TRUST AND TRANSFORMATION: THE IMPACT OF SME TRUST ON PEER-TO-PEER SHARING PLATFORMS IN MAKASSAR

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BACKGROUND :
Research indicates that national economic growth is closely linked to the development of Micro, Small, and Medium Enterprises (MSMEs), with P2P Lending emerging as a technological solution for MSME financing in Makassar. This study aims to analyze the causes and impacts of P2P Lending credit distribution on MSMEs in Makassar, focusing on three sample MSMEs: Black White Coffee, Fatea, and Brother Foodie.

METHOD :
The research methods used include content analysis, fishbone diagrams to illustrate the causes and impacts of credit distribution, and direct interviews with MSME owners.

RESULTS & DISCUSSION:
The results show that the development of P2P Lending credit for MSMEs in Indonesia is hindered by several factors, including high risk of default, many businesses that are not yet bankable, a lack of investor confidence, inadequate regulatory readiness, and minimal outreach regarding credit guarantee institutions.

CONCLUSION :
As solutions, it is recommended to establish borrower groups and implement regular savings systems to address default issues. Additionally, coordination among government agencies is needed to develop regulations that ensure the security of P2P Lending businesses and protect the confidentiality of data for both investors and borrowers.

KEYWORDS : *P2P Lending, MSME Financing, Credit Distribution, Risk of Default, Investor Confidence*