

## Sustainability and Financial Inclusion of BPUM Recipient MSMEs in Central Java Province

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### Abstract

Micro, Small, and Medium-Sized Enterprises (MSMEs) are the national economic pillars of Indonesia's economy that have been most negatively impacted by the pandemic. MSMEs face obstacles as they expand, the most noteworthy of which is a drop in sales. Other difficulties include procuring raw supplies, diminishing output, capital, distribution delays, and job layoffs. This study looks at how business characteristics, financial inclusion, and digital finance effect MSME income in Jawa Tengah. Examine how BPUM support, company characteristics, financial inclusion, digital finance, and MSME revenue effect MSMEs in the Province of Jawa Tengah. Examine how the income of MSMEs in the Province of Jawa Tengah affects their sustainability by looking at business characteristics, financial inclusion, and digital finance. To evaluate primary data from survey findings, the SEM-PLS analytic approach was applied. The data revealed that BPUM support, company characteristics, financial inclusion, and digital finance all had a positive and significant impact on MSME income in Jawa Tengah. MSMEs in the Province of Jawa Tengah are essentially unaffected by digital finance, company characteristics, financial inclusion, and BPUM aid. However, MSME income has an effect on their ability to stay in business. BPUM support, business characteristics, financial inclusion, and digital finance have an indirect and significant impact on the sustainability of MSMEs in the Province of Jawa Tengah through their revenue

**Keywords:** BPUM , MSMEs , Financial Inclusion

### Introduction

The 2019 Corona Virus Disease pandemic (COVID-19), which began in Wuhan City, China, has had a wide-ranging impact. With the exception of Indonesia, the global economic order is disintegrating. The government took preventive steps by enacting Government Regulation (PP) No. 21 Year 2020 on Large Scale Social Restrictions in the Framework of Accelerating COVID-19 Treatment. The implementation of this law has an impact on the economic sector, resulting in a fall in economic activity and a decrease in public consumption, which ultimately affects the national economy's decline. Sutarnihardja (2004) defined sustainable development as having six goals that must be met.

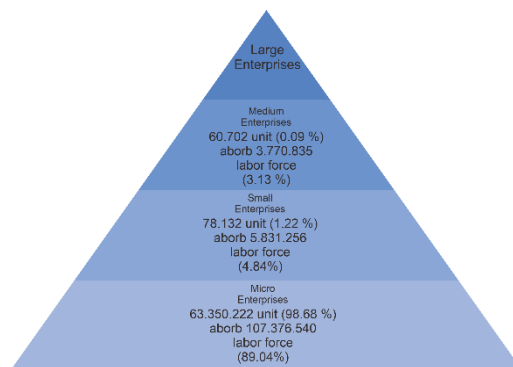
Accept that the benefits of development are distributed evenly across generations (generational equality), implying that natural resources can be used for growth while taking reasonable precautions to maintain ecosystem stability and focusing on the use of substitutable natural resources while minimizing the exploitation of non-renewable natural resources. Second, to safeguard ecosystem stability, natural resource sustainability, and the living environment as a guarantee of a good level of life for future

generations. Third, to remove the perpetual use of natural resources, with the management and use of natural resources to achieve economic progress. Fourth, preserve community welfare and endeavor to ensure that it is active now and in the future. (inter-temporal). Fifth, maximizing the benefits of accomplished economic development or correctly managing natural and environmental resources so that they have a long-term impact and are sustainable from generation to generation. The sixth goal is to maintain the quality of life of intergenerational humans in accordance with their habitat.

According to the Organization for Economic Cooperation and Development (OECD), the COVID-19 pandemic (2021) might increase the likelihood of an economic crisis caused by cuts in goods and services production in several nations, losses from decreased consumption, and a stock market decline. (OECD, 2021). The Indonesian economy is currently dominated by Micro, Small, and Medium Enterprises (UMKM), which is also one of the national income focuses that has been severely impacted by the pandemic. Significant economic losses in the United States as a result of public activity restrictions caused by COVID-19 pandemics (Hadiwardoyo et al., 2020). Susilawati and colleagues (2020). According to P2E LIPI of the research, UMKM, which has a population of 27 percent in the food and beverage business, was scanned from the reduction in tourist visits. Small and medium-sized food and beverage enterprises were affected by 1.77 percent and 0.07 percent, respectively. Micro firms making decaying handicrafts made up 17.03 percent of the entire unit. Small businesses accounted for 1.77 percent of the timber crafts industry, while medium-sized businesses accounted for 0.01 percent. The economic crisis finally had an influence on household consumption, which was adjusted by 0.5% to 0.8 percent.

According to the Ministry of Cooperation and Small and Medium Enterprises of the Republic of Indonesia, there were 62.9 million UMKM enterprises in 2018, accounting for 99.9% of total enterprise units today. 89 percent of UMKMs work in the micro sector, which employs 97 percent of them and accounts for 60 percent of the country's GDP. Figure 1 depicts the employment condition of UMKM in Indonesia in the year 20018.

**Figure 1 depicts the labor force participation of micro, small, and medium-sized firms in Indonesia in 2018.**



Source: Cooperation and Small and Medium Enterprises Ministry, 2018.

Figure 1 depicts the severity of the effects that entrepreneurs and employees will face during the restriction of activity to prevent the spread of COVID-19. Except for Central Java, which has long been reliant on the tourism industry. COVID-19 affects the provision of housing, transportation, food, and beverages as part of a tourist package. Foreign tourists are a target market for UMKM that sells non-culinary products (Kompas, 10 Maret 2020). The fall in international tourism arrivals is currently a challenge for Central Java. According to a BPS Central Java Province publication, the economic growth of Central Java province had a -7.22 percent correction in triwulan II in 2020 compared to triwulan I in

2020. (q-to-q). (quarter-to-quarter). Table 1 shows the number of UMKMs in cooperatives, small and medium-sized businesses, and sole proprietorships.

No	District/City	Years				
		2015	2016	2017	2018	2019
1	Banjarnegara	20,152	10,071	10,525	27,654	24,346
2	Purwokerto	20,032	38,690	38,920	41,456	42,744
3	Batang	26,863	26,863	17,754	19,688	19,261
4	Blora	91,511	91,511	91,511	75,412	75,482
5	Boyolali	9,712	9,712	9,712	11,761	14,584
6	Brebes	11,196	11,196	31,563	34,552	34,374
7	Cilacap	95,263	42,924	43,948	44,068	44,068
8	Jepara	38,954	28,989	38,954	39,551	40,468
		11,515	30,694	30,840	31,826	32,086
	Cetral Java	265,558	290,650	313,784	325,971	327,353

Source: Ministry of Cooperation, Small and Medium Enterprises Central Java Province

Central Java District of Buleleng, 2021 The contribution of UMKM sector in managing the economy of Central Java continues to grow over time. The number of UMKMs in Central Java was 327.353 in 2019. This amount is an accumulation of an increase in the number of UmKMs that have increased in each of the districts of Central Java. In 2016, there was an increase of 9.45 percent, in 2017 of 7.959 percent, 2018 of 3.88 percent and in 2019 of 0.42 percent. Since there are many UMKM in the Central Java, the impact on the local economy is quite significant, especially in terms of labor absorption. As shown by the explanation of Figure 1 about labor absorbtion and the prevalence of the UMKM. However, in line with the COVID-19 pandemic, UMKM is facing barriers in its development among which the most visible is the decline in sales. Besides, there are other obstacles: raw material difficulties, reduced production, capitalization, distribution constraints and the cessation of labour.

As we know together, today's consumers have more diverse types, so UMKM perpetrators must be prepared to adapt to current consumer behavior (Suleman et al., 2021). The rapid adoption of new technologies and the use of the Internet for marketing has proved to be able to survive in the midst of the outbreak of COVID-19. However, on the other hand, there is no research to see to what extent internet transactions or media are used by UMKM perpetrators in business. The use of Internet technology today in business activities is e-business, e-marketing, and e-commerce. In addition, UMKM players need to understand new cultural traits such as will and access to digital finance or digital desk transactions.

Addressing the implications on the contracting of the Indonesian economy and in particular in this study is Central Java, then the government launched the Micro Enterprise Productive Assistance Program (BPUM) which is a grant of Rs. 2,400,000 which has begun to be disbursed on August 17, 2020.

It coincides with the Independence Day of the Republic of Indonesia. BPUM is expected to have a positive impact on strengthening UMKM in the midst of the pandemic. So it can be concluded that the sustainability of UMKM must be safeguarded in order to support its contribution in advancing the region's economy. According to the concept of sustainable development is a form of development that further advances the exploitation of local potential of the region continuously byining its intergenerational sustainability, and paying more attention to the sustainability of nature and the environment, preserving the culture/intelligence of the local region, andining the continuity of economic development of the area, so that the future existence of UMKM can wake up its existence and can support more inclusive and sustainable economic growth. Through the study of sustainability analysis findings, this study seeks to describe the sustainability of UMKM. The research findings are expected to provide guidance to the government of Central Java Province to formulate policies and identify

additional strategies to support UMKM in the Middle Java Province growing in popularity and maintain their operations.

## Methods

In order to achieve study objectives, a descriptive method with a quantitative approach is applied. Primary data obtained directly by the author through surveys, recordings, and observations is then used to directly solve a problem for which he is looking for solutions. This study employs both qualitative and quantitative data. Observations and planned interviews are two methods for gathering data, with random sampling being utilized proportionally for samples. The number of samples in the study was determined using the Slovin equation and the formula:

$$n = \frac{N}{1 + Ne^2} \quad (1)$$

Where:

n: sample size

N: population size

e: crisis value (10%)

Of the number of UMKMs present in Central Java Province is a total of 131.693 (Jawa Tengah Post, 2020), then the sample calculation in is described as follows.

$$n = 131.693 / (1+(131.692 \times 0.12))$$

$$n = 131.693/1317,93$$

$$n = 99.924123 \text{ rounded to } 100$$

So that the number of samples used is a total of 100 UMKM in Central Java Province.

Where n is the sample size N is the population size, and e is the crisis value (10%). Given that the total number of UMKMs in Central Java Province is 131.693 (Jawa Tengah Post, 2020), the sample calculation is as follows.

## Results and Discussion

Respondent profiles are created using information on respondent attributes. Respondents in this study are perpetrators of UMKM constructed by BPUM in Central Java Province. A total of 100 participants took part in this survey. In this study, demographic variables comprised of markers of gender, age, and education are utilized to assess the characteristics of respondents. The following is a summary of the study's findings in Table 2. BPUM assistance, Income, Sustainability, Business Characteristics

**Table 2 Results Of Research**

Varibel	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Value
BPUM assistance => Income	0.270	0.269	0.114	2.375	0.018
BPUM assistance => Sustainability	-0.004	-0.010	0.180	0.037	0.971
Business Characteristics => Income	0.204	0.205	0.070	2.921	0.004
Business Characteristics => Sustainability	0.033	0.021	0.081	0.409	0.682
Financial Inclusion => Income	0.266	0.276	0.114	2.356	0.020

Financial Inclusion => Sustainability	0.075	0.073	0.134	0.560	0.575
Digital Finance => Income	0.270	0.261	0.104	2.591	0.010
Digital Finance => Sustainability	0.050	0.051	0.124	0.400	0.689
Income => Sustainability	0.666	0.674	0.156	4.269	0.000

### **The Impact of BPUM Bantuan on UMKM Earnings in Jawa Tengah**

According to the findings of the analysis, BPUM has a positive and significant impact on the performance of UMKM in the province of Jawa Tengah. Beginning with Peraturan Menteri Koperasi No. 6 tahun 2020 on Bantuan Bagi Pelaku Usaha Mikro (BPUM), the government is providing a stimulus in the form of money to microbusiness owners through the Anggaran Pendapatan dan Belanja Negara (APBN). Pendapatan merupakan arus awal aktiva, peningkatan arus aktiva lainnya, penyelesaian kewajiban entitas, atau gabungan dari kedua arus tersebut, yang diawali dengan penyerahan barang, penyediaan jasa, atau penciptaan aset lain, yang merupakan kegiatan pencapaian utama industry (Maulita et al., 2019). Pendapatan dapat dianggap jika dioleh melalui operasi rutin perusahaan atau operasi rutin yang berada di luar kisaran tipikal (Riawan & Kusnawan, 2018). According to research conducted by Mikhael et al. (2021), social capital is required during COVID-19 and has the potential to increase UMKM earnings. The study began with research (Mujianto et al., 2022) that discovered that the government's social support system was successful in achieving UMKM and that society continued to function throughout COVID-19. The stimulus program established by the government in order to strengthen the UMKM workforce as a motor of kerakyatan business that can thrive in a pandemic situation is a strategic step undertaken by the government in order to strengthen the UMKM workforce in order to carry out economic tasks. Stimulus in the form of BPUM, which has been approved by the government, has a positive impact on the expansion of the business's operational procedures. Bangkitnya peran dan pelaku UMKM dalam melakukan kegiatan usaha adalah kunci dari bangkitnya perekonomian atau perekonomian global. Some of the benefits provided by the UMKM are as follows: increased productivity and kemiskinan, increased masyarakat income, economic growth, and, eventually, the ability to contribute to the growth of the national economy.

### **The impact of BPUM assistance on the sustainability of UMKM in the Central Java Province**

Based on the results of the analysis of the BPUM aid has no significant impact on UMKM sustainability in Central Java province. This means that the government's BPUM distribution program has no sustainability impact on UMKM perpetrators in Central Java Province. Some of the conditions are because of the BPUM blamed by the government are only implemented temporarily in the short term. BPUM which is blamed is only acquired once for the affected entrepreneur and should not be a double recipient in every enterprise. If reviewed from the size of the BPUM, the nominal aid channelled by the government has not been able to support or cover the long-term impact of this pandemic. Other conditions occurring in the field, there is no advanced program from the government to support the rise of the perpetrators of UMKM in the long term in the midst of the uncertain pandemics. The results of this study show that BPUM's aid does not guarantee that the business will run smoothly. There are other factors that can affect the sustainability of UMKM during the Covid-19 pandemic, such as sales, capital and resource management, resource availability and more. The failure of BPUM to cover the losses of UMKM during the pandemic and the knowledge of information related to this aid is one of the causes of the insignificance of the relationship between BPUM assistance and the sustainability of the UMKM. Business growth, according to a study by Purwidiyanti et al. (2014), is the capacity of an organization to increase output or its size. Changes in income, assets, employment, productivity, and profitability are some of the absolute or relative metrics commonly used to measure business growth. (Fatoki, 2014) Different elements are crucial toining corporate growth and SME success at every stage of development.

### **The Influence of Business Factors on UMKM Revenue in Central Java Province**

The results of business feature analysis have a good and considerable impact on UMKM income in Central Java Province. One of the aspects that impact business success is the personality of the business owner. Character is critical to UMKM company success (Abdullah & Najib, 2018; Vijaya & Irwansyah, 2018). According to (Islam et al., 2011), entrepreneurship traits include demographic features, personality, entrepreneurial attitude, and desire to venture. More specifically, the entrepreneur's personality is more refined, has a lot of ideas, is confident, is not easily discouraged, is self-sufficient, dares to take chances, and has a high level of environmental awareness in the long run. The length of the company's activities also has an impact on its performance, especially for start-ups. Islam et al., 2011; Essel et al., 2019). The quantity of experience a company has is proportional to how long it has been in business. (Eltahir, 2018; Edusah, 2014). The study's findings reveal that the characteristics of SMEs affect their income in some circumstances.

### **The Influence of UMKM Characteristics on the Sustainability of UMKM in Central Java**

Province According to the findings of the enterprise characteristics analysis, the UMKM's sustainability in the Central Java province is unaffected. The ability of a corporation to generate goods and services items, as well as sales techniques, can be used to assess the company's business performance. Cash flow, turnover, profitability, and assets can all be used to illustrate good corporate business performance (Jabeen et al., 2016). Rosli and Aliyu (2015) According to Shariff and Shariff (2011), successful business performance can also be proven by a growth in the number of consumers and staff. The expanding scope of the UMKM enterprise itself demonstrates financial success in UMKM. Purwaningsih and Kusuma (2015) conducted research on how variances in business characteristics effect business performance. This study differs from other studies (Nursiah et al., 2015; Purwanti, 2012) that stated that enterprise characteristics have no impact on sustainability because in the midst of pandemic uncertainty today, no one entrepreneur can guarantee and estimate in long-term sustainability, it can be realized that by outlining various government policies to deal with the impact of this epidemic through the rules of lockdown recognized have paralyzed various sub-sector

### **Impact of Financial Inclusion on UMKM Revenue in Central Java Province**

According to the findings, financial inclusion has a considerable and favorable impact on UMKM income in Central Java Province. One of the funding schemes known as "financial inclusion" aims to provide low-income and disadvantaged populations with access to a variety of financial services. Credit financing, savings, insurance, and financial transfer services are examples of financial services financing schemes. The government's financial inclusion program can provide complete services for entrepreneurs to better optimize their business performance by managing finance resources to enable greater business performance in production activities in support of increased revenue.

This situation is consistent with past research. Entrepreneurs in the UMKM sector, according to (Aribawa, 2016), will make decisions and manage their funds in a way that fosters long-term growth if they have high financial inclusion capabilities. To be able to add funding resources to finance production activities more optimally in an effort to boost output and revenue for entrepreneurs (Dahmen & Rodriguez, 2014), it was discovered that public knowledge or entrepreneur awareness of the need of accessing capital resources is critical. Good financial literacy influences adequate corporate performance management. Loan payment accuracy is an indication of strong business performance management. The more skillful the degree of financial knowledge that UMKM gained, the more effectively and efficiently loan payments will be managed, so that in the future UMKM players can control the financial management in the production process properly.

### **Financial Inclusion's Impact on UMKM Sustainability in Central Java Province**

According to the conclusions of the analysis, financial inclusion has no effect on the sustainability of UMKM in Central Java Province. Financial inclusion is the concept that everyone has the right to full access to money.

Financial services of high quality are timely, convenient, transparent, and cost-effective. All communities have access to financial services, with a concentration on disadvantaged groups in rural areas, migratory workers, and the destitute. According to Purwaningsih and Kusuma (2015) and Purwanti (2012), company owners are critical to the survival of UMKM. If a company is unable to use financial services properly, the likelihood of a major increase in recession increases. UMKM owners are urged to manage financial management well, including in terms of ratio and financial reporting, in order for business performance to be monitored and well controlled.

According to Aribawa (2016), financial inclusion has an impact on corporate sustainability in a range of scenarios. Increased awareness of financial inclusion has the potential to improve recovery efforts. According to (Dahmen & Rodriguez, 2014), financial inclusion has an impact on their businesses. The anticipation of UMKM actors is the ability to master the knowledge of financial inclusion, particularly the financial ratios linked with its financial reports. Financial inclusions, according to Yunus et al. (2022), encourage business expansion. Because UMKM criminals are growing increasingly adept at comprehending finance, they are generating more financial reports.

### **The Impact of Digital Finance on UMKM Revenue in Central Java Province**

The findings of a digital financial analysis revealed a positive and considerable impact on UMKM revenue in Central Java province. Based on the analysis' conclusions that there is a large and positive association between digital finance and UMKM revenue, it is extremely likely that psychological factors impact customer decisions to spend, which boosts revenue. The usage of digital payments that provide some appealing offers such as maximum discounts has a good impact on UMKM perpetrators' revenue and is a result of the availability of digital financial intervention (Sukayana & Sinarwati, 2021). Digital payment methods not only provide several benefits to clients, but they also greatly improve UMKM revenue in Central Java Province. The perpetrators of UMKM should have been able to adapt to the payment system as a result of millennials' desire to shop. Masyarakat consumption has begun to shift to online transactions (Ariyanto et al., 2020). When UMKM criminals can adapt to changes in the digital system, consumer interests may be addressed. Indirectly, when the more accurate customer becomes the target, a transaction will occur, and the transaction will boost the revenue of UMKM perpetrators.

### **The Impact of Digital Finance on UMKM Sustainability in Central Java Province**

According to the conclusions of a digital financial analysis, the sustainability of UMKM in Central Java Province is unaffected. The use of market intelligence data for product development has an impact on UMKM's technological advancement, which is one way the university is becoming more digital. Ariyanto and colleagues (2020). The COVID-19 epidemic has a strong grip on people's ability to interact directly with one another. These limits present an opportunity for technology to impact the business sector as well as the general public's habits and behavior. The analytical results reveal that there is no significant relationship between digital finance and UMKM sustainability. This suggests that at UMKM in Central Java Province, many people still do not use digital banking to conduct their businesses. While digital banking is vital for corporate viability, especially during the COVID-19 pandemic, everything is done online. The findings of this study contradict those of Lestari et al., (2019) and Febriyanto & Arisandi (2018), which both suggest that digital finance has an impact on UMKM sustainability.

**According to the findings of an analysis of UMKM revenue in Central Java Province, UMKM sustainability in Central Java Province has a good and significant influence**

The study's findings indicate that UMKM income can have an impact on the organization's long-term viability. When UMKM revenue increases, so does UMKM continuity. Purwidiyanti et al. (2014) define business growth as the company's ability to expand in size. According to a study (Fatoki, 2014), changes in sales, assets, labor, productivity, and profitability, both directly and indirectly, impact firm growth and the methodologies used to quantify it. There are numerous factors that influence the growth of a company and the success of SMEs at every level of their development. UMKM income is a key aspect in starting a business. The business capital will be enhanced as a result of the revenue. The increase in UMKM revenue in Central Java Province has an impact on the sustainability of UMKM.

According to Eresia-Eke and Raath (2013), three interrelated viewpoints are utilized to measure business growth: financial growth, strategic growth, and structural growth. These three strategies should be considered by business owners when considering how to expand their organization. Revenue is one of the key indications of a company's financial health.

The income of UMKM in the Central Java Province has a considerable and indirect favorable impact on the sustainability of the UMKM there, according to a review of BPUM support. It demonstrates that by increasing UMKM income, it is possible to improve UMKM's survival in the Middle Java Province. By assisting micro-enterprises, the government is addressing how the COVID-19 outbreak may affect the most susceptible economic sectors. (BPUM). On July 14, 2020, the President of the Republic of Indonesia launched the Productive Banpres support program for Micro Enterprises. It is predicted that providing labor capital to microenterprise owners will improve the running of the country's economic machine. Following the President's directives on extra assistance programs for UMKM culprits in the poor and vulnerable categories afflicted by the COVID-19 outbreak, BPUM was established.

#### **According to research findings, the income of the UMKM in the Central Java Province**

Has a favorable and significant influence on the survival of the UMKM there. The amount of time the entrepreneurs have operated is one of the business qualities that differs greatly from one entrepreneur to the next and has a big impact on the decision of which techniques will be employed and how to conduct a business. Entrepreneurs that have been running their business for a longer period of time will adopt a more developed and concentrated approach in managing, producing, and advertising a product. Long-term business owners will have a lot of experience and knowledge, as well as the ability to make judgments in any situation, and they will also have indirect access to a large network of connections that will be valuable in selling their goods. The findings of this study are consistent with those of another study (Setiaji & Fatuniah, 2016), which discovered that the duration of a firm has a beneficial influence on its opinion. As a result, a trader's revenue will be determined by his level of experience and the accuracy of his plan for managing, producing, and marketing items. This has an impact on UMKM's perspective and survivability.

#### **Impact of Financial Inclusion on the Sustainability of UMKM in Central Java Province**

Via UMKM Revenue in Central Jawa Province According to the findings of the financial inclusion analysis, UMKM income in Central Java Province has a positive and significant influence on UMKM survival there. Entrepreneurs' capacity to innovate, manage personnel, and relate to customers, as well as the ability of investors used by UMKM, can be used to identify the sustainability of firms in UMKM. The operational perseverance of UMKM members demonstrates that UMKM has a growth-oriented mindset and is capable of recognizing innovation opportunities on a regular basis. (Dwiastanti & Mustapa, 2020; Smart & Bourne, 2001) Business longevity can be determined by four factors: 1) financial growth, 2) the development of specialized strategy conditions, 3) structural growth, and 4) organizational growth. These four indicators can be used to evaluate how well businesspeople implement long-term UMKMs. Wickham (2006). With financial education and awareness, UMKM perpetrators may manage, access, and use financial goods more easily. Financial inclusion refers to the process of promoting all economic actors' access, availability, and enjoyment of the formal financial



system (Sarma, 2012) (Demirguc-Kunt & Klapper, 2012). When the performance of UMKM is in line with the entrepreneur's program, the community's standard of life will increase, allowing the realization of expected income in accordance with the established business program. When UMKM perpetrators are aware of strong financial inclusion, financial management decisions will be more effective. UMKM culprits in need of capital might seek assistance from a variety of sources (family or friends) or through bank loan restructuring. Online-based sales applications reduce waste and create revenue that UMKM culprits get above the Break Even Point (BEP). Because to that effort, the UKM is now able to continue its endeavors. Previous research on UMKM has found that financial inclusion affects how long UMKM can last (Nurohman et al., 2021). (Aribawa, 2016) also did a study that was comparable to the findings of this study.

### **According to the conclusions of digital financial analysis, UMKM income has a favorable and significant influence on the sustainability of UMKM in Central Java Province**

Based on the findings of the investigation, it is apparent that utilizing digital finance to run a business makes it easier for consumers who like to utilize electronic payments to do so because they do not have to worry about spending too much money. The majority of consumers are still uninterested in digital money, and they prefer to make payments in cash.

The usage of digital finance in business operations is very simple to manage in the digital age since it reduces business development fraud and ensures correct cost-setting processes. Remote purchasing can use digital financial goods in creating a running firm, just as employing digital finance can generate larger marketing. Business capital can be used more effectively by decreasing a portion of the company's expense through the usage of digital finance. This condition will surely increase the company's sales and revenue. Furthermore, thanks to digital finance, UMKM is better equipped to adjust to market demand, assuring their longevity. According to research (Wijaya & Nailufaroh, 2022), the digital economy can boost revenue and assure company survival. Furthermore, according to the research (Amelia & Anhar, 2019), financial technology developments are critical to corporate growth and upkeep.

The characteristics of the UMKM as seen from the perspective of the origin of the enterprise, long-term enterprises, the scale of enterprises, and sources of funding have not been able to guarantee the long-term sustainability of UMKM, the longer-term business for UMKM perpetrators can be seen from its productivity position in conducting enterprise activities, in other words, the long-term enterprise indicates that such enterprise has been capable

The size of the firm and the type of finance possessed by UMKM criminals can have an impact on the quantity of income generated. The scale of enterprises belonging to micro, small, and medium-sized enterprises each has a distinct character in terms of development, ranging from the number of factors of production possessed to the turnover produced. The size of revenue is evident from the scale of enterprise owned by UMKM operators in relation to the production and sales capacity of the products produced, because the greater the scope of the enterprise UMKM, the greater the income generated by the entrepreneur from the sale of the business products. Furthermore, the ease of access to funding of the characteristics of this enterprise will be able to help the development of enterprises in improving the production capacity and the operational performance of an enterprise that is increasing due to the presence of sufficient capital injection for the improvement of production and ultimately increase the income produced by the operators of this enterprise.

The BPUM initiative also targets small businesses that are not authorized, do not pay taxes, and do not engage in the industrial sector. The COVID-19 epidemic has had an impact on all corporate levels worldwide, not just micro-businesses. Travel obstacles, social alienation, and self-isolation all contribute to a drop in the workforce in all sectors of the economy, resulting in the loss of many employment (Shinozaki & Vandenberg, 2020; Sugiarti & Fauzi, 2021). (Nicola et al., 2020) The government's BPUM aid program can provide an opportunity for UMKM to innovate and rise above the plague of the Covid-19 pandemic. The organization will be able to compete in the market if it engages in innovation and

business development. Increased UMKM income has become one of the most important criteria in UMKM sustainability. Financial inclusion is a full right granted to the public to access financial services available without discrimination from a specific class or group of people, but this financial inclusion will include the quality of the service, the accuracy of time and ease in carrying out financial transactions, the availability of products, and the precision of use. Furthermore, the public's participation, particularly that of entrepreneurs, is critical in order to support this financial inclusion program, such as increasing knowledge and awareness about the range of financial products and services, understanding the risks of financial products, and developing financial management skills to be better prepared, particularly in supporting productive business activities for UMKM actors.

The government must evaluate the continuation of this BPUM assistance program, because the condition for the recipient of BPUM is only permitted once for the entrepreneur who is disbursed in cash and at the same time through the distributor who has been designated and able to be disguised to UMKM, which belongs to the criteria of not receiving other funding aid from the government. When employed to help the development of firms in a more productive direction, this BPUM program will be able to have an impact on increased revenue for entrepreneurs. The productivity of UMKM perpetrators can be assessed from the perspective of funding aid utilized for financing or purchasing production raw materials to boost the enterprise's development. This is consistent with the findings of the Nurmalasari et al. study (2022), which found that stimulus aid from the government of BPUM can have a favorable impact on the receipt of revenue by UMKM individuals when used appropriately and targeted for the advancement of company development.

UMKM sustainability is the ability of entrepreneurs to continue their businesses indefinitely. This UMKM's sustainability is judged by its ability to contribute economically, preserve environmental sustainability, and adapt to the region's local wisdom. The sustainability of business in the middle of this epidemic is a problem for entrepreneurs that want to continue carrying out productive activities by capitalizing on existing economic prospects. The creativity and invention of UMKM actors are required to be able to synchronize between the stimulus received and to effectively create new chances for UMKM. It is recognized that the increase in income generated by UMKM operators affects the future business's sustainability; this increase in income will have an impact on the increase of workers' income, increase in the amount of production or scale of the enterprise, and in the long term can be a good opportunity for business expansion. Well, the qualities of the entrepreneur's firm might represent that enterprise has been able to develop in a more advanced path and can continually offer an ideal contribution to the economy of the region and, in particular, to the well-being of entrepreneurs.

## Conclusion

Based on the research findings, it is possible to conclude that BPUM, business characteristics, financial inclusion, and digital finance have a major impact on the revenue of UMKM in Central Java Province. The qualities of the UMK, business, financial, and digital inclusion, have no effect on its sustainability in Central Jawa Province. Based on the findings of the research, the government should strengthen the system for distributing aid to the people. This is done to assist the people who have been targeted and in conformity with the goal of the assistance provided. The government can socialize in relation to the assistance that will be provided to citizens. The government must monitor how help is distributed to ensure that it is not misappropriated. Following the channeling of government aid, it is required to conduct an evaluation connected to aid awarding in order to provide an overview of other help programs.

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