Digital Financing Business Models for MSMEs in Indonesia: Effect on Financial Access, Productivity, and Job Creation toward SDG 8

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ABSTRACT

This study examines the role of digital financing business models in improving financial access and supporting MSME performance in Indonesia, aligned with SDG 8 goals of increasing productivity and job creation. Using a quantitative approach, the study surveyed 120 MSME owners from the Jakpreneur program in Jakarta. Quantitative data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results show that a well-designed digital financing business model significantly increases MSMEs' use of digital financing platforms, which in turn improves financial access. Financial access has a strong positive effect on productivity and facilitates job creation, primarily through better employee welfare and capacity expansion. These findings highlight that digital financing not only enhances access to capital but also drives operational efficiency and sustainable business growth. The study contributes to the understanding of how digital financial solutions can act as a catalyst for inclusive economic development and provides insights for platform providers, policymakers, and future researchers to optimize their role in empowering MSMEs.

***Keywords**: Business Model, Digital Financing, Financial Access, Job Creation, MSMEs Performance, Productivity, SDG 8.*

ABSTRAK

Penelitian ini mengkaji peran model bisnis pembiayaan digital dalam meningkatkan akses keuangan dan mendukung kinerja UMKM di Indonesia, selaras dengan tujuan SDG 8 mengenai peningkatan produktivitas dan penciptaan lapangan kerja. Dengan menggunakan pendekatan kuantitatif penelitian ini melibatkan survei terhadap 120 pelaku UMKM peserta program Jakpreneur di Jakarta. Data kuantitatif dianalisis menggunakan Partial Least Squares–Structural Equation Modeling (PLS-SEM). Hasil penelitian menunjukkan bahwa model bisnis pembiayaan digital yang dirancang dengan baik secara signifikan meningkatkan penggunaan platform pembiayaan digital oleh UMKM, yang pada gilirannya memperbaiki akses keuangan. Akses keuangan memiliki pengaruh positif yang kuat terhadap produktivitas dan mendorong penciptaan lapangan kerja, terutama melalui peningkatan kesejahteraan karyawan dan ekspansi kapasitas usaha. Temuan ini menegaskan bahwa pembiayaan digital tidak hanya memperluas akses terhadap modal, tetapi juga mendorong efisiensi operasional dan pertumbuhan bisnis yang berkelanjutan. Penelitian ini berkontribusi dalam memahami bagaimana solusi keuangan digital dapat berperan sebagai katalis bagi pembangunan ekonomi inklusif serta memberikan wawasan

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bagi penyedia platform, pembuat kebijakan, dan peneliti untuk mengoptimalkan peran mereka dalam pemberdayaan UMKM.

***Kata kunci**: Model Bisnis, Pembiayaan Digital, Akses Keuangan, Penciptaan Lapangan Kerja, Kinerja UMKM, Produktivitas, SDG 8.*

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are vital to Indonesia's economy, contributing about 60% to the Gross Domestic Product (GDP) and employing over 97% of the national workforce, thus serving as the backbone of inclusive growth (Kiswandi et al., 2023; Janah & Tampubolon, 2024; Yolanda & Hasanah, 2024). Despite this significant role, MSMEs face persistent challenges, particularly in accessing formal financing. Annur (2019) reported that nearly 74% of MSMEs lack financing access, while the Financial Services Authority (*Otoritas Jasa Keuangan*/OJK) found that 77.6% still struggle to obtain loans from formal institutions (OJK, 2025). Key obstacles include strict administrative requirements, lack of collateral, and limited credit history (Aryanti et al., 2022; Teruna & Ardiansyah, 2024). OJK also revealed that 82% of MSMEs do not possess eligible collateral, further reducing their chances of securing bank financing. Low financial literacy exacerbates the problem, as many MSMEs are unfamiliar with financial technology, maintain poor bookkeeping, and lack formal audits, making them ineligible for most credit programs. Consequently, many rely on informal financing sources with higher interest rates, which are unsustainable in the long run.

The emergence of digital financing has become a game-changer in overcoming these limitations. Financial technology (fintech) platforms such as Peer-To-Peer (P2P) lending, Securities Crowdfunding (SCF), Buy Now Pay Later (BNPL), and digital banking have created inclusive alternatives for MSMEs to obtain funding. These platforms provide faster processes, flexible requirements, and data-driven credit assessments that reduce traditional entry barriers (Qur'anisa et al., 2024; Jange et al., 2024). According to the Financial Services Authority, fintech lending disbursements to MSMEs reached IDR 19.75 trillion or 38.4% of total fintech lending outstanding as of May 2023 (Puspaningtyas, 2023). By September 2024, fintech lending grew by 33.73% to IDR 74.48 trillion, with 29.14% allocated to the productive sector. Credit risk (TWP90) remained at 2.38%, indicating a healthy ecosystem (Primantoro, 2024). These developments have contributed to Indonesia's financial inclusion rate, which increased from 81.4% during the pandemic to 85.1% in 2023, largely driven by digital financial adoption (Azhar, 2023).

Different digital financing models offer distinct mechanisms and are designed to serve diverse MSME needs. P2P lending connects MSMEs directly with lenders and offers loan ceilings of up to IDR 5 billion, with annual interest rates ranging from 12–20% depending on the product (Saputra, 2025). BNPL caters to micro and small enterprises with short-term, repeat financing for working capital needs, typically ranging from IDR 1–50 million. Digital banking through government programs like KUR provides low-interest financing at around 3% per annum with longer tenors, making it suitable for businesses looking to scale up. SCF enables MSMEs to raise capital through equity or debt securities, supporting expansion projects with average funding ranging between IDR 1.8–2.0 billion. These models are not interchangeable, as each is better suited for particular enterprise sizes and growth stages (Marsalena & Wati, 2024; Vidiati, 2024).

This study seeks to analyze the effectiveness of these digital financing models in enhancing financial access for MSMEs in Jakarta and to explore how improved financial access contributes to productivity gains and job creation, which are key targets of Sustainable Development Goal (SDG) 8 (Kesumadewi & Aprilyani, 2024). This study applies a quantitative approach to obtain holistic view of how MSMEs experience and benefit from digital financing. This approach allows us to measure not only the extent of financial access but also its implications for business growth, employment absorption, and long-term sustainability.

This study focuses on MSMEs that have accessed digital financing through P2P lending, SCF, BNPL, or digital banking to fill a key gap in the literature on which model delivers the greatest impact across different MSME types. The results aim to inform policymakers, financial institutions, and MSME associations in formulating targeted financing strategies aligned with inclusive economic growth. This research contributes to the understanding of digital financial inclusion and its role in achieving SDG 8 by providing evidence-based insights to enhance productivity and job creation in Indonesia's MSME sector. Therefore, the main objective of this study is to evaluate the effect of various digital financing business models on financial access, productivity, and job creation among MSMEs in Jakarta, and to determine which model most effectively supports inclusive and sustainable economic growth.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Digital Financing Business Models and the Use of Digital Financial Services

Several studies have emphasized the important role of digital financing in improving financial access and SME performance. Babilla (2023), in economic modelling, used a Dynamic Stochastic General Equilibrium (DSGE) model with panel data to examine how digital financial innovation affects credit access and productivity among SMEs in the West African Economic and Monetary Union (WAEMU) region. The study revealed that digital financial inclusion significantly enhances financing opportunities by lowering transaction costs and reducing reliance on collateral, key barriers for informal enterprises. The findings suggest that digital financial services not only replace conventional mechanisms but also generate new economic value.

Skare et al. (2023) examined how digital transformation influences SME performance across Europe, focusing on financing access, operational efficiency, and innovation capacity. Using cross-country panel data and the Digital Economy and Society Index (DESI) to measure digitalization levels, the study based on the Technology-Organization-Environment (TOE) framework found that higher digitalization significantly enhances access to financing and reduces operating costs, particularly in the trade and service sectors. Nonetheless, the authors emphasized that the digital skills gap among SME employees remains a major barrier, underscoring the need for human capital development to support technological adaptation and organizational readiness. Similarly, Dewi and Wiksuana (2023) employed the TOE model to analyze the impact of digital financial services on MSME performance in Indonesia. Their study confirmed that technological readiness and organizational support are key determinants of successful adoption

Karim et al. (2022) investigated how FinTech supports SMEs in five ASEAN countries Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Using survey data from 300 SME respondents and analyzing it through factor analysis and the Kruskal–Wallis test, the study explored business growth perceptions, financing access, fintech adoption, barriers, and awareness levels. Grounded in the Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), and Diffusion of Innovation Theory, the research found that FinTech significantly benefited SMEs during the pandemic by providing alternative financing channels such as Peer-to-Peer (P2P) lending and facilitating digital transactions. However, adoption varied across countries, with Indonesia and Malaysia showing the highest levels, while Singapore and Thailand faced regulatory constraints. The study concluded that enhancing digital literacy and aligning policies are essential to make fintech more inclusive and sustainable across the region.

H1: Digital financing business model has a positive effect on the use of digital financing by SMEs.
H2: Digital financing business model has a positive effect on financial access.

Digital Financing and Financial Access for SMEs

Abbasi et al. (2021) investigated the relationship between the number of P2P lending providers and SME financing access across OECD countries. Using panel data and the

Generalized Method of Moments (GMM) approach to address potential endogeneity, the study examined the number of P2P providers as the independent variable and SME leverage (total debt-to-assets ratio) as the dependent variable. Institutional quality, based on world governance indicators, served as a moderating variable, while firm size, fixed assets, and profitability acted as controls. Grounded in financial inclusion and institutional theory, the study argued that public governance quality amplifies the impact of technology on expanding financial access. The findings confirmed that the growth of P2P providers significantly boosts SME leverage, reflecting easier financing access. Moreover, the positive moderating effect of institutional quality suggested that fintech's impact is stronger in countries with better governance. This provides evidence that the success of fintech as a financial inclusion tool is highly dependent on institutional context. This perspective aligns with the evidence from Jun and Ran (2024), which found that the evolution of digital finance ecosystems substantially influences SME access to capital by reducing transaction and monitoring costs.

Lin and Dong (2024), analyzed how digital finance influences SMEs' dependence on trade credit in China. Using panel regression on more than 8,000 firm-level observations, they demonstrated that digital finance reduces information asymmetry and decreases SMEs' reliance on trade credit by facilitating broader access to financing through technological platforms. The effect was most evident among non-state-owned enterprises and in regions with previously limited access to formal credit, implying that digital finance enhances credit allocation efficiency and strengthens SME competitiveness.

Cornelli et al. (2024) explored the role of fintech lending in expanding SME credit access in the United States, focusing on major platforms such as Funding Circle and LendingClub. Their analysis revealed that fintech lending significantly increases credit access in regions with high unemployment and limited bank presence. Furthermore, fintech risk assessment systems that utilize alternative data, including digital transaction records, outperform conventional credit scoring models like FICO in predicting default risks. These findings highlight the strategic value of data-driven credit evaluation in extending financial inclusion to underserved SME sectors.

H3: Digital financing business model has a positive effect on financial access.

Financial Access, Productivity, and Employment under the SDG 8 Framework

Financial access serves as a key driver of productivity and employment growth, especially within the MSME sector. Digital financing models such as Peer-To-Peer (P2P) lending, digital banking, and securities crowdfunding have expanded the reach of credit services to smaller enterprises that traditionally lacked access to formal finance. Babilla (2023) emphasized that digital financial inclusion enhances SME productivity by minimizing transaction costs and improving credit efficiency. Likewise, Kai Xie (2024) revealed that digital finance reduces SMEs' dependency on trade credit, allowing them to maintain stronger liquidity positions and invest more in productive resources and workforce development.

Digital financing also plays a vital role in promoting inclusive economic growth by enabling wider participation in formal financial systems. Ozili (2022) found that digital financial platforms foster greater business resilience and employment stability by facilitating quick access to working capital, especially during economic shocks. Similarly, Demirgüç et al. (2020) highlighted that broader access to digital financial services contributes to job creation and productivity gains by integrating informal business actors into the formal economy. Abbasi et al. (2021) also demonstrated that the expansion of P2P lending correlates positively with SME financing and leverage, particularly in countries with strong institutional support.

In Indonesia, digital financial services have increasingly contributed to achieving the targets of SDG 8, promoting decent work and sustainable economic growth. The integration of financial technology not only increases MSMEs' access to capital but also drives operational efficiency, capacity expansion, and employment generation. The

reviewed literature confirms that improved financial access through digital financing mechanisms enhances productivity and supports sustainable job creation, positioning digital finance as a critical enabler of inclusive development.

H4: Financial access has a positive effect on productivity.
H5: Financial access has a positive effect on MSME employment.

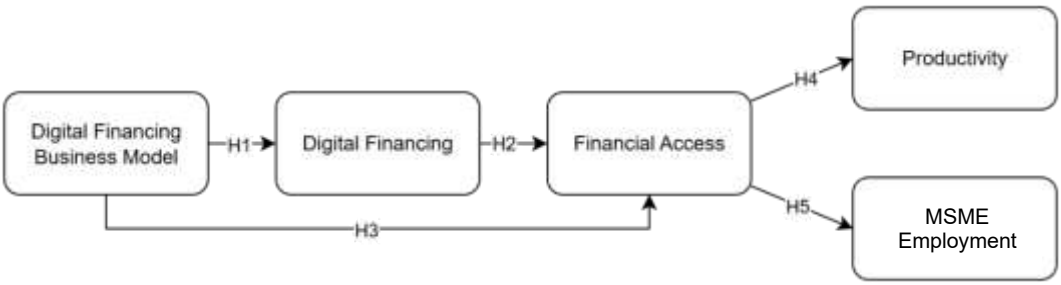

Figure 1. Conceptual Framework

Figure 1 illustrates the conceptual framework used in this study. This framework was developed to address two main research questions: first, the extent to which the digital financing business model is effective in expanding financial access for SMEs; and second, how digital financing contributes to improving productivity and generating employment in line with the targets of SDG 8.

RESEARCH METHODS

This study adopted a quantitative approach. The quantitative phase involved a survey aimed at identifying patterns, trends, and relationships among key variables. The research population comprised Micro, Small, and Medium Enterprises (MSMEs) in Jakarta that had used digital financing services, with Jakarta selected due to its large MSME base and high rate of technology adoption. A total of 120 respondents were chosen through simple random sampling from Jakpreneur program participants, following the multivariate analysis guideline of having at least 5–10 respondents per independent variable.

Primary data for this study were obtained through questionnaires. The questionnaire employed a five-point Likert scale to capture respondents' assessments of digital financing models, accessibility, and their perceived effects on productivity and employment generation. The variables in this study included independent, intervening, and dependent variables. The independent variables comprised the digital financing business model, digital financing implementation, and financial access, while the dependent variables were MSME productivity and job creation. Digital financing and financial access also acted as mediating variables linking the business model to MSME performance.

The measurement of variables in this study was conducted using several key indicators. The digital financing business model was measured by the type of platform, service features, transparency and risk evaluation, transaction security, service fees, and marketing strategies. Digital financing was measured based on loan amount, diversification of funding sources, administrative costs, loan maturity, and frequency of use. Financial access was assessed through the ease of loan application, processing speed, the suitability of loan amounts to capital needs, administrative and collateral requirements, and cost affordability. Productivity was measured by increases in revenue, production capacity, and product innovation. Meanwhile, MSME employment was measured by workforce expansion and improvements in employee welfare.

This study employed Partial Least Squares–Structural Equation Modeling (PLS-SEM) as the primary data analysis technique. The analysis involved two stages: evaluation of the measurement model (outer model) and assessment of the structural model (inner model). The outer model was tested to ensure indicator validity and reliability through

convergent validity (factor loadings ≥ 0.7 and AVE > 0.5), discriminant validity (cross-loading and Fornell–Larcker criteria), and reliability testing (Cronbach's alpha > 0.6 and composite reliability > 0.7). Subsequently, the inner model was examined to assess the hypothesized relationships among constructs by evaluating path coefficients and the coefficient of determination (R^2).

RESULTS

This research utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) to process the quantitative data. The analysis began with evaluating the measurement model (outer model) to verify that the questionnaire indicators appropriately represented their respective latent variables. The outer model assessment emphasized three key components: convergent validity, which examines the degree to which indicators of the same construct are strongly correlated; discriminant validity, which confirms that each construct is conceptually distinct from others; and construct reliability, which measures the internal consistency and stability of the indicators. After the measurement model satisfied validity and reliability requirements, the analysis advanced to the structural model (inner model) to examine the hypothesized relationships among constructs and to determine how well the model aligned with the theoretical framework in explaining the observed phenomena.

Table 1. Factor Loading Analysis

Variable	Indicator	Loading	Threshold	Remark
X1 – Digital Financing Business Model	Platform Type (DFBM1)	0.862	0.7	Valid
	Service Features (DFBM2)	0.892	0.7	Valid
	Risk Transparency & Evaluation (DFBM3)	0.803	0.7	Valid
	Transaction Security (DFBM4)	0.827	0.7	Valid
	Service Cost (DFBM5)	0.895	0.7	Valid
	Marketing Strategy (DFBM6)	0.923	0.7	Valid
X2 – Digital Financing	Loan Amount (DF1)	0.895	0.7	Valid
	Source Diversification (DF2)	0.899	0.7	Valid
	Interest/Administration Fee (DF3)	0.883	0.7	Valid
	Loan Tenure (DF4)	0.849	0.7	Valid
	Usage Frequency (DF5)	0.851	0.7	Valid
X3 – MSME Financial Access	Ease of Application (MFA1)	0.925	0.7	Valid
	Processing Speed (MFA2)	0.928	0.7	Valid
	Loan Amount Suitability (MFA3)	0.923	0.7	Valid
	Administrative Requirements (MFA4)	0.873	0.7	Valid
	Affordability of Costs (AK5)	0.882	0.7	Valid
Y1 – Productivity	Sales Growth (P1)	0.927	0.7	Valid
	Production Capacity (P2)	0.896	0.7	Valid
	Product/Service Innovation (P3)	0.941	0.7	Valid
Y2 – MSME Employment	Workforce Expansion (ME1)	0.931	0.7	Valid
	Employee Welfare (ME2)	0.928	0.7	Valid

The convergent validity was first examined through factor loadings for each indicator. A factor loading value greater than 0.7 indicates that the indicator contributes sufficiently to its construct. In this study, five latent variables were analyzed: Digital Financing Business Model, Digital Financing, MSME Financial Access, Productivity, and MSME Employment. Each variable consisted of a different number of indicators, representing dimensions such as platform type, service features, risk transparency, transaction security, cost, marketing strategy, loan amount, interest rate, loan tenure, ease of access, process speed, and employee welfare.

Based on Table 1, all indicators for the five constructs showed factor loadings above 0.7, confirming that each indicator reliably represents its intended construct and meets the criteria for convergent validity. To further confirm convergent validity, the Average Variance Extracted (AVE) was calculated for each construct. An AVE value greater than

0.50 indicates that the construct explains more than 50% of the variance of its indicators. The results are presented in Table 2 below:

Table 2. AVE Test

Variable	AVE	Result
Digital Financing Business Model	0.754	Valid
Digital Financing	0.767	Valid
MSME Financial Access	0.822	Valid
Productivity	0.849	Valid
MSME Employment	0.864	Valid

Based on Table 2, all constructs reported AVE values well above 0.50, with MSME Employment showing the highest AVE (0.864). This confirms that the indicators have a high degree of shared variance and represent their constructs effectively. Discriminant validity was assessed using the Fornell–Larcker criterion. The Fornell–Larcker criterion validated discriminant validity by comparing the square root of AVE (√AVE) with the correlations between constructs. The √AVE of each construct must be higher than its correlation with other constructs.

Table 3. Fornell–Larcker Criterion Test

Construct	Business Model	Digital Financing	MSME Financial	Productivity	MSME Employment
Digital Financing Business Model	0.868	0.784	0.782	0.670	0.673
Digital Financing	0.784	0.876	0.810	0.712	0.660
MSME Financial Access	0.782	0.810	0.907	0.857	0.818
Productivity	0.670	0.712	0.857	0.921	0.717
MSME Employment	0.673	0.660	0.818	0.717	0.930

Table 3 presents the results of the Fornell–Larcker criterion, which evaluates discriminant validity among the constructs of the study: Digital Financing Business Model, Digital Financing, MSME Financial Access, Productivity, and MSME Employment. The square root of the Average Variance Extracted (AVE) values, shown in bold on the diagonal, are all higher than the corresponding inter-construct correlations. This indicates that each construct shares more variance with its own indicators than with other constructs. Specifically, the AVE values range from 0.868 to 0.930, all exceeding the intercorrelation coefficients, confirming that discriminant validity is achieved across all latent variables. Therefore, the constructs in this study are distinct and reliably measure different conceptual dimensions within the digital financing framework for MSMEs.

Table 4. Reliability Test

Construct	Cronbach's Alpha	Composite Reliability (ρc)
Digital Financing Business Model	0.934	0.948
Digital Financing	0.924	0.943
MSME Financial Access	0.946	0.958
Productivity	0.911	0.944
MSME Employment	0.843	0.927

Table 4 shows that construct reliability was then examined using Cronbach's Alpha and Composite Reliability (ρc). Both values greater than 0.7 indicate that the constructs are measured consistently. All constructs exceed the minimum reliability threshold, indicating excellent internal consistency and measurement stability. The outer model evaluation confirms that all constructs are valid and reliable, providing a solid foundation for further analysis of the inner model. The resulting outer model is illustrated in Figure 2.

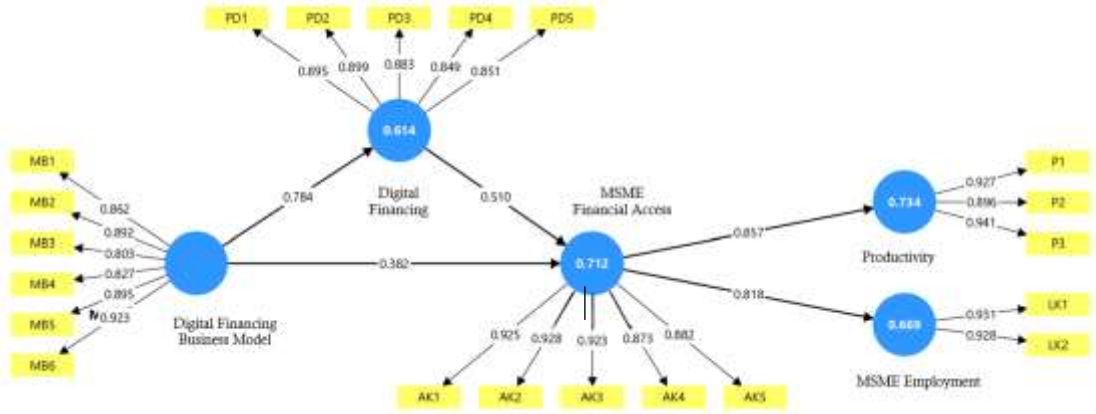

Figure 2. Outer Model

After evaluating the outer model to ensure the reliability and validity of the measurement indicators, the next step was to assess the inner model. The inner model evaluation examines the structural relationships between latent variables and tests whether the hypothesized paths are statistically significant. This involves analyzing the R-square values to measure the proportion of variance explained by the predictors, followed by hypothesis testing using path coefficients, T-statistics, and p-values.

Table 5. R Square Test

Construct	R-square	Adjusted R-square
Digital Financing	0.614	0.610
Financial Access	0.712	0.706
Productivity	0.734	0.732
MSME Employment	0.669	0.666

The results in Table 5 show that Digital Financing has an R-square of 0.614, meaning that 61.4% of its variance is explained by its predictors in the model. Financial Access has an R-square of 0.712, suggesting a high level of explanatory power. Productivity shows the highest R-square at 0.734, indicating that the model explains 73.4% of the variance in productivity, while Employment has a value of 0.669, meaning that 66.9% of its variance is accounted for by the model. These findings demonstrate that the structural model has strong explanatory power, fulfilling the recommended threshold for PLS-SEM studies and indicating a good model fit.

Table 6. Hypothesis Testing

Construct	Original Sample (O)	Sample Mean (M)	Std. Deviation (STDEV)	T-Statistics	P-Values
Digital Financing Business Model → Digital Financing	0.784	0.786	0.030	26.099	0.000
Digital Financing → Financial Access	0.510	0.511	0.079	6.495	0.000
Digital Financing Business Model → Financial Access	0.382	0.381	0.088	4.367	0.000
Financial Access →Productivity	0.857	0.858	0.023	37.282	0.000
Financial Access → MSME Employment	0.818	0.820	0.041	19.882	0.000

According to Table 6, the hypothesis testing results further confirm that all proposed relationships are statistically significant, with p-values well below the 0.05 threshold and T-statistics exceeding the critical value of 1.96. The analysis shows that the digital financing business model has a strong positive influence on both digital financing and financial access, which in turn significantly enhances financial inclusion. Moreover, financial access exerts a substantial impact on productivity and MSME employment,

emphasizing its pivotal role in fostering business performance and job creation. These findings validate the conceptual framework of this study and highlight the strategic importance of digital financing in achieving SDG 8 targets related to decent work and economic growth.

DISCUSSION

The findings of this study provide strong evidence that digital financing models significantly support the growth and sustainability of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. Respondents showed consistently positive perceptions toward the digital financing business model, digital financing, and financial access variables. These results reinforce previous studies indicating that fintech innovations are key drivers of MSME performance and inclusivity (Nugraha et al., 2022; Sinaga et al., 2023; Harunurrasyid et al., 2024; Utomo & Yekti, 2024; Omowole et al., 2024; Sipayung, 2025).

In terms of the digital financing business model, MSMEs highly valued the security and service features of digital platforms, which simplified loan application and disbursement processes. This shift represents a major improvement from conventional financing mechanisms that are often slow and bureaucratic. However, a limited understanding of platform types such as peer-to-peer lending or crowdfunding remains a challenge (Ofir & Tzang, 2022; Efendi et al., 2023; Rujitoningtyas et al., 2024). This lack of literacy can lead to suboptimal decision-making and emphasizes the need for stronger digital education initiatives and wider socialization by financial technology providers to ensure MSMEs select the most suitable models for their operational context.

The analysis of the digital financing variable also revealed favorable perceptions, particularly regarding repayment flexibility and loan tenor. These findings are consistent with Sipayung (2025), who found that digital financing systems improve operational efficiency and innovation within MSMEs. Nonetheless, concerns persist about high administrative fees and interest rates, which may discourage entrepreneurs from long-term engagement (Wulandari et al., 2024). Similar issues were observed by Sitriani et al. (2025), who reported that MSMEs' perceived costs often outweigh the benefits of easy access to funds, especially in shorter-term financing cycles. Financial access also showed positive results, particularly in terms of application simplicity and quick fund disbursement. These factors are crucial for maintaining liquidity and responding to immediate operational needs (Murwenie et al., 2024). This discrepancy between quantitative findings aligns with the argument of Harunurrasyid et al. (2024) that access alone is insufficient, and sustainable inclusion requires affordability and transparency.

The study also examined how digital financing contributes to productivity and employment. MSMEs using digital financing reported higher turnover, attributing it to their ability to purchase more raw materials, improve packaging, and innovate products. These results echo Sipayung (2025), who highlighted the mediating role of innovation in strengthening the link between digitalization and MSME effectiveness. However, the effect on job creation was relatively limited. Most MSMEs did not expand their workforce but reported better employee welfare through bonuses and improved working conditions. This suggests that digital financing enhances job quality rather than quantity, indirectly contributing to human capital development and aligning with SDG 8's emphasis on decent work and economic growth. All hypotheses in this study were confirmed with positive and significant relationships. These findings support previous evidence by Mangifera et al. (2022), Efendi et al. (2023), Murwenie et al. (2024), and Balboa et al. (2024) that digital financing business models, digital financing utilization, and financial access collectively improve the sustainability and competitiveness of MSMEs. However, issues such as low platform literacy and perceived financing costs still need to be addressed.

From a policy perspective, the results highlight the importance of integrating digital literacy training, transparent cost structures, and tailored financing products that encourage long-term investment rather than short-term operational borrowing.

Strengthening these aspects could further enhance MSME resilience and align digital financing practices with the goals of Sustainable Development Goal (SDG) 8, promoting inclusive and sustainable economic growth across Indonesia. Furthermore, collaboration between government institutions, fintech companies, and business associations will be crucial to ensure that digital financing continues to function as a catalyst for productivity, innovation, and employment creation within the MSME ecosystem. Fintech providers should focus on user education, transparent fee structures, and designing loan products tailored to MSME operational and investment needs to maximize adoption and impact.

CONCLUSION

This study concludes that digital financing business models exert a significant and positive influence on MSME performance in Jakarta, particularly in improving financial access, productivity, and job creation. A well-structured and inclusive digital financing framework not only facilitates MSMEs' participation in digital financial systems but also enhances their ability to expand production capacity, innovate, and generate employment opportunities. These outcomes demonstrate the pivotal role of digital financing platforms in supporting the realization of Sustainable Development Goal (SDG) 8, which emphasizes inclusive and sustainable economic growth as well as decent work for all.

From an implication standpoint, the findings highlight the need for policymakers, financial institutions, and platform providers to collaborate in strengthening digital financing ecosystems through transparent, user-friendly, and innovative models. Efforts should also focus on enhancing digital literacy, financial education, and technological readiness among MSMEs to ensure long-term sustainability and equitable participation in the digital economy. Nevertheless, the study's primary limitation lies in its narrow geographical scope, as it focuses solely on MSMEs in Jakarta, which may not accurately reflect conditions across Indonesia. Therefore, future research should expand its coverage to include diverse regional contexts and incorporate additional variables such as financial literacy levels, technology adoption, and financial performance. Broader and longitudinal analyses would enable a more comprehensive understanding of how digital financing contributes to MSME growth, resilience, and competitiveness in the evolving digital landscape.

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