Islamic Fintech Growth Prospects in Accelerating MSMEs Growth: Evidence in Indonesia

Abstract

Islamic fintech plays a role in encouraging the growth of micro, small and medium enterprises (MSMEs) in Indonesia with their financing segments. The bigger the Islamic fintech, the faster the growth of MSMEs in Indonesia. This study aims to identify macroeconomic factors such as gross domestic product (GDP), interest rates and inflation in driving the growth of Islamic fintech. Using the Ordinary Least Squared (OLS) regression method, the results show that GDP and inflation have a positive effect on the growth of Islamic fintech, while interest rates have a negative effect on the growth of Islamic fintech. Improving macroeconomic conditions will encourage the growth of Islamic fintech which in turn will contribute to the growth of MSMEs, which are the main segment of Islamic fintech financing.

Keywords: Islamic Fintech, Gross Domestic Product, Interest Rate, Inflation

Jel Codes: E31, E43, G23
1. Introduction

The disruptive era marked by the rapid development of digital has begun. Various changes in the business world that were previously unimaginable have occurred and changed many people’s lifestyles. Financial technology (fintech) is one of them. Based on data from the Financial Services Authority (OJK), over the past 3 years there has been a significant development in peer to peer lending (P2P lending) in Indonesia, it can be seen from the total number of fintech assets as well as the number of players (OJK, 2020a). This is in line with data from BPS which shows the high rate of digital transactions since March 2020, namely when many provinces in Indonesia implemented a Large-Scale Social Restriction (PSBB) policy (Badan Pusat Statistik, 2020). Digital transactions are considered as a solution in addressing the problems of community needs when most places of business experience closure due to this policy (EconMark, 2020).

In Indonesia, fintech regulations are regulated in the Financial Services Authority Regulation number 13 of 2018 concerning Digital Financial Innovation in the Financial Services Sector. There are also other regulations, namely POJK Number 37 of 2018 concerning Crowdfunding Services through Information Technology-Based Shares and POJK Number 35 of 2018 concerning Financing Company Business Operations. Both were created because fintech crowdfunding and fintech P2P lending activities are very prevalent in Indonesia, especially P2P lending, in November 2020 there were 153 fintechs in Indonesia with total assets of 3.57 trillion rupiah. Of these, there are 10 Sharia fintechs with total assets of 1.66% of the total assets (OJK, 2020b).

Figure 1: Comparison of Conventional Fintech and Islamic Fintech Assets

Commented [RVW2]: Don’t use the term “This is in line”. The context for the causes is different. BPS data is only since March 2020, not in the last 3 years. The trend shown by BPS data is more due to the pandemic situation. So the data is not equal to be compared and to state that the BPS data supports OJK data. In addition, BPS uses digital transaction data. Meanwhile, OJK refers to company asset data and a number of players. Give references to strengthen if the digital transactions, a number of players, and company asset data have a normal relationship.

Commented [RVW3]: Write the written word or phrase first or full name, then arrange the abbreviation.

Commented [RVW4]: Write the abbreviation.

Commented [RVW5]: Then write the abbreviation

Commented [RVW6]: Use capital letters for the designation of the name of the law product.
The existence of Islamic fintech is still relatively new when compared to conventional fintech, although its growth is relatively progressive when compared to conventional fintech. As can be seen in Figure 1, the growth chart for Islamic fintech assets tends to increase rapidly, while the growth of conventional fintech assets is relatively slow. Of course, this indicates an increasing stretch of the existence of Islamic fintech.

Based on a report from PwC (2019), with the world’s fourth largest population and a productive age of more than 60%, Indonesia has great potential for growth, but there is a gap that causes Indonesia’s growth achievement in 2031 is estimated to be only 32% of that of the United States. This gap can be covered by community productivity in its real form, namely entrepreneurship, where micro and small enterprises (MSEs) contribute 99% of the total number of companies in Indonesia (Kemenkop & UKM, 2019).

In Indonesia, the high number of companies included in micro, small and medium enterprises (MSMEs) is that the majority of MSMEs have not yet had access to financial services. Therefore, the role of fintech in accelerating financial inclusion for the public is very significant because fintech has various approaches in assessing creditworthiness or financing for its customers (Fenwick et al., 2017). Based on the DSResearch (2020), one of the biggest consumers of fintech lending is MSMEs. Fintech supports financial inclusion programs in which two thirds of Indonesians do not yet have access to financial institutions and the majority of these two thirds are MSMEs. The lack of access is because MSMEs do not yet have the capability to reach banking services and the presence of fintech is able to bridge the needs of MSMEs that do not yet have this capability (Fenwick et al., 2017; Jagtiani & Lemieux, 2017). On the other hand, Sharia fintech has great potential for growth because in Islamic countries, including Indonesia, the number of people who have not accessed banking services is still large (World Bank Group, 2020). However, fintech with the offer of easy access to finance for MSMEs provides a new climate in entrepreneurship with the entry of new players into the business world (Sathish et al., 2011).

Research in 2019 has proven that the existence of fintech start-ups for 10 years has a positive correlation with economic growth in Indonesia (Narayan, 2019). Fintech is able to reduce inflation and cause a real appreciation of the rupiah, even though its effect on exchange rate changes is delayed (Narayan & Sahminan, 2018). In measuring the impact of financial inclusion on economic growth, by comparing the impact of the access, depth and efficiency variables on gross domestic product (GDP), it is found that the relaxation of these three variables separately can have a positive impact on GDP, but the relaxation of the three actually has a negative impact (Dabla-Norris et al., 2015).

On the other hand, research by Yang & Chang (2020) states that there is an asymmetrical impact on the development of financial intermediaries on economic growth in various countries classified according to their per capita income, specifically, progress in finance is the driving force for the economy in developed countries. However, not in developing countries,
similarly, Cheng & Hou (2020) conveyed the results of a similar study and recommended non-financial intermediary activities to drive economic growth.

Apart from GDP and inflation, the benchmark interest rate is also an important macroeconomic instrument. Although interest is prohibited in the practice of Islamic finance, it cannot be denied that the investor community still refers to the interest rate in placing their funds, including Sharia financial institutions. Sudarsono & Saputri (2018) proves that interest rates have a positive effect on Islamic banking financial performance, although according to Mohd Yusof et al. (2015) the effect is only in the short term and is more due to its attachment to the real economy.

Therefore, this study was made in order to examine the relationship between the growth of Islamic fintech in Indonesia and economic indicators, namely GDP, inflation and interest rates. Some of the questions in this study are summarized as follows: 1) How does GDP affect Islamic fintech assets?; 2) How does inflation affect Islamic fintech assets?; 3) How does the interest rate affect Islamic fintech assets?

2. Methodology

Based on the type, this study uses an associative quantitative approach to explain the relationship between variables (Sugiyono, 2019). Meanwhile, based on the objective, this research is categorized as a hypothesis testing research that wants to provide empiric evidence of an existing theory (Sekaran & Bougie, 2016), in this case the relationship between macroeconomic variables and the growth of Islamic fintech assets. The type of data used is secondary data which includes Islamic fintech assets (SIZE), Gross Domestic Product (GDP), interest rate (RATE), and inflation (INF). Data is collected from various sources, such as Islamic fintech statistics issued by the Financial Services Authority (OIK), the benchmark interest rate from Bank Indonesia (BI) and inflation from the Central Bureau of Statistics (BPS). The sample data period available for Islamic fintech assets is from December 2018 to September 2020, so other variables are adjusted accordingly.

The data analysis technique used is multiple linear regression with the ordinary least squared (OLS) approach. Where this technique requires classical assumptions to ensure that the proposed model is suitable to be used to explain the effect of the independent variable on the dependent variable (Gujarati et al., 2017). Fulfillment of the classical assumptions of the OLS model includes the assumption of normally distributed residuals, and the freedom of the model from autocorrelation, heteroscedasticity and multicollinearity. The equation of the regression model from this study is as follows:

\[ \text{Ln} \_\text{SIZE}_i = \alpha_0 + \alpha_1 \text{Ln} \_\text{GDP}_i + \alpha_2 \text{RATE}_i + \alpha_3 \text{INF}_i + e_i \]

3. Result
3.1. Description of Research Variables

Based on the results of the data analysis conducted, Table 1 presents descriptive statistics of each research variable. Islamic fintech assets during the observation period had an average of 34.872 billion rupiah. The highest value of Islamic fintech assets occurred in September 2020. When compared to conventional fintech assets, the value of Islamic fintech assets is still very far away. The market share of Islamic fintech is only 2.17% of the total fintech assets in Indonesia, which is already more than 3.346 trillion rupiah. The same is the case with the Islamic banking industry in Indonesia, whose market share is also relatively small, even though Muslims in Indonesia are the majority. When viewed from its growth, the average growth of Islamic fintech assets can reach 23.6% every month, even more than 500% annually. However, this value is not high enough to increase the market share of Islamic fintech in Indonesia.

Table 1: Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Maximum</th>
<th>Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIZE</td>
<td>34.872</td>
<td>21.797</td>
<td>72.650</td>
<td>2.330</td>
</tr>
<tr>
<td>GDP</td>
<td>901.775</td>
<td>27.168</td>
<td>941.266</td>
<td>860.217</td>
</tr>
<tr>
<td>RATE</td>
<td>5.136</td>
<td>0.751</td>
<td>6.000</td>
<td>4.000</td>
</tr>
<tr>
<td>INF</td>
<td>2.691</td>
<td>0.640</td>
<td>3.490</td>
<td>1.320</td>
</tr>
</tbody>
</table>

In macroeconomic terms, Indonesia is one of the countries with relatively high economic growth rates. In 2019, in the emerging market and developing countries group, Indonesia ranks fourth after India, the Philippines and China with economic growth reaching 5% per year. The average GDP per month is 901.775 trillion rupiah, or the equivalent of 62.19 billion dollars. Meanwhile, the interest rate in Indonesia is relatively stable at 5.14%, with a maximum value of 6% and a minimum of 4% in the last two years. Meanwhile, the inflation rate in Indonesia is also relatively stable at less than 3%. The highest inflation in the study period occurred in August 2019, while the lowest inflation also occurred in the same month a year later. The inflation rate has decreased in line with the decline in people’s economic activity during the Covid-19 pandemic which began at the end of the first quarter of 2020.

3.2. Classic Assumption Test

The three macroeconomic variables that are indicators of Islamic fintech asset growth will be proxied in the regression model. In order to get a regression model with a proper OLS approach or Best Linear Unavailable Estimate (BLUE), a test will be carried out on the
fulfillment of classical assumptions which include normality, multicollinearity, autocorrelation and heteroscedasticity.

The results of the normality test can be seen in Table 2. The normal distribution test of the OLS model residuals has a Jarque Bera (JB) t-statistic value of 0.7903 with a probability of 0.67. The probability value is greater than alpha 0.05, thus it can be said that the residual is normally distributed. This means that the OLS model that is formed has met the assumption of normality.

Table 2: Normality Test Result: Jarque Bera

<table>
<thead>
<tr>
<th>Residual</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.79048</td>
<td>0.67352</td>
</tr>
</tbody>
</table>

The next classical assumption test is multicollinearity. The multicollinearity test results in Table 3 show that the VIF values for the three independent variables of Gross Domestic Product (GDP), interest rate (RATE), and inflation (INF) are relatively small. The VIF value of the three variables is below 10 and even below 5. This indicates that multicollinearity does not occur, so the assumption is free from multicollinearity has been fulfilled.

Table 3: Multicollinearity Test Result: Variance Inflation Factors (VIF)

<table>
<thead>
<tr>
<th>Variable</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ln_GDP</td>
<td>1.2322</td>
</tr>
<tr>
<td>RATE</td>
<td>2.3772</td>
</tr>
<tr>
<td>INF</td>
<td>2.0740</td>
</tr>
</tbody>
</table>

The autocorrelation assumption test uses the Breusch-Godfrey Langrage Multiplier (LM) test. The autocorrelation test results are shown in Table 4, showing that the F-Statistics number is not that big. Even so, the probability value of F-Statistics is still greater than alpha 0.05, which means that there is no autocorrelation in the model. So it can be concluded that the OLS model is free from autocorrelation.

Table 4: Autororrelation Test Result: Breusch-Godfrey

<table>
<thead>
<tr>
<th>Islamic Fintech Model</th>
<th>F-Statistic</th>
<th>Prob. F</th>
<th>Obs*R-Squared</th>
<th>Prob. Chi-Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.0805</td>
<td>0.0738</td>
<td>6.1162</td>
<td>0.0470</td>
</tr>
</tbody>
</table>
The last assumption test is the heteroscedasticity test. Table 5 shows the results of the heteroscedasticity test using the Breusch-Pagan-Godfrey approach. The F-Statistics and Obs*R-Squared values that are not too large have the same probability value. Both the F probability and the Chi-Squared probability are both above 0.05. This shows that the model does not occur heteroscedasticity, thus the assumption of the model is free from heteroscedasticity has been fulfilled. This means that the four classical assumptions have been fulfilled, thus the regression model for the growth of Islamic fintech assets can be continued to the next stage.

Table 5: Heteroscedasticity Test Result: Breusch-Pagan-Godfrey

<table>
<thead>
<tr>
<th></th>
<th>F-Statistic</th>
<th>Prob. F</th>
<th>Obs*R-Squared</th>
<th>Prob. Chi-Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic Fintech Model</td>
<td>2.7953</td>
<td>0.0699</td>
<td>6.9920</td>
<td>0.0722</td>
</tr>
</tbody>
</table>

3.3. Goodness of Fit Model

The results of the regression model estimation with the OLS approach can be seen in Table 6. The results of the F-test as a form of model feasibility test have an F-Statistics value of 29,249 which is significant at 1% alpha (because the probability value is less than 0.01). This means that the estimated OLS model can be used to explain the effect of the independent variable Gross Domestic Product (GDP), interest rate (RATE), and inflation (INF) on the dependent variable of Islamic fintech assets (SIZE). The three independent variables have a significant effect on the dependent variable of Islamic fintech assets. The GDP and RATE variables have both probability values less than 0.01, meaning that GDP and the interest rate have a significant effect on alpha 1%. The variable INF has a probability value of less than 0.1, which means that inflation has only a significant effect on alpha 10%.

Table 6: OLS Estimation Result

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>t-Statistic</th>
<th>Prob.</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-72.0956</td>
<td>-2.6785</td>
<td>0.0153</td>
<td>Significant</td>
</tr>
<tr>
<td>Ln_GDP</td>
<td>12.0027</td>
<td>3.0315</td>
<td>0.0072</td>
<td>Significant</td>
</tr>
<tr>
<td>RATE</td>
<td>-1.49388</td>
<td>-7.2417</td>
<td>0.0000</td>
<td>Significant</td>
</tr>
<tr>
<td>INF</td>
<td>0.47433</td>
<td>1.8307</td>
<td>0.0837</td>
<td>Significant</td>
</tr>
</tbody>
</table>

R-squared = 0.82978
F-statistic = 29.24901
Prob(F-statistic) = 0.00000
The ability of GDP, interest rate and inflation in predicting the size of Islamic fintech assets is not more than 90%, however, the value is relatively large, up to 82.98%. There is still around 17.02% which is influenced by other variables outside the model. These variables are likely to be obtained from the fintech performance indicators themselves, such as the number of borrowers, lenders and outstanding financing channeled by Islamic fintech.

4. Discussion

4.1. Macroeconomic Influence on Islamic Fintech Growth

From the estimation results of the OLS model, it can be seen that GDP has a positive effect on the growth of Islamic fintech assets. The greater the economic growth, the greater the growth of Islamic fintech assets, while slower economic growth in Indonesia will hold back the growth rate of Islamic fintech assets. These results indicate that the growth of Islamic fintech in Indonesia is highly dependent on Indonesia’s economic growth itself. Every 1% increase in economic growth will encourage Islamic fintech growth by 12% and vice versa, every 1% decrease in economic growth will reduce Islamic fintech growth by 12%.

The growth of Islamic fintech assets indicates the significance of the addition of current assets in the form of funds loaned or invested to borrowers, where the borrower is MSE entrepreneurs whose numbers dominate the Indonesian economy, so that the growth of these assets is indicated to boost GDP by spurring production, on the other hand, with higher production increase, the household expenditure also increases. This finding is in line with the theory put forward by Narayan & Sahminan (2018), and not in line with that put forward by Cheng & Hou (2020) and Yang & Chang (2020).

The interest rate has a negative effect on the growth of Islamic fintech assets. Every increase in the interest rate will hold back the growth rate of Islamic fintech assets, and vice versa, any decrease in the interest rate will encourage the growth rate of Islamic fintech assets. A decrease in the interest rate of 1% will boost the growth rate of Islamic fintech assets by 1.49%. Meanwhile, a 1% reduction in the interest rate will slow down the growth of Islamic fintech assets in Indonesia.

Interest rate is one of the government policy instruments in regulating supply-demand financing or credit. Even though Islamic financing activities do not use an interest instrument, business actors indirectly still use the interest rate as a comparison to the size of the capital costs required from the proposed financing. Like other Islamic banks and Islamic finance institutions, Islamic fintech also charges a fee for financing disbursed either in the form of a margin or profit sharing. A decrease in the interest rate will reduce the cost of capital which will then be followed by an increase in the amount of financing. The higher the financing channeled by Islamic fintech, the greater the profits will be obtained and in the end the fintech assets will increase itself. This is in line with what was stated by the research results of Mohd Yusof et al. (2015), and is not in line with Sudarsono & Saputri (2018) research which states...
that interest rates have a positive and significant effect on the development of deposits in financial institutions.

Inflation has a positive effect on the growth of Islamic fintech assets. The increase in the inflation rate will encourage the growth of Islamic fintech assets, while the decrease in inflation will also restrain the growth rate of Islamic fintech assets. A one percent increase in inflation will increase Islamic fintech assets by 0.47%, while a 1% decrease in inflation will reduce the growth of Islamic fintech assets by 0.47%.

Inflation is an indicator of the ups and downs of economic activity in a region. One of the causes of inflation is the high demand which is a result of growing economic activity in the economy in the region. The high level of economic activity will encourage the high demand for capital supplied by financing, where Islamic fintech is one of the alternatives. Along with the high level of financing channeled by fintech, it will automatically increase the growth of fintech assets itself. This is in line with the research of Narayan & Sahminan (2018).

The growth of Islamic fintech is in line with the macroeconomic conditions of a country. The better the macroeconomic condition of a country, the better the growth of Islamic fintech in that country. At least this is happening in Indonesia. This harmonious and in-tune condition creates a harmonious synergy between government programs in advancing the MSME sector with the growth of Islamic fintech. The fintech segment in MSME financing is a common thread that the economic growth of a country will be enjoyed by MSME players.

Apart from conducive macroeconomic conditions, the growth of Islamic fintech must also be supported by several other factors, such as: regulations, technology development, and the digital financial ecosystem. Completeness of the rules for implementing fintech will maintain sustainability and security for both fintech actors and customers (Minerva, 2016; Vartsaba & Zaslavska, 2020). Technology development in order to optimize service and security is the key to fintech development (Hiyanti et al., 2020; Mukhlisin, 2019; Prestama et al., 2019; Rusydiana, 2018). Meanwhile, continuous collaboration in the digital financial ecosystem is believed to be able to accelerate the growth of fintech (Haris et al., 2020; Rusydiana, 2018). Strengthening these factors becomes a complete package in order to encourage the growth of Islamic fintech in Indonesia.

4.2. The Impact of the Covid-19 Pandemic on the Growth of Islamic Fintech

As previously explained, the growth of Islamic fintech assets can reach 23.6% every month. However, the growth of Islamic fintech assets does not always show a positive trend. As seen in Figure 2, the trend of changes in Islamic fintech assets has fluctuated. Fluctuations also occurred at the beginning of 2020, which initially went down, then increased again. But it fell back, and in the end it continued to increase. The turmoil that occurred in the first quarter of 2020 was presumably an effect of the imposition of Large-Scale Social Restrictions (PSBB) which led to sluggish economic activity. However, this incident did not have a profound effect
on the growth of Islamic fintech. Even though there was a decline in Islamic fintech assets, the numbers could still grow until the end of 2020, when the Covid-19 pandemic conditions have not ended.

**Figure 2: Forecase Result: Asset Islamic Fintech**

Based on the results of the Chow test as shown in Table 7, the probability value of F-Statistic and Chi-Squared which is below 0.05 indicates that the model experienced a change in slope in February 2020. As it is known that in that period there began to be restrictions on physical business activities. As a result of the Covid-19 pandemic. The impact of limiting business activities does have an increasing impact on digital financial activities, but on the other hand it reduces people’s economic activities both in terms of consumption and production. The decline in economic activity marked by lower economic growth had an impact on the growth of Islamic fintech. The impact of economic growth in the entire observation period on the growth of Islamic fintech assets is smaller than the impact of economic growth before the pandemic. The GDP slope for the entire observation period was 12.00, while in the pre-pandemic observation period it was 40.69 (more than three times that amount). These results indirectly confirm that the post-pandemic GDP slope must be less than 12.00.

**Table 7: Chow Test Result: Chow Breakpoint**

<table>
<thead>
<tr>
<th>Islamic Fintech Model at 2020:2</th>
<th>F-Statistic</th>
<th>Prob. F</th>
<th>Obs*R-Squared</th>
<th>Prob. Chi-Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.8676</td>
<td>0.0255</td>
<td>16.3752</td>
<td>0.0026</td>
</tr>
</tbody>
</table>
The slowing down of the impact of macroeconomic conditions on the growth of Islamic fintek assets can still be masked by the high public awareness of using Islamic fintech services. This has contributed to the continued growth of Islamic fintech assets, although not as fast as before the pandemic. The growth of Islamic fintech assets will increase their management capacity, which in turn will increase the outstanding loans extended to MSMEs. Thus, Islamic fintech can still support the growth of MSMEs even during the pandemic.

5. Conclusion

GDP, interest rate and inflation affect the growth of Islamic fintech assets. Sustained economic growth will encourage the growth of Islamic fintech assets which in turn will encourage the growth of MSMEs. Likewise, a reduction in low interest rates will stimulate the distribution of financing and Islamic fintech becomes one of the motors in financing distribution in the MSME sector. Finally, inflation also plays an important role in the growth of Islamic fintech. Increasing the rate of inflation which is driven by demand will automatically drive the growth of Islamic fintech.

Although the growth of Islamic fintech is relatively slow, it is still in line with changes in macroeconomic conditions. In order to accelerate the role of Islamic fintech in growing MSMEs in Indonesia, the government must make policies that are pro to economic growth and stability. In addition, it also stimulates the development of fintech, especially in terms of regulations that facilitate the development of Islamic fintech while still paying attention to aspects of customer security and convenience.

Acknowledgment

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Reference


OJK. (2020b). Statistik Fintech Lending. Otoritas Jasa Keuangan. Write the edition because OJK releases this update publication every month!


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Abstract (en)
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Keywords (en)
Islamic fintech, gross domestic product, interest rate, inflation

References

Author’s note to the Editor
We hope that our articles get feedback and can be published in the journal that you manage, thank you!
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Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

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Editor
Hakan ASLAN
Muhammed Başır ÇALIŞKAN

Decision Letter

Previous Decision Letters

Decision Letter-1

Dear Muhammad IQBAL,

Decision: Major Revision

Editor Comment: Dear Author,

We have received the reports of the reviewers regarding your submission to the International Journal of Islamic Economics and Finance Studies, "Islamic Fintech Growth Prospects in Accelerating MSME’s Growth: Evidence in Indonesia".

Both reviewers would like to see the revised version of the paper. Please note that the final decision of the IJISEF is subject to the reviewer’s evaluation of the revised version.

You can find the comments of the two peer-reviewers below and notes on the attached document in the "process files" tab.

We are looking forward to receiving the revised version of the paper before the deadline.

Kind regards,

Reviewer Reviews

Reviewer-1
1. Title of the Article/Makalenin Başlığı
   - Islamic Fintech Growth Prospects in Accelerating MSME’s Growth: Evidence in Indonesia

2. Final Decision / Nihai Karar:
   - Requires a review again after corrections /düzeltilmelerden sonra görmek istiyorım

3. Report Reason Explanation / Rapor Gereçe Açıklama:
   - In the title, abstract, discussion, and conclusion, a pandemic situation must be raised because it is an extraordinary event as irregular variations during this research period. The author must build other assumptions (out classical assumptions) so that this research can be accepted. Pandemics as the irregular disturbance is not a negligible source of variation for this data. Analysis for variation patterns like this is usually not a good system because it takes a very long time to get long data. So, sharpen the analysis! This discussion seems to ignore the existence of a pandemic in the research period. Even though the pandemic condition is the ‘strength’ of this article which must be sharp and logical in the analysis.

Comments and Suggestions for Author: Please, see the comments in the article.

Recommendation: Major Revision

Reviewer-2
1. Title of the Article/Makalenin Başlığı
   - Islamic Fintech Growth Prospects in Accelerating MSME’s Growth: Evidence in Indonesia
Decision Letter-2

Dear Muhammad IQBAL,

Decision: Accepted

Decision Date: July 29, 2021

Reviewer Reviews

Reviewer-1

1. Title of the Article/Makalenin Başlığı:
   - Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

2. Final Decision / Nihai Karar:
   - Publishable /Yayınlanabilir

3. Report Reason Explanation / Rapor Gereççe Açıklama:
   - The author has made many improvements. However, there are still a few that need to be revised for the cited institution names. If this article is not returned to the author for correction, the Copywriter can correct it himself because I have provided a correction for the correct name of the institution. For anything else, I think can be ignored and IJSET can publish this article.

Comments and Suggestions for Author: The author has made many improvements although there are still some things that need to be revised for the cited institution names and some things that need to be clarified. However, these can be ignored considering the some of Improvements you have made.

Recommendation: Accepted
Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

Type: Research Article
Subject: Finance
id: 857488

Status: Published
Submission Date: January 10, 2021
Acceptance Date: July 29, 2021
DOI: 10.25272/iijsef.857488

Editor
Hakan ASLAN

Section Editor
Muhammed Bağış ÇALIŞKAN

Production Editor
Assigned Date: July 31, 2021
Mustafa ÖZER

Production Notes

Ismail BEKTAŞ Layout Editor

Dear author,

your article has been prepared for publication. You can find the layout version in the files section. If you have any correction requests, please notify us within 24 hours. Otherwise, it will be published over this version. Thanks.

July 29, 2021 at 2:56:27 PM
Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

Status: Published
Submission Date: January 10, 2021
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DOI: 10.25272/ijisef.857488

Editor
Hakan ASLAN

Section Editor
Muhammed Beşir ÇALIŞkan

Mustafa Özer
Production Editor

Muhammed Beşir ÇALIŞkan
Section Editor

Hakan ASLAN
Editor

Muhammed Beşir ÇALIŞkan

Dear author, please add all authors’ info (title, affiliation, email address and Orcid number) in the footnote on the final page, left aligned and 10pt. Follow this rule in the file that I submit. Then submit your article again. Regards.

January 28, 2021 at 9:28:50 AM

Muhammad IQBAL

Dear editor, we have completed all the author’s info in the article file as directed. Because we did not find the upload facility for the revised file, we resubmitted the article with the id number 868177. Thank you for the correction and response.

January 27, 2021 at 9:00:15 AM

Muhammed Beşir ÇALIŞkan

Dear editor, firstly I would like to apologise because I forgot to ask to resubmission. So, I will reject your second submission and ask to resubmission. I am really sorry for my fault. Regards.

January 27, 2021 at 8:18:31 AM

Muhammed Beşir ÇALIŞkan

Dear author, I would like to remind you that the deadline is approaching. We are waiting for the revised version of your article. Best regards
Muhammad IQBAL

Dear Editor, thank you for your patience waiting for our revision. Here we present an article that has been revised according to the suggestions of the reviewers. We hope that the results of the revision that we convey can be accepted.

July 8, 2021 at 3:29:26 AM

Muhammad Beşir ÇALIŞKAN

Dear Author, the revision process of the article has been completed. We would like to publish your article in the issue of July so you are expected to do the final check as soon as possible.

Regards.

July 27, 2021 at 12:56:21 PM

Muhammad IQBAL

Dear Author, thank you for accepting our article to be published on LIJEFS. We have done a final check and there are some minor editing corrections in some parts. Where can we upload the final corrections? Please respond.

July 27, 2021 at 8:46:25 PM

CC BY
Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

Type: Research Article
Subject: Finance

DOI: 10.25272/iisef.857488

Status: Published
Submission Date: January 10, 2021
Acceptance Date: July 29, 2021

Editor
Hakan ASLAN

Section Editor
Muhammed Başer ÇALIŞKAN

Overview  Review  Decision  Production

July 29, 2021 at 10:59:10 AM
Article has been accepted by Hakan ASLAN.

July 8, 2021 at 3:18:01 AM
Article revision has been completed by author.

July 8, 2021 at 3:17:31 AM
Article file (IJFES_ Fintech Syariah - Revision.docx) has been changed by Muhammad IQBAL.

July 5, 2021 at 11:04:20 PM
Hakan ASLAN extended the author's period for 3 days.

June 29, 2021 at 11:34:52 PM
Hakan ASLAN extended the author's period for 5 days.

June 17, 2021 at 7:44:26 PM
Hakan ASLAN extended the author's period for 3 days.

June 17, 2021 at 12:17:39 PM
Hakan ASLAN has been assigned as new editor by Mücahit ÖZDEMİR.

May 26, 2021 at 11:07:02 AM
Mücahit ÖZDEMİR extended the author's period for 5 days.

March 8, 2021 at 11:42:04 AM
Mücahit ÖZDEMİR extended the author's period for 80 days.

March 5, 2021 at 6:50:38 AM
Author accepted article revision requested.

March 4, 2021 at 12:35:58 PM
Mücahit ÖZDEMİR extended the author's period for 90 days.

March 4, 2021 at 12:21:55 PM
Mücahit ÖZDEMİR extended the author's period for 83 days.
Mücahit ÖZDEMIİR sent article revision request to author.

Article resubmission has been completed by author.

Article file (IJIEFS_-_FinTech Syariah.docx) has been changed by Muhammad IQBAL.

Sanipudin SARIPUDIN has been edited by Muhammad IQBAL.

Prameswara Sarmo'a NADYA has been edited by Muhammad IQBAL.

Author accepted article resubmission requested.

Muhammad Deir ÇALIŞKAN sent article resubmission request to author.

Message has been deleted by Muhammad IQBAL.

Muhammad Deir ÇALIŞKAN has been assigned as section editor by Mücahit ÖZDEMIİR.

Mücahit ÖZDEMIİR has been assigned as editor by Mücahit ÖZDEMIİR.

Article has been sent by Muhammad IQBAL.
Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

Type: Research Article
Subject: Finance
Id: 857488

Status: Published
Submission Date: January 10, 2021
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Editor Section Editor
Hakan ASLAN Muhammad Başır ÇALIŞKAN

Overview Review Decision Production

From: Mustafa ÖZER
To: Muhammad IQBAL
Subject: International Journal of Islamic Economics and Finance Studies - Your article’s workflow has been completed
Date: July 31, 2021 at 11:57:39 PM

From: Hakan ASLAN
To: Muhammad IQBAL
Subject: International Journal of Islamic Economics and Finance Studies - The decision has been made for the article
Date: July 29, 2021 at 10:59:11 AM

From: Mücahit ÖZDEMİR
To: Muhammad IQBAL
Subject: International Journal of Islamic Economics and Finance Studies - The decision has been made for the article
Date: March 4, 2021 at 1:21:02 PM

Dear Muhammad IQBAL,

The decision has been marked by Mücahit ÖZDEMİR for the article titled 857488 - "Islamic Fintech Growth Prospects in Accelerating MSMEs Growth: Evidence in Indonesia".

Dear Muhammad IQBAL,

Decision: Major Revision

Editor Comment: Dear Author, We have received the reports of the reviewers regarding your submission to the International Journal of Islamic Economics and Finance Studies, "Islamic Fintech Growth Prospects in Accelerating MSMEs Growth: Evidence in Indonesia". Both reviewers would like to see the revised version of the paper. Please note that the final decision of the UiSEF is subject to the reviewer’s evaluation of the revised version. You can find the comments of the two peer-reviewers below and notes on the attached document in the "process files" tab. We are looking forward to receiving the revised version of the paper before the deadline. Kind regards,

Reviewer Reviews

Reviewer-1
1. Title of the Article/Makalenin Başlığı
- Islamic Fintech Growth Prospects in Accelerating MSMEs Growth: Evidence in Indonesia

2. Final Decision / Nihai Karar:
- Requires a review again after corrections /Düzeltmelerden sonra görmek istiyorum

3. Report Reason Explanation / Rapor Gereçce Açıklama:
- in the title, abstract, discussion, and conclusion, a pandemic situation must be raised because it is an extraordinary event as irregular variations during this research period. The author must build other assumptions (out classical assumptions) so that this research can be accepted. Pandemics...
as the irregular disturbance is not a negligible source of variation for this data. Analysis for variation patterns like this is usually not a good system because it takes a very long time to get long data. So, sharpen the analysis! This discussion seems to ignore the existence of a pandemic in the research period. Even though the pandemic condition is the 'strength' of this article which must be sharp and logical in the analysis.

Comments and Suggestions for Author: Please, see the comments in the article.

Recommendation: Major Revision

Reviewer-2

1. Title of the Article/Makalenin Başlığı
- Islamic Fintech Growth Prospects in Accelerating MSMEs Growth Evidence in Indonesia

2. Final Decision / Nhâi Karar:
- Requires a review again after corrections /Düzeltilmelerden sonra görmek istiyorum

3. Report Reason Explanation / Rapor Gereççe Açıklama:
- The information on which program is used for statistical analysis is unspecified and this prevents testing the accuracy of the application. Additional information is needed regarding the data analysis methods used. In-text corrections file will be submitted at the next step.

Comments and Suggestions for Author: The information on which program is used for statistical analysis is unspecified and this prevents testing the accuracy of the application. Additional information is needed regarding the data analysis methods used.

Recommendation: Minor Revision

The article is in the status "Revision Requested". You can access the process page from the https://dergipark.org.tr/en/journal/1429/article/857488/author/decision link.

International Journal of Islamic Economics and Finance Studies
Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

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Editor
Section Editor
Hakan ASLAN  Muhammed Beşir ÇALIŞKAN

From: Mustafa ÖZER
To: Muhammad IQBAL
Subject: International Journal of Islamic Economics and Finance Studies - Your article's workflow has been completed
Date: July 31, 2021 at 11:57:39 PM

From: Hakan ASLAN
To: Muhammad IQBAL
Subject: International Journal of Islamic Economics and Finance Studies - The decision has been made for the article
Date: July 29, 2021 at 10:59:11 AM

Dear Muhammad IQBAL,

The decision has been marked by Hakan ASLAN for the article titled 857488 - "Islamic Fintech Growth Prospects in Accelerating MSMEs Growth: Evidence in Indonesia".

Sayın Muhammed IQBAL,

Kerar: Kabul Edildi

Hakem Değerlendirmeleri

Hakem-1
1. Title of the Article/Makalenin Başlığı
   - Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

2. Final Decision / Nihai Karar:
   - Publishable / Yayınlanabilir

3. Report Reason Explanation / Rapor Gerekçe Açıklaması:
   - There are still a few that need to be revised for the cited institution names, if this article is not returned to the author for correction, the Copywriter can correct it himself because I have provided a correction for the correct name of the institution. For anything else, I think can be ignored and UISET can publish this article.

Yazar için yorum ve öneriler: The author has made many improvements although there are still some things that need to be revised for the cited institution names and some things that need to be clarified. However, these can be ignored considering the some of improvements you have made.

Öneri: Kabul

The article is in the status "Yayın Sürecinde". You can access the process page from the https://dergipark.org.tr/en/journal/1428/article/857488/author/production link.
Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia

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Editor
Hakan ASLAN

Section Editor
Muhammed Beşir ÇALIŞKAN

From: Mustafa ÖZER
To: Muhammad IQBAL
Subject: International Journal of Islamic Economics and Finance Studies - Your article's workflow has been completed
Date: July 31, 2021 at 11:57:39 PM

Dear Muhammad IQBAL,

Your article's workflow titled 857488-'Islamic Fintech Growth Prospects in Accelerating MSMEs Growth during the Covid-19 Pandemic: Evidence in Indonesia' has been completed. The article is in Sayfa Atamaya Hazer.
Notification will be sent when the issue is published. You can learn the publication planning of the journal from the editor.

DergiPark

From: Hakan ASLAN
To: Muhammad IQBAL
Subject: International Journal of Islamic Economics and Finance Studies - The decision has been made for the article
Date: July 29, 2021 at 10:59:11 AM

From: Mücahit ÖZDEMİR
To: Muhammad IQBAL
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Date: March 4, 2021 at 1:21:02 PM