The Important of Digital Accounting and Indonesian Government Incentives in Strengthening MSME's Performance during the COVID-19 Pandemic

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Abstract

Purposes: This paper provides a discussion of how financial access, tax incentives, MSME's social assistance programs, accounting skills, and digital accounting utilization affects the MSME's performance, during the COVID-19 pandemic.

Methods: The data was generated by a questionnaire sent to the food and beverage MSME sector in Semarang City, Central Java, Indonesia. The population in this study was 17,602 MSME in Semarang City, Central Java, Indonesia. The sample was 261 MSMEs in the food and beverage MSMEs sector obtained using a convenience sampling technique. Descriptive statistics, data quality tests, classic assumption tests, regression analyses, and hypotheses were tested with SPSS 25 software.

Findings: Based on the hypotheses tests, the results show that accounting skills, digital accounting, and financial access have a significant positive effect on MSME's Performance during Pandemic COVID-19 in Semarang. While tax incentives and MSME's social assistance programs do not affect on MSME's performance during the pandemic.

Novelty: This study provides a unique detailed examination of actual practice and an indication of the future trend in digital accounting for MSMEs, and the role of government incentives to assist the MSME's performance during the pandemic.

Keywords: *Digital Accounting, Financial Access, Tax Incentives, Social Assistance Programs, MSME's Performance.*

INTRODUCTION

Since the COVID-19 pandemic, MSMEs around the world need to increase their skills to adapt to the pandemic situation (Budiarto, Diansari, & Vivianti, 2021). The skill of calculating the accounting data and providing financial information is very important as the business language for MSME. In the Pandemic situation in which businesses run digitally, adaptation in many aspects is also strongly needed by the MSMEs, including digital adaptation in accounting (Budiarto, Diansari, & Vivianti, 2021). Digital accounting will help the MSME's in preparing a financial statements which is needed to communicate with the stakeholders. The stakeholders, especially financial institutions and the government needs financial information to support and

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help MSME during the pandemic.

Financial institutions help the MSME by providing financial access during the pandemic (Hidayati & Rachman, 2021). While the government plays an important role in sustaining MSME by giving incentives with policies including tax incentives and social assistance programs. This policy aims to give stimulus for MSME by giving them free tax liability for 6 months, and various social assistance programs during the pandemic. This stimulus is given via financial institutions by expanding financial access in the form of credit restructuring, exemption of interest payments, postponement of principal installments, the extension of the credit period, and additional credit. The Government also provides tax incentives for pandemic-affected MSME. These policies aim to maintain MSMEs' performance during the COVID-19 pandemic and post-pandemic.

The research on MSME's performance was done by the previous researcher. (Osula, 2011) explained that accounting skills have a positive effect on the MSME's performance in Nigeria. The other research shows that there are other factors that influence MSME's performance. (Dewi, Hendriyaldi, & Tialonawarmi, 2022) proved that MSMEs' performance affected by financial access. Another previous study showed that MSMEs' performance was affected by government incentives. (Sharifuddin & Aziz , 2019)have assessed the effect of government incentives on the performance of MSME in the food sector. While (Lutfi & Alkelani , 2022) proved that digital accounting usage positively effects the MSME's performance in the COVID-19 pandemic situation. Thus study only examined one factor on MSME's performance as the independent variable, and the result cannot give a comprehensive understanding of what factors influence MSME's performance. In addition, government incentives can be given in various forms. Therefore, this research develops a model on the factors affecting MSMEs' performance based on previous research finding, using accounting skills, digital accounting, and government incentives which include financial access, tax incentives, and social assistance programs.

This study aims to examine the effect of accounting skills, digital accounting, financial access, and government incentives including tax incentives and social assistance programs on the MSMEs' performance during the COVID-19 pandemic. The study was conducted on 261 food and beverage MSME sectors in Central Java, Indonesia since this sector is the most affected by the pandemic. The Convenience sampling technique was used to select the sample, from the population based on data from the Semarang City Cooperative and MSMEs' Service Offices.

Researchers will test the effect of accounting skills, digital accounting, financial access, and government incentives including tax incentives and social assistance programs on the performance of MSMEs, using Resource Based View (RBV) theory. This theory is used to explain the relationship between accounting skills and MSMEs' performance and to explain how the digital adaptability of MSME in accounting to maintains and improves their performance during a pandemic. This study also uses regulation theory to explain the relationship between government incentives policies in sustaining MSMEs' performance during the pandemic. Tax incentives and social assistance programs as the implementation of Indonesian government incentives, will help the MSMEs to keep their performance during the pandemic situation.

The Framework of Resource Based View (RBV) emphasized the use of company resources to achieve sustainable competitive advantages. Company resources are identified as all resources controlled by the company which allows the company building a strategy that will increase the efficiency and effectiveness of companies activity. The resources include both tangible and intangible including assets, capabilities, processes, company attributes, data and information, knowledge, and others (Madhani, 2010).

The framework of the study developed based on the Resource-Based View theory (RBV) which emphasizes the understanding of a company's sustainable competitive advantage (Madhani, 2010). A Company's sustainable competitive advantage can be originated from all assets, capabilities, administrative processes, company attributes, information, knowledge, and others controlled by the company. The company can control these resources to formulate and implement the strategy effectively and efficiently. By managing these resources properly, it will allow the

company to formulate and implement the strategies efficiently and effectively.

RBV theory is used to explain the use of accounting skills and digital accounting which is the representation of the MSMEs' capability in adapting digital technology to improve their performance during the pandemic. According to this theory, MSMEs will use their capabilities to survive in uncertain conditions such as pandemic situations, including accounting skills and digital accounting which are needed by the MSMEs (Myint, 2020).

Accounting skills is required to provide financial information for internal and external user, such as financial institutions and the government (Elo, Patari, Sjögrén , & Mättö, 2023). This skill is required by MSMEs to conduct accounting processes which will provide financial reports. In the pandemic situation in which businesses run digitally, the other capabilities such as digital accounting, also will be useful for MSMEs to provide financial information fastly and accurately both for internal and external users which will help them to survive during the pandemic. This skills also will be useful for MSME's in providing information needed by financial institutions and government in assisting MSME's.

In explaining the relationship between the Indonesian government incentives and MSME's performance, the researcher uses the regulation theory develops by (Goodwin, 2012). This theory is used to understand the relationship between Indonesian Government policies, including financial access, tax incentives, and social assistance programs for MSMEs in sustaining the MSME's performance in a pandemic affected MSMEs, especially the food and beverage sector in Central Java, Indonesia. These incentives consider the implementation of the regulation in the form of policy which aim to help MSME's performance in the pandemic situations. By giving incentives in the form of free tax liability that for about 6 months, and expanding financial access, MSMEs can use and allocate their resources for other business activities which will give stimulus for their performance. In addition, social assistance programs that provide many assistances for MSMEs also encourage MSMEs to survive and strengthen their performance during the pandemic. As a result, the procurement of social assistance programs for MSMEs can increase MSME's performance.

SMSE's performance during the pandemic was affected by government policy for MSMEs, including financial access, tax incentives, and social assistance programs. From the regulation theory (Goodwin, 2012), these incentives is set as the implementation of the Indonesian Government regulation and policies in sustaining the pandemic affected-MSMEs. These incentives consider as part of the regulation which forms the policy implementation aim to strengthen the MSME's performance in the pandemic situations.

Financial access is part of incentives given by the Indonesian government which provides enough funding for MSMEs to run their business. This incentive is the implementation of government regulation related to economic recovery programs, especially for MSME. This regulation was set by the government to give more access in getting funding from financial institutions, during the pandemic. With the implementation of this regulation, MSMEs can get more funding to enhance their performance. Access to finance helps MSMEs to strengthen their performance during the pandemic. (Myint, 2020)proved that financial access has a positive effect on the performance of MSME. In addition, (Dewi, Hendriyaldi, & Tialonawarmi, 2022) shows that financial access positively affect the MSMEs' business performance. Based on the regulation theory and previous studies (Myint, 2020), the hypothesis 1 developed:

H$_1$: Financial Access has a positive effect on MSME Performance.

Tax incentive is part of regulation implementation set by the government to recover the economic conditions during the pandemic, including MSME's performance. Tax incentives which is the implementation of government regulation, will provide financial flexibility for MSME during the pandemic situation. This regulation was set by the government to give more assistance in allocating their funding from tax liability allocation to others. Since during the pandemic, MSMEs faced difficulty in getting enough funding, tax incentive is very needed by

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MSME. With the implementation of this regulation, MSMEs can allocate tax liability to other funding such as production and marketing expenses, to enhance their performance. Free tax liability will allow MSME's use and allocate their resources for other business activities which will give stimulus for their performance. Tax incentives help MSMEs to strengthen their performance during the pandemic. Previous study shows that tax incentives have a positive effect on MSMEs' performance. (Hajawiyah, Suryarini, & Kiswanto, 2022) proved that tax incentives have positive effect on MSME's performance. Consistent with (Hajawiyah, Suryarini, & Kiswanto, 2022), (Ayem & Hijayanti, 2022) show that tax incentives positively affect the MSME's financial performance. From the regulation theory and previous studies the hypothesis 2 developed :

H₂: Tax Incentives has a positive effect on MSME Performance.

Social assistance program is one of the policies which derived from the government regulation regarding economic recovery which focuses on MSME. As part of government regulation implementation, social assistance program aim to help MSME during the pandemic. Social assistance program which is the implementation of government regulation help the MSME by giving assisting with the pandemic situation. Social assistance programs will provide many assistances for MSMEs in solving their problems, and help MSMEs to strengthen their performance during the pandemic. These programs were set by the government to give more assistance to MSME in facing production problems. During the COVID-19 pandemic, MSMEs faced difficulty in getting raw materials for the production, and difficulty in promoting their product. With assistance from the government and empowerment programs, MSMEs can keep their production and marketing of their products. This regulation implementation can enhance the performance of MSME by assistances that allow MSME's run their business activities which will give stimulus for their performance. Previous study shows that social assistance programs have a positive effect on MSMEs' performance. (Sholichatun & apriyanti, 2021) proved that social assistance programs have positive effect on MSMEs' performance. Consistent with (Sholichatun & apriyanti, 2021)the hypothesis 3 of this study is:

H₃: Social Assistance Programs for MSME's has a positive effect on MSME Performance.

Accounting skills is capabilities of the MSME in preparing financial information both for management and external users. Accounting skills is needed to provide financial information for the manager and external user to make business decision. Based on RBV theory, accounting skills is considered as capabilities owned by the MSME which are useful in managing dan reporting MSME's resources, including asset, expenses, and other financial information to the stakeholders. This skill will help MSMEs to obtain accurate financial information which be useful in decisions making during the pandemic. Accurate information related to the cost of goods sold, other expenses, and profit resulting from accounting will make a better decision making which effect the MSME's performance. There is some previous research that provides evidence of the effect of accounting skills on the MSME's performance. Research by (Akande, 2011), (Mwebesa, 2018), and (Purag, Mohammed, & Mohammad, 2018) finds that MSMEs' performance was influenced by accounting skills. As explained by (Mwebesa, 2018) and (Purag, Mohammed, & Mohammad, 2018), the MSME's owner skills in processing accounting data were useful in business decision making which will enhance business performance. Another study by gives an understanding that accounting skills is useful in providing financial information for internal and external user decision making which affects business performance. Consistent with previous studies by (Akande, 2011), (Mwebesa, 2018), (Purag, Mohammed, & Mohammad, 2018), the hypothesis 4 is:

H₄: Accounting Skills has a positive effect on MSME's Performance.

Digital accounting is the capability of the MSME in adopting digital technology in the accounting process. Digital technology adoption in producing information both for management and external users, is needed to provide financial information fastly and accurately. Accurate

information will be useful for users to make better business decisions. From the RBV theory, digital accounting usefulness can be explained as the capabilities of the MSMEs in using digital technology which is useful in producing accurate, and relevant financial information for the stakeholders. This capability helps MSME's in obtaining accurate financial information which be useful in fast decisions making that affect the MSME's performance. The relationships between digital accounting and MSME's performance were studied by previous research: (Mubarak, Shaikh, Mubarik, Samo, & Mastoi, 2019), Lutfi (2022), Indriastuti and Kartika (2022). As explained by Mubarak et al. (2019), the MSMEs's performance was influenced by digital transformation including digital adaption in accounting. This study supported by (Lutfi & Alkelani, 2022), (Indriastuti & Kartika, 2022) explained that processing accounting data with digital technology was useful in enhancing business performance during the pandemic situation. Consistent with previous studies, this study develops the hypothesis 5:

H$_5$: Digital Utilization in Accounting has a positive effect on MSME's Performance.

METHODS

This study is intended to examine the relationship between accounting skills, digital accounting, and government incentives with the MSME's performance. This research uses the quantitative approach which provides empirical evidence on the effect of accounting skills, digital accounting, and government incentives on the MSME's Performance. This study is correlational research, which explores the relationship between the independent and dependent variables. This study used primary data collected through an online questionnaire. The data was collected by online questionnaire to the food and beverage MSME sector in Semarang City, Central Java, Indonesia. The population of the study comprised 17,602 MSMEs. MSMEs in Semarang City was chosen because MSMEs in Semarang were mostly affected by the pandemic and received social assistance programs from the Indonesian Government. Another reason for using MSMEs located in Semarang is because MSMEs in Semarang already have inclusion in digital transformation including in the accounting process. The respondent of this study is the owners of the food and beverage MSME sector in Semarang, Central Java.

The minimal samples were determined using slovin to measure the sample size. Using Slovin formula with an error tolerance of 6%, the minimal sample of the study is 261 MSMEs. The data was collected through an online questionnaire send to the food and beverage MSME sector in Semarang City, Central Java. This study used 5 Likert scales, with point 1 for strongly agree, and point 5 for strongly disagree. This study used hypotheses testing of multiple linear regression analyses as the statistical approach with five independent variables and one dependent variable. Descriptive statistics, data quality tests, classic assumption tests, regression analyses, and hypotheses were tested with SPSS 25 software. This research uses ordinary least square to get the Best Liniar Unbiased Estimator (BLUE). The hypotheses were use t -tests and F tests. F- tests are used to test whether the independent variable significantly effect to the dependent variable. If Sig F = 0.000 > 0.05 it means that hypothesis are accepted, if Sig F = 0.0000 < 0.005 it means that the hypothesis are rejected. If sig t = 0.000 < 0.05 it means that there is no effect of the independent variable independent to the dependent variable.

The model used to analyze the effect of accounting skills, digital accounting, and government incentives on the MSME's performance is multiple linear regression analysis as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e \dots\dots\dots\dots\dots\dots\dots(1)$$

Note:
Y   : MSME's Performance
a   : Constanta
b1, b2, b3: Coefficient of X1, X2, X3, X4 , X5
X1   : Financial access

Table 1. Respondent Characterictic- Bussiness Age

Bussines age	Number	Percentage
3-5 years	98	37.5
5-10 years	61	23.4
Less than 3 years	62	23.8
More than 10 years	40	15.3
Total	261	100.0

X2	: Tax Incentives
X3	: Social Assistance Programs for MSME
X4	: Accounting Skills
X5	: Digital Accounting
e	: error

RESULTS AND DISCUSSION

The research population in this study is the food and beverages sector MSME in Central Java, 163,713. The total samples taken were 261 respondents using the convenience sampling technique. The data used are primary data by distributing online questionnaires for about 6 weeks during the end of 2021. The number of questionnaires distributed was 500 questionnaires. There were 300 questionnaires returned and 261 questionnaires that can be processed. The identities of the 261 samples were grouped according to, business age and the number of employees.

Descriptive Statistic and Respondent Characteristic

Table 1 shows that 37.5 percent MSME's the age 3-5 years, 23.4 percent MSME 5-10 years age, 23.8 percent in the age of less than 3 years, and only 15.3 percent MSME's on the age more than 10 years. This data shows that most of the MSME's sample is MSMEs that are still in the developing stage or 3-5 years.

Table 2 shows that 94.6 percent of MSMEs have 1-4 employees, 4.6 percent MSMEs have 5-19 employees, and only 0.8 percent have 20-99 employees.

Respondents Responses

Formula to calculate respondent scale range:

$$RS = \frac{m - n}{k}$$

$$RS = \frac{5 - 1}{3} = 1.33$$

Highest number	= m
Lowest number	= n
Scale range	= RS
Category total	= k

Table 2. Respondent Characterictic- Number of employee

Number of employees	Amount	Percentage
1-4 employee	247	94.6
20-99 employee	2	0.8
5-19 employee	12	4.6
Total	261	100.0

Table 3. Respondent's Responses to the Variables of Financial Access

No.	Indicator	1(SA)	2A	3(N)	4(D)	5(SD)	Scale Range (%)	Criteria
1.	MSME can access finance through financial institutions: banking, Credit Union, Islamic Credit Unions (BMTs), and other financial institutions during the pandemic (X1.a)	99	72	32	35	23	2.28	High
2.	MSME can access finance through financial technology during the pandemic (X1.b)	111	58	44	23	25	2.21	High
3.	MSME can access finance through capital market during the pandemic (X1.c)	102	35	36	41	47	2.60	High
4.	MSME get credit relaxation during the pandemic, in the form of credit period extention, interest exemption, and loan principal delay (X1.d)	110	45	49	32	25	2.30	High
5	MSME get additional credit limit from financial institutions during the pandemic (X1.e)	115	45	52	24	25	2.23	High
	Average						**2.32**	**High**

Source: processed data, 2021

1. Hight = indicator value 1 - 2.33
2. Moderate = indicator value 2.34 - 3.67
3. Low = indicator value 3.68 – 5

Table 4. Respondent's Responses to the Variables of Tax Incentive

No.	Indicator	1(SA)	2A	3(N)	4(D)	5(SD)	Scale range (%)	Criteria
1.	MSME is one of the tax incentive target during the pandemic (X2.a)	75	55	54	35	42	2.67	Moderate
2.	MSME don't pay tax for about 6 months during the pandemic (X2.b)	85	46	56	42	32	2.58	Moderate
3.	Tax incentive will give stimulus for MSME during the pandemic (X2.c)	50	46	57	66	42	3.02	Moderate
	Average						**2.75**	**Moderate**

Source : processed data, 2021

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Table 5. Respondent's Responses to the Variables of Social Assistance Programs

No.	Indicator	1(SA)	2A	3(N)	4(D)	5(SD)	Scale range (%)	Criteria
1.	MSME are urgently require social assistance programs from the government during the pandemic (X3.a)	99	72	32	35	23	2.28	Moderate
2.	MSME receive social assistance programs from the government during the pandemic (X3.b)	69	59	56	53	24	2.63	Moderate
3.	Social assistance programs from the government can help the MSME solving the problems during the pendemic (X3.c)	76	35	36	56	58	2.94	Moderate
4.	MSME receive social assistance program from the government in the form of partnership programs in marketing and others, during the pandemic (X3.d)	72	43	49	45	52	2.85	Moderate
5	MSME represented by the owner or staf get the pre-employment card from the government (X3.e)	56	45	52	52	56	3.03	Moderate
6	MSME receive social assistance programs in the form of working capital: KUR or others, during the pandemic (X3.f)	50	45	45	68	53	3.11	Moderate
	Average						**2.81**	**Moderate**

Source : processed data, 2021

Based on the respondent's responses to the variable with each measurement of indicators, the average number of variables for financial access is 2.32 which means high, tax incentives have an average of 2.75, and social assistance programs have an average of 2.81 which is categorized as moderate range. While accounting skills and digital accounting have an average of 2.31 and 2.33 which is categorized in the high range. So it can be concluded that respondent's responses regarding the variable for accounting skills and digital accounting are in the high category, which means that during the COVID-19 pandemic, MSMEs have used accounting skills and utilized digital assistance in their business process. On the other hand, respondent's responses regarding the variable for the social assistance programs and tax incentives are in the moderate category, which means that during the pandemic, MSMEs have received enough (moderate) social assistance from the government.

Based on the results of respondent's responses to the variable MSME's performance with measurement of 7 indicators, the average value shows a figure of 2.30 which can be categorized as high. So it can be interpreted that during the pandemic there were several MSME's that had increased performance in their business.

Table 6. Respondent's Responses to the Variables of Accounting Skills

No.	Indicator	1(SA)	2A	3(N)	4(D)	5(SD)	Scale range (%)	Criteria
1.	MSME store and manage all proof of business transaction, including invoice (X4.a)	110	72	32	28	19	2.13	High
2.	MSME can record financial transactions accurately by creating journal entries for each transaction (X4.b)	98	59	45	40	19	2.32	High
3.	MSME can post journal entries recorded to an account in the general ledger manually or computerized (X4.c)	112	35	36	32	46	2.48	Moderate
4.	MSME can calculate the trial balance at the end of the accounting period, accurately (X4.d)	115	53	49	20	24	2.18	High
5	MSME can create a worksheet and ensure that the debit and credit are equal, and make any adjustments where necessary (X4.e)	113	45	52	32	19	2.23	High
6	MSME can generate financial statements which include income statement and balance sheet (X4.f)	102	66	45	28	20	2.23	High
7	MSMEs use financial statements to communicate with stakeholders for any purposes (X4.g)	93	45	52	39	32	2.51	Moderate
8	MSME can understand, interprete and analyze financial statements (X4.h)	99	53	50	32	27	2.37	Moderate
	Average						**2.31**	**High**

Source : processed data, 2021

Based on the results of descriptive statistical analysis, it shows that the number of respondents is 261 respondents. The MSME's Performance variable of the with the mean value of 27.18 and a standard deviation value of 8.202. The mean value for financial access is 18.80, with a standard deviation of 5.913. The variable of Tax incentives with mean 32.85 and a standard deviation of 12.569. The social assistance programs have a mean value of 57.94 and a standard deviation value of 21.778. Accounting skills have a mean value of 62.31 and a standard deviation value of 22.645. While digital accounting has a mean value of 11.93 and a standard deviation value of 4.477. Based on the descriptive statistic, it can be assumed that the mean value of the dependent and independent variables is more than the standard deviation value. The results

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Table 7. Respondent's Responses to the Variables of Digital Accounting

No.	Indicator	1(SA)	2A	3(N)	4(D)	5(SD)	Scale range (%)	Criteria
1.	MSMEs adopt Computerized recording system in recording financial transaction. (X5.a)	100	71	30	37	23	2.28	High
2.	MSMEs adopt digital technology in the form of accounting software in recording financial transaction. (X5.b)	100	59	54	23	25	2.29	High
3.	MSMEs use and utilize digital technology in the form of accounting software to get financial information real time (X5.c)	110	36	27	41	47	2.54	High
4.	MSMEs utilize and develop digital technology to improve accounting skills especially in preparing financial data and financial report more effective, fast, and more efficient. (X5.d)	109	46	49	32	25	2.30	High
5	MSMEs utilize and develop digital technology to improve accounting skills, especially in interpreting financial data effectively, fastly, and efficiently. (X5.e)	115	45	52	24	25	2.23	High
	Average						**2.33**	**High**

Source : processed data, 2021

Table 8. Respondents Responses to the Variables of MSME's Performance

No.	Indicator	1(SA)	2A	3(N)	4(D)	5(SD)	Scale range (%)	Criteria
1.	MSMEs keep producing the product in the same amount and product type during the pandemic (Ya)	109	75	30	28	19	2.13	High
2.	MSMEs able to make amount of sale during the pandemic (Yb)	98	59	45	40	19	2.32	High
3.	MSMEs able to make a profit during the pzndemic. (Yc)	110	39	34	32	46	2.48	Moderate
4.	MSMEs always maintain and improve product quality during the pandemic (Yd)	114	54	49	20	24	2.18	High
5	MSMEs always prioritize customer satisfaction (Ye)	112	46	52	32	19	2.23	High
6	MSMEs can maintain the number of customer during the pandemic (Yf)	100	68	45	28	20	2.23	High
7	MSMEs can adapt and innovate in solving the problems during the pandemic (Yg)	96	45	49	39	32	2.49	Moderate
	Average						**2.30**	**High**

Source : processed data, 2021

Table 9. Descriptive Statistics

	Mean	Std. Deviation	N
MSME's Performance (Y)	27.18	8.202	261
Financial Access (X1)	18.80	5.913	261
Tax Incentives (X2)	32.85	12.569	261
Social Assistance Programs for MSMEs (X3)	57.94	21.778	261
Accounting skills (X4)	62.31	22.645	261
Digital Accounting (X5)	11,93	4.477	261

show that all variables have a fairly good distribution because the standard deviation is very high causing the data to show normal results.

Hypotheses Tests

The normality tests has a significant value of less than 0.05, so it can be concluded that the data tested is normally distributed. The multicollinearity tests results on all variables with a VIF value of less than 10 and a tolerance value of more than 0.10, so there is no multicollinearity. It can be concluded that the regression model is suitable for conducting research testing. Based on the results of statistical data processing, the heteroscedasticity tests results show that the variable has a sig. value more than 0.05, which means that there is no heteroscedasticity.

The constant in the regression calculation is 13.660, indicating that if the variables of financial access, tax incentives, social assistance program, accounting skills, and Digital Accounting are constant, it is stated that the increase in the MSME's Performance is 13.660. The regression coefficient for financial access is 0.700 which is positive, meaning that each increase in financial access is followed by an increase in the MSME's Performance. The regression coefficient for tax incentives of -0.65 is negative, which means any increase in tax incentives will be followed by a decrease in the MSME's Performance. The regression coefficient for social assistance programs is -0.002 means any increase in social assistance programs will be followed by the decrease in the MSMEs' Performance. Accounting skills have 0.098 which is positive, which means that each increase in accounting skills is followed by an increase in the MSME's Performance of 0.098. Digital Accounting which is negative 3.01, means that Digital Accounting will be followed by a decrease in MSME's Performance.

Based on table 11, the results of the F tests show that the calculated F value is 12.944 with a significance value of 0.000 < 0.05 so that the variables of financial access tax incentives, social assistance programs, accounting skills, and digital accounting simultaneously affect on MSME's performance.

Table 10. Hypothesis Testing (T-Tests)

Variable	Uns B	Standard eror	Beta	t	sig	tolerance	VIF
(Constant)	13.660	1.662		8.220	0.000		
Financial access (X1)	0.700	0.112	0.505	6.251	0.000	0.446	2.243
Tax Incentive (X2)	-0.065	0.049	-0.100	11.225	0.185	0.517	1.935
Social assistance Programs (X3)	-0.002	0.030	-0.006	-0.70	0.944	0.127	2.175
Accounting skills (X4)	0.098	0.028	0.269	3.457	0.001	0.480	2.084
Digital Accounting (X5)	301	0.158	0.164	1.908	0.058	0.393	2.547

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Table 11. F-Tests

Sum of Squares	df	Measn Square	F	Sig.
4611.874	7	658.853	12.944	0.000[b]
12877.919	253	50.901		
17489.893	260			

Based on table 12, the coefficient of determination tests results obtained an Adjusted R^2 Square value of 0.243 or 24.3%, which means that the independent variables can affect the dependent variable by 24.3%.

Hypothesis Tests Result and Discussion

The Effect of Financial Access on the performance of MSMEs in the food and beverage sector during the pandemic

Based on the results of descriptive statistical analyses on the variable financial access using 5 indicators, the average result is 2.32 which is in the high category, meaning that MSMEs have received financial access during the pandemic. Financial access from financial institutions is utilized by MSMEs properly to maintain their business to increase their performance during the COVID-19 pandemic. Furthermore, for the results of statistical analyses on variables MSME's performance with 7 measurement indicators, the average results obtained are 2.30 which is in the high category, meaning that MSMEs have increased their performance properly during the pandemic.

Another evidence seeing as many as 37.5% of MSME's actors are in the developing stage because the length of time the business has been established is in the 3-5 year age group, so the desire for MSMEs to be productive is still high. The length of time a business is established is also related to capabilities in using their resources (RBV theory). The more the business is run, the more experience and even knowledge possessed by MSME's.

Based on the results of the hypotheses, the results of financial access have a positive effect on the performance of MSME's with a significance value of $0.000 < \alpha = 0.05$ in the food and beverage sector in Semarang City during the pandemic s the hypothesis is accepted. Providing financial access for MSMEs in the form of stimulus and credit relaxation has made efforts to provide credit as an alternative to get more funding for MSME. This access to finance has been accepted and used by MSMEs to keep producing during the pandemic to increase their performance.

Financial access provided by the government is in line with the theory of regulation implementation, where the Semarang city government's policy is in providing access to finance in handling the impact of the on MSMEs. This is evidenced that as many as 2.32 MSMEs have received government policies regarding access to finance. The access to finance is well utilized by MSMEs according to their business needs so that their business can survive and be sustainable during the COVID-19 pandemic. With access to finance, MSMEs are encouraged to make production, this is in line with the regulation theory. In this case, the regulation of the provision of access to finance due to the impact of the pandemic, MSMEs can get enough funding to increase their businesses performance.

The results of these tests are under the research conducted by (Dewi, Hendriyaldi, & Tialonawarmi, 2022), and (Myint, 2020). (Myint, 2020) said that financial access can impact MSME's performance. In addition the research conducted by (Dewi, Hendriyaldi, & Tialonawarmi, 2022) said that financial access can also maintain production activities for business continuity so that it can increase business performance during the pandemic.

Table 12. R Square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.514[a]	0.264	0.243	7.134

The Effect of Tax Incentives on the performance of MSME's in the food and beverage sector during the COVID-19 pandemic

Based on the results of descriptive statistical analyses on the variable tax incentive using 3 indicators, the average result is 2.75 which is in the moderate category, meaning that MSMEs have received enough tax incentives during the pandemic. Tax incentives from the government were used by MSME's but at a moderate rate during the COVID-19 pandemic.

The evidence related to the age of MSME's shows that 37.5% of MSME actors are in the developing stage. This phenomenon can explain why businesse in the developing stage still focus on increasing performance, and did not consider tax liability. Although, the results of statistical analyses on variables MSME's performance with 7 measurement indicators, show average results of 2.30 which is in the high category, meaning that MSMEs have increased their performance properly during the pandemic.

Based on the results of the hypotheses, the results of the tax incentives have a positive effect on the performance of MSME's with a significance value of $0.000 > \alpha = 0.05$ in the food and beverage sector in Semarang City during the COVID-19 pandemic. Hypothesis 2 is rejected, which means that financial access has a positive effect on MSME's performance but is not significant. Tax incentives for MSMEs in the form of a free tax rate, has not made flexibility for MSMEs, because of the lack of receiver (moderate range). This insentive has been accepted and used by MSMEs but in moderate value.

The tax incentive provided by the government is not in line with the theory of regulation implementation, where the Semarang city government's policy is in providing incentives for the impacted-MSME's did not affect MSME's performance. The evidence shows that only 130 of 261 MSME's or 49.8 % have received tax incentives. This incentive is lack utilized by MSMEs so they cannot support business performance during the COVID-19 pandemic. In this case, the regulation of the tax incentives due to the impact of COVID-19, cannot increaae MSME's business performance.

The results of this tests is not in line with the research conducted by (Hajawiyah, Suryarini, & Kiswanto, 2022), (Ayem & Hijayanti, 2022), but consistent with Picas (2021) that stated tax incentives can not increase MSME's performance. This study explained that tax incentives can not impact MSME's performance.

The Effect of Social Assistance Programs on the performance of MSMEs in the food and beverage sector during the COVID-19 pandemic

Based on the results of descriptive statistical analyses on the variable social assistance programs using 6 indicators, the average result is 2.81 which is in the moderate category. This means that MSMEs have received enough social assistance programs during the pandemic. Social assistance programs from the government were used by MSMEs but at a moderate rate during the pandemic.

The evidence shows that only 128 or 49% of MSMEs actors receive social assistance programs from the government. This result shows that 115 or 44% of MSMEs received social assistance programs in the form of partnership programs. The number of involvement in partnership programs is still lacking, so although the government has given assistance, it can not increase MSME's performance.

Based on the results of the hypotheses, the results of social assistance programs have a positive effect on the performance of MSMEs with a significance value of $0.000 > \alpha = 0.05$ in the food and beverage sector in Semarang City during the COVID-19 pandemic. Hypothesis 3 is rejected, which means that social assistance programs have a positive effect on MSMEs' performance but are not significant. Social assistance programs for MSMEs in the form of partnership programs have not given stimulus for MSMEs, because only 44% of 261 MSMEs involved.

This result is not in line with the theory of regulation implementation, where the Semarang city government's policy is in providing social assistance programs for the impacted

the COVID-19 MSME's did not affect MSME's performance. This assistances is lack utilized by MSMEs so they cannot increase business performance during the COVID-19 pandemic. In this case, the regulation due to the impact of COVID-19, cannot increase MSME's performance. The results of the study is not in line with the research conducted by (Sholichatun & apriyanti, 2021).

The Effect of Accounting Skills on the performance of MSME's in the food and beverage sector during the COVID-19 pandemic

Based on the results of descriptive statistical analyses on the variable accounting skills using 8 indicators, the average result is 2.31 which is in the high range, meaning that MSME's agree that accounting skills was used during the COVID-19 pandemic. Accounting skills was utilized by MSME's to maintain their performance during the pandemic. The results of statistical analyses on variables MSMEs' performance shows the average results 2.30 which are in the high category, which means that MSME's have increase theirs performance properly during the pandemic using accunting skills.

The evidence shows that all MSME have enough resource (RBV) in the form of employee which needs to implement accounting skills. 247 MSME's or 94.6% have 1-4 employees, 12 MSME's have 5-19 employees, and 2 MSME's have 20-99 employees. According to RBV theory, MSME's will use their capabilities including employee to maintain business performance.

Based on the results of the hypotheses, the results of the accounting skills have a positive effect on the performance of MSME's with a significance value $0.000 < \alpha = 0.05$ in Semarang City during the COVID-19 pandemic. The hypotheses 4 is accepted. Accounting skills is usefull for MSME's in increasing MSMEs' performance. Accounting skills helps MSME's provides accurate information in business decision making during pandemic.

The result of this study consistent with the Resource Based View Theory, where the MSMEs in Semarang city use theirs capability including accounting skills to enhance their performance during pandemic. The evidence shows that MSME's use financial statements to communicate with stakeholders for any purposes (2.51 or high category). The accounting skills well utilized by MSME's according to their need of information to maintain business condition so that their business can survive and sustainable during the COVID-19 pandemic. The results of this test is consistent with the previous research by (Akande, 2011), (Mwebesa, 2018), (Purag, Mohammed, & Mohammad, 2018).

The effect of Digital Accounting Skills on the performance of MSMEs in the food and beverage sector during the pandemic

Based on the results of descriptive statistical analyses on the variable digital accounting using 5 indicators, the average result is 2.33 which is in the high category. This means that MSME's agree that digital accounting is useful to increase their performance during the pandemic. Digital Accounting is useful for MSME's to maintain their business during the pandemic. The variables MSME's performance shows the average result of 2.30 which is in the high category.

The evidence shows that MSMEs use theirs resources (RBV) in the form of employees which needs to adapt digital technology in accounting. Based on the RBV theory, MSMEs will use their capabilities including all resources and encourage to adapt to the environment to maintain business performance.

Based on the results of the hypothesis, the results of the digital accounting have a positive effect on the performance of MSMEs with a significance value of $0.000 < \alpha = 0.05$ in Semarang City during the pandemic, thus the hypothesis 5 is accepted. Digital accounting is useful for MSME's in increasing MSME's performance by adapting digital technology in the accounting process. Digital Accounting helps MSMEs provide more accurate and fast information in business decision-making during the pandemic.

The result of this study is in accordance with the Resource Based View Theory, where the MSMEs in Semarang use their capability including digital accounting to enhance their performance. The accounting skills are well utilized by MSMEs according to their need for

information to maintain business conditions so that their business can survive and be sustainable during the pandemic. The results of this test is consistent with the previous research by (Mubarak, Shaikh, Mubarik, Samo, & Mastoi, 2019), (Lutfi & Alkelani , 2022), (Indriastuti & Kartika, 2022), (Hidayati & Rachman, 2021).

CONCLUSIONS

The results show that financial access, accounting skills, and digital accounting have a significant positive effect on MSME's performace with a significance value of $0.000 < α = 0.05$. While tax incentives, and social assistance programs have a positive effect on MSMEs' performance with a significance value of $0.000 > α = 0.05$. The regression coefficient (β) value of the financial access variable has a positive value of 0.700, Accounting Skills has a positive value of 0.098, and Digital Accounting has a positive value of 301. It can be argued that hypotheses 1, 4, and 5, which have a significant positive effect on MSME's performance are accepted. While hypotheses 2 and 3 were rejected. This result gives the meaning that digital accounting, accounting skills, and financial access can increase MSME's performance during the pandemic.

Financial access will help MSMEs by providing a source of funding, while accounting skills and digital accounting will help MSMEs owners in managing their business during the pandemic. On the other hand, government incentives in the form of tax incentive and social assistance programs are still limited for MSME so they can't affect the MSME's performance during the pandemic. This research is in line with the research conducted by (Okello Candiya Bongomin et al., 2017), (Hidayati & Rachman, 2021), (Estherina et al., 2021).

The conclusion of this study is accounting skills, digital accounting, and financial access had a significant positive effect on MSME's Performance during the pandemic in Semarang, while tax incentive and social assistance programs have a positive effect but not significant on the performance of MSMEs in Semarang. This means that accounting skills, digital accounting, and financial access can increase MSME's performance during pandemic. On the other hand, incentives from the government in the form of tax incentives and social assistance programs have a positive effect on the MSME's performance, but still can't be sustaining MSME's performance during the pandemic.

This study shows that tax incentives and social assistance programs still cannot increase MSME's performance, because only a few MSMEs received this incentive. In order to strengthen the MSME's performance during the pandemic, especially for the food and beverage sector in Semarang City, The Indonesian government, needs to provide more social assistance programs and higher tax incentives for MSMEs, during pandemic. In addition, financial institutions also need to give more financial access to MSMEs. As a subject of business, MSMEs also need to use accounting skills and adopt digital accounting in their business.This study only examined 5 factors influencing MSME's performance by online questionnaire without considering direct involvement in the research process. To get a comprehensive understanding of the factors affecting MSME's performance, future research should use focus group discussions and in- depth interviews to explore factors affecting MSME's performance.

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