

Research Article

Leveraging Digital Cooperatives for Inclusive Finance: The Role of Securities Crowdfunding in Achieving the Sustainable Development Goals (SDGs)

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ABSTRACT

Digital financial innovation has resulted in many financial service products such as crowdfunding. Indonesia legitimised the commercial crowdfunding system through OJK Regulation Number 37 of 2018 on Equity Crowdfunding. The regulation was replaced through OJK Regulation Number 57 of 2020 concerning securities crowdfunding and added to streamline technical matters through OJK Regulation Number 16 of 2021. At the beginning of the regulation, the securities offered were limited to equity types. The change in regulation developed a variety of sukuk and debt securities. In May 2024, sukuk amounted to 105 securities, with a percentage control of 30% of the total 356 securities, consisting of 231 equity and 20 debt. The capitalisation of sukuk increased from the number of sukuk in August 2023, which amounted to 59, with a percentage control of 22% of the total securities. Growth is an opportunity to transform digital-based cooperatives that organise funding in securities crowdfunding services. This opportunity becomes a legal challenge in the aspect of legality, so it is necessary to examine the digital financial innovation to ensure its implementation. Normative legal research is the research method that will be used, collaborating with the statute approach and the conceptual approach as the research approach. Primary data in the form of Law of the Republic of Indonesia Number 17 of 2012 concerning Cooperatives, Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, and Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services. Secondary data in the form of securities crowdfunding growth and analysed using integrative legal theory with descriptive analysis and descriptive integrative methods. The research found that there is a potential transition of digital-based cooperatives as providers of securities crowdfunding services that have been legitimised through legal integration analysis.

Keywords: Integrative Law; Digital Financial Innovation; Cooperatives; Securities Crowdfunding; SDGs

1. INTRODUCTION

Abraham Harold Maslow, through Maslow's hierarchical reasoning approach, states there are five levels of human needs that can be applied in organisations; each need that has been met will be dominant to meet or move to the next level of needs. The five needs are physiological needs, security needs, love, affection, and belonging needs, appreciation or recognition needs, and self-actualisation needs. Maslow's Hierarchy Theory is accelerated in the needs of MSMEs in the form of a hierarchy of capital accessibility, information technology, service quality, excellence, competitiveness, and innovation (Pradana & Sumiyana, 2023). The acceleration of the hierarchy becomes a basic need and main problem in the actualisation of MSME businesses; capital becomes a need and problem at the first level, which, when resolved gradually, will encourage meeting the needs and solving problems at the next level.

The transplantation of Maslow's hierarchy theory to the MSME business sector is a need for current problems because it is a pillar of the people's economy (Kustanto, 2022). First-level problems or needs in the form of capital accessibility can be resolved using a collaboration or integration approach. Integration is carried out using advances in information technology with the method of digitalisation of capital accessibility. Digitalisation has an impact on flexibility that

accommodates the digital era with increased social security and labour market policies, as well as the potential reduction in the role of human labour, especially in the service sector with the adoption of new technologies. Digitalisation reconfigures work with the introduction of digital technologies. The transformation of information, data, and content using electronic networks by relying on digital technology transitioning manual components to digital is the process of digitisation. The process covers aspects of life such as business, education, government, and other sectors (Kurniawan & Aruan, 2021).

The transition from analogue or manual working of data to digital facilitates ease of distribution, copying, and storage using electronic media. These changes utilise software, hardware, and digital infrastructure that improve efficiency, accessibility, and quality of information and services through the use of digital technology (Raza, Sabaruddin, & Komala, 2020). Komponen tersebut menjadi fundamental dalam pemanfaatan kemajuan teknologi informasi dengan mampu mengakses informasi secara efisien dan berpotensi dikembangkan dalam berbagai sektor kehidupan (Wuryantai, 2013). These components are fundamental in utilising advances in information technology by being able to access information efficiently and potentially develop in various sectors of life (Wuryantai, 2013). The effect of digitalisation has led to new work patterns or mechanisms, including production tasks and accommodation systems that are carried out robotically or on autopilot. The advantages of the digital transition have been utilised in the economic cycle, especially the funding of the people's economy or MSMEs. The use of digitalisation occurs in the funding sector for MSMEs using the concept or cycle of crowdfunding through digital platforms, previous MSME funding through KUR, or Kredit Usaha Rakyat, which is based on financing from banks and is traditional.

Crowdfunding methods have been used to provide funds for village opera performances in Southern China from village committees and citizens (Chen, Chen, & Wang, 2016). Crowdfunding in the context of the digitalisation of MSME funding is used as a basic concept to provide funding. Crowdfunding is a way of raising funds from individuals or entities to support a project, business, or social cause. This is done through an online platform that brings together fund seekers with donors (Sari, 2021). *Equity crowdfunding is turning into securities crowdfunding, which develops MSME funding that is no longer equity-based but is developed by offering bonds, debentures, and even sukuk in funding projects undertaken by MSMEs. The implementation of MSME funding is currently carried out by organising companies licensed by OJK, which are currently organised by 14 organisers* (KSEI, 2024). In 2024, the growth target of MSME funding through securities crowdfunding is projected to be more than Rp. 1.5 trillion, as stated by Patrick Gunadi, the Secretary General of the Crowdfunding Services Association (Aludi) (Ferdianto, 2024). The projected target is an opportunity for cooperatives to participate in the funding process with a role as an organiser by making the transition to cooperative digitalisation.

The digitalisation of cooperatives utilised in the agri-food sector in Europe involves the integration of digital technologies through websites and social media to improve visibility and marketing, as well as e-commerce capabilities to expand markets and revenue (Jorge-Vázquez, Chivite-Cebolla, & Salinas-Ramos, 2021). The use of artificial intelligence (AI) in cooperative credit businesses helps with borrower risk assessment by improving efficiency and accuracy through the analysis of electronic data, including credit history, payment behaviour, and other factors that significantly improve cooperative profitability through quick and informed decision-making based on the latest market information (Ramos, Azevedo, Meira, & Curado Malta, 2022). Technology utilisation for cooperatives is used to manage member data, financial transactions, financial reports, mobile applications, and e-commerce platforms (Jamaluddin et al., 2023). The use of technology can be transplanted in the process of digitalisation of cooperatives by making cooperatives a digital platform engaged in funding MSMEs.

Based on data released by the Indonesian Central Securities Depository, or KSEI, there are 14 platforms that organise MSME funding, all of which are incorporated as limited liability companies, or PT. Based on this, cooperatives have the opportunity to become the first organiser with a cooperative legal entity. This research sets out to integrate law, economics, and technology that can be applicable to cooperatives to increase financial inclusion in sustainable MSME funding, which is studied using a legal perspective to find the legal standing of cooperative digitalisation as an organising platform by integrating various regulations in the form of the Cooperatives Law, MSME Law, and several OJK Regulations. So that the discovery of legal standing in this research will have an impact on the growth of funding with the role of cooperatives in the future by using a multidimensional paradigm to understand and integrate it (Nazarudin, 2016).

2. RESEARCH METHOD

Research classified as library research in legal research is categorised as normative research. Various data sources from the literature will be reviewed (Sutrisno, 1990) in this research, such as books, dictionaries, encyclopaedias, journals, documents, periodicals, and the like (Harahap, 2014). Primary data sources used are Law of the Republic of Indonesia Number 17 of 2012 concerning Cooperatives, Law of the Republic of Indonesia Number 20 of 2008 concerning Micro and

Small, and Medium Enterprises, Law Number 8 of 1995 concerning Capital Markets and Financial Services Authority Regulation Number 16/POJK.04/2021 of 2021 concerning Amendments to Financial Services Authority Regulation Number 57/POJK.04/2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services. The secondary data used is data published by the Indonesian Central Securities Depository and several website sources. The data is analysed using integrative legal theory, which is applied by integrating the concept of economic technology with the moral values of the Indonesian nation and sustainable economic development based on Pancasila as a philosophical foundation. In analysing the potential of cooperative digitalisation for MSME funding, an average annual growth analysis approach and the technical economic principles of market action discount everything; price moves in trends, and history repeats itself with reference to growth data on the impact of securities crowdfunding regulations. The objectives and results of the analysis found legal standing for cooperatives as an integrative legal basis; these findings are to carry out digital financial innovation in the form of transitioning into digital cooperatives. The digitalisation of cooperatives as an opportunity and challenge is based on the calculation of the average growth of securities crowdfunding with the hypothesis of future growth projections. As a platform for organising MSME funding as an instrument to increase financial inclusion in sustainable funding for MSMEs.

3. RESULTS AND DISCUSSION

3.1 Integrative Law on Digital Cooperative Transition in Sustainable Funding for MSMEs

Prof. Dr. Romli Atmasasmita offers the concept of integrative law in positive/national law by integrating development law, progressive law, and the philosophical values of Pancasila. The three aspects are integrated by considering the current social situation of the community, thus giving birth to legal products for humans, not human interests for the law, in the sense that if there are obstructed human interests, the law is changed to achieve these interests (Atmasasmita, 2012). The concept of integrative law uses the approach of actualising values that live in society (living law), so that the laws made are dynamic in providing justice, certainty, and benefits (Sayuti, 2018). The integrative legal approach in the compiler's study is used as an approach to integrating law, economy, and technology based on the philosophical values of Pancasila. The output of this integration provides a mechanism for national economic development based on the needs of the community. In the populist economy in the form of MSMEs, this approach examines the MSME Law, OJK Regulations, and the Cooperatives Law in digital financial innovation.

Micro, small, and medium enterprises, or MSMEs, have a significant impact on gross domestic product in a region and play a role in suppressing high unemployment. MSMEs have tiered net worth standards: microbusiness units have a net worth with a maximum amount of Rp. 50,000,000.00; small business units have a net worth of more than Rp. 50,000,000.00 and a maximum of Rp. 500,000,000.00 (or have an annual sales turnover of Rp. 300,000,000.00 - Rp. 2,500,000,000.00); medium-sized business units have a net worth of more than Rp. 500,000,000.00 and a maximum of Rp. 10,000,000,000.00 (or generate an annual sales turnover of Rp. 2,500,000,000.00 - Rp. 50,000,000,000.00). The net worth does not count assets owned by the business unit, such as land and buildings of the business premises (Article 6 of Law of the Republic of Indonesia No. 20/2008 on Micro, Small, and Medium Enterprises). In the capital classification of business units that are tiered based on the net worth owned, it is integrated with the standards applied in securities crowdfunding information technology-based securities offering services; the maximum limit on net worth is Rp. 10,000,000,000.00 (Article 46 of the Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services). This is connected to the existing standards in MSMEs and causes MSMEs to be able to raise funds in securities crowdfunding services even though the turnover obtained exceeds these standards. Funding that may be raised by MSMEs in one year is a maximum of IDR 10,000,000,000.00/year.

Integration in the economic cycle based on the values, morals, and philosophy of Pancasila creates a democratic principle that provides economic democracy for the parties involved by creating vertical integration that does not discriminate (with justice) against elements of society (race, ethnicity, and class) to be able to fund businesses or projects being undertaken by MSMEs. Horizontal integration is created in this economic cycle by providing equality for every issuer, business actor, and MSME to be able to apply for funding through its securities offering. Both integrations are carried out by applying the fifth principle of Pancasila (Social Justice for All Indonesian People). Vertical and horizontal integration has an impact on practices based on the principles of kinship, togetherness, and independence for securities crowdfunding service actors. This is applied through the application of the principle of responsibility by service providers by applying the right screening method for issuers (MSMEs aim to reduce the risk of fictitious/fraudulent issuers) to produce quality services; besides that, the organiser is also responsible for investor funds that have been collected and securities held by investors; both users of the organiser's services have rights and obligations.

The philosophical aspect of Pancasila in the integration of this economic cycle is based on the third principle of Pancasila (Persatuan Indonesia), which is applicable to the application of the principles of gotong royong, care, and togetherness. These principles are applied to the collection scheme that uses the concept of crowdfunding, which is an economic term with the concept of raising funds together from the community without restrictions. This concept is then used as an alternative to raising funds by offering securities by small-scale issuing companies based on information technology using a crowdfunding platform service by the Financial Services Authority through its issued regulations (Ulum, 2023; Ulum & Ulum, 2023). The crowdfunding is carried out jointly (togetherness) by every element of society that cares about the people's economy (MSMEs) by working together to raise funds to provide capital to MSMEs. These integrations apply the values of Pancasila, national morals, and development economics by integrating the Cooperatives Law and the MSME Law, which are connected through basic principles, principles and objectives, and the implementation of the two laws to improve the national economy.

The integration between the Cooperatives Law and the MSME Law both have the same legal objectives in the form of legal certainty, usefulness, and justice in creating business funding or projects undertaken by issuers (MSMEs). The integration that has been carried out between the two laws is then integrated with the Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services. This integration is a fundamental integration in creating digital financial innovation; the transition of cooperatives into digital cooperatives is carried out with an integrative legal approach as was done in the two previous laws. The integration is done by combining the concepts of MSMEs and cooperatives by upgrading the development and funding sectors using technology. These three elements (MSMEs, cooperatives, and technology) create a sustainable economic mechanism or sustainable funding with advantages in accessibility and efficiency for the community, MSMEs, and financing institutions that minimise time and costs if done with traditional concepts.

In this integration, cooperatives will be implemented digitally, relying on electronic systems. The legal basis for cooperatives acting as funding providers is based on Article 8 with the provision that the organiser of information technology-based securities offering services has the status of an Indonesian legal entity in the form of a limited liability company or cooperative (Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services). The digitalisation of cooperatives is carried out by making various kinds of transitions to adjust to the relevant regulations; cooperatives will be orientated towards financial services practices in the capital market sector (Nasyiah & Ulum, 2024). The practice is carried out by registering as an organising cooperative with OJK to obtain an operational permit. In the process of applying for the license, the cooperative at least deposits its own capital of at least Rp. 2,500,000,000.00 and completes various other administrative requirements. Regarding the technical implementation, cooperatives are required to have human resources with information technology expertise and expertise in screening the issuer and the securities offered.

The digitalisation of cooperatives in improving the quality of cooperative human resources, cooperative organisers are required to improve the quality of human resources with education and training activities. The integration is a challenge for cooperatives in creating a limitation, screening, selection, or screening method that is applied to issuers or MSMEs. The process has a higher level of difficulty when compared to applying for funding or loans in cooperatives, because at least the screening process is carried out in two stages in the form of post-market and pre-market. Pre-market is carried out by the cooperative as the organiser at the initial stage, starting from the registration of the issuer and its securities. At this time, human resources with special expertise in the field of review are needed as an early-stage preventive effort in maintaining the quality and credibility of the cooperative over the potential entry of fictitious or fraudulent issuers or MSMEs. Another impact is as an effort to protect investors with the aim of anticipating fraudulent investments that will be made by investors.

In the pre-market screening process, cooperatives also pay attention to other terms and conditions relating to administration, financial statements, and business projections of issuers or MSMEs. These actions are carried out with the aim that cooperatives can understand the allocation of funding that has been raised later in an appropriate manner, and the issuer must summarise all information about it in one prospectus document. The document serves the cooperative as the organiser in the review process and investors in measuring the growth potential and risks. Especially for issuers or UMKM that offer sharia securities, the screening process is carried out using sharia principles and sharia-qualified human resources who have been certified as DPS (Sharia Supervisory Board) or TAS (Sharia Expert Team) (Ulum, Khairunnisa, Suganda, Nimah, & Makraja, 2024).

After premarket, screening is carried out in the aftermarket or postmarket. This method is carried out by the cooperative when a securities issuer or MSME has finished obtaining funding, then controlling the rights and obligations for each party involved. At this stage, the organising cooperative has the obligation to control, implement, and complete the rights and obligations of its service users in the form of distributing funds to issuers and distributing securities that have

been purchased by investors. The organising cooperative also plays a role in overseeing the allocation and use of investor funds used by issuers or MSMEs and the benefits they bring. However, the post market has a weakness that until now there has been no technical certainty, in the form of if the issuer or MSME that issues sharia securities (Muhsin, 2022) In the process of implementing business or projects that violate sharia provisions, there are no legal consequences or sanctions. When referring to the existing mechanism on the Indonesia Stock Exchange, or IDX, any issuer or issuer that has been indexed as a sharia issuer, then violates sharia principles, the issuer is revoked and removed from the sharia stock index.

The problem of sharia violation is still a problem and challenge for cooperatives in handling it. According to the authors, the law of causality must be applied with fundamental or principal arguments in the implementation of sharia crowdfunding securities. The root of the problem stems from the absence of definite regulations in providing sharia securities screening standards in the services that will be offered by cooperatives. The screening process at the IDX is carried out using two methods, namely core business screening and financial ratio screening. However, one of the two methods cannot be carried out by the organising cooperative because the two methods based on Financial Services Authority Regulation Number 35 of 2017 concerning Criteria and Issuance of Sharia Securities List only apply to public companies, while the securities offering in the securities crowdfunding service that will be run by the organising cooperative is not a securities offering referred to by the Capital Market Law. This is based on the unchanged legal entity status of the issuer, because although the securities offering is open to the public (equity securities), it does not change the private status of the issuer to become public (Articles 3 and 46 of the Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services).

The organising cooperative in the process of conducting fundraising through information technology services needs to make a transition to digital data and information. Information related to the organising cooperative in digital form, which is published on the cooperative's website, provides all data related to the securities offered as a consideration for investors. The organising cooperative has an obligation to provide financial literacy to the public at large and service users in particular. The most crucial information is also about education related to the risks in conducting funding activities, offering, and purchasing securities that have the potential to occur. Related to risk mitigation, the organising cooperative needs to make performance adjustments; this is based on the working system of the organising cooperative having a market reach or market capitalisation nationally so that the implementation of a reliable and secure electronic system is the responsibility of the organising cooperative.

In the implementation of electronic systems, cooperatives are given the authority to improve data protection systems and system maintenance by being able to cooperate and exchange data with other service providers. However, such cooperation must maintain data confidentiality and data protection. In mitigating the risks of cooperatives, providers are required to use data centres or databases and disaster recovery centres located in Indonesia. Regarding digital security, it is an important aspect for cooperative organisers that the process of authentication, verification, and validation when accessing data from both organisers, issuers, and financiers is carried out with layered security by applying the principle of knowing the customer. Digital transition must be carried out by cooperatives as providers who want to contribute to digital financial innovation and national financial inclusion by applying the principles of open disclosure or transparency, fair treatment, reliability, confidentiality, and data security, and in the event of a dispute, dispute resolution is carried out simply, quickly, and at affordable costs.

Legal integration using an integrative legal approach that contains moral values, philosophical aspects of Pancasila, and development economics integrated with Maslow's hierarchy theory can be a solution to the hierarchy of capital accessibility, information technology, service quality, excellence, competitiveness, and innovation. This answers that the digitalisation of cooperatives as information technology-based securities offering providers refers to OJK Regulation 57 2020, the Cooperatives Law, and the MSME Law as the legal basis for the implementation of cooperatives as securities crowdfunding service providers. This integration can produce digital financial innovations that are eco-green in nature, with the basis of funding being a soft funding model, meaning that issuers or MSMEs in meeting their capital needs do not need to use interest-bearing capital loans or increase expenses in the form of debt and interest. Meanwhile, in this innovation, capital needs are met by selling securities and their benefits. This integration will affect the performance of the cooperative as the organiser by applying the principles of professionalism and good corporate governance in its application. The hypothesis that the authors build is that cooperatives have the opportunity to participate in financial inclusion as organisers of securities crowdfunding with the projected growth of the digital economic climate or cycle in information technology-based digital funding with growth assumptions in the next subchapter.

3.2 Growth Analysis of the Potential of Cooperatives as Securities Crowdfunding Service Providers

The concept of gotong royong, involving elements of the community in raising funds in Indonesia for commercial purposes instead of donations, gifts, or assistance, was carried out in 2018. Community fundraising is regulated through Financial Services Authority Regulation Number 37 of 2018 concerning Crowdfunding Services through Information Technology-Based Share Offerings. The impact of this regulation was the beginning of the growth of fundraising to fund MSMEs, which in the early stages in 2018 funding was carried out with a securities offering scheme that funded 14 issuers (MSMEs) with a funding value of Rp. 16.47 billion. In the following year, 2019, the number of issuers (MSMEs) that received funding increased to 49 issuers with a funding value of Rp. 64.15 billion, and in 2020 the funding of issuers (MSMEs) increased 3 times from 2019 with a total of 127 issuers (MSMEs) with a funding value of Rp. 184.9 billion. The funding obtained by the issuer (MSME) is crowdfunding at an early stage, which is of the equity crowdfunding type, meaning that funding is carried out by offering securities from the issuer (MSME) with equity or stock instruments.

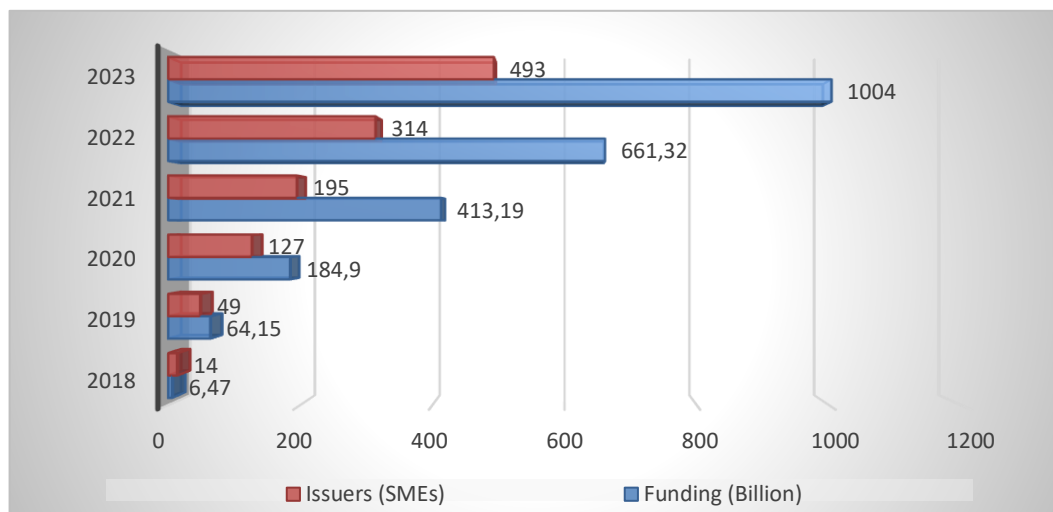


Figure 1. The Growth of UMKM and Value Funding

In 2020, a new regulation was issued in the form of Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services. After these changes, in 2021 the number of issuers (MSMEs) that received funding was 195, with a funding value of IDR 413.19 billion. In the following year, 2022, there were 314 issuers (MSMEs) that received funding with a funding value of IDR 661.32 billion. Then in 2023 the number of issuers (MSMEs) conducting securities offerings was 493, with a total value of Rp. 1004 billion, or reaching 1 trillion. This significant growth with progress growth/year is the impact of regulatory changes in 2020. These changes have an impact on the types of securities offered that are more varied than before; the variety of securities provides opportunities for asset diversification instruments for investors and for issuers (MSMEs) and provides options in raising funds for projects to be carried out. These variations are in the form of equity crowdfunding (ECF: equity securities, namely shares), debt crowdfunding (DCF: debt securities, namely debt securities), and sukuk, or securities based on sharia principles.

The next regulatory change occurred in 2021 with the regulation of Financial Services Authority Regulation Number 16 of 2021 concerning Amendments to Financial Services Authority Regulation Number 57/POJK.04/2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services. The amendment does not change the previous provisions but rather deletes and adds technical provisions to the old regulation. These changes affect the concept of securities offerings in MSME funding, which was originally based on equity crowdfunding, which has developed into securities crowdfunding. This also affects the growth of financiers as investors who fund various kinds of securities and projects proposed by issuers (MSMEs); the growth can be presented in Figure 2.

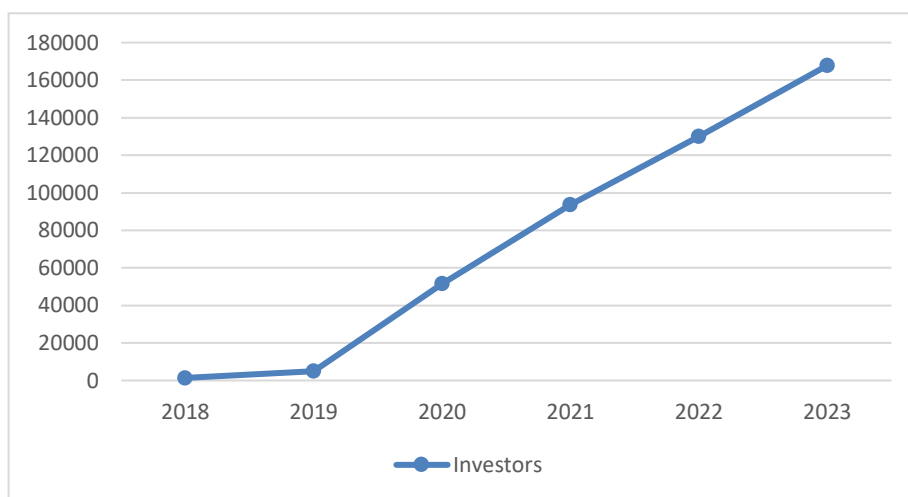


Figure 2. The Growth of Investors

The growth in the number of investors funding issuers (MSMEs), both in the form of sectoral businesses and projects, began in 2018 with 1,380 investors and in 2019 grew to 5,063 investors. Changes in regulations based on equity crowdfunding developing into securities crowdfunding have a significant impact on the interest of the public to participate in funding businesses and projects offered by issuers. To be precise, in 2020 the number of investors participating in funding has increased by 5 times from 2019, with 51,414 investors. Then in the following year, 2021, it increased again with 93,733 investors, and in the following year, 2022, it increased to 129,958 investors. In 2023 the public's interest continued to increase in the securities crowdfunding funding scheme, and confidence in the economic cycle became an investment diversification instrument with a total of 167,788 who made funding. The significant growth in the number of financiers or investors is influenced by the number of growth in crowdfunding service providers as in Figure 3.

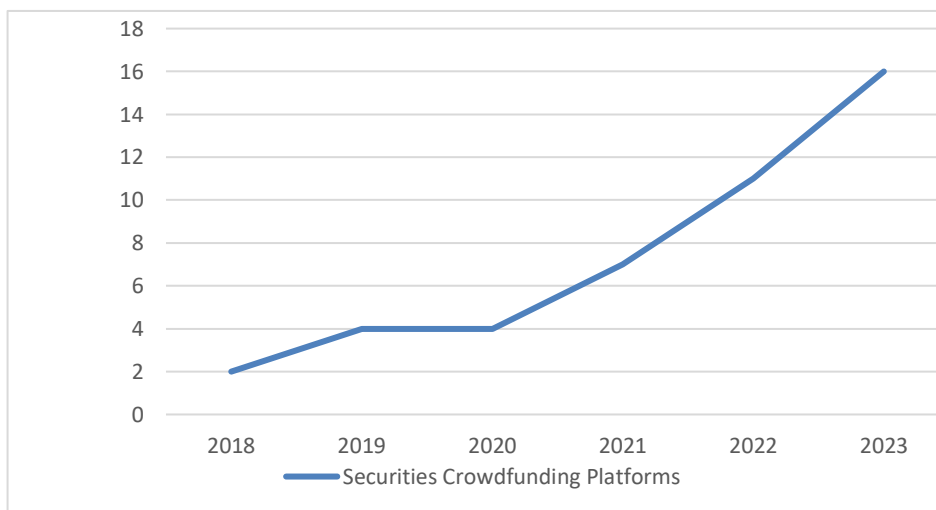


Figure 3. The Growth of Securities Crowdfunding Platform

The organising companies that organised issuer funding (MSMEs) through the equity crowdfunding cycle in 2018 consisted of 2 companies. In the following year, the growth of host companies in 2019 doubled to 4 host companies and experienced no growth or flat in the following year, 2020. Growth in the following year, 2021, experienced an increase of 0.75 times, or 75%, with the number of organisers becoming 7 platform organisers. In 2022, companies that provide services as intermediaries for issuers and financiers increased to 11 companies/platform organisers. In 2023, the number of organising companies increased to 16 organising companies, and at the exact time of June 2024, the number of organising companies was still the same (Vauzi, 2023). Meanwhile, the data released by the Indonesian Central Securities Depository, or KSEI, shows that there are 14 platform providers (KSEI, 2024).

Growth projections in 2024 can be used with the method of finding averages to find projected growth in the coming year. Based on the funding value growth data that has been presented through graphs and descriptions, the potential growth in funding value in 2024 is projected to increase by 46% or around Rp. 468.8 billion to amount to Rp. 1,472.6 trillion, which in 2023 was Rp. 1,004 trillion. The potential growth of funding for issuers (securities, MSMEs, and start-up companies) in

2024 is projected to increase to 48% or 731.4 issuers from the previous year of 493 issuers. For the projected growth of investors or financiers, it is projected to grow to 257,651 investors with an increase of 53% from 2023, which amounted to 167,788 investors. The projection is a calculation that has not considered other economic factors and policies or regulations that will be set. The Association of Crowdfunding Services, or ALUDI, through its Secretary General Patrick Gunadi, released data that the number of issuers from 2019-2023 has increased 10 times with a total of 550 issuers. The total growth in fundraising reached Rp. 1.1 trillion with 168,149 investors. Projected growth is targeted to raise IDR 1.5 trillion in funding with a target of funding 825 issuers or MSMEs (Ferdianto, 2024). The projection is carried out by calculating the CAGR formula, or compounded annual growth rate, in the sense of calculating growth by using the previous year's data in projecting growth in the following year. The projections that have been calculated by the authors using the method of calculating average annual growth and calculations made by ALUDI can be integrated with the growth data of securities distribution in the quarter report (See in [Table 1](#)).

Table 1. List of Securities Crowdfunding Platforms and Effect Product (as of 7 May 2024)

No	Code	Name	Product	Quantity
1	BZHR1	PT Investasi Digital Nusantara (Bizhare)	ECF	99
			DCF	-
			Sukuk	15
2	CRWD1	PT Crowddana Teknologi Indonusa (Crowddana)	ECF	33
			DCF	-
			Sukuk	-
3	DSMB1	PT Dana Saham Bersama (Danasaham)	ECF	2
			DCF	-
			Sukuk	-
4	FNDX1	PT Dana Investasi Bersama (Fundex)	ECF	1
			DCF	-
			Sukuk	6
5	LNDX1	PT ICX Bangun Indonesia (LandX)	ECF	40
			DCF	-
			Sukuk	-
6	LBSU1	PT LBS Urun Dana (LBS)	ECF	5
			DCF	-
			Sukuk	21
7	SDIM1	PT Santara Daya Inspiratama (Santara)	ECF	50
			DCF	-
			Sukuk	-
8	SHFQ1	PT Shafiq Digital Indonesia (Shafiq)	ECF	1
			DCF	-
			Sukuk	57
9	EKUI1	PT Likuid Jaya Pratama (Ekuid)	ECF	-
			DCF	7
			Sukuk	-
10	DNMR1	PT Dana Aguna Nusantara (Danamart)	ECF	-
			DCF	12
			Sukuk	-
11	FLSM1	PT Fintek Andalan Solusi Teknologi (Fulusme)	ECF	-
			DCF	1
			Sukuk	-
12	VSKU1	PT Amantra Investama Indodana (Visiku)	ECF	-
			DCF	-
			Sukuk	-
13	VSTR1	PT Halalvestor Global Asia (Vestora)	ECF	-
			DCF	-
			Sukuk	3
14	URUN1	PT Urun Bangun Negeri (Urun RI)	ECF	-
			DCF	-
			Sukuk	3

Effect Data Information

Equity Crowdfunding	:	231
Debt Crowdfunding	:	20
Sukuk Crowdfunding	:	105
		356

The authors' hypothesis that assumes the growth of issuers or securities that will receive funding in 2024 totalling 731.4 with a funding value of IDR 1,472.6 billion has a high probability of achieving the authors' assumptions. The hypothesis is integrated with the latest securities distribution report presented in the table above with a total distribution of 356 securities, which are detailed as equity securities or shares totalling 231, debt securities totalling 20, and sukuk securities totalling 105. The data was released by KSEI on 7 May 2024 and has been running for 5 months in 2024 with securities growth of around 50% of the compiler's hypothesis in projecting growth in the number of securities. To achieve the projected hypothesis that the authors built, at least 50% of the target of 731.4 issuers or securities with a remaining time span of 7 months in 2024 from the data release will be fulfilled. The target can be achieved if political and economic stability is maintained during 2024.

The hypothesis is built using a technical theory approach in analysing a trend pattern, namely market action discounts everything. The hypothesis will be fulfilled if political and economic stability is maintained because, on the basis of this theory, if political and economic conditions are unstable, then the hypothesis will not be achieved, because the movements that occur in the market have represented all the factors that occur. The theory of prices moves in trends; the application of this theory by referring to the growth trend of funding in securities crowdfunding services since 2018-2023 has always increased, so there is a tendency pattern in the movement or growth that has increased every year. The last theory is history repeating itself, the application of this theory by referring to growth data in the past, and growth in the past will be repeated in the future because each movement or growth has its own tendency, and this theory is in line with the theory of Newton's law 1 by Isaac Newton in his paper, *Philosophiae Naturalis Principia Mathematica*, which broadly states that a movement pattern has a tendency to continue rather than not (Oong, 2016).

The growth targets and projections that have been calculated using the average annual growth and CAGR method can be an opportunity for cooperatives to make a digital transition by acting as a cooperative organiser of securities crowdfunding services with the intermediary function of issuers and investors in the process of raising funds for issuers and purchasing securities for investors. The latest data on the number of providers published by KSEI currently stands at 14 providers incorporated as limited liability companies, or PT, and is an opportunity and challenge for cooperatives to participate in the implementation of issuer funding (MSMEs). At the development stage, cooperatives can provide debt crowdfunding (debt or bonds) and sukuk securities issuance services; this is to facilitate the transition of cooperatives into digital platforms as well as a strategy to attract issuers and investors with minimal investment risk and stable investment returns. With this innovation, cooperatives are not only a place to do savings and loans but also a productive and proactive instrument in providing funding and investment services for MSMEs and the community. This innovation is an opportunity for cooperatives to become transformative professional legal entities by implementing the principles of responsibility, open disclosure, CSR, and GCG.

Another challenge is about the willingness of cooperatives to shift their business orientation from cooperative members who can benefit through the capital included and allocated in the form of savings and loans to service cooperatives that provide securities offerings and purchasing services, so that profits do not come from returns generated from savings and loans but from fee transactions of service providers from service users (Article 10 POJK No. 57 2020). This innovation is also a challenge for the Ministry of Cooperatives and the Financial Services Authority in developing and implementing a pattern of supervision of cooperatives as SCF organisers (organisers are the competence of the OJK, while cooperatives are the competence of the Ministry of Cooperatives), whether it is done partially or in an integrated one-door manner. It is also a challenge for cooperatives to implement their commitments on the readiness of human resources, electronic systems, and risk mitigation (Article 12 (1) and (2), Article 13 (1) letters i and j, Articles 16, 24, 47, 66, POJK No. 57 2020, and Article 6 (1) letter e, Articles 75, 76, 91, 93 of Law 17 2012). That way, cooperatives become professional, adaptive, transformative, and solutive institutions or legal entities that are inclusive of national economic growth.

4. CONCLUSION

The integrative legal theory approach provides answers to the existence of legal standing to carry out digital financial innovations aimed at increasing financial inclusion with a scheme to form a sustainable economy through digital cooperative transition. The digitalization of cooperatives integrates the regulations of Law Number 17 of 2012 concerning

Cooperatives, Financial Services Authority Regulation Number 37 of 2018 concerning Crowdfunding Services Through Information Technology-Based Equity Offerings (Equity Crowdfunding), Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services (Securities Crowdfunding), and Financial Services Authority Regulation Number 16 of 2021 concerning Amendments to Financial Services Authority Regulation Number 57/POJK.04/2020 with the result of providing legal certainty for the digitalization of cooperatives as MSME funding providers.

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