-peer lending*, two of which were sharia-based. These two companies are Amanna, registered

on December 22, 2017, and Dana Syariah, registered on June 8, 2018. The sharia P2P lending process is not significantly different from conventional lending. The significant difference lies in the contract. Sharia P2P uses a *qard* contract for bailout funds. In addition, it also uses a *wakalah bil ujroh* contract for profit-taking. Other contracts used are *musyarakah* and *mudharabah* contracts. These business contracts are included in the DSN Fatwa. The DSN regulation governing this is the Fatwa of the National Sharia Council of the Indonesian Ulema Council (MUI) Number 117/DSN-MUI/II/2018 concerning "Information Technology-Based Financing Services Based on Sharia Principles" dated February 22, 2018. Therefore, with this fatwa, these business contracts are permitted in Islam in accordance with DSN regulations.

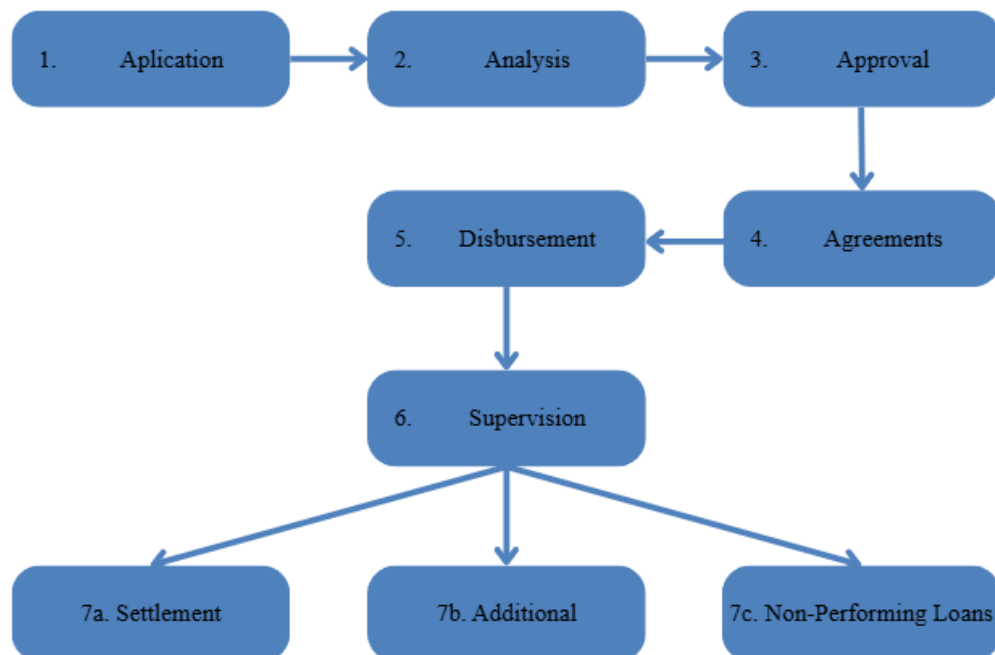
MSMEs

According to Law Number 20 of 2008, MSMEs are small companies owned and managed by an individual or a small group of people with a certain amount of wealth and income. The following are the provisions:

1. Micro businesses are productive businesses with assets of up to IDR 50 million, income of up to IDR 300 million per year, and a maximum of 10 employees.
2. Small Enterprises are productive businesses with assets between 50 million- and 500-million-rupiah, total income of around 300 million to 2.5 billion rupiah per year, and up to 30 employees.
3. Medium Enterprises are productive businesses with assets (capital) of 500 million to 10 billion rupiah, with annual income ranging from 2.5 to 50 billion rupiah and a maximum of 300 employees.

BPS and WB have the same priority criteria, namely capital. Without capital, there would be nothing to trade. Meanwhile, both sharia and conventional banking regulations seem to be unfavorable to MSME players in developing their businesses.

The following is an illustration of the procedure for applying for a loan from a bank.



Based on the image above, MSME players must go through a complicated and lengthy process when applying for a loan from a bank. In addition, the second stage involves a credit analysis. This credit analysis must pass the Six Cs (character, capital, capacity, conditions of economy, collateral, and constraints) and Six As (legal aspects, market and marketing, technical, management, financial, and socio-economic) assessments.

In general, MSME financing is less than the distribution of funds to industry. Based on this, the role of MSMEs in influencing Indonesia's high GDP is very different. If this can be maximized, meaning that MSME financing is maximized, it will increase the quantity and quality of MSMEs. Thus, it will have a stronger influence in increasing Indonesia's GDP.

The main cause of MSME problems is the difficulty of accessing finance, especially microfinance. Therefore, there needs to be regulations from the central government that support the MSME movement. Efforts to improve MSMEs internationally began in 2005 with the "*International Year of Microcredit*" launched by the UN for the whole world. Indonesia has also signed a *Financial*

Inclusion (FI) commitment with the United Kingdom and Kenya at the 2008 G20 meeting. This means that there have been efforts by the government to improve the quality and quantity of MSMEs. However, what often happens is that there is a lack of harmony between central and local government regulations, resulting in regulatory conflicts.

In addition, the government supports MSMEs through Bank Indonesia (BI). BI's support includes financial education, MSME development, savings, financing, payment systems, and insurance. Apart from the government, recently the private sector has also played a significant role in supporting the development of the MSME sector. Utilizing advanced technology, 64 financial technology-based capital lending companies have been registered with the Financial Services Authority (OJK) since February 2017. The capital lending process is very favorable to MSMEs, due to the flexibility of collateral for borrowers, uncomplicated administration, and the ease and speed of the process.

Sharia Peer to Peer Lending

Peer-to-peer lending conducts business activities in the form of providing, managing, and operating information technology-based money lending services from lenders to borrowers, with the funds sourced from the lenders (Financial Services Authority, 2016). Thus, *peer-to-peer lending* is more about lending than mutual assistance, as in the lending process there is one investor for each borrower. *Peer-to-peer lending* (P2P *lending*) is a company that connects lenders with borrowers. In addition, P2P *lending* companies also prepare borrowers with good credit quality. *Peer-to-peer lending* began in China, where it has been practiced for centuries. After the rise of *e-commerce*, many *peer-to-peer lending* platforms began to emerge in China. Meanwhile, the first company in the world to offer *peer-to-peer lending* was Zopa in the United Kingdom in 2005. The second was Prosper, which launched its service in 2006 in the United States, followed by *Lending Club* and others. The rise of *peer-to-peer lending* platforms around the world began with the financial crisis in 2008. At that time, banks

closed new credit lines and offered interest rates close to 0% to depositors. As a result, borrowers had to find alternative sources of funding, and fund owners actively sought investments with higher returns. The regulations governing technology-based capital lending are set out in Financial Services Authority Regulation (POJK) No. 77/POJK.01/2016 on information technology-based money lending services. (Financial Services Authority Regulation 2016) stipulates that *peer-to-peer lending* institutions must be registered with the OJK and have legal entity status. Article 6 of POJK Number 77/POJK.01/2016 stipulates that borrowers can borrow a maximum of 2.5 billion rupiah, no more than that. Therefore, this does not give MSMEs the flexibility to borrow more. This also benefits *peer-to-peer lending* institutions by minimizing risks such as bad credit.

During its development, the Islamic finance industry has also taken advantage of current technological advances and innovations. Not only conventional financial institutions, but several Sharia-based *peer-to-peer lending* institutions have also begun to emerge since December 22, 2017. Sharia *peer-to-peer lending* (P2P) is certainly different from conventional P2P. The differences include the contract in Sharia P2PL, whereas in conventional P2PL there is only one system, namely the interest system. Second, Sharia P2PL uses profit sharing in accordance with the contract, whereas conventional P2PL uses interest or additional usury. Third, in Sharia P2PL, the ratio or profit sharing is low and flexible, following the assessment class of each financing customer. Meanwhile, conventional P2PL uses very high *riba* of up to more than 32% (Sutisna, 2018).

The implementation of Sharia P2PL is regulated by the National Sharia Council MUI Fatwa Number 117/DSN-MUI/II/2018 concerning "Information Technology-Based Financing Services Based on Sharia Principles" dated February 22, 2018. Based on this regulation, there are several contracts that can be used in Sharia P2PL, including *musyarakah*, *mudharabah*, *wakalah bil ujroh*, and *qard* contracts.

The following is an explanation of contracts in Sharia P2PL:

1. *Musyarakah*

Similar to *mudharabah*, *musyarakah* is a cooperation agreement or joint venture between two or more owners of capital or expertise to carry out a type of business that is halal and productive. The difference with *mudharabah* is in terms of profit and loss sharing and the involvement of participants in the business being carried out (Zuhaili, 1989).

2. *Mudharabah*

Mudharabah comes from the word *dharb*, which means to strike or walk. This process of striking and walking is more accurately interpreted as the process of someone moving their feet in carrying out a business. *Mudharabah* is the language of the people of Iraq, while the language of the people of Hijaz is called *qiradh* (Djuwaini, et al. 2007).

3. *Wakalah bil Ujroh*

Wakalah bil ujroh itself means delegation with wages. This contract can be carried out with or without wages. When carried out with wages, it is binding, meaning that the representative or the person receiving the wages is obliged to complete the work except for *sharia* reasons.

4. *Qard*

The *qard* contract means the transfer of ownership of goods to another party. *Qard* means a portion, a portion of property given to another person. In terms of terminology, *qard* is an agreement to lend property to another person with the obligation to return it in kind (Djuwaini, et al. 2007).

Research Methodology

The data used in this study are primary and secondary data. The researcher obtained secondary data from literature, while primary data were obtained through: (1) In-depth interviews, which are in-depth interviews to gather detailed information about the subject matter discussed in this study. Stage (2) through Expert and Practitioner Surveys, which is data collection focused on academics, regulators, and Sharia fintech practitioners. Data and

information regarding the opinions represented by experts and practitioners are compiled in the form of a framework model. The next step is to analyze the results obtained using the "Super Decision" software.

Analytic Network Process or ANP, according to Ascarya (2005), is a new qualitative method approach, non-parametric and non-Bayesian, for a decision-making process that provides a general framework for treating decisions without making assumptions about the independence of elements at a higher level from elements at a lower level and about the independence of elements within a level. ANP is one of the multiple criteria decisions making (MCDM) methods that has been developed and is a new approach to qualitative methods, which is a further development of the previous method, namely the Analytic Hierarchy Process (AHP).

Research Stages

The stages in the ANP method include:

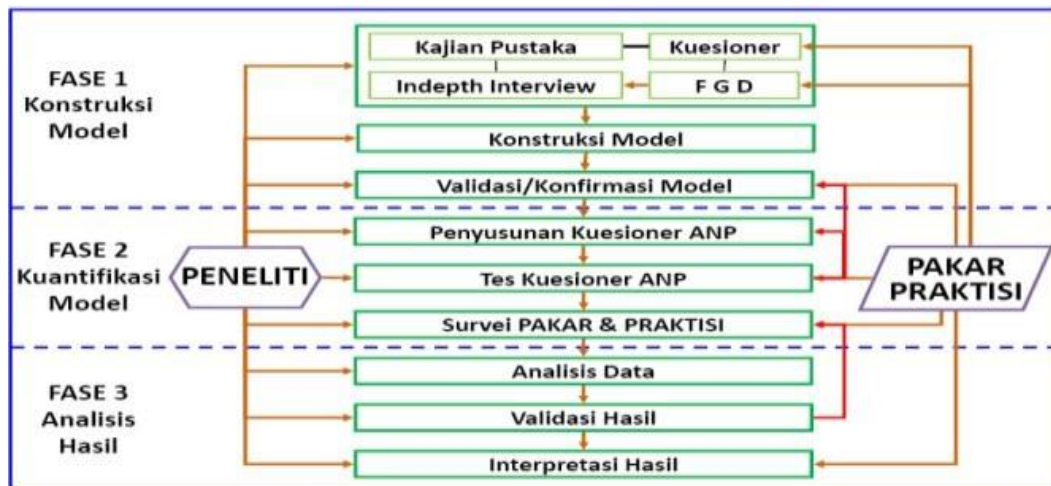


Figure 1. Research Stages

As shown in the figure above, there are three stages in the ANP method, namely:

ANP Model Construction

In this stage, the problem to be studied is constructed. Theoretically, ANP model construction can be done in three ways, namely through literature

review, literature review and expert interviews, and through Forum Group Discussion (FGD) Megantara & Priantina (2020).

Model Quantification

After the ANP model is approved, an ANP questionnaire is developed. The questionnaire is designed according to the ANP framework with a numerical scale. The questionnaire is then distributed to respondents.

Analysis of Results

After the questionnaire is filled out by experts and practitioners, the data received is processed using Super Decision software to find the rater agreement and geometric mean values. Rater agreement is the level of agreement among respondents on an issue, while geometric mean is used to determine the priorities of the respondent group regarding the issues studied in a piece of research.

Data Processing

Data and information regarding the opinions represented by regulators, academics, and practitioners were compiled in a framework model. Once the questionnaire results regarding opinions had been collected, the next step was to process the data obtained using Microsoft Excel and Super Decision software. The questionnaires are processed into a pairwise comparison, both between elements within clusters and between clusters, to determine which has a greater influence from one perspective. Respondents are asked to perform pairwise comparisons on the prepared questionnaires by selecting a numerical rating scale, ranging from 1 to 9. The following explains the numerical scale:

Table 1 Definition of Rating Scale and Numerical Scale

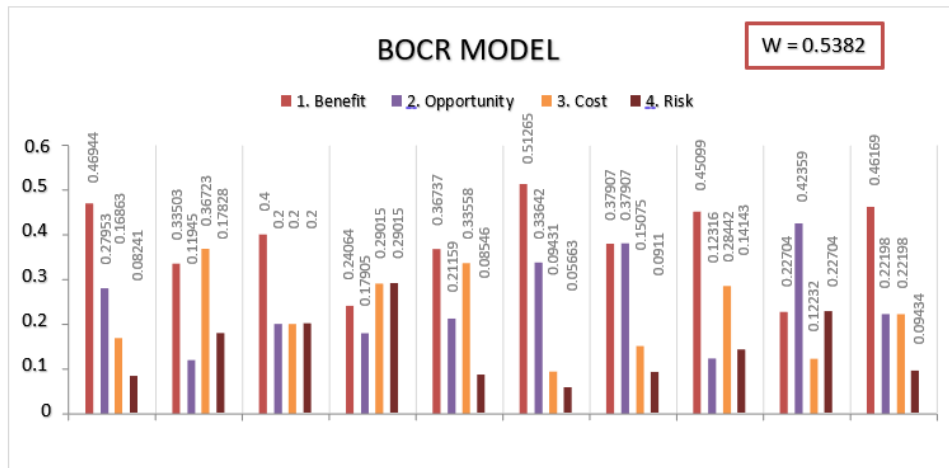
1	2	3	4	5	6	7	8	9
Equally Significant Impact	Slightly Greater Impact		Greater Influence		Much Greater Influence		Greater Impact	Much Greater Impact

Analysis of Results

The ANP network results from several respondents will be combined. The data will then be processed using Microsoft Excel, and to obtain quantified results, the next step is to calculate the Rater Agreement and Geometric Mean.

Results and Discussion

The *rater agreement* results from *the Benefit, Opportunity, Cost, and Risk clusters* according to respondents consisting of practitioners, academics, and regulators have a *rater agreement* or agreement value of 0.5382 or 53.82%. In general, the aspect with the highest priority is *benefit*. *Benefit* can have a strong influence on the role of Sharia P2PL financing for MSMEs because *the benefit cluster* can play a direct role or have a direct influence on this objective. The direct effects that can be felt include being an alternative to sharia financing, an easier and faster process, and so on. The second and third priorities are *opportunity* and *cost*. The fourth priority is the *risk* aspect. The *risk* aspect may have less influence because its impact is not comparable to that of *benefits*.



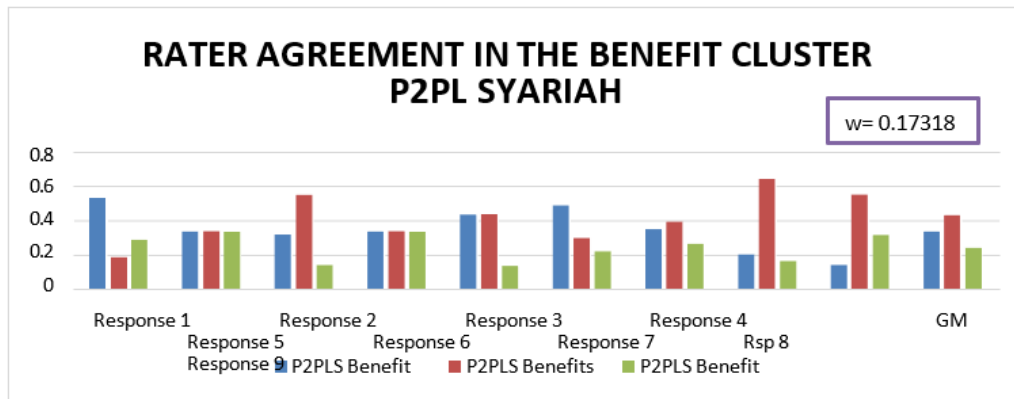
The implementation of Sharia Peer-to-Peer Lending (P2PL) creates a transformative financial ecosystem that provides a dual-layered benefit for both the micro, small, and medium enterprise (MSME) sector and the lending platforms themselves. Within the specific cluster of benefits for MSMEs, the foremost priority is the provision of sharia financing alternatives. This is particularly significant because a vast majority of MSMEs are classified as "unbankable," meaning they lack the credit history or formal documentation required by conventional or even traditional Islamic banks. Sharia P2PL serves as a vital bridge for these businesses, offering a level of accessibility and inclusivity that traditional sharia-based financial institutions often struggle to match due to their rigid regulatory frameworks. While other institutions do provide sharia-compliant options, the ease and directness with which MSMEs can utilize P2PL make it a highly influential alternative, effectively democratizing access to capital for small-scale entrepreneurs.

Beyond basic access, the second priority identified for MSMEs is collateral flexibility. In traditional banking, the requirement for fixed assets like land or buildings often acts as a non-starter for small businesses; however, Sharia P2PL platforms often utilize alternative data and more flexible security arrangements, which better suit the operational realities of smaller firms. Interestingly, while a simpler and faster process is a hallmark of digital fintech, it ranks as the final priority for this cluster. This suggests that for MSMEs, the fundamental ability to qualify for sharia-compliant capital and

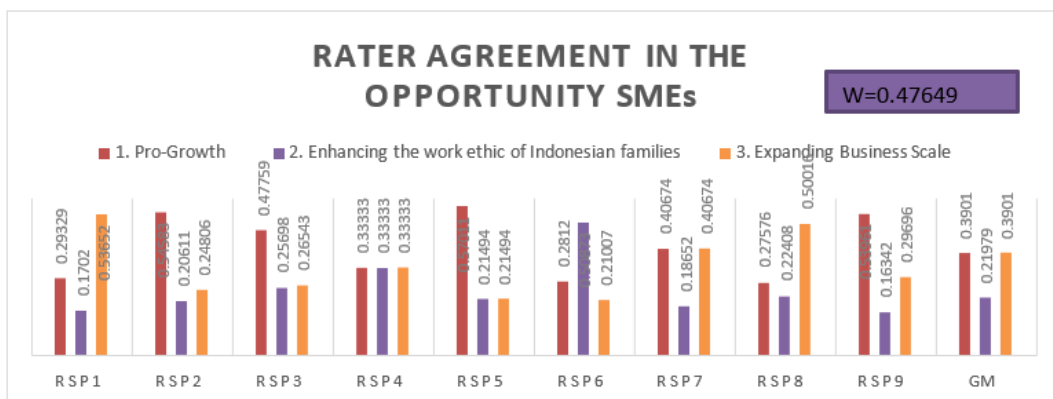
the flexibility of the terms are actually more valuable than the sheer speed of the transaction itself. The expert agreement for this cluster is recorded at 12.3%, a figure that reflects the complex, multi-faceted nature of the challenges faced by MSMEs in the current financial landscape.

Regarding the specific benefits for the P2PL providers, the expert agreement value is slightly higher at 17.3%, indicating a stronger consensus on the internal advantages of this business model. In this context, the primary priority is the achievement of more efficient costs through the strategic application of technology. By leveraging digital infrastructure, Sharia P2PL platforms can automate credit scoring and streamline the disbursement process, significantly reducing the operational overhead and human resource costs that typically burden traditional brick-and-mortar banks. This technological edge allows for a more agile disbursement of funds, which is critical in maintaining a competitive advantage in the fast-moving digital economy.

The second priority within the provider cluster is the easier implementation of sharia principles. Digital tools allow for the seamless integration of Islamic contracts, or Akad, ensuring that every transaction is automatically compliant with religious requirements without the manual complexity and potential for error found in paper-based systems. Finally, the third priority is a distinct regulatory and structural advantage: unlike traditional banking models, the capital managed by these platforms does not need to be deposited with Bank Indonesia. This lack of a mandatory deposit requirement allows for much greater operational flexibility and liquidity management, enabling platforms to deploy capital more efficiently. Collectively, these factors illustrate that while MSMEs value P2PL for its inclusivity and flexibility, the platforms themselves find their greatest strength in the cost-efficiencies and regulatory agility provided by their digital-first Sharia framework.



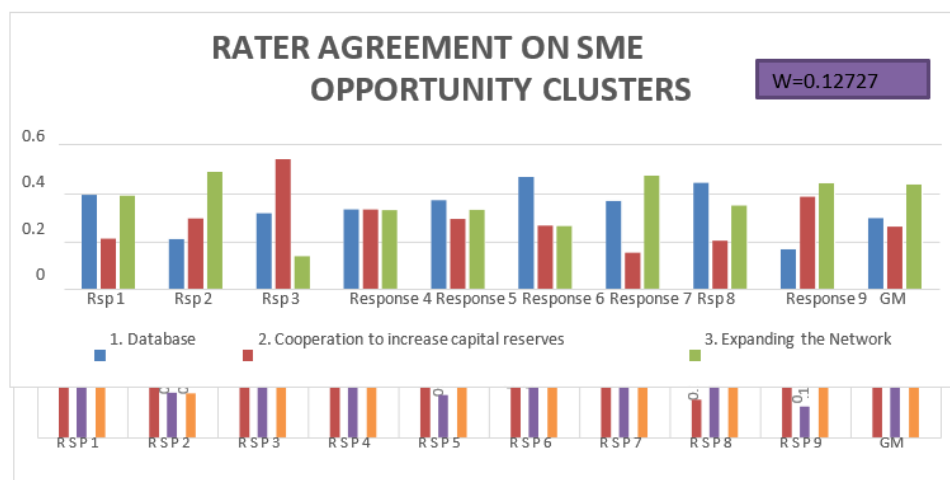
In terms of *opportunity*, there are two aspects, namely *opportunities* for MSMEs and *opportunities* for Sharia P2PL. In general, the main priority is to increase business scale and *pro-growth*. The role of Sharia P2PL financing for MSMEs is to improve the quality and quantity of MSMEs. If this happens on a large scale, it will boost Indonesia's economic growth. Additionally, the presence of Sharia P2PL can help SMEs scale up from micro to small businesses, from small to medium-sized enterprises, and from medium-sized enterprises to become bankable and grow into large businesses. The second priority is to enhance the work ethic of Indonesian families, with a consensus value of 0.476 or 47.6%.



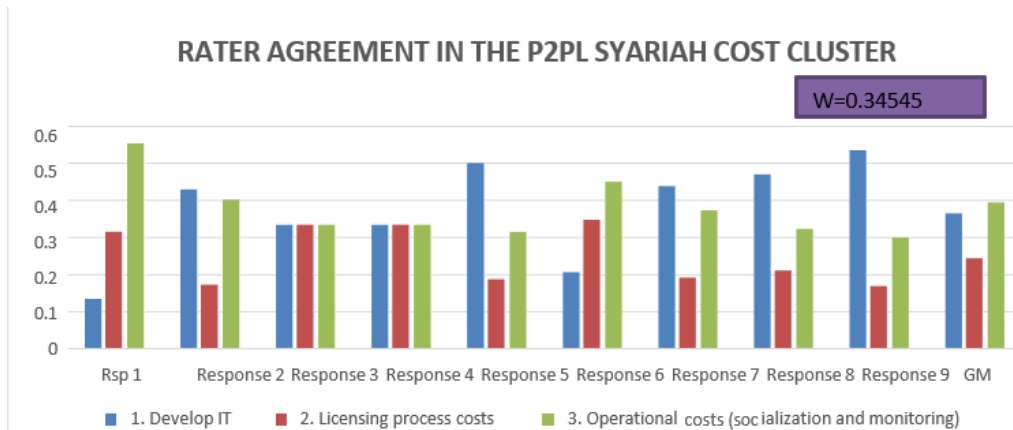
In the P2PL *opportunity cluster*, the expert agreement value is 0.127 or 12.7%. In general, the main priority is to expand the network. Expanding the network certainly has the highest priority in this cluster. This is because the network is important in developing a business. Expanding the network is one of the opportunities for P2PL Syariah itself. In addition, the second priority is the database, while the third priority is cooperation to increase capital reserves.

Cooperating to increase capital reserves is a less important priority in this cluster.

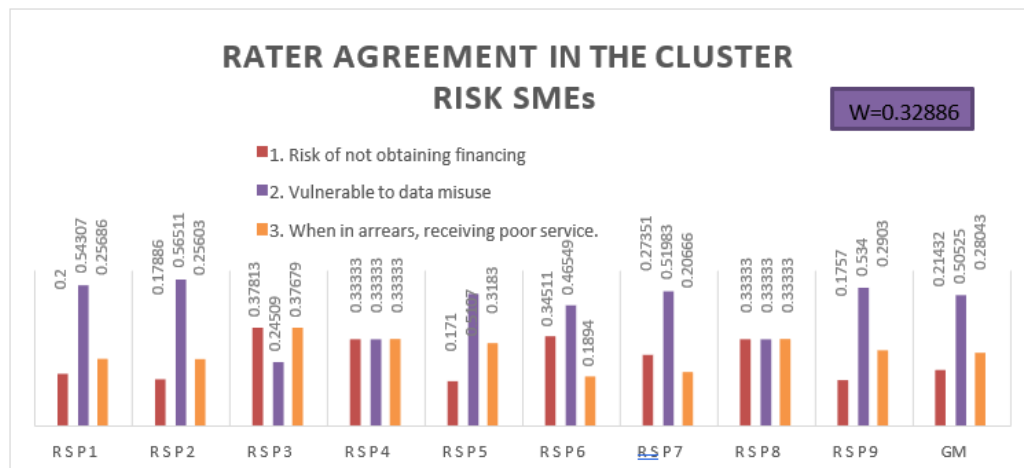
In terms of *cost*, there are two aspects, namely *the cost* for MSMEs and *the cost* for Sharia P2PL. In general, the main priority is the need for assistance. Assistance is needed in order to improve the quality of MSMEs. The provision of assistance increases the costs incurred by MSMEs. Meanwhile, the second priority is the limited internet network in the region, and the third priority is the limited.



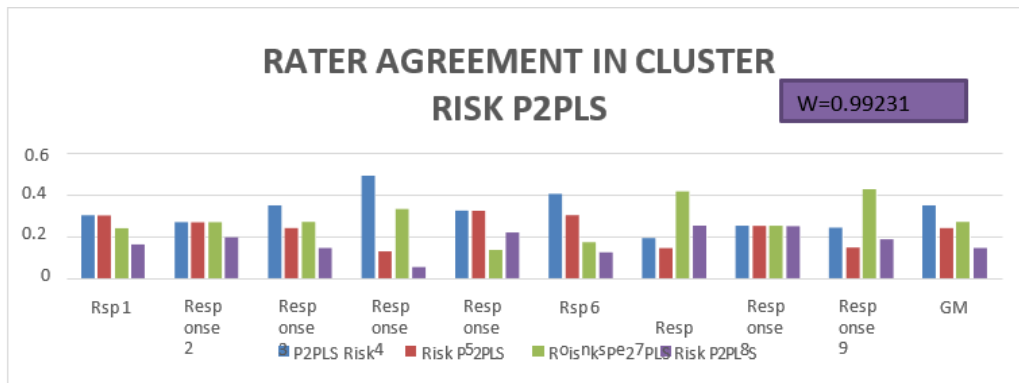
In *the cost cluster*, P2PL has an expert agreement value of 0.345 or 34.5%. In general, the main priority elements are operational costs (socialization and monitoring). The amount of operational costs for Sharia P2PL in improving the quality of its financing customers by conducting monitoring. This is also done to minimize customer defaults. Thus, the role of Sharia P2PL financing for MSMEs is not only in financing, but also in improving *the skills* of MSMEs. The second priority is IT development, while the third priority is licensing costs.



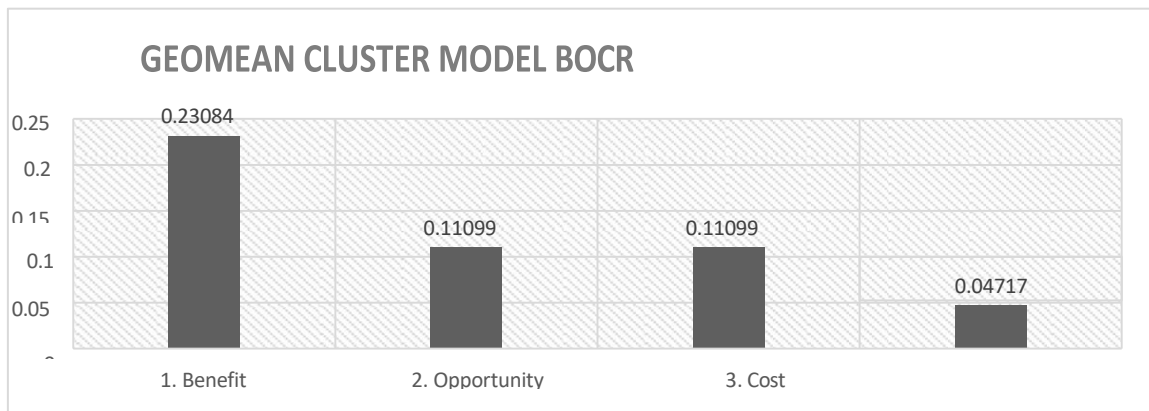
In terms of *risk*, it is divided into two aspects: *risk* for MSMEs and *costs* for Sharia P2PL. In general, the main priority is data misuse vulnerability. Data misuse vulnerability is the most common issue. Given that in this digital era, it is very easy to misuse other people's data. Therefore, better security is needed for financing customers, MSMEs. In this case, Sharia P2PL must keep its clients' data confidential, including both borrowers and investors. The second priority is receiving poor service when in arrears, while the third priority is the risk of not obtaining financing, with an expert agreement value of 0.329 or 32.9%.

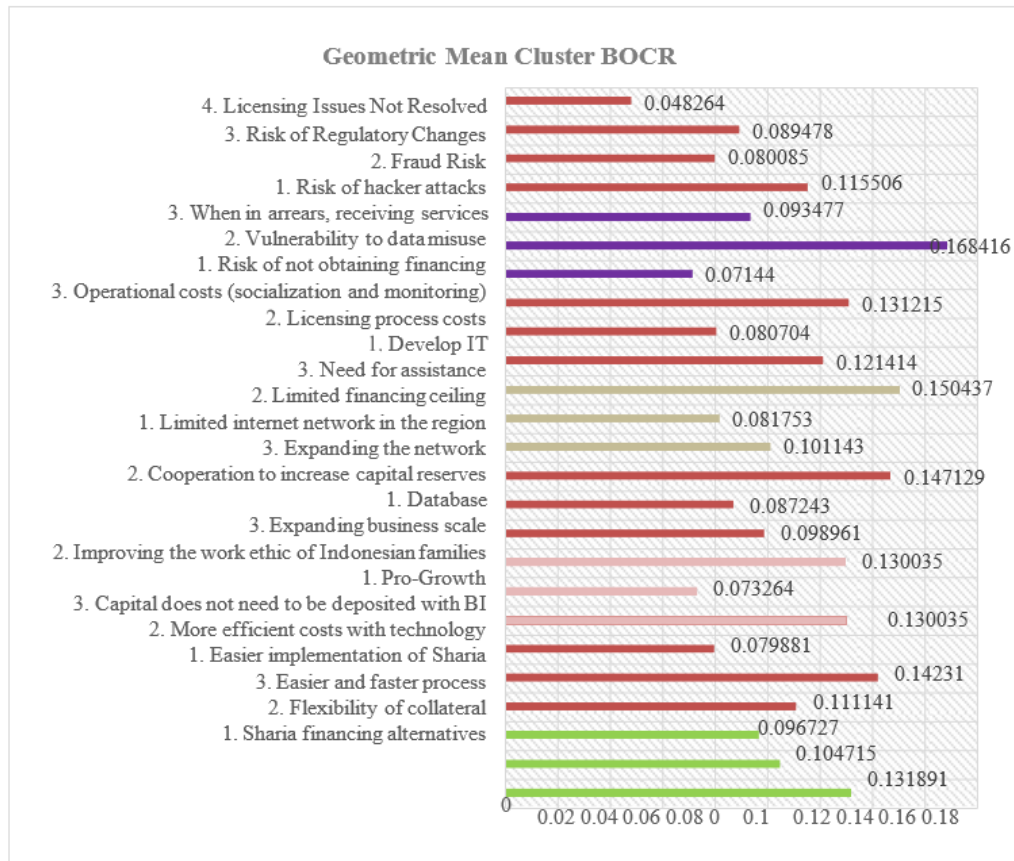


In the *risk cluster*, P2PL has an expert agreement value of 0.992 or 99.2%. In general, the main priority element is the risk of hacker attacks. This is certainly very likely to occur because Sharia P2PL uses or utilizes the internet. The second priority is the risk of regulatory changes. The third priority is the risk of fraud. Meanwhile, the fourth priority risk is the issue of unresolved licensing.



Based on the data processing results, the *geometric mean* value was obtained, which is the overall average value of all respondents. The aspects in this study were divided into four, namely *benefit*, *opportunity*, *cost*, and *risk*. Based on the geometric mean calculation results, the priority aspect was *benefit* with a value of 0.231 or 23.1%. *Benefit* is the priority agreement for respondents because *the benefit cluster* can play a direct role or have a direct influence on this objective. Things that can be felt directly include sharia financing alternatives, easier and faster processes, and so on. The second priority aspect is *opportunity* and *cost*. *Risk* is the third priority.





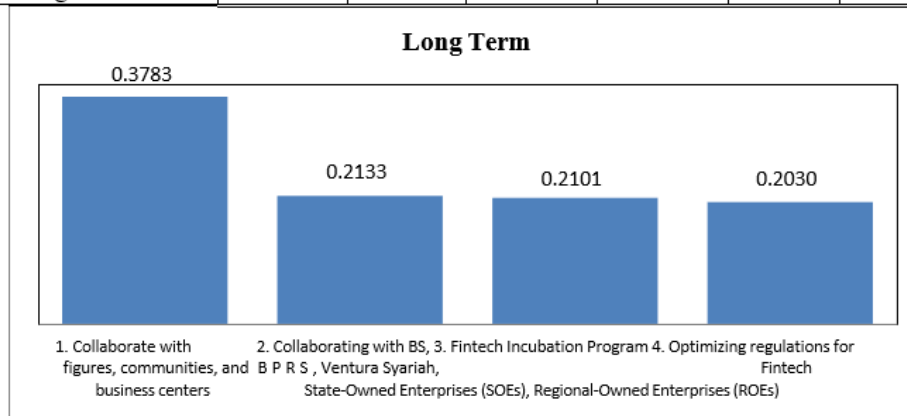
After the model creation and ANP assessment stages, the results obtained from the pairwise comparison of BOCR criteria can be seen in the following table:

BOCR Alternatives	B	O	C	R
		0.47356	0.17334	0.11629
1. Collaborate with figures, communities, and business centers				
2. Collaborate with BS, BPRS, Ventura Syariah, state-owned enterprises, regional-owned enterprises	0.639341	0.57519	0.692653	0.636684
3. Fintech Incubation Program	0.559137	0.57519	0.545137	0.55964
4. Fintech Regulatory Optimization	0.639341	0.57519	0.7068	0.640153

The table above shows the BOCR assessment results for each problem-solving aspect in the role of Sharia P2PL financing for MSMEs. Then, based on

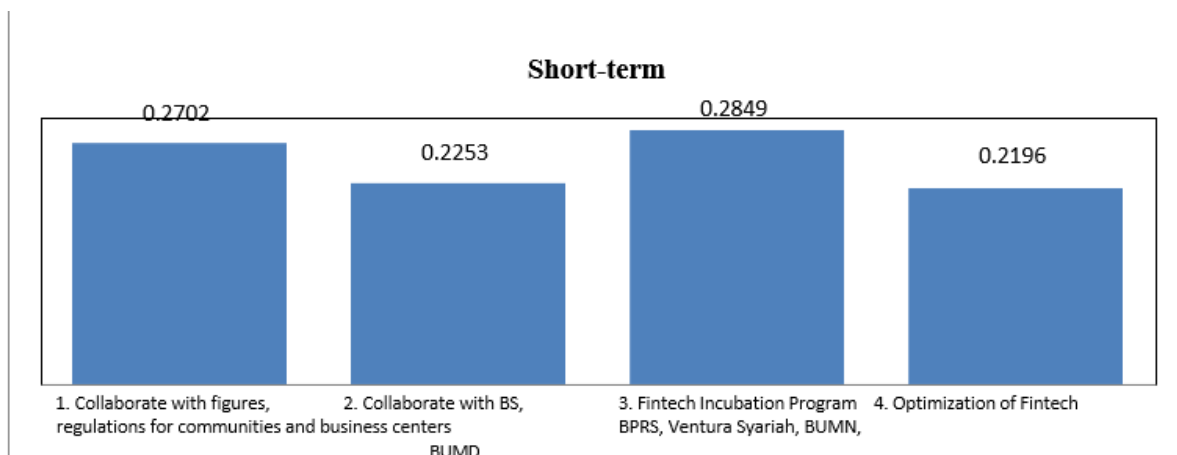
these results, calculations were made using Saaty and Vargas (2006). Thus, based on the calculations in the table, after weighing BOCR, the results can be seen in the following table:

Alternatives BOCR	B	O	C	R	bB+oO-cC-rR	
	0.47356	0.17334	0.11629	0.23681	Total	Normalized
1. Collaborate with figures, communities, and business centers	1	1	1	1	0.2938	0.3662
2. Collaborating with BS, BPRS, Ventura Syariah, BUMN, Regional State-Owned Enterprises	0.639341	0.57519	0.692653	0.636684	0.1711	0.2133
3. Incubation Program Fintech	0.559137	0.57519	0.545137	0.55964	0.1686	0.2101
4. Optimization Fintech Regulation	0.639341	0.57519	0.706804	0.640153	0.1687	0.2103



Based on the table and figure above, it can be concluded that the main long-term priority according to respondents is to collaborate with figures, communities, and business centers. This is because Sharia P2PL companies are still new, so there is a need for socialization with figures, communities, and collaboration through business centers. In addition, frequent differences of opinion among scholars make the public unsure about a financing institution. This can reduce public confidence in the sharia system of a financing institution and determine the profit level of Sharia P2PL companies. Therefore, there needs to be cooperation between Sharia P2PL companies and religious scholars and certain communities so that they can be accepted by all levels of society. Furthermore, the second priority is to collaborate with BS, BPRS, Ventura Syariah, BUMN, and BUMD.

Alternatives to BOCR	B	O	C	R	BO/CR	
	0.47356	0.17334	0.11629	0.23681	Total	Normalized
1. Collaborate with figures, communities, and business centers	1	1	1	1	1.0000	0.2702
2. In collaboration with BS, BPRS, Ventura Syariah, State-Owned Enterprises, Regional-Owned Enterprises	0.639341	0.57519	0.692653	0.636684	0.8339	0.2253
3. Incubation Program Fintech	0.559137	0.57519	0.545137	0.55964	1.0542	0.2849
4. Regulatory Optimization Fintech	0.639341	0.57519	0.7068	0.640153	0.8128	0.2196



Based on the table and figure above, it can be concluded that the main short-term priority according to respondents is to hold a fintech incubation program. This is because unbankable MSMEs or those that can apply for financing from Sharia P2PL companies are still unable to perform administration, increase sales and purchases, and manage their finances properly. Therefore, in the short term, a fintech incubation program is needed. The program can collaborate with KSPPS and BMT. This collaboration can be carried out to improve *the skills* of MSMEs, including in terms of administration

and financial management so that it is not mixed with personal finances, *marketing*, and *added value*. This can also reduce socialization and monitoring costs, as these activities are already carried out by the relevant KSPPS and BMT. This can help reduce fraud and loan delays. The second priority is to collaborate with figures, communities, and business centers.

Conclusion

The comprehensive decomposition of this research reveals a complex interplay between the advantages, opportunities, costs, and risks associated with Sharia P2PL for both MSMEs and the lending platforms themselves. From a benefit perspective, MSMEs gain significantly from having a viable alternative for sharia-compliant financing that offers greater collateral flexibility and a noticeably easier and faster application process than traditional banking. Simultaneously, Sharia P2PL platforms benefit from the inherent efficiency of technology-driven operations, which reduces costs, simplifies the practical implementation of Sharia principles (*Akad*), and allows for greater financial agility since capital deposits with Bank Indonesia are not required.

Looking toward future opportunities, the integration of Sharia P2PL acts as a pro-growth catalyst for MSMEs, helping them expand their business scale while fostering a stronger work ethic among Indonesian families through financial empowerment. For the P2PL providers, the opportunities lie in the strategic accumulation of consumer databases, the expansion of operational networks, and the potential for collaboration to bolster capital reserves. These growth prospects suggest a promising trajectory for the sharia digital economy, provided that both parties can navigate the inherent costs of the system.

The cost structure associated with this model highlights significant logistical and technical hurdles. MSMEs must contend with limited internet access in rural regions, restricted financing ceilings, and a persistent need for professional assistance to navigate digital platforms. Conversely, Sharia P2PL

providers face substantial financial outlays related to IT development, the administrative costs of the licensing process, and ongoing operational expenses tied to public socialization and borrower monitoring. These costs represent the necessary investment required to maintain a secure and compliant digital financial ecosystem.

Risk management remains a critical concern for both stakeholders. MSMEs face the potential risk of being denied financing, the vulnerability of their personal data to misuse, and the possibility of receiving poor service should they fall into arrears. On the technical side, Sharia P2PL platforms must defend against hacker attacks and fraud while navigating the uncertainties of a shifting regulatory landscape and unresolved licensing issues. To mitigate these challenges, the research identifies several strategic alternatives, including collaborating with community figures and business centers, partnering with established financial institutions like BPRS and Sharia Venture Capital, and participating in fintech incubation programs to optimize regulatory compliance and operational stability.

Based on the aspects of *Benefit*, *Opportunity*, *Cost*, and *Risk* mentioned above, according to all respondents, including Experts, Practitioners, and Regulators, the aspects of *benefit*, *opportunity*, and *cost* are more important than the aspect of *risk*, with a high level of agreement. In the *benefit cluster*, the main priority is more efficient costs with technology. In the *opportunity cluster*, the main priority is to expand *the network*, while in the *cost cluster*, the main priority is the need for assistance. In the *Risk cluster*, the main priority is vulnerability to data misuse. The main alternative or strategy that is a priority in the short and long term, according to the respondents, including experts, practitioners, and regulators, is to establish priority is more efficient costs with technology. In the *opportunity cluster*, the main priority is to expand *the network*, while in the *cost cluster*, the main priority is the need for assistance. In the *Risk cluster*, the main priority is vulnerability to data misuse. The main alternative or strategy that is a priority in the short and long term, according to the respondents, including

experts, practitioners, and regulators, is to establish cooperation between figures, communities, and business centers. The second priority is to establish programs. Fintech incubation and thirdly by establishing partnerships with BS, BPRS, Ventura Syariah, BUMN, and BUMD.

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