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The Influence of Financial Technology on the Advancement of Financial Inclusion in Micro, Small, and Medium Enterprises (MSMEs) in West Java

Pengaruh *Financial Technology* Terhadap *Financial Inclusion* Pada Usaha Mikro, Kecil, dan Menengah (UMKM) di Jawa Barat

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ABSTRACT
The aim of composing this article is to investigate how a whole lot of impact on fintech (risk and investment management, market provisioning, and cashless society) has on financial inclusion (financial knowledge, financial behavior and financial attitudes) in MSMEs in West Java. The research completed is a kind of quantitative study. The population of this research is the MSME industry in West Java with a focus on the usage of archival statistics. This research uses descriptive evaluation and classical assumption exams. The results indicate that the financial technology variables (risk and investment and market provisioning) have no effect on economic inclusion (financial knowledge, financial behavior and financial attitudes) while the fintech variables (cashless society) have an impact on financial inclusion (financial knowledge, financial behavior and financial attitudes).

Keywords: Fintech, Financial Inclusion, MSME's

ABSTRAK
Tujuan penulisan artikel ini adalah untuk mengetahui seberapa besar pengaruh fintech terhadap inklusi keuangan pada UMKM di Jawa Barat. Penelitian yang dilakukan merupakan jenis penelitian kuantitatif. Populasi penelitian ini adalah industri UMKM di Jawa Barat dengan fokus penggunaan data kearsipan. Penelitian ini menggunakan analisis deskriptif dan uji asumsi klasik. Temuan menunjukkan bahwa variabel fintech (*risk and investment management, market provisioning*) tidak berpengaruh terhadap inklusi keuangan (*financial knowledge, financial behavior, financial attitudes*) sedangkan variabel fintech (*cashless society*) berpengaruh terhadap inklusi keuangan (*financial knowledge, financial behavior, financial attitudes*).

Kata Kunci: Fintech, Inklusi Keuangan, UMKM

Introduction

The growth of financial technology (fintech) has become one of the main trends in the global financial sector, having a significant impact on various aspects including financial inclusion, risk management and market efficiency. Currently, the focus is increasingly shifting to the Micro, Small and Medium Enterprises (MSME) sector, where fintech is expected to make a positive contribution to the development of financial inclusion. Financial inclusion in MSMEs is important because this sector plays a vital role in economic growth, job creation and reducing economic inequality (Jaya, 2019).

The creation of new jobs and the collection of taxes as state revenue can be facilitated by MSMEs, as stated by Hendrawan et al. (2019). The substantial impact of Micro, Small and Medium Enterprises (MSME) on Indonesia's Gross Domestic Product (GDP) is noteworthy, reaching 61.41% and was capable of soaking into 96.71% of the workforce in 2017 (Cooperatives and SMEs, 2017). Micro, Small and Medium Enterprises (MSME) can also take in 97% of the workforce with the following details: 1) Large business workforce absorption is

3.3%; 2) Medium enterprise workforce absorption 4%; 3) Small business workforce absorption is 5.7 and 4) Micro business workforce absorption is 87% (Katadata, 2016).

MSMEs play an important role in the global economy, contributing significantly to national income and employment opportunities. Despite this, many MSMEs still face challenges in accessing financial services which include financing, risk management and effective financial management. Financial inclusion in MSMEs is the key to increasing the competitiveness and sustainability of this sector.

Financial inclusion in MSMEs covers various aspects such as financial knowledge, financial behavior and financial attitudes. Financial knowledge includes a basic understanding of financial management, financial behavior refers to habits in managing finances, and financial attitudes relate to views and beliefs regarding financial aspects. Increasing financial inclusion in MSMEs is not just about providing access to financial products, but also developing the financial understanding and skills necessary for effective business management.

Fintech, as a convergence between information technology and financial services, is emerging as a potential solution to overcome the challenges of financial inclusion in MSMEs. Fintech offers innovations such as digital banking services, technology-based risk management, and digital payments that can help MSMEs access and manage financial resources more efficiently. In the context of risk management, fintech provides a platform for faster and more accurate credit risk evaluation, enabling MSMEs with limited credit records to access financing. In addition, fintech is also introducing more affordable and accessible insurance products, helping protect MSMEs from unexpected financial risks. Fintech's adoption of digital payment technology and cashless financial systems also makes a significant contribution to financial inclusion. This not only makes transactions easier, but also opens up access to financial services for MSMEs that were previously difficult to reach due to limited traditional banking infrastructure.

Despite its positive potential, the application of fintech in the MSME sector is not without challenges. One of the main challenges is the high level of misunderstanding or distrust of new technology among MSME owners. A holistic approach is needed to increase digital literacy and provide education about the benefits of fintech for business development. In addition, regulatory policies that are not yet well established and uniform can be an obstacle to the growth of fintech in the MSME sector. There needs to be cooperation between the government, regulators and industry players to create an environment that supports the development of fintech without sacrificing security and consumer protection. However, amidst these challenges, there is a big opportunity to increase financial inclusion in MSMEs through fintech. Collaboration between fintech companies, traditional financial institutions and the government can create an ecosystem that supports the growth of MSMEs and increases their access to comprehensive financial services.

In the past few years, technological trends have begun to make bigger into the virtual realm. This progress is directed towards establishing Indonesia as the foremost virtual financial system by 2024. The government, possessing authority as the economic overseer of the nation, requires further endeavors to empower the citizens of Indonesia. Rural groups residing in faraway areas are beginning to experience the effect of technological trends inside the destiny (Muzdalifa et al, 2018). One of the creativity in the urgency of economic generation (Fintech), which has the ability to ease all kinds of transactions, including shopping, selling, investment, or fundraising in the world of banking and business, is underscored by technological development (Rasyid, 2017).

West Java province is among the Indonesian provinces exhibiting significant MSME capacity. Despite the fact that the capacity for MSMEs in West Java is quite huge, there are nonetheless problems faced by Micro, Small and Medium Enterprises (MSME), specifically capital problems.The difficulty Micro, Small and Medium Enterprises (MSME) actors face in accessing funding from banking institutions is attributed to the limitations of Micro, Small and

Medium Enterprises (MSME) actors in presenting good financial reports, as noted by Ainy (2019). The limited fund poses a challenge for MSME players to expand and increase their market share in business, as indicated by Saadiah (2019).

Fintech can help MSMEs save time and costs in the transaction process, as well as make transactions easier and more efficient. Apart from that, fintech can also help MSMEs improve quality and increase involvement in the procurement of government goods and services (Munawar, 2022). With the urgency of more fintech, banks are now transforming their business blueprint into a fintech-oriented structure aimed at generating new markets and enabling the creation of technology-based services, as highlighted by Drasch et al. (2018). In recent years, the financial technology marketplace may be stated to have ability, because of the reality that 49 million MSMEs nonetheless do not now have an entry to banking economic establishments (Isnawati, 2019). From the reason above, researchers are inquisitive about discussing the impact of financial technology at the improvement of economic inclusion in Micro, Small and Medium Enterprises (MSME) in West Java which have not prepared and feature monetary reports and have no longer had to get entry to capital from banking establishments or financial technology. Several obstacles that influence the use of fintech by MSMEs in West Java according to (Yuningsih, 2022), (Rinaldi, 2020), (Marini, 2020), (Dewi, 2020) include: (1) Awareness and understanding of fintech: Many MSMEs still do not have sufficient understanding of fintech and how to use it in their business. This is an obstacle to the adoption of fintech by MSMEs. (2) Access to technology and infrastructure: MSMEs may experience limited access to technology and stable infrastructure to support the use of fintech. (3) Limited resources: MSMEs may experience limited resources to face the costs of education and training on fintech. (4) Uncertainty and risk: Many MSMEs may feel uncertain or face risks related to the use of fintech, such as data security, concerns and uncertainty in transactions. (5) Coordination with other parties: The use of fintech by MSMEs may be hampered by poor coordination with other parties, such as banks, cooperatives and fintech companies. (6) Regulations and provisions: Government regulations and provisions may be an obstacle to the use of fintech by MSMEs, because they avoid several features that are beneficial for MSMEs. (7) Market limitations: Other obstacles affecting the use of fintech by MSMEs include the limited fintech market available in West Java.

In connection with the above phenomenon, the aim of this research is to know the influence of fintech (risk and investment management, market provisioning, and cashless society) on financial inclusion (financial knowledge, financial behavior and financial attitudes) in Micro, Small and Medium Enterprises (MSME) in West Java.

Literature Review

Financial Inclusion

Financial inclusion refers to people's access, use and involvement in financial services. According to the World Bank, financial inclusion includes micro business owners to large companies, as well as individuals who do not have access to formal financial services. Financial inclusion does not only involve access to a bank account, but also includes aspects such as loans, insurance and investment (Klapper, 2015). Financial inclusion is considered important in economic development and poverty alleviation. Involving communities previously unreached by financial services can increase productivity, reduce economic inequality, and provide financial security for individuals and families (Beck, 2014). Technology, especially information and communication technology, has played a key role in increasing financial inclusion. The development of fintech, digital banking services, and electronic payment applications has opened up access to financial services for populations that were previously difficult to reach (Kumar, 2008). Financial inclusion in the Micro, Small and Medium Enterprises (MSME) sector plays an important role in driving local economic growth. Increasing MSMEs' access to financial services can help in business development, job creation and increased economic prosperity at

the local level (Allen, 2016)

Financial inclusion has become a fashion after the economic crisis that came about during 2008. Financial inclusion is a complete hobby with the aim of disposing of all styles of obstacles, each inside the form of rate and non-rate, to get admission to the usage of or making use of formal financial offerings. financial inclusion emerged due to the fact there existed financial exclusion (economic exception). Financial exclusion is the incapacity to get right of entry to formal financial establishments due to various limitations, including conditions, costs, advertising, and boundaries from the notion of people and different entities. Financial inclusion is an approach to encourage economic growth through income distribution, poverty remedy and financial device balance. degrees of financial inclusion can grow in reaction to a rustic's prosperity and decreasing inequality. As a result, financial inclusion is not an alternative, but a need and banking is the primary driver for imposing it (Nengsih, 2015).

As information generation continues to increase and is supported via fast levels of net penetration, various digital financial technologies have emerged that enable less difficult for human beings to acquire records, training about finance and monetary services. Given this meaning, It was anticipated that financial product and service clients and the broader people group would not only recognize and know about financial service institutions, further to economic services and products, but also be able to trade and improve human beings's behavior in monetary control, a good way to enhance their welfare.

Financial Technology (Fintech)

Financial Technology or FinTech is a convergence between information technology and financial services which aims to increase efficiency, accessibility and innovation in the financial sector. FinTech covers a wide range of services, including digital payments, peer-to-peer lending, technology-based risk management, and online investment (Arner, 2015). FinTech has great potential in increasing the development of Micro, Small and Medium Enterprises (MSMEs). Digital financial services can help MSMEs overcome obstacles to access to financing, speed up transaction processes, and increase operational efficiency (Beck, 2015). P2P lending is a rapidly emerging form of FinTech, enabling MSMEs to gain access to financing without involving traditional financial institutions. P2P lending can expand access to financing for MSMEs with lower credit risk (Allen, 2014). FinTech's development of digital payment systems and a cashless society has had a positive impact on MSMEs. Faster, more efficient and safer transactions can increase liquidity and reduce security risks in the payment process (Qiang, 2011).

Fintech is defined as a technological innovation in terms of economic services that could produce commercial enterprise fashions, applications, approaches or merchandise with fabric results associated with the supply of monetary offerings (FSB, 2017a). Financial technology activities in economic offerings could be labeled into five (5) classes (FSB, 2017a), particularly: transfer, payment, settlement, deposit and clearing.

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The evolution of Financial Technology started with upgrades in credit cards, debit cards and automated teller machines (ATMs) (Arner et al, 2015; FSB, 2017b). Then, observed by an emergency phone banking and diverse monetary items subsequent to the deregulation of capital and bond markets. subsequent, it appears net banking which inspires the existence of branchless banking (branchless banking) and banking activities carried out remotely. further, cellular tool technology emerged (cellular) which makes financial transactions less complicated. These modifications have recommended the emergence of direct financing and intermediation,

which is expected to update steeply-priced and inefficient indirect financing and monetary intermediation (FSB, 2017b).

Although financial technology promises various benefits, there are challenges that need to be overcome. Unfamiliarity or distrust of new technologies, inequalities in accessibility, and unestablished regulatory policies can be barriers. However, through a holistic approach and collaboration between government, regulators and industry players, many opportunities can be accessed (Bose, 2018). Financial technology not only plays a role in developing MSME but also contributes to financial inclusion. By facilitating access to financial services, FinTech can help improve financial knowledge, financial behavior and financial attitudes among MSME (Gai, 2019). Given the above explanation, the following hypothesis is formulated.:

H1: Fintech (*Risk and investment management*) has an influence on financial inclusion (financial knowledge) in MSMEs in West Java.

At present, three financial institutions : Pegadaian, Koperasi, and various another microfinance institutions, are deemed to play a crucial role in providing access to financial services for the poor. The importance of access to formal financial services has now been recognized as a key factor in supporting poverty alleviation efforts in various countries. A number of literature have confirmed that increasing people's access to financial services has a significant impact in reducing poverty levels. Increasing public participation in utilizing financial services is a major concern in the policies of various developing nations, as identified by Kunt (2004), (2005), and (2006).

H2: Fintech (*Market provisioning*) has an influence on financial inclusion (financial knowledge) in MSMEs in West Java.

Financial technology is a digital financial service that allows payments without physical form. Indonesia must persistently enhance the advancement and implementation of financial technology. This necessitates collective efforts from both the government and the community, ensuring effective oversight and control of financial activities across different levels, encompassing state, corporate, and individual utilization. The widespread use of financial technology is expected to produce a cashless society. By realizing these conditions, people can enjoy innovative and economical financial services, thereby increasing the nation's competitiveness on the world stage.

H3: Fintech *(Cashless society)* has an influence on financial inclusion (financial knowledge) in MSMEs in West Java.

Various types of financial techology services commonly found in Indonesia include payment systems, providing financing through peer-to-peer lending models, investment management, market provisioning, and business capital funding through equity crowdfunding. In 2018, the amount of credit disbursed by fintech companies reached IDR 7.64 trillion, with the majority utilized in commerce and agricultural sectors (Laucereno, 2018). The existence of financial technology has proven its ability to handle the economic problems of communities that were previously not served by traditional financial institutions.

H4 :Fintech (*Risk and investment management*) has an influence on financial inclusion (financial behavior) in MSMEs in West Java.

It is hoped that the existence of well-controlled financial technology can be a solution to overcome the financial challenges of individuals who have not been previously addressed. Fintech has the potential as a means of increasing society's economic independence. With the digital economy, especially through financial technology, individuals can take advantage of financial services without having to visit

conventional financial institutions. However, it is important to remember that to realize a cashless society, adequate infrastructure and internet access are very important.Lacking sufficient infrastructure and support from internet networks, the concept of a cashless society will be difficult to implement. If technology (internet) availability is insufficient, people will still rely on transactions using cash. Therefore, adequate access to the internet is the main key to taking advantage of advances in financial technology.

H5: Fintech (*Market provisioning*) has an influence on financial inclusion (financial behavior) in MSMEs in West Java.

Innovations in the economic digital era, including financial technology advancements, have the potential to accelerate society's economic growth. Advances in financial technology can also be a driver towards a cashless society. With the transition to a cashless society, opportunities to prevent corruption and illegal levies can be increased through more effective supervision, which in turn has the potential to improve people's economic welfare. With the existence of a cashless society and advances in financial technology, people have the opportunity to run their business outside the region without significant costs. Therefore, the development of the digital economy, especially through financial technology and a cashless society, is considered a people's economic revolution which is our current need.

H6: Fintech (*Cashless society*) has an influence on financial inclusion (financial behavior) in MSMEs in West Java.

Banks and Financial Technology have the same goal of delivering the best experience to customers, so they complement each other. It is hoped that collaboration between banking and Fintech can overcome the shortcomings of each party so as to create positive synergy. The integration of banking and Fintech is expected to reduce gaps or incomplete services by utilizing the strengths of each entity. With the discovery of services and products introduced by Fintech, it is hoped that it can encourage the growth of the digital economy by providing access to financial services for all levels of society. With its mobile and efficient characteristics, Fintech is needed to be able to answer challenges that previously could not be overcome by traditional financial services. Therefore, the digital transformation brought about by Fintech is expected to provide significant results for the financial services industry, especially for the provision of financial services.

H7: Fintech (*Risk and investment management*) has an influence on financial inclusion (financial attitudes) in MSMEs in West Java.

Market provisioning is a market data analysis service model. Manyika's (2015) research results on digital and banking in 2014 revealed that approximately 40% of mass and affluent segment customers in Asia currently tend to choose online or mobile banking services. In this category, half of those under 40 prefer digital banking services. The number of digital banking customers in Asia currently reaches 670 million and is expected to experience significant growth to reach 1.7 billion customers by 2020.

H8: Fintech (*Market provisioning*) has an influence on financial inclusion (financial attitudes) in MSMEs in West Java.

In 2021, there will be a significant increase in the use of e-wallet applications in Indonesia. The use of e-wallets is increasingly widespread among the public, with many daily payment transactions carried out through fintech applications. This increase reflects the push towards a cashless society, where more individuals are switching from using cash to digital payments. Related studies show that e-wallet users tend to have better

access to financial services overall. People who actively use e-wallets are more likely to open bank accounts, access financial products, and increase their financial knowledge. This supports the hypothesis that the adoption of fintech technology, such as e-wallets, can play a role in increasing financial inclusion. Apart from that, surveys in Indonesia also show that e-wallet users are more likely to have a positive financial attitude. They are more aware of the importance of managing personal finances, more open-minded to new financial products, and more active in planning their future finances.

H9: Fintech (*Cashless society*) has an influence on financial inclusion (financial attitudes) in MSMEs in West Java.

Research Methods

The research carried out is a type of quantitative research. The population of this research is the MSME industry in West Java where the data used focuses more on archival data (archival methods) available at BPS West Java and is determined as many as 100 MSMEs.

The research method used to collect data is literature study which can be obtained through books, articles, journals, the internet and literature and field research which is carried out by visiting research objects directly with the aim of obtaining actual data and information through distributing questionnaires or questionnaires. which is done by asking a series of questions or statements to other people who are used as respondents to answer them (Sugiyono, 2007). Assessing each answer given by the respondent, the researcher used a Likert scale. Secondary data used in this research are research journals, data and references from the internet.

This research uses the dependent variable, namely Financial Inclusion, which consists of: financial knowledge, financial attitudes and financial attitudes with the independent variable, namely financial technology (risk and investment management, market provision, and cashless society).

Results and Discussions

Table 1. Regression Equation Test Results-1

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	7,708	1,483		5,148	,000
	Risk and Investment Management (X1)	-1,702	2,217	-,076	-,674	,544
	Market Provisioning (X2)	-2,147	2,035	-,118	-1,136	,248
	Cashless Society (X3)	,241	,124	,236	2,132	,038

a. Dependent Variable: Financial Knowledge Y1

Next, the results of the regression coefficients from table 1 produce the following regression equation:

$$Y = 7.708 - 1.702X1 - 2.147X2 + 0.241X3 + \varepsilon$$

Markpermanent equal to 7.708 has meaning if there are no variables*risk and investment management, market provisioning,* and*cashless society,* then financial knowledge shows a value of 7.708. Every time an additional value of the risk and investment management variable occurs, financial knowledge decreases by -1.702,

assuming the value of the other independent variables remains constant. A value of -2.147 indicates that every time one variable value is added*market provisioning*, then financial knowledge decreases by -2.147 assuming other independent variables are assumed to be constant. A value of 0.241 indicates that every time one variable value is added*cashless society*, then financial knowledge increases by 0.241.

Table 2. Regression Equation Test Results-2

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	1,607	1,265		1,271	,208
	Risk and Investment Management (X1)	,153	,075	,164	1,569	,121
	Market Provisioning (X2)	-,067	,079	-,113	-,892	,342
	Cashless Society (X3)	,633	,100	,617	7,121	,000

a. Dependent Variable: Financial Behavior_Y2

The results of the regression coefficients from table 9 produce the following regression equation:

Y = 1.607 + 0.153X1 - 0.067X2 + 0.633X3 + ε

The constant value of 1.607 has meaning if all the variables independent is assumed to be 0, then the Y value is 1.607. This means if there are no variables*risk and investment management, market provisioning,* and*cashless society*, then financial behavior shows a value of 1.607. Every time an additional value of the risk and investment management variable occurs, financial behavior increases by 0.153, assuming the value of the other independent variables remains constant. Regression coefficient value*market provisioning* shows a value of -0.067, indicating that every time one variable value is added*market provisioning*, then financial behavior decreases by -0.067. A value of 0.633 indicates that every time one variable value is added*cashless society*, then financial behavior increases by 0.633.

Table 3. Regression Equation Test Results-3

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	4,202	1,368		3,073	,003
	Risk and Investment Management (X1)	,178	,132	,183	1,348	,182
	Market Provisioning (X2)	-,070	,066	-,127	-1,064	,229
	Cashless Society (X3)	,421	,119	,437	3,536	,001

a. Dependent Variable: Financial Attitude_Y3

The results of the regression coefficients in table 10 produce the following regression equation:

Y = 4.202 + 0.178X1 - 0.070X2 + 0.421X3 + ε

The constant value of 4.202 has meaning if there are no variables*risk and investment management, market provisioning*, and*cashless society*, then financial attitude shows a value of 4.202. Every time one variable value is added*risk and investment management*, then financial attitude increases by 0.178 assuming the values of other independent variables remain constant. Regression coefficient value*market provisioning* shows a value of -0.070, indicating that every time one variable value is added*market provisioning*, then financial attitude decreases by -0.070. A value of 0.421 indicates that every time one variable value is added*cashless society*, then financial attitude increases by 0.421

Discussion

Influence *Fintech* (*Risk and investment management*) towards financial inclusion (financial knowledge) in MSMEs in West Java

The outcomes of the conducted data tests reveal that the financial technology variable (specifically in risk and investment management) holds a significance value of 0.544, surpassing the threshold of 0.05. Consequently, it is established that the financial technology variable (risk and investment management) does not exert a statistically significant influence on financial inclusion (financial knowledge). In light of this, the result drawn is that the null hypothesis (H0) is accepted, and the alternative hypothesis (Ha) is rejected. These research findings align with prior studies, particularly the work of Putra et al. (2016), which asserts that contemporary accessibility to information has obscured the need for extensive financial knowledge. Thus, individuals are not required to possess in-depth knowledge for engaging in digital financial service transactions or navigating complex investment processes.

Influence *Fintech* (*Market provisioning*) towards financial inclusion (financial knowledge) in MSMEs in West Java

The findings from the conducted data tests indicate that the financial technology variable (specifically in market provisioning) registers a value of 0.248, surpassing the significance threshold of 0.05. Consequently, it is evident that the fintech variable (market provisioning) does not wield a statistically significant impact on financial inclusion (financial knowledge). This conclusion leads to the acceptance of the null hypothesis (HO) and the rejection of the alternative hypothesis (Ha). These conclusions are consistent with the investigation conducted by Saptia (2018), which posits that the presence of financial technology can heighten competition within the financial sector, particularly between financial technology entities, banks, and microfinance institutions.

Influence *Fintech* (*Cashless Society*) towards financial inclusion (financial knowledge) in MSMEs in West Java

The outcomes of the conducted data tests indicate that the financial technology variable (specifically related to a cashless society) possesses a significance value of 0.038, falling below the threshold of 0.05. This signifies that the financial technology variable (cashless society) is indeed demonstrated to possess a significant impact on financial inclusion (financial knowledge). Consequently, the null hypothesis (HO) is rejected, and the alternative hypothesis (Ha) is accepted. In light of these findings, it could be asserted that a considerable number of MSMEs in West Java have initiated the learning process in finance, with a specific focus on the cashless society, implemented in business transactions

through digital currencies. This development strongly reinforces the trend in the era of the 5.0 industrial revolution, characterized by technological advancements in society. The higher the financial inclusion knowledge among MSME players, the greater their adoption of digital currencies as a manifestation of understanding the cashless society concept. These results align with the research conducted by Jaya (2019), emphasizing the impact of fintech on financial inclusion.

Influence *Fintech* (*Risk and Investment Management*) on financial inclusion (financial behavior) in MSMEs in West Java

The findings from the conducted data tests reveal that the financial technology variable (specifically in risk and investment management) yields a significance value of 0.121, exceeding the threshold of 0.05. As a result, it is established that the financial technology variable (risk and investment management) does not exert a statistically significant impact on financial inclusion (financial behavior). Consequently, the null hypothesis (H0) is accepted, and the alternative hypothesis (Ha) is rejected. This finding contrasts with the research conducted by Kumala (2017), which suggests that risk and investment management indeed play a role in influencing financial outcomes.

Influence *Fintech* (*Market provisioning*) on financial inclusion (financial behavior) in MSMEs in West Java

The outcomes of the conducted data tests demonstrate that the significance value for the fintech variable (specifically in market provisioning) is 0.342, surpassing the 0.05 threshold. This signifies that the fintech variable (market provisioning) is verified to lack a significant impact on financial inclusion (financial behavior). Consequently, the result drawn is the acceptance of the null hypothesis (HO) and the rejection of the alternative hypothesis (Ha). These findings align with the research conducted by Saptia (2018), which underscores the inadequately anticipated penetration of fintech. There is concern that this inadequate anticipation could potentially disrupt economic stability, as the high-interest lending practices associated with fintech have the potential to lead to Non-Performing Loans (NPL) or elevated bad credit levels.

Influence *Fintech* (*Cashless Society*) on financial inclusion (financial behavior) in MSMEs in West Java

The outcomes of the conducted data tests indicate that the financial technology variable (specifically related to a cashless society) holds a significance value of 0.000, falling below the 0.05 threshold. This establishes that the financial technology variable (cashless society) is indeed proven to exert a significant influence on financial inclusion (financial behavior). Consequently, the null hypothesis (HO) is rejected, and the alternative hypothesis (Ha) is accepted. These results suggest that a significant proportion of MSMEs in West Java have initiated the adoption of digital currency in their financial behavior, encompassing activities such as business payment activities, in line with the findings of Jaya (2019).

Influence *Fintech* (*Risk and investment management*) on financial inclusion (financial attitudes) in MSMEs in West Java

The outcomes of the conducted data tests reveal that the financial technology variable (specifically in risk and investment management) yields a significance value of 0.182, exceeding the 0.05 threshold. Therefore, it is established that the financial technology variable (risk and investment management) does not have a statistically significant impact on financial inclusion (financial attitudes). This leads to the acceptance of the null hypothesis (H0) and the rejection of the alternative hypothesis (Ha). These

findings align with the investigation conducted by Kumala and Susanti (2017), which asserts that risk and investment management lack an influence on financial inclusion.

Influence *Fintech* (*Market provisioning*) on financial inclusion (financial attitudes) in MSMEs in West Java

The results of the conducted data tests show that the financial technology variable (market provisioning) has a significance value of 0.229 > 0.05, so the financial technology variabl (market provisioning) is proven to have no significant effect on financial inclusion (financial attitudes). This conclusion means that HO accepted and Ha rejected. This is in line with research by Saptia (2018), wherefintech needs to be anticipated well so that it will not disrupt economic stability such as causing high bad credit.

Influence *Fintech* (*Cashless Society*) on financial inclusion (financial behavior) in MSMEs in West Java

The outcomes of the conducted data tests indicate that the financial technology variable (specifically associated with a cashless society) possesses a significance value of 0.001, falling below the 0.05 threshold. Consequently, it is established that the fintech variable (cashless society) does indeed have a statistically significant influence on financial inclusion (financial attitude). This leads to the rejection of the null hypothesis (HO) and the acceptance of the alternative hypothesis (Ha). The results from this test affirm the findings of the first and second tests, highlighting that a heightened understanding of financial inclusion among MSME players corresponds to increased financial knowledge, behavior, and attitudes in the era of the industrial revolution, specifically concerning the cashless society. These findings align with the research conducted by Jaya (2019), which emphasizes the impact of fintech on financial inclusion.

Conclusion

The findings of this research can be succinctly summarized as follows: Firstly, it was determined that financial technology variables, specifically risk and investment management, as well as market provisioning, do not exert any influence on financial inclusion across dimensions such as financial knowledge, financial behavior, and financial attitudes. Conversely, financial technology variables related to a cashless society were identified to have a positive impact on financial inclusion, particularly in terms of financial knowledge, financial behavior, and financial attitudes. Secondly, the research encountered limitations, primarily stemming from challenges in effectively conveying a survey comprehension of financial technology and financial inclusion to MSME actors in West Java. The average respondent demonstrated a partial grasp of these concepts. Additionally, the study predominantly focused on the ongoing development of a cashless society, diminishing the potential contribution of other variables. Initial suspicions arose that MSME players in West Java might lack substantial knowledge or understanding of risk and investment management and market provisioning concepts.

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