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THE ROLE OF FINTECH IN IMPROVING FINANCE INCLUSIVE TO DEVELOP MSMEs IN INDONESIA

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ABSTRACT
Financial technology (Fintech) is a combination of financial management using technology systems. Fintech can be used as a powerful tool to empower MSMEs and encourage national economic growth. By utilizing fintech wisely, MSMEs can increase efficiency, expand market reach and develop their businesses. This journal aims to analyze the role of fintech in increasing financial inclusion for MSMEs in Indonesia. This research uses a literature study approach by observing and analyzing all information and data in depth through various literature, books, notes, magazines, other references related to financial technology, inclusive finance and MSME development in Indonesia. The results of the discussion in this journal show that the presence of fintech has contributed to the development of MSMEs. Not only limited to helping finance business capital, the role of fintech has also expanded to various aspects such as digital payment services and financial regulation. Obstacles to the implementation of fintech in increasing financial inclusion in MSMEs in Indonesia are due to the inadequate distribution of IT infrastructure in Indonesia, the competency of Human Resources related to the application of digital technology which is still weak, weak legislation related to digital transactions and a lack of financial literacy. Finally, strong synergy and cooperation is needed between the government, Fintech companies, MSMEs and the community in developing fintech and inclusive finance to develop MSMEs in Indonesia.

Keywords: Financial Technology, financial inclusion, MSMEs

INTRODUCTION

Currently, the era of digitalization is developing, financial technology or better known as fintech has become one of the most important innovations in the world of finance. Fintech has brought about major changes in the way we interact with finance, and its impact is felt especially strongly in the Micro, Small and Medium Enterprises (MSME) sector. Indonesia, as a country with a large population and dynamic economic growth, has great potential to increase financial inclusion for MSMEs through fintech. Basically, fintech is a combination of technology and financial services which aims to provide convenience, accessibility and efficiency in various financial activities. In Indonesia, MSMEs play a central role in the economy, creating jobs and supporting sustainable economic growth. However, many MSMEs still face obstacles in accessing inclusive and affordable financial services.

Through the development of fintech, there is a great opportunity to overcome this challenge and expand financial access for MSMEs in Indonesia. Fintech has changed the way MSMEs manage their businesses, access funding, transact and interact with global markets. Fintech innovations such as peer-to-peer lending platforms, digital wallets, and application-based payments have helped MSMEs overcome traditional obstacles including licensing, access to banks, and high transaction costs.

Fintech is the result of a combination of financial services and technology which ultimately changed the business model from conventional to moderate, where initially you had to meet face to face to pay and bring a certain amount of cash, now you can carry out long distance transactions by making payments that can be made in just a matter of seconds. Financial technology or known as Financial Technology (Fintech) is a new sector in the financial industry that combines all the technologies used in the financial sector to facilitate trade, business enterprises, or interactions and services provided to retail consumers (Ion & Alexandra : 2016). Fintech can help maximize the use of technology in changing, sharpening or speeding up various aspects of financial services. Starting from payment methods, fund transfers, fund collection, loans, to asset management can be accelerated and streamlined with technology. Currently, many new start-up companies are emerging that create innovative products in the Fintech field, such as Amartha, Cek Aja, Bareksa, Doku, Finansialku, T-Cash, and etc.In carrying out its operational activities, Fintech provides convenience in service. Fintech utilizes application media and websites in its services so that people can carry out transactions or apply for capital loans more effectively and efficiently. This condition is different from the services provided by conventional banks. The development of Fintech and the ease of services provided has created potential for people to become entrepreneurs. Businesspeople can use Fintech as a way to finance business capital, digital payment services and financial management.

Micro, Small and Medium Enterprises (MSMEs) are one application of utilizing capital resources and are an important factor in the country's economy as job creators in various regions. In economic development, Fintech can bring great opportunities and potential in the development of MSMEs in Indonesia. The obstacles faced by MSME players from the past until now are financial and capital aspects. It is often found that businesses that are started by someone have to stop in the middle of the road because they do not have access to loans from banks, do not have assets or property that can be mortgaged to obtain capital from banks.
The presence of Fintech plays an important role in increasing people's financial literacy and inclusion, especially MSMEs. Apart from that, everyone who wants to use lending services needs to be selective in knowing the advantages and disadvantages of Fintech companies and prioritize companies that are registered with the OJK so they can get the desired benefits. Thus, it is necessary to know the role and influence of Fintech in the development of MSMEs in Indonesia so that it can be used optimally by the community. Therefore, in this paper, we will further review the role of fintech in increasing financial inclusion for MSMEs in Indonesia. We will also discuss the role of fintech in providing easier access to funding, helping MSMEs to increase their operational efficiency, and providing new opportunities in marketing and business expansion. In addition, we will discuss the challenges and potential risks that need to be overcome in adopting fintech among MSMEs. With a better understanding of the role of fintech in supporting the development and growth of MSMEs and financial inclusion in Indonesia, we can design better strategies to maximize the benefits of this financial technology development. This will not only increase the competitiveness of MSMEs in the global market, but will also have a positive impact on overall national economic growth

LITERATURE REVIEW

Financial Technology (Fintech)

The term Fintech or financial technology emerged because of the combination of financial management using technology systems. Fintech has become a public concern because this service provides many service features to make things easier from a financial perspective, such as being used in cooperative financial institutions, banking and insurance. According to The National Digital Research Center (NDRC), Fintech is innovation in financial services, namely innovation in the financial sector that has a touch of modern technology. Financial transactions through Fintech include payments, investments, borrowing money, transfers, financial plans and financial product comparisons. Fintech also helps people to more easily gain access to financial products and financial literacy. Financial technology (Fintech) is also an innovation step from the financial sector that is integrated with technology to produce facilities without intermediaries, changing methods. companies in providing services and products, apart from that they can also provide privacy, regulatory and legal challenges and possibly provide inclusive growth (Remund : 2017).

The Word Economic Forum explains that Fintech is the use of technology and an innovative business in the financial sector. This financial innovation takes the form of using technology to produce new methods such as in financial institutions such as

savings, loans, investments and e-payments. The Fintech industry can develop due to several factors including (Winarto: 2020) :
There is a change in consumer mindset
This change is marked by increasing needs in society but people want to get it in a practical and easy way. This encourages people to use Fintech services to meet their daily needs in an instant way and start to abandon the conventional system of having to go to the seller.

Digital progress
Digitalization is a change from old systems that are not yet modern. In the current era, digitalization has been used in many products for public needs. As is the case with smartphones which are becoming increasingly sophisticated and have spread throughout society, it will make it easier for people to support their activities and needs. 1)Trend change, Rapid and continuous developments and innovations encourage change and acceleration in trends in society; 2) Decreased loyalty to brands and institutions, The potential for making a decision to purchase a product in this era is no longer influenced by brands and institutions, but rather for millennials to make purchasing decisions more quickly and be careful about product and service offerings; 3)Easier access, Openness of services and information systems will increasingly provide easier access for transactions. The development of this access was initiated by technological developments which will open up new market shares; 4) Profitable product offers, If the product offered provides benefits and is profitable, it will change and attract consumers to buy the product being offered; 5) Policy support from the government, In this case, the government providing policies in supervision is important to help advance the Fintech industry and provide encouragement to continue to develop. In Indonesia, the institution given authority to supervise Fintech in financial institutions is the Financial Services Authority (OJK).

The Role and Development of Fintech

Fintech with financial services such as crowdfunding, mobile payments, and money transfer services is causing a revolution in startup businesses. With crowdfunding, you can get funds from all over the world easily, even from people you have never met. Fintech also makes it possible to transfer money globally or internationally. Payment services such as PayPal automatically change currency exchange rates, so that those in America can buy goods from Indonesia easily. Fintech also has an important role in changing consumer behavior and expectations, including First, you can access data and information anytime and anywhere; Second, it generalizes large and small businesses so that they tend to have high expectations even for newly built small businesses.
Globally, the Fintech industry continues to grow rapidly. This is proven by the emergence of startup companies in this field and the large amount of global investment in them. Especially in Indonesia, this business is growing so rapidly that it has attracted the attention of all businesspeople in Indonesia. Currently, Fintech is developing rapidly in various sectors, starting from payment startups, lending, financial planning (personal finance), retail investment, financing (crowdfunding), remittances, financial research, etc. According to the Financial Services Authority (OJK , 2017) the types or fields of Financial Technology that are developing in Indonesia are:

Digital Payment: Digital payment provides services in the form of online transaction payments so that the process becomes more practical, faster and cheaper. Companies providing this service generally take the form of virtual wallets which are equipped with various features to facilitate online transactions between consumers and business owners or between business actors (B2B). Platforms operating in this field are Gopay, OVO, Kartuku, Doku, Ipaymu etc.
Financing and Investment: The practice or method of lending money to individuals or businesses and vice versa, applying for loans to lenders who connect lenders with borrowers or investors online. The platform operating in this field is Modalku, Pinjam.co.id. Investree, and Amartha

Account Aggregor: Collects and manages data that consumers can use to help make decisions. For consumers who need and use transaction services from various banking accounts, this type of Fintech Account Aggregator will offer services that can accommodate all these transactions through just one platform. Users of this platform are given the convenience of verifying transactions because the process is fast and short. One of the platforms in this field is DuitPintar.com

Information and Feeder Site: provides services regarding information needed by potential consumers who want to use a product and service in the financial services sector. The information provided can include information such as credit cards, interest rates, mutual funds, insurance premiums, and so on. Examples of platforms in this field are Bareksa, Cekpremi, Rajapremi and Investee

Personal Finance: The need for financial planning is currently very much needed by society. Against this backdrop, several Fintech companies in Indonesia are developing types of Fintech that can accommodate this. Fintech personal finance companies through their platforms can help consumers from making good financial reports to choosing wise fund processing

Financial Inclusion

The term financial inclusion became a trend after the 2008 crisis, especially based on the impact of the crisis on groups at the bottom of the pyramid (irregular low income, living in remote areas, disabled people, workers who do not have legal identity documents, and marginalized communities) which is generally unbanked which is recorded to be very high outside developed countries (Miraza: 2014). Even though they are at the bottom of the pyramid and do not have savings, it is reliable that they still have unproductive movable objects (holdings) that are used daily such as rings/necklaces, etc. that can be cashed in and used for productive things such as for non-formal micro business capital or farming and animal husbandry, etc. Sometimes they even forget this thought. It is hoped that cashing out holdings can be one way to solve the problem. Especially if they are helped and coached (Fitriastuti : 2015).

For some people, this may be something that is impossible to do. Indeed, building a lower-class society (at the bottom of the pyramid) is generally not as easy as building an upper class (middle and high income). They have a limited, narrow view and are free from thinking about future life and like to take shortcuts. In situations like this, they need to be nurtured because basically within them there is a strength that needs to be straightened out for their future life. This kind of negative mentality needs to be eliminated from them so that they can become independent communities according to their abilities (Alamsyah: 2017). Financial inclusion is defined as an effort to reduce all forms of price and non-price barriers to people's access to utilizing financial services. Financial inclusion is a form of the national inclusive financial strategy, namely the right of every person to have full access and services from financial institutions in a timely, comfortable, informative and affordable manner, with full respect for dignity (https://www.bi.go.id/).

Global Financial Development Report defines Financial Inclusion as "The proportion of individuals and firms that use financial services has become a subject of considerable interest among policy makers, researchers and other stakeholders." available financial services and minimizing the existence of groups of individuals who are not aware of the benefits of financial access through access that is available without high costs. 13 According to the Financial Services Authority, financial inclusion is all efforts aimed at eliminating all forms of price and non-price barriers. price for public access to utilize financial services so that it can provide significant benefits in improving people's standard of living, especially for areas with areas and geographical conditions that are difficult to reach or border areas ((Fitriastuti, : 2015)

The national vision of Financial Inclusion is formulated to create a financial system that can be accessed by all levels of society to encourage economic growth, reduce poverty, equalize income and create financial system stability in Indonesia. Meanwhile, the Financial Inclusion Objectives are described in several objectives as follows (Muzdalifah et al: 2018): 1) Make an inclusive financial strategy part of the grand strategy of economic development, poverty alleviation, income distribution and financial system stability; 2) Providing financial services and products that suit community needs; 3) Increase public knowledge regarding financial services; 4) Increasing public access to financial services; 5) Strengthen synergies between banks, microfinance institutions and non-bank financial institutions; 6) Optimizing the role of information and communication technology (ICT) to expand the scope of financial services.

Micro, Small and Medium Enterprises (MSMEs)

MSMEs are independent productive business units, which are carried out by individuals or business entities in all economic sectors. In principle, the distinction between micro businesses, small businesses, medium businesses and large businesses is generally based on the initial asset value (excluding land and buildings), average turnover per year, or the number of permanent workers. (Tambunan : 2012).

Based on Law Number 20 of 2008 concerning MSMEs, the definition of each business is as follows: 1) Micro businesses are businesses that have net assets of up to IDR 50,000,000,- excluding buildings and business premises; 2) A small business is a productive economic business that stands alone, whether owned by an individual or a group and not as a branch business entity of the main company with a net worth of IDR 50,000,000 to IDR 500,000,000; 3) Medium businesses are businesses in the productive economy and are not branches or subsidiaries of the central company and are part directly or indirectly of small or large businesses with total net assets reaching more than IDR 500,000,000 to IDR 10,000,000,000. and does not include buildings and business premises.

Then the Central Bureau of Statistics (BPS) classifies micro businesses as business units with a number of permanent workers up to 4 people, small businesses between 5 and 19 workers, and medium businesses from 20 to 99 people. Companies with more than 99 employees are included in the large business category. MSMEs in Indonesia are expected to become major players in Indonesia's economic activities in the future, especially since the current national economic crisis due to the Covid 19 pandemic has greatly affected national, economic and political stability, the impact of which has resulted in large business activities becoming increasingly worse. However, the MSME sector is expected to be able to maintain its business activities to drive the national economy. This is because MSMEs are business units that are reliable and able to survive when a crisis occurs.

METHODS

This research uses a literature study approach by observing and analyzing all information regarding the research topic. Library research is a type of research that is used to collect in-depth information and data through various literature, books, notes, magazines, other references, as well as the results of relevant previous research, to obtain answers and theoretical basis regarding the problem to be researched (Indrawan, & Yaniawati, 2014).

In this research, the main topic that will be elaborated is related to the role of fintech in increasing financial inclusion for MSMEs in Indonesia. In this way, the role of fintech in increasing financial inclusion and as a powerful tool for empowering MSMEs and encouraging national economic growth will be known.

The stages that will be carried out in this research which prioritizes the library study model are as follows; First, the researcher observes and analyzes based on phenomena that occur related to the research topic; Second, the researcher determines the research focus based on the information that has been obtained and obtained from the literature review; Third, the source of data collected by researchers is in the form of information or empirical data sourced from books, journals, research reports and other literature that can provide scope for new research. That way researchers will be able to help identify various variables related to the research topic; Fourth, researchers examine various literature sources to obtain maximum results so that they will find new ideas related to the research topic; Fifth, the researcher analyzes research notes from various literature to then obtain a conclusion which is prepared in the form of a research report with the applicable writing systematics. Based on the stages of the literature study method above, it is hoped that we can combine the findings on the same theme as preliminary studies with current studies. Finally, by verifying previous studies, you can find elements of novelty in subsequent research (Zed, 2008).

RESULTS

The Role of Fintech In Increasing Financial Inclusion For Msmes In Indonesia

Financial Technology (Fintech) collaboration with financial institutions can increase financial inclusion for MSMEs in Indonesia today and can also improve the economy. This can happen because technological developments are very rapid and have entered all sectors in Indonesia, one of which is the financial sector. The implementation of Fintech in the banking industry will make it easier and closer for MSME businesspeople to access the financial service products offered and apply for financing directly without having to come to the branch office. Not only limited to helping finance capital for business actors, the role of Fintech can also help people carry out payment activities, loans, etc.

According to research from Yuningsih et.al (2022), it shows that Fintech plays an important role in supporting the performance of MSMEs, namely in the form of increasing efficiency both operationally and the efficiency enjoyed by its members. Meanwhile, Sesilia (2017) research results explain that Fintech has a positive effect on the workforce which indirectly has a positive effect on economic growth in districts/cities in East Java. Fintech can make it easier for MSMEs to work more efficiently and effectively with working capital or MSME credit. In general, the role of Fintech in developing MSMEs is as follows :1) Fintech as a Loan Provider, MSME Business Capital In supporting the development of MSMEs, Fintech provides easy access for borrowers from the SME sector. One of them is making loans online with a simpler application process compared to conventional financial institutions such as banks, where SME owners only need to submit the required documents online without having to submit collateral. The loan applied for can be obtained in a relatively short time. Several Fintech companies provide online loan services such as Modalku and Pinjam.com. Developing MSMEs can be greatly helped to carry out their business operations until they become empowered entities. Fintech contributes greatly to empowering MSMEs and the local economy. In general, Fintech plays a role in encouraging the export capabilities of MSMEs which are currently still relatively low, encouraging an even level of prosperity, helping to fulfill domestic financing needs which are still large, encouraging national financing which is still uneven in various regions of the country, and increasing national financial inclusion.

Fintech plays a role in increasing the Financial Inclusion of MSMEs, Fintech companies provide easier and safer digital payments for business people, thereby attracting more consumers and providing profits for business people. Fintech is always innovating, such as developing flexible products and better ways to overcome the problems faced by MSMEs, these problems include difficulty getting access. Fintech also makes financial services more affordable and accessible, improving customer experience and accelerating usage and engagement, building on foundations including easier digital identity verification, collaborative customer due diligence, data sharing, and payment schemes that can accelerate a number of financial services . One example of a Fintech company that provides digital payments is the Jenius and Dana applications (Winarto: 2020)

Fintech provides MSME Financial Regulation Services, The presence of a number of Fintechs also contributes to the development of MSMEs. The role of Fintech is not only limited to financing business capital but some also extend to various aspects such as digital payment services and financial management. This innovation aims to help MSME business actors in managing company finances. Services provided include expense recording, investment performance monitoring, and free financial consultation. Some examples of Fintech companies that provide financial management services include Dompet Sehat and Ngaturduit.com. (Muzdalifah et al: 2018)

Fintech can increase financial literacy, OJK stated that the important mission of the financial literacy program is so that Indonesian people can manage their finances intelligently, so education in the financial sector is necessary, so that low knowledge about the financial industry can be overcome and people are not easily fooled by investment products that offer high profits in the long term. short without considering the risks.

According to Sugiarti (2019), his research shows that Fintech has many roles in helping to improve the running of MSMEs and in terms of financial literacy, such as financing, financial regulation, etc. The financing carried out is safer and more profitable for MSME players in increasing sales and capital productivity. Along with the development of financial technology, this has an impact on the use of Fintech to help business activities by MSME owners.

Factors that require MSME owners to use Fintech are due to; Fintech developments, consumers, comfort and security. Of all the factors that make MSMEs implement Fintech, there are several obstacles or obstacles in implementing Fintech, namely human resources. Not all employees are familiar with technology or do not understand how Fintech works, so business actors need time to implement Fintech in their businesses. The lack of socialization from Fintech also creates obstacles for business actors so that business actors have to find out for themselves what Fintech is.

Another obstacle is that when the network is unstable, work can be disrupted and cause work delays. Collaboration between banking and Fintech can contribute to increasing financial literacy for the development of MSMEs. Moreover, so far the government has been intensively campaigning for a national movement for non-cash transactions. So that a less-cash society is formed in transactions. Despite the challenges above, Fintech also offers many benefits for MSMEs, including:

1. Increase financial access: Fintech helps MSMEs who previously did not have access to traditional financial services.
2. Increase efficiency: Fintech helps MSMEs save time and costs in carrying out financial transactions.
3. Increase business growth: Fintech helps MSMEs increase sales, expand market reach and develop their businesses.

The following are some examples of fintech platforms that are widely used by MSMEs in Indonesia: KoinWorks: Online loan platform that offers business capital loans with competitive interest, GoPay: Digital wallet that makes it easier for MSMEs to receive digital payments from customers, Moka: Financial management platform that helps MSMEs track finance, creating budgets and managing cash flow, LandX: An online investment platform that allows MSMEs to invest in various financial products.

Barriers To Implementing Fintech In Increasing Financial Inclusion For Msmes In Indonesia

Currently, the implementation of fintech in increasing financial inclusion for MSMEs in Indonesia still faces several obstacles so that the development of fintech implementation for MSMEs is relatively slow, these obstacles include: 1) Infrastructure,Currently, good IT infrastructure can only be experienced by people in large urban areas such as Jakarta, Surabaya, Bandung and so on. Meanwhile, the internet network cannot yet be spread evenly to remote areas, this is one of the biggest obstacles to the spread of fintech; 2)

Human Resources, The limited ability of rural communities to apply financial technology in their regions has hampered the spread of financial technology. This condition makes it difficult for the government to develop fintech in the area due to the lack of workers who can support the sustainability of the modern economy; Legislation, Regarding the legal vacuum, currently the fintech industry is based on civil law laws. However, currently there are no specific regulations regarding financial technology, making this problem one of the obstacles to the spread of fintech widely. The government should be able to issue special regulations related to fintech so that public interest in using fintech increases; Lack of financial literacy, Most people in rural areas do not know the term financial technology in its entirety regarding how to use it, what benefits, advantages and goals can be obtained from its use due to the lack of government literacy in introducing a good financial system. Therefore, socialization and discussions through social media networks are needed both to get the public's attention and as an effort to seek input to improve the existing system. Due to the low level of financial literacy knowledge, people do not have plans for good financial management.

Risks and challenges for MSMEs in Adopting Fintech

Although fintech offers many benefits, there are several risks and challenges that need to be overcome in adopting this technology among MSMEs. Some of these include low digital literacy, concerns regarding data security, and the need to ensure that appropriate regulations and policies are in place to protect the interests of stakeholders. Low digital literacy means that many MSMEs, especially those that are traditional businesses, may not have an adequate level of digital literacy. Using fintech platforms and applications requires an understanding of technology and skills in using a computer or mobile device.
MSME players' concerns about fintech are related to the security of their data. They need to be assured that their financial transactions and information will be processed and stored securely without the risk of data leakage or theft. The level of dependence on technology, where fintech brings great benefits, MSMEs should not be too dependent on technology. Sometimes, technical glitches or system failures can occur, and MSMEs need to have a backup strategy. Regulations and compliance where MSMEs need to understand and comply with regulations related to the use of fintech. This includes compliance with anti-money laundering (AML) rules and data privacy policies.

Implementation costs adopted by fintech may require initial investment, especially for building digital infrastructure and providing training to employees. MSMEs need to consider these costs and ensure that the long-term benefits will outweigh the implementation costs. The level of user satisfaction and support for MSMEs requires choosing a fintech provider that can provide adequate technical support and training. Good user experience is the key to successful fintech adoption. Business process changes adopted by fintech may require adjustments or changes in existing business processes. MSMEs need to be ready to integrate this technology into their daily operations. Suitability to business needs requires that MSMEs need to choose fintech solutions that suit their business needs. Choosing technology that is irrelevant or too complex can result in ineffective use. By understanding and overcoming these challenges, MSMEs can adopt fintech more successfully and harness the enormous potential of financial technology to improve the performance and growth of their businesses.

Strategy For Selecting Adoption Of The Use Of Fintech In Increasing Financial Inclusion For Msmes

When choosing to use fintech, MSMEs need to ensure that the fintech system is safe and reliable in protecting sensitive data and avoiding potential security threats that could disrupt MSME business operations. Therefore, MSMEs need to choose a fintech provider that is trusted and has a good reputation. Choosing a provider that has been proven to provide secure financial solutions can reduce security risks. MSMEs need to monitor financial transactions regularly to detect suspicious or unauthorized activity. By monitoring transactions, MSMEs can immediately take action if there are indications of suspicious activity.

Employees need to be trained on digital security practices and how to identify potential security threats is an important step in maintaining security when using fintech. MSMEs can utilize multi-layer security systems, such as firewalls, antivirus, and threat detection, to protect their systems and data from security attacks. MSMEs need to have planned security monitoring and recovery procedures. This includes quickly handling security incidents and recovering systems if a security breach occurs. MSMEs must ensure that they comply with regulations and security standards that apply to the financial industry. This includes anti-money laundering (AML) rules and data privacy policies.
MSMEs must limit access to fintech systems to only those people who need them. Using limited access rights can help prevent unauthorized access. MSMEs need to regularly check and evaluate the security of their fintech systems and processes to ensure that they remain protected from evolving security threats. By adopting appropriate security strategies and practices, MSMEs can minimize risks and maintain security in their use of fintech, so they can take advantage of the benefits of financial technology without compromising the security and integrity of their data.
Finally, there are several strategies that can be used by MSME players to choose the right fintech platform for their business, including: first, understand your business needs: choose a fintech platform that offers services that suit your business needs; second, Compare interest rates and fees: Do research to compare interest rates and fees offered by different fintech platforms; Third, pay attention to data security: Choose a fintech platform that has a good reputation and implements high data security standards; Fourth, Read user reviews: Read other user reviews to find out their experience using the fintech platform (https://www.ekon.go.id)

CONCLUSION

Fintech is a combination of financial management with technology. Fintech globally is showing rapidly and developing in various sectors, starting from payment startups, lending, financial planning (personal finance), retail investment, financing (crowdfunding), remittances, financial research, etc. The presence of a number of fintech companies contribute to the development of MSMEs. Not only limited to helping finance business capital, the role of Fintech has also expanded to various aspects such as digital payment services and financial regulation Obstacles to the implementation of fintech in increasing financial inclusion in MSMEs in Indonesia are due to the inadequate distribution of IT infrastructure in Indonesia, the competency of Human Resources (HR) related to the application of digital technology which is still weak, weak legislation related to digital transactions and a lack of financial literacy. Finally, strong synergy and cooperation is needed between the government, Fintech companies, MSMEs, and the community in developing fintech and inclusive finance to develop MSMEs in Indonesia by improving the digital economic system for MSMEs. Apart from that, it is also necessary to increase the digital financial literacy of the community, especially MSMEs, so that they can take advantage of fintech to support their business development and by using fintech appropriately correctly and wisely.

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