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BRIDGING THE FINANCIAL GAP: FOSTERING SUSTAINABLE GROWTH IN PALESTINIAN SMES THROUGH P2P LENDING FINTECH AND BUSINESS SUPPORT SERVICES

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Abstract

Small and medium-sized enterprises (SMEs) serve as vital pillars of the Palestinian economy by creating job opportunities and driving innovation. However, their sustainable growth and performance are impeded by limited access to credit, especially external funding, which ultimately caused it to withdraw from the market and the competition. This study explores the potential of peer-to-peer (P2P) lending Fintech and business support services to bridge the financial gap and foster sustainable growth in Palestinian SMEs while highlighting the mediating role of financial access in these relationships. The deductive approach was used, focusing on quantitative research, primary data was collected using a non-probability sampling strategy known as convenience sampling, using a developed questionnaire, and statistical analysis was done using PLS-SEM. The study targeted a community of 4374 diverse Palestinian small and medium enterprises. Potential respondents include owners, CEOs, and CFOs. Therefore. The final valid number was a convenient sample of 363 small and medium-sized enterprises. The findings demonstrated a significant mediation effect of access to finance on the relationship between P2P lending, Business support services, and sustainable growth. Furthermore, the study recommended the necessity of adopting BSS and P2P systems by decision-makers in Palestine, where the study provided valuable insights into the impact of P2P lending Fintech lending and business support services on Palestinian SMEs' financial access and sustainable growth.

Keywords: P2P Lending Fintech, Business Support Services, Access to Finance, SMEs Sustainable Growth.

INTRODUCTION

Small and medium-sized enterprises (SMEs) are widely acknowledged as crucial drivers of economic growth, innovation, and job creation in both developed and developing countries (Ayyagari, Demirgüç-Kunt, & Maksimovic, 2011; Beck, Demirgüç-Kunt, & Maksimovic, 2005). SMEs account for a significant share of employment, value-added, and economic resilience, making them essential for sustainable and inclusive development (Kraemer-Eis, Lang, & Gvetadze, 2016; OECD, 2019). In the context of the Palestinian economy, SMEs play a particularly significant role by offering employment opportunities and fostering innovation in the face of numerous political, social, and

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economic challenges (UNCTAD, 2020). For instance, just 20% of the needs of the domestic market are met by Palestine's industrial sector (Dwikat, Arshad, & Mohd Shariff, 2022). Additionally, the sector operates at just 50% of its potential rather than its full potential. The industry has the potential to generate 40,000 new employment in the nation and open doors for economic growth and development if it is restructured to use about 70% of its production capacity (Aburaida & Nunes, 2018; Morrar & Arman, 2020; Muhtaseb, Khoury, & Tovstiga, 2019). Market dynamics and competition

Despite their importance, however, SMEs in Palestine face substantial obstacles in their path to sustainable growth, with limited access to credit being one of the most pressing issues (World Bank, 2019). Global economic uncertainty has significantly increased over the last three years in response to COVID-19 (Al-Fadly, 2020). Creditors and financiers have shown a lack of confidence in developing and impoverished parts of the world, especially in places where political turmoil persists, as in Palestine (Ramadan & Ahmad, 2018; Saleh & Manjunath, 2020; G. D. Sharma, Kraus, Liguori, Bamel, & Chopra, 2022). Numerous research have indicated that the financial crisis has made this issue substantially worse (Alkhatib, Abdul Jabbar, & Marimuthu, 2018; Cowling, Brown, & Rocha, 2020; Khan, 2022; Pedauga, Sáez, & Delgado-Márquez, 2022). Even in more developed countries, SMEs have had trouble acquiring finance because of their small size and accessibility to global supply networks (Alkhatib et al., 2018; Dwaikat & Queiri, 2020).

The issue of credit access is not unique to Palestinian SMEs; it is a global challenge that disproportionately affects smaller businesses (OECD, 2021). A lack of access to finance can hamper SMEs' ability to invest in growth-enhancing activities, such as innovation, research and development, and market expansion (beck. In recent years, the emergence of financial technology (fintech) solutions, such as peer-to-peer (P2P) lending platforms, has shown promise in addressing the financing gap faced by SMEs worldwide (Mollick, 2014; Ziegler et al., 2018). P2P lending facilitates the connection between borrowers and lenders, bypassing traditional financial institutions, and potentially providing a more accessible, efficient, and cost-effective source of credit for SMEs (Berger & Gleisner, 2021).

Moreover, business support services, such as financial consulting, training, and mentorship, have been identified as valuable resources for SMEs to overcome challenges and achieve sustainable growth (Aterido, Beck, & Iacovone, 2013; Bruhn, Karlan, & Schoar, 2018). These services can enhance the managerial capacity of SMEs, facilitate access to networks, and improve their ability to navigate the complexities of the financial landscape (Bennett & Robson, 2003; Cumming, Fischer, & Schwienbacher, 2019). Furthermore, BSS also addressed its indirect role through SME formalization and simplification of taxation for business growth to achieve sustainability (Kulmatov, 2022). Cravo and Piza (2019) confirm that formal registration leads to an increase in the company's total profits and productivity. By complementing financial access with targeted business support services, SMEs may be better equipped to capitalize on growth opportunities and overcome barriers to sustainable development.

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Given the potential of P2P lending Fintech and business support services in addressing the financing gap faced by SMEs, this study aims to investigate their impact on financial access and sustainable growth in the context of Palestinian SMEs. By analyzing the mediating role of financial access in these relationships, the study seeks to contribute to the understanding of how these factors can be leveraged to empower Palestinian SMEs and promote their development. The findings of this research will have important implications for policymakers, financial institutions, and SME stakeholders in devising strategies and interventions to support the growth and development of this essential sector.

LITERATURE REVIEW

SMEs Sustainable Growth

Sustainable growth has become increasingly important for small and medium-sized enterprises (SMEs) as businesses strive to balance economic, social, and environmental objectives while maintaining competitiveness in the global market (Carvalho & de Oliveira Mota, 2010; Dangelico & Pujari, 2010). According to Kohl and Toha (2021), the term "sustainable growth" was initially used in the Brundtland report in 1987 and the World Commission on Environment and Development (WCED) report in 1989. The definition of this term is up for debate. However, in this study, it emphasizes that enterprises are the means by which the small enterprise sector can grow sustainably, as defined by Sarango-Lalangi et al. (2018). Businesses can grow sustainably when they exhibit a positive attitude toward economic variables, especially their employment-generating capacity.

Achieving sustainable growth can help SMEs create long-term value and build resilience, particularly in the face of emerging challenges such as climate change, resource scarcity, and societal pressures (Eggers et al., 2017; Linnenluecke et al., 2017). Moreover, integrating sustainability practices into business operations can lead to innovation, increased efficiency, and improved brand reputation (Stubbs & Cocklin, 2008; Tariq et al., 2021). As global markets become more interconnected and stakeholders demand greater transparency, SMEs that prioritize sustainable growth are better positioned to navigate the complexities of the modern business landscape and seize opportunities for expansion (López-Gamero et al., 2020; Sharma et al., 2021). To achieve the objectives of this study, which is to achieve sustainable growth for the small and medium-sized enterprise sector, according to Sarango-Lalangui et al. (2018). The focus was on measuring the main dimensions of sustainable development (economy, environment, social dimension) by examining growth in employment, growth in environmentally friendly technologies used, and participation in supporting social projects) in addition to profit growth and services that meet customer desire as measured by Anderson and Eshima (2013).

Peer-to-Peer Lending Fintech

The emergence of financial technology (fintech) solutions, such as peer-to-peer (P2P) lending platforms, has shown promise in addressing the financing gap faced by SMEs worldwide (Mollick, 2014; Ziegler et al., 2018; Chen et al., 2020). P2P lending enables

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direct connections between borrowers and lenders, bypassing traditional financial institutions and potentially providing more accessible, efficient, and cost-effective sources of credit for SMEs (Berger & Gleisner, 2021; Bruton et al., 2019). Several studies have demonstrated the positive impact of P2P lending on SME financing and growth (Hornuf & Schwienbacher, 2018; Lin et al., 2015; Dorfleitner et al., 2021). Al-Najaf et al. (2022) A study conducted by highlighted that specific platforms enable small businesses or newly launched projects to pay off P2P loans early or overpay without outstanding fines. Thus, P2P fintech lending provides a path for lower-level deals to obtain financial assistance from this subsidy. Suryono, Budi, and Purwandari (2021) explained the use of online platforms to directly connect people who want to borrow money for their needs or who want to lend money. These days, small and medium businesses do not prefer to take out or take out traditional loans from banking institutions or credit unions. Lenders' registration on the P2P platform provides the greatest visibility into the lender's resources to be exact (Arninda & Prasetyani, 2022). The study of Karim, Naz, Naim and Vinny (2022) shows that financial support operations for SMEs are nothing less than supportive assistance as banks involve complex procedures and the introduction of this P2P FinTech lending creates brighter opportunities for business expansion.

H1: *P2P lending Fintech has a significant direct influence on Access to Finance in the Palestinian market.*

Business Support Services

In addition to financial access, SMEs can benefit from various business support services, such as financial consulting, training, and mentorship (Aterido et al., 2013; Bruhn et al., 2018; Davidsson et al., 2020). These services can enhance the managerial capacity of SMEs, facilitate access to networks, and improve their ability to navigate the complexities of the financial landscape (Bennett & Robson, 2003; Cumming et al., 2019; Manolova et al., 2021). Research has highlighted the positive effects of business support services on SME performance, competitiveness, and resilience (Blackburn et al., 2013; Storey & Greene, 2010; Wennberg et al., 2020).

The growth and sustainability of small and medium enterprises is closely related to BSS these days, as Qin's study (2021) shows that through BSS, the provision of services related to business or trade is not limited or limited to a limited amount of support. Although concerned about realizing monetary benefits, BSS aims to make certain businesses prosper and grow by hiring additional employees. Newly emerging companies or entities have to go through several challenges, among which financial access restrictions are at the top of the list (Pu et al., 2021). Thus, the purpose of business support services is to bridge the gap between identified problems and ensure a detailed backup plan to help small and medium businesses. A study by Park & Lee analyzed financial assistance and business support in promoting the sustainability and growth of SMEs (Park, Lee, & Kim, 2020; Yusoff et al., 2022). The introduction and advancement of information technology has been a catalyst in helping many other businesses. With the huge technological advances and innovative trends, technical assistance is offered and provided to companies to assist them in operations, shipments and other related aspects.

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B-2-B, social services, and B-2-C services are the new way to support business services as indicated in (Cunningham & McGuire, 2019; Pulka, Ramli, & Mohamad, 2021).

H2: *Business Support Services have a significant influence on Access to Finance in the Palestinian market.*

Access to Finance

One of the key obstacles to SME development and sustainability has been highlighted as access to finance, numerous business studies have found that SMEs' ability to manage their finances and obtain funding are essential to their survival and growth (IFC, 2010; OECD, 2006).

Despite the importance of SMEs. SMEs often face significant barriers to growth, with access to finance being a primary obstacle (World Bank, 2019; Cowling et al., 2020). Limited access to finance can inhibit SMEs from investing in activities crucial for growth, such as research and development, innovation, and market expansion (Beck et al., 2008; Fatoki, 2014; Lee & Persson, 2020). Traditional financial institutions, such as banks, have been reluctant to lend to SMEs due to perceived high risks and information asymmetries, leading to a persistent financing gap (Berger & Gleisner, 2021; Block et al., 2021). SMEs struggle to obtain bank credit for a variety of reasons, including the inability to supply the information required by those financial institutions to evaluate an application's creditworthiness when evaluating loan requests (De Haas et al., 2010). According to Wasiuzzaman et al. (2020), banks incur more monitoring expenses as a result of information opacity and limited data availability. This financing gap has particularly adverse effects on SMEs sustainable growth.

In Malaysia, the relationship between SMEs creditworthiness and financing availability is examined by Wasiuzzaman et al. in 2020. Adequacy, cost, quality, range, accessibility, availability, flexibility, and recurrence of financing are some of the aspects into which the idea of access to finance is further subdivided. Moreover, in the MENAP (Middle East, North Africa, Afghanistan, and Pakistan) and CCA (Caucasus and Central Asia) regions, Fouejieu et al. (2020) examined SMEs' access to financing. The results confirmed the inverse association between the employment share of SMEs and their access to financing. Conversely, the ability of SMEs to obtain financing is positively impacted by the availability of credit information and property rights.

These days access to finance has become a grounded verification guarantee to facilitate P2P Fintech lending when an SME wants to attain sustainable growth (Pena & Breidbach, 2021). The potential existence of finance access is thus crucial for any firm to gain sustainable development. (Lina, Nani, & Novita, 2021) explained that P2P lending is also an essential component as it makes sustainable economic growth for any entity feasible and easy. If the company defaults or cannot pay its debts, access to financing opens positive gateways for such drowning firms. Moreover, access to finance plays an integral part in the linkage, as mere support is not enough to supplement the sustainable development of any company. Still, financial access towards different opportunities to meet the needed business requirement is also crucial (Homocianu, Sireteanu,

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Dospinescu, & Airinei, 2019). Furthermore, business support services now guarantee the long-term expansion of any organization (Saadat & Siegfried, 2022). This is to enable trade between producers and final consumers. Any type of business support system contributes to the sustainable expansion of SMEs, and financial access to various chances to meet necessary business requirements is also essential (Homocianu, Sireteanu, Dospinescu, & Airinei, 2019).

H3: *Access to Finance significantly influences SMEs' Sustainable Growth in the Palestinian market.*

H4: *Access to finance plays a mediating role between peer-to-peer lending and the sustainable growth of SMEs in the Palestinian market.*

H5: *Access to finance plays a mediating role between business support services and the sustainable growth of small and medium enterprises in the Palestinian market.*

METHODOLOGY

The study design is based on a deductive approach using quantitative methods, aligning with the positivist philosophy design to examine the extent to which the adoption of P2P lending fintech and business support services can help overcome the financial access obstacle for Palestinian SMEs, ultimately fostering sustainable growth. The research design enables the analysis of relationships among variables and the testing of hypotheses by collecting and analyzing numerical data. The target population for this study consists of Palestinian SMEs working in the field of industry, categorized by the number of employees into small enterprises (5-19 employees) and medium enterprises (20-49 employees). Convenience sampling was used in this study to provide a representative sample of SMEs of various sizes and industries. This kind of sampling gives precise access to targets within a limited geographic area, but because there aren't any pre-made lists, high outliers could arise from self-selection. (Musa Aitkan, & Al-Kassim 2016). Furthermore, a survey instrument was created to gather information on the research variables. The questionnaire's questions concerning the independent variables and mediator were modified through a thorough and exhaustive analysis of prior pertinent literature, as well as input from academic and industry experts, additionally, the EFA and CFA were examined to establish validity and reliability. The final test in the tool development process was cross-checking, which involves looking over the factors to make sure they are accurate and efficient. The majority of the tool's methods were carried out in accordance to Abdullah et al., 2022.

The study uses the Partial Least Squares Structural Equation Modeling (PLS-SEM) for data analysis, which is well-suited to examine the proposed conceptual framework and test the hypotheses. The population of the study is defined as the manufacturing SMEs in the Gaza Strip, with a total of 4374 companies. From this, the study targeted the Owners, CEOs, and CFOs, leading to a population size of 13,122 respondents. Utilizing Krejcie & Morgan's formula, a sample size of 354 was determined, and the final valid dataset consisted of 363 respondents.

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RESEARCH MODEL

The subsequent parts will go over the underlying model. The framework and the pecking order theory and the (RBV) resource-based view theory is included in the linked theories. According to the resource-based view theory (RBV), the importance of resources to set a competitive edge for any company has been emphasized. When weaker or more vital, access to finance significantly impacts any entity's growth and sustainability (Freeman, Dmytriyev, & Phillips, 2021). The way and extent to which these resources are used (Access to financing, business support services, P2P lending) and configured it makes the firm/SMEs capable of performing and ensuring a differentiated competitive edge (Terziovski, 2010). In addition, the pecking order theory is based on the concept that the company or any other concerned entity prioritizes their financing sources, the theory states that any entity/SME would prefer internal resources before those external ones (Frank, & Goyal, (2003). The current study dictates the access to finance as the mediator of the survey because, from all aspects, it is the utmost important element for SMEs to consider their long-term sustainable growth. The pecking order theory and resource-based view theory might work well as the foundation for describing the relationship between the variables of independent variables peer-to-peer lending, business support services, mediator variable access to finance, and dependent variable SMEs sustainable growth. The study structure is depicted in Figure 1

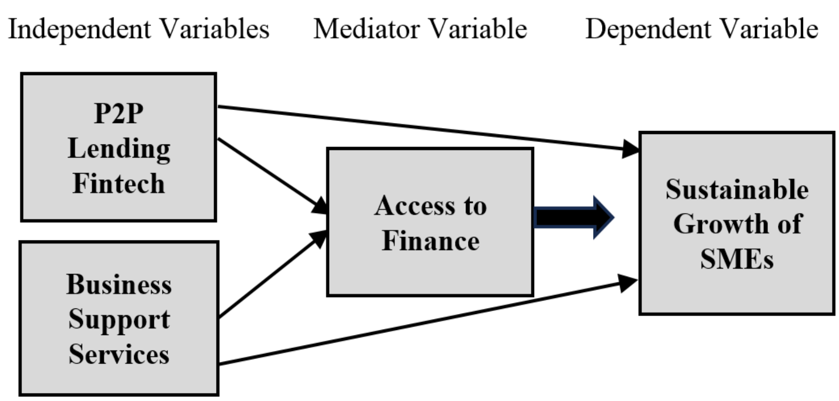

Figure 1: Research Model

RESULTS AND DISCUSSION

The results presented in Table 1 provide insights into the data screening process conducted for this study. Out of the 430 distributed questionnaires, a commendable response rate of 91.4% was achieved, yielding 393 collected questionnaires.

After removing 15 questionnaires with uncompleted answers (3.5%), 378 valid collected responses (87.9%) were retained. Further screening through univariate analysis (Z2) and multivariate analysis (Mahanobis D2) eliminated an additional 10 (2.3%) and 5 (1.2%) cases respectively, resulting in a final valid dataset of 363 respondents (84.4%). This robust dataset forms the basis of the empirical analysis and helps ensure the reliability and validity of the study findings.

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Table 1: Data Screening

Process	Number of Surveys	Percentage (%)
Distributed Questionnaire	430	
Collected Questionnaire	393	91.40%
Uncompleted Answers	15	3.50%
Valid Collected Answers	378	87.90%
Univariate Analysis (Z2)	10	2.30%
Multivariate Analysis (Mahanobis D2)	5	1.20%
Final Valid Dataset	363	84.40%

Table 2 presents the demographic analysis of the 363 respondents in the study. In terms of company size, the dataset includes a fairly balanced representation with 49.6% (180) of the participants belonging to small enterprises and 50.4% (183) to medium-sized enterprises. The gender distribution is predominantly male (98.1%, 356 respondents), with only a small percentage of female respondents (1.9%, 7 respondents). The age groups are well-represented, with the largest proportion of respondents falling within the 41-50 years bracket (40.2%, 146 respondents), followed by the 31-40 years group (32.5%, 118 respondents). The dataset includes a diverse range of educational qualifications, with the majority holding a university degree (58.1%, 211 respondents), followed by high school graduates (20.9%, 76 respondents), individuals with graduate studies (10.2%, 37 respondents), and those with professional diplomas (10.7%, 39 respondents). This comprehensive demographic profile ensures that the research findings are representative and generalizable across the target population of manufacturing enterprises in the Gaza Strip.

Table 2: Demographic Analysis

		Frequency	Percent
Company Size	Small	180	49.6
	Medium	183	50.4
Gender	Female	7	1.9
	Male	356	98.1
Age	21 - 30 Years	25	6.9
	31 - 40 Years	118	32.5
	41 - 50 Years	146	40.2
	51 Years and Above	74	20.4
Qualification	High School	76	20.9
	Professional Diploma	39	10.7
	University Degree	211	58.1
	Graduate Studies	37	10.2
	Total	363	100.0

Table 3 provides an overview of the descriptive statistics for the key variables in the study: P2P Lending Fintech, Business Support Services, Access to Finance, and Sustainable Growth of SMEs. P2P Lending Fintech has a mean score of 3.6422 with a standard deviation of .66241, ranging from a minimum of 1.29 to a maximum of 5.00. Business Support Services exhibits a higher mean score of 4.0927 and a lower standard deviation of .50028, with values ranging from 3.00 to 5.00.

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Access to Finance has a mean value of 3.8416 and a standard deviation of .63598, spanning from 2.00 to 5.00. Finally, the Sustainable Growth of SMEs presents a mean score of 3.8687 and a standard deviation of .60195, with scores ranging between 2.00 and 5.00.

These descriptive statistics provide a comprehensive understanding of the central tendencies and dispersions for each variable, serving as a foundation for further inferential analysis and hypothesis testing in the study.

Table 3: Descriptive Statistics

IV	Min.	Max.	Mean	Std. Deviation
P2P Lending Fintech	1.29	5.00	3.6422	.66241
Business Support Services	3.00	5.00	4.0927	.50028
Access to Finance	2.00	5.00	3.8416	.63598
Sustainable Growth of SMEs	2.00	5.00	3.8687	.60195

Table 4 presents the reliability and validity results of the measurement model for each variable in the study. According to Hair et al. (2010), a rule of thumb for acceptable Cronbach's Alpha and Composite Reliability values is above 0.7, while AVE should be greater than 0.5, and VIF should be below 5. For P2P lending Fintech, outer loadings range from 0.727 to 0.881, with one item (P2P6) omitted due to low factor loading. Cronbach's Alpha value is 0.886, Composite Reliability is 0.912, and the Average Variance Extracted (AVE) is 0.635.

The Variance Inflation Factor (VIF) is 1.015. Thus, the P2P lending Fintech construct demonstrates satisfactory reliability and validity. For Business Support Services, outer loadings vary from 0.716 to 0.811. The construct exhibits a Cronbach's Alpha value of 0.847, Composite Reliability of 0.886, AVE of 0.566, and a VIF of 1.015.

These values meet the rule of thumb criteria, indicating good reliability and validity for the Business Support Services construct. Access to Finance presents outer loadings ranging between 0.740 and 0.926. The Cronbach's Alpha value is 0.908, Composite Reliability is 0.929, AVE is 0.688, and the VIF is 1.000. All values surpass the thresholds, demonstrating strong reliability and validity for the Access to Finance construct. Finally, for Sustainable Growth of SMEs, outer loadings range from 0.742 to 0.900.

The Cronbach's Alpha value is 0.896, Composite Reliability is 0.921, and AVE is 0.661. These values meet the recommended criteria, indicating satisfactory reliability and validity for the Sustainable Growth of SMEs construct. In summary, all constructs in the study demonstrate acceptable reliability and validity based on the rule of thumb guidelines proposed by Hair et al. (2010).

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Table 4: Reliability and Validity Results of (Measurement Model)

Variable	Item	Outer Loading	Cronbach's Alpha	Composite Reliability	Average Variance Extracted	Variance Inflation Factor
P2P lending Fintech	P2P1	0.881	0.886	0.912	0.635	1.015
	P2P2	0.727				
	P2P3	0.81				
	P2P4	0.823				
	P2P5	0.745				
	P2P6	0.788				
Business Support Services	BSS1	0.811	0.847	0.886	0.566	1.015
	BSS2	0.743				
	BSS3	0.767				
	BSS4	0.733				
	BSS5	0.738				
	BSS6	0.716				
Access to Finance	ATF1	0.926	0.908	0.929	0.688	1
	ATF2	0.74				
	ATF3	0.835				
	ATF4	0.771				
	ATF5	0.853				
	ATF6	0.839				
Sustainable Growth of SMEs	SGSME1	0.9	0.896	0.921	0.661	
	SGSME2	0.798				
	SGSME3	0.843				
	SGSME4	0.813				
	SGSME5	0.742				
	SGSME6	0.774				

Table 5 presents the Fornell-Larcker criterion results of the measurement model for the study's constructs: P2P Lending Fintech (P2P), Business Support Services (BSS), Access to Finance (ATF), and Sustainable Growth of SMEs (SGSM). The Fornell-Larcker criterion is used to assess discriminant validity, which is the extent to which a construct is distinct from other constructs in the model.

According to Fornell and Larcker (1981), a construct demonstrates discriminant validity when the square root of the average variance extracted (AVE) for each construct is greater than the correlations between that construct and all other constructs in the model.

In Table 5, the diagonal elements represent the square root of the AVE for each construct: P2P (0.797), BSS (0.752), ATF (0.829), and SGSM (0.813). The off-diagonal elements represent the correlations between the constructs. As can be observed, the diagonal values are greater than the corresponding off-diagonal values, indicating that each construct shares more variance with its own indicators than with other constructs. Thus, based on the Fornell-Larcker criterion, the measurement model demonstrates adequate discriminant validity, as the square root of the AVE for each construct is greater than its correlations with other constructs (Fornell & Larcker, 1981).

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Table 5: Fornell-Larcker Criterion Results of Measurement Model

IV	P2P	BSS	ATF	SGSM
P2P	0.797			
BSS	0.12	0.752		
ATF	0.331	0.427	0.829	
SGSM	0.203	0.234	0.644	0.813

Table 6 presents the predictive power results of the structural model for Access to Finance and Sustainable Growth of SMEs. The R Square values indicate that 26.2% of the variance in Access to Finance and 41.5% of the variance in Sustainable Growth of SMEs can be explained by the model. Both constructs exhibit moderate predictive power according to the established benchmarks (Hair et al., 2010). Table 7 displays the results of the relationships between the constructs in the structural model. All hypotheses are found to be significant, as indicated by their p-values ($p < 0.05$).

- H1: P2P lending Fintech has a significant direct influence on Access to Finance (path coefficient = 0.283, $p < 0.05$), supporting Hypothesis 1.
- H2: Business Support Services also have a significant direct influence on Access to Finance (path coefficient = 0.393, $p < 0.05$), supporting Hypothesis 2.
- H3: Access to Finance has a significant direct influence on the Sustainable Growth of SMEs (path coefficient = 0.644, $p < 0.05$), supporting Hypothesis 3.
- H4: P2P lending Fintech has a significant indirect influence on the Sustainable Growth of SMEs through Access to Finance (path coefficient = 0.283, $p < 0.05$), supporting Hypothesis 4.
- H5: Business Support Services have a significant indirect influence on the Sustainable Growth of SMEs through Access to Finance (path coefficient = 0.393, $p < 0.05$), supporting Hypothesis 5.

Table 6: Predictive Power Results of Structural Model

	R Square	Prediction Rate	Status
Access to Finance	0.262	26.20%	Mediator
Sustainable Growth of SMEs	0.415	41.50%	Mediator

Table 7: Relationships Results of Structural Model

#	Relationship	Path Coefficient		S. D	T. Stati.	P Value	Status
H1	P2P-lending Fintech -> Access to Finance	Direct	0.283	0.05	5.708	0	Significant
H2	Business Support Services -> Access to Finance	Direct	0.393	0.056	6.987	0	Significant
H3	Access to Finance -> Sustainable Growth of SMEs	Direct	0.644	0.047	13.785	0	Significant
H4	P2P lending Fintech -> Access to Finance -> Sustainable Growth of SMEs	Indirect	0.283	0.05	5.708	0	Significant
H5	Business Support Services -> Access to Finance -> Sustainable Growth of SMEs	Indirect	0.393	0.056	6.987	0	Significant

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In summary Figure 2 "Measurement Model", explains the results of the structural model revealing that P2P lending Fintech and Business Support Services significantly impact Access to Finance, which in turn has a significant effect on the Sustainable Growth of SMEs in the Palestinian market.

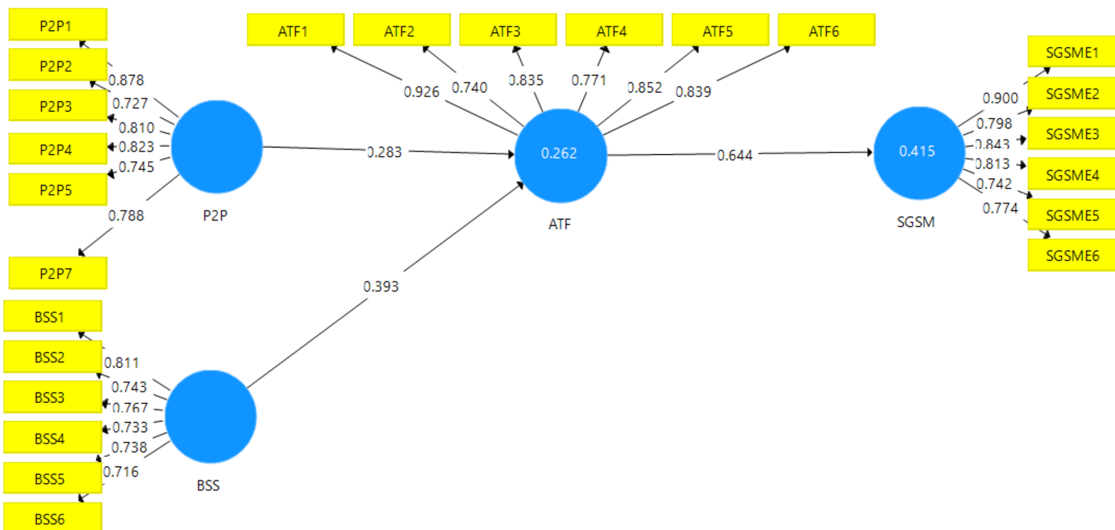

Figure 2: Measurement Model

CONCLUSION

The findings of this study underscore the importance of adopting innovative financing alternatives, such as P2P lending fintech and leveraging business support services to foster sustainable growth among Palestinian SMEs. By integrating these strategies, SMEs can more effectively navigate the complexities of the financial landscape, capitalize on growth opportunities, and contribute to the resilience and diversification of the Palestinian economy in the long run.

Furthermore, the study's outcomes have valuable implications for various stakeholders, including policymakers, financial institutions, and business development service providers. Policymakers should consider creating a supportive regulatory environment that encourages fintech innovation and provides incentives for using P2P lending platforms. They should also establish a framework that facilitates collaboration between financial institutions and business development service providers, allowing them to develop tailored support services that help SMEs capitalize on the opportunities presented by P2P lending and other fintech solutions.

Financial institutions could benefit from exploring partnerships with fintech companies to offer more accessible and flexible financing options for SMEs. Business development service providers, on the other hand, can focus on offering comprehensive support services, including financial consulting, training, and mentorship, in addition to indirect support through formalization and tax simplification which can enhance the managerial capacity of SMEs and improve their ability to secure external funding.

Despite its contributions, the study has some limitations, such as its focus on small and medium-sized Palestinian companies working in the industrial sector only and located in the southern part of the country, which may affect the generalizability of the results in other contexts. Future research could explore similar relationships in different regions or countries, as well as investigate the potential impact of other fintech solutions, such as blockchain technology, mobile banking, or crowdfunding, on SMEs' access to finance and sustainable growth. Additionally, longitudinal studies could provide insights into the long-term effects of P2P lending fintech adoption and business support services utilization on SMEs' performance, sustainability, and resilience in the face of emerging challenges such as climate change, resource scarcity, and societal pressures. By addressing these limitations and exploring new areas of research, scholars can further contribute to the understanding of SME financing and sustainable growth in a rapidly evolving global business landscape.

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