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The Influence of Financial Technology on Increasing Financial Inclusion in MSMEs in Bira Village, Bulukumba Regency

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Abstract

This study is urgent because understanding how financial technology influences financial inclusion can help MSMEs in Bira Village overcome limited access to formal financial services and support inclusive local economic growth. This study investigates the impact of financial technology (fintech) on enhancing financial inclusion among Micro, Small, and Medium Enterprises (MSMEs) in Bira, Bulukumba Regency. The research is motivated by the limited access of MSMEs to formal financial services and the potential of fintech to offer more accessible digital financial solutions. A quantitative research method was employed, utilizing a survey approach. Data were collected through questionnaires administered to 64 MSME respondents and analyzed using simple linear regression with SPSS software. The data were collected from selected MSME operators using a purposive sampling technique The findings reveal that fintech exerts a positive and statistically significant influence on financial inclusion, as evidenced by a p-value of 0.000 and a coefficient of determination (R^2) of 0.893. This indicates that 89.3% of the variance in financial inclusion is attributable to fintech adoption. The study concludes that fintech facilitates access to formal financial services such as digital payments, savings, and loans thereby promoting more efficient and sustainable business operations for MSMEs.

Keywords: *Fintech, Financial Inclusion, MSMEs, Bulukumba Regency*

Introduction

Financial inclusion is a critical component of economic development, particularly for Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. Micro, small, and medium enterprises (MSMEs) play a crucial role in Indonesia's economy through their substantial contribution to gross domestic product and employment absorption, reinforcing their position as the backbone of national economic development (Suhaili & Sugiharsono, 2019). The dominance of MSMEs in labor absorption reflects their strategic importance in sustaining economic activity and reducing unemployment, particularly in developing regions (Kurniadi et al., 2025).

The adoption of financial technology among MSMEs in Bira Village, Bulukumba Regency, faces several significant challenges, including limited digital literacy among business owners, which restricts their ability to effectively use fintech services. In addition, inadequate digital infrastructure, such as unstable internet connectivity and limited access to smartphones, further constrains fintech utilization in rural areas. Low levels of awareness and trust in fintech platforms also cause many MSMEs to continue relying on traditional or informal financial services. Moreover, regulatory complexity and the lack of clear guidance hinder MSME operators from understanding fintech-related financial procedures, while unequal availability of fintech services between urban and rural regions reduces the potential of financial technology to enhance financial inclusion for MSMEs.

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Despite their significant economic contribution, many MSMEs continue to face persistent constraints in accessing formal financial services, which limits their capacity to expand and improve productivity. Limited access to finance has been widely identified as one of the main obstacles preventing MSMEs from scaling up and fully realizing their growth potential (Ayyagari et al., 2019). Financial exclusion among MSMEs is more pronounced in rural areas, where inadequate banking infrastructure and higher transaction costs restrict engagement with formal financial institutions (Demirgüç-Kunt et al., 2018). Insufficient access to formal financing not only constrains investment and innovation but also increases MSMEs' reliance on informal financial sources, which often carry higher risks and costs (Organisation for Economic Co-operation and Development, 2021) (Abdullah & Muchram, 2025).

Many entrepreneurs do not possess bank accounts or sufficient knowledge of financial products, and they often lack awareness of the procedures required to obtain loans (Angka & Sulawati, 2025). Consequently, a substantial number of MSMEs resort to informal financing sources, such as moneylenders, which typically involve high interest rates and unfavorable terms. Dependence on informal financing can hinder business growth and perpetuate a cycle of debt that is difficult to escape, as high borrowing costs reduce MSMEs' capacity for reinvestment and weaken long-term business sustainability (Hakim, 2025).

Limited access to affordable financing from formal financial institutions constrains the ability of micro, small, and medium enterprises (MSMEs) to scale up and sustain their business operations. This condition is further aggravated by low levels of financial literacy among MSME owners, which reduce their understanding of available financial products and their capacity to manage business finances effectively (Prihandini, 2025). Insufficient financial knowledge often leads to mistrust toward formal financial institutions, as many MSME owners perceive formal financial products as complex and risky to use. Such reluctance is largely rooted in unfamiliarity with financial systems and fear of financial mismanagement, particularly among small entrepreneurs with limited exposure to formal banking practices.

Low financial literacy also hinders MSME owners from recognizing the importance of sound financial management, thereby limiting their ability to make informed financial decisions and weakening business sustainability (Azzahroh et al., 2025). Empirical evidence suggests that MSMEs with higher levels of financial literacy are better positioned to manage cash flows, access financing, and improve overall business performance (Pambudianti et al., 2020). In rural areas such as Bira, inadequate financial knowledge remains a significant barrier to effective engagement with formal and digital financial services.

Regulatory uncertainty surrounding financial technology (fintech) services represents another major obstacle to financial inclusion. Concerns related to the legality, transparency, consumer protection, and data security of fintech products often discourage MSMEs from adopting digital financial services, despite their potential to expand access to financing (Antoni et al., 2024). A regulatory environment that is not clearly understood by MSME actors can weaken trust in fintech platforms and limit their willingness to integrate digital financial solutions into business operations. Strengthening financial literacy alongside regulatory clarity is therefore essential to enhance fintech adoption and promote inclusive financial development among MSMEs.

Financial technology (fintech) has become a critical driver in expanding financial inclusion by providing digital financial services that reduce barriers faced by micro, small, and medium enterprises (MSMEs) in accessing formal financial institutions. Digital platforms such as mobile banking, peer-to-peer lending, and electronic payment systems enable MSMEs to obtain financial services without complex administrative requirements or physical proximity to banks, thereby increasing participation in the formal financial system (Van Houten, 2025). The availability of fintech solutions has reshaped the financial landscape by offering faster, more flexible, and cost-effective services tailored to the needs of MSMEs operating in diverse economic environments.

The adoption of fintech has also been linked to improved business performance through enhanced efficiency in financial transactions and capital management. Digital financial services allow MSMEs to streamline payment processes, improve cash flow monitoring, and access alternative financing options that support business expansion. Improved transaction efficiency and transparency facilitated by fintech applications strengthen trust between MSMEs and financial service providers, contributing to higher levels of financial inclusion and business growth (Serang et al., 2025).

The role of fintech becomes more pronounced when integrated with broader financial inclusion strategies and digital business practices. Empirical evidence indicates that the combination of fintech adoption and digital-based business operations accelerates MSME development by enhancing operational capacity and market access. Access to technology-enabled financial services supports production scalability and enables MSMEs to reach wider consumer markets beyond local boundaries, thereby strengthening competitiveness at the regional level (Suhardi et al., 2025).

Participation in the formal financial system is a key outcome of fintech adoption among MSMEs. Digital financial platforms facilitate financial formalization by enabling MSMEs to record transactions systematically and build financial histories that can be evaluated by regulated financial institutions. Increased financial formalization reduces reliance on informal financing mechanisms, which are often associated with higher costs and greater financial risk. Engagement with fintech-based services enhances financial resilience and supports long-term business stability among MSMEs (Purwati et al., 2025).

Sustainability has emerged as an important dimension in studies examining the impact of fintech on MSMEs. Financial technology contributes to business sustainability by improving financial management practices and supporting responsible financial decision-making. The interaction between fintech utilization, financial inclusion, and financial literacy strengthens MSMEs' ability to manage resources effectively, maintain stable cash flows, and adapt to economic fluctuations. Improved financial literacy enables MSME owners to maximize the benefits of fintech services while mitigating potential risks associated with digital financial products (Sahdan & Sardju, 2025).

Regional-level studies provide important insights into the role of fintech in promoting financial inclusion in areas with limited access to conventional banking infrastructure. Evidence from underdeveloped regions demonstrates that fintech services significantly expand access to digital payment systems and technology-based financing for MSMEs operating in rural or semi-rural contexts. The presence of fintech solutions in such areas reduces geographical barriers and supports inclusive economic development by integrating local MSMEs into broader financial networks (Chyntia et al., 2024).

Advanced analytical approaches have further clarified the mechanisms through which fintech influences MSME outcomes. Empirical findings using Structural Equation Modeling indicate that fintech adoption has a significant positive effect on financial inclusion, which subsequently enhances MSME performance and business resilience. Financial inclusion functions as a mediating variable that links fintech utilization with improved access to capital, operational efficiency, and adaptability to market changes. These findings underscore the importance of fintech as a strategic tool for strengthening MSME competitiveness and sustainability within an increasingly digital economy (Purnamasari et al., 2025).

This study addresses this research gap by examining the influence of fintech on financial inclusion among MSMEs in Bira Village, Bulukumba Regency. The novelty of this research lies in its localized village-level approach, which provides empirical evidence on fintech-driven financial inclusion in a rural coastal context. The findings are expected to contribute to academic literature and offer practical insights for policymakers and financial service providers in designing inclusive fintech solutions tailored to rural MSMEs.

Method

Financial inclusion plays a pivotal role in promoting economic development, particularly in developing countries such as Indonesia. Micro, Small, and Medium Enterprises (MSMEs) constitute a substantial segment of the national economy, contributing approximately 60% to the Gross Domestic Product (GDP) and employing over 97% of the national workforce. This sector is thus recognized as a critical driver of economic resilience and social welfare. Despite their substantial contribution, MSMEs especially those operating in rural and underdeveloped areas such as Bira Village in Bulukumba Regency continue to experience significant barriers in accessing formal financial services.

A primary obstacle faced by MSME operators in Bira is the limited availability and accessibility of formal financial institutions. Many entrepreneurs do not possess bank accounts and have limited knowledge of financial products, while others are unfamiliar with loan application procedures and associated regulatory requirements. This situation often compels MSMEs to rely on informal financing sources, such as local moneylenders, which are typically characterized by exorbitant interest rates and exploitative terms. The data were collected from selected MSME operators using a purposive sampling technique, targeting business owners who actively manage their enterprises and have experience with financial services, to ensure the relevance and depth of the information obtained. According to the Financial Services Authority (OJK, 2021), a dependence on informal financial sources can inhibit business growth and perpetuate cycles of debt, making it difficult for enterprises to achieve long-term sustainability. The research instruments used in this study consisted of structured questionnaires and interview guidelines designed to capture MSMEs' perceptions, levels of financial literacy, fintech usage, and access to financial services.

Compounding this issue is the low level of financial literacy among MSME actors. A considerable number of entrepreneurs lack a clear understanding of the financial instruments and services available to them, which contributes to a pervasive mistrust of formal financial institutions. This skepticism is often rooted in unfamiliarity and fear of financial mismanagement. MSMEs with higher levels of financial literacy demonstrate greater success in managing their operations and accessing formal credit. Conversely, the absence of financial knowledge impedes decision-making processes, limiting the ability of business owners to plan effectively and respond to market dynamics.

Another structural barrier lies in the regulatory uncertainty surrounding financial technology (fintech) services. Concerns regarding the legal status, transparency, and consumer protection mechanisms of fintech products continue to discourage adoption among MSME owners. The Asian Development Bank (ADB, 2022) has reported that unclear and inconsistent regulatory frameworks contribute to a lack of trust in digital financial services. Moreover, fears surrounding legal liability and data security risks further inhibit MSMEs from embracing digital tools that could otherwise enhance operational efficiency and competitiveness.

Cybersecurity threats and online fraud represent additional concerns. Many MSMEs express apprehension about the safety of personal and financial data when using fintech platforms. As digital fraud becomes increasingly prevalent, these fears are further exacerbated, leading to reluctance in adopting financial technologies. Without robust data protection and transparent consumer safeguards, MSMEs tend to default to informal financial practices, which frequently expose them to greater risk and economic vulnerability (Ministry of Cooperatives and MSMEs, 2023).

Furthermore, a pronounced shortage of human resources proficient in financial management and digital technology persists among MSMEs in Bira. Many business owners lack the technical skills necessary to utilize fintech platforms effectively. The absence of targeted training and educational programs limits their ability to capitalize on the benefits of fintech, thereby reinforcing the digital divide. Research indicates that capacity-building initiatives can improve trust in financial institutions and empower MSMEs to manage their enterprises more strategically (ADB, 2022).

The continued reliance on informal financial channels such as high-interest loans from moneylenders places an unsustainable financial burden on MSMEs and restricts their ability to grow and compete in broader markets. The difficulty in obtaining low-cost credit from formal institutions exacerbates this problem and constrains innovation and investment. In this context, fintech emerges as a viable and strategic solution for enhancing financial inclusion. Through mobile-based platforms and user-friendly digital interfaces, fintech services enable MSMEs to conduct financial transactions with greater ease, flexibility, and transparency. These technologies provide access to critical services such as digital payments, savings, credit, and financial planning tools that are essential for business growth.

Against this backdrop, the present study aims to examine the influence of fintech on financial inclusion among MSMEs in Bira Village. Specifically, the research seeks to assess the extent to which fintech adoption affects MSMEs' access to financial services and to identify key determinants influencing their willingness to adopt digital financial solutions. The findings are expected to provide insights that inform policy recommendations and strategies to support inclusive and sustainable economic development in rural entrepreneurial ecosystems.

The data obtained from questionnaires and interviews were analyzed using a descriptive and inferential statistical approach, in which quantitative data were processed to identify patterns of fintech adoption and levels of financial inclusion among MSMEs, while qualitative responses were analyzed thematically to deepen the understanding of perceived challenges, risks, and benefits associated with fintech usage, thereby ensuring a comprehensive interpretation of the research findings.

Results

Descriptive Analysis

Micro, Small, and Medium Enterprises (MSMEs) actors in Bira Village, Bulukumba Regency were the respondents in this study. Respondent identity data were obtained through the distribution of questionnaires, covering aspects such as gender, age, education, income, type of business, and number of employees. Respondents by Gender Gender composition is important to ensure inclusivity and accuracy in drawing conclusions.

Table 1. *Respondents by Gender*

Gender	Frequency	Percentage
Male	22	34.4%
Female	42	65.6%
Total	64	100%

Table 1 presents the gender distribution of MSME respondents in Bira Village, Bulukumba Regency. Female respondents dominate the sample, accounting for 42 individuals or 65.6 ercent of the total respondents. Male respondent's number 22 individuals, representing 34.4 percent of the sample. The overall number of respondents is 64 MSME actors. This distribution indicates a higher participation of women in MSME activities in Bira Village and reflects the significant role of female entrepreneurs in the local economic sector.

Table 2. *Respondents by Education Level*

Education Level	Frequency	Percentage
No Formal Education	3	4.7%
Primary School (SD)	9	14.1%
Junior High School (SMP)	13	20.3%
Senior High School (SMA)	26	40.6%
Undergraduate (S1)	12	18.8%
Others	1	1.6%
Total	64	100%

Table 2 describes the educational background of MSME respondents in Bira Village, Bulukumba Regency. The majority of respondents have completed Senior High School (SMA), with 26 individuals representing 40.6 percent of the total sample. Respondents with Junior High School (SMP) education account for 13 individuals or 20.3 percent, followed by those with an undergraduate degree (S1), totaling 12 indivduals or 18.8 percent. Primary School (SD) graduate's number 9 respondents or 14.1 percent, while respondents with no formal education comprise 3 individuals or 4.7 percent. Only 1 respondent, representing 1.6 percent, falls into the other education category. The distribution indicates that most MSME actors possess a moderate level of formal education, which may influence their capacity to adopt financial technologies and manage business operations effectively.

Table 3. *Respondents by Age*

Age (Years)	Frequency	Percentage
< 20	6	9.4%
20–29	12	18.8%
30–39	30	46.9%
40–49	15	23.4%
> 50	1	1.6%
Total	64	100%

Table 3 presents the age distribution of MSME respondents in Bira Village, Bulukumba Regency. Respondents aged 30–39 years constitute the largest group, with 30 individuals or 46.9 percent of the total sample. The 40–49 age group follows with 15 respondents, representing 23.4 percent. Respondents aged 20–29 years account for 12 individuals or 18.8 percent, while those under 20 years old comprise 6 respondents or 9.4 percent. Only 1 respondent, or 1.6 percent, is over 50 years of age. The distribution indicates that MSME

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activities in Bira Village are predominantly managed by individuals in their productive working age, which may positively influence business resilience and openness to adopting financial technology.

Table 4. *Respondents by Annual Income*

Income Range (Annual)	Frequency	Percentage
< Rp25,000,000	45	70.3%
Rp25,000,000–Rp50,000,000	14	21.9%
> Rp50,000,000	5	7.8%
Total	64	100%

Table 4 illustrates the annual income distribution of MSME respondents in Bira Village, Bulukumba Regency. The majority of respondents report an annual income below Rp25,000,000, totaling 45 individuals or 70.3 percent of the sample. Respondents with annual income ranging from Rp25,000,000 to Rp50,000,000 account for 14 individuals or 21.9 percent. Only 5 respondents, representing 7.8 percent, report an annual income exceeding Rp50,000,000. The distribution indicates that most MSMEs in Bira Village operate at a micro-scale income level, highlighting limited financial capacity and the importance of accessible financial services to support business growth and sustainability.

Table 5. *Respondents by Business Scale*

Business Scale	Frequency	Percentage
Micro	34	53.1%
Small	16	25.0%
Medium	14	21.9%
Total	64	100%

Table 5 presents the distribution of MSME respondents based on business scale in Bira Village, Bulukumba Regency. Micro-scale enterprises dominate the sample, with 34 respondents representing 53.1 percent of the total. Small-scale enterprises account for 16 respondents or 25.0 percent, while medium-scale enterprises comprise 14 respondents or 21.9 percent. The distribution indicates that the MSME landscape in Bira Village is largely characterized by micro and small enterprises, which often face greater constraints in access to capital, technology, and formal financial services, underscoring the relevance of fintech in enhancing financial inclusion for these business groups.

Table 6. *Respondents by Business Type*

Type of Business	Frequency	Percentage
Trade	34	53.1%
Culinary	10	15.6%
Services	9	14.1%
Fashion	8	12.5%
Others	3	4.7%
Total	64	100%

Table 6 presents the distribution of respondents based on their type of business. Trade businesses dominate the sample with 34 respondents (53.1%), followed by culinary businesses with 10 respondents (15.6%) and service businesses with 9 respondents (14.1%). Fashion businesses account for 8 respondents (12.5%), while other types of businesses represent the smallest proportion with 3 respondents (4.7%). The total number of respondents is 64.

Table 7. *Respondents by Number of Employees*

Number of Employees	Frequency	Percentage
1–5	48	75.0%
6–10	10	15.6%
11–20	6	9.4%
Total	64	100%

Table 7 shows the distribution of respondents according to the number of employees in their businesses. The majority of respondents employ between 1–5 employees, totaling 48 respondents (75.0%). Businesses with 6–10 employees consist of 10 respondents (15.6%), while those with 11–20 employees account for 6 respondents (9.4%). The total number of respondents is 64.

Table 8. *Descriptive Statistics*

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Fintech	64	20.00	50.00	38.95	6.65
Financial Inclusion	64	15.00	94.00	38.69	9.87

Table 8 summarizes the descriptive statistics of the research variables. The Fintech variable has a minimum value of 20.00 and a maximum value of 50.00, with a mean of 38.95 and a standard deviation of 6.65. The Financial Inclusion variable shows a minimum value of 15.00 and a maximum value of 94.00, with a mean of 38.69 and a standard deviation of 9.87. The total number of observations for each variable is 64.

Instrument Testing

Validity Test All items on the Fintech and Financial Inclusion variables have r-count values greater than r-table (0.64), thus they are valid.

Reliability Test

Table 9. *Reliability Test Results*

Variable	Cronbach's Alpha	Remark
Fintech	0.876	Reliable
Financial Inclusion	0.876	Reliable

Classical Assumption Testing

Normality Test Kolmogorov-Smirnov test result: Asymp. Sig. (2-tailed) = 0.200 > 0.05, indicating normally distributed residuals. Linearity Test Table 4.13 shows Linearity significance = 0.000 < 0.05 and Deviation from Linearity = 0.100 > 0.05. This confirms a linear relationship without significant deviation.

Table 10. *Simple Linear Regression Results*

Predictor	B	Std. Error	t	Sig.
Constant	8.916	3.372	2.644	0.010
Fintech	0.744	0.089	8.406	0.000

Regression equation: $Y = 8.916 + 0.744X + e$ Fintech has a significant positive effect on financial inclusion. Hypothesis Test (t-test) Fintech's t-count = 8.406 > t-table = 1.669, with significance = 0.000 < 0.05. This confirms Fintech has a significant and positive effect on financial inclusion. The standardized Beta coefficient (0.730) shows Fintech is a dominant factor in this model.

Table 11. *Model Summary*

R Square	Adjusted R Square	Std. Error
0.533	0.525	4.186

The R Square value of 0.533 indicates that 53.3% of the variation in financial inclusion can be explained by Fintech. This underscores the significant role of Fintech in enhancing financial access among MSMEs.

Discussion

The findings of this study indicate that financial technology (fintech) has a positive and significant effect on enhancing financial inclusion among micro, small, and medium enterprises (MSMEs) in Bira Village, Bulukumba Regency. This result is empirically supported by a simple linear regression analysis, where the fintech variable produced a significance value of 0.000 ($p < 0.05$) and a regression coefficient of 0.744, reflecting a strong positive relationship. In addition, the coefficient of determination (R^2) of 0.533 demonstrates that 53.3% of the variation in financial inclusion can be explained by fintech adoption. These findings confirm that fintech plays a strategic role in improving access to formal financial services, increasing transaction efficiency, and encouraging greater financial participation among MSME actors.

Fintech provides greater convenience for MSMEs in accessing a wide range of financial services, including digital payment systems, online lending, savings products, and insurance services. This ease of access is largely driven by rapid advancements in information and communication technology, which enable MSME actors to conduct financial transactions anytime and anywhere without relying on physical visits to banks or other formal financial institutions.

As a result, fintech significantly improves transaction speed, efficiency, and flexibility in business operations. Moreover, the adoption of fintech helps reduce geographical constraints and high transaction costs that have traditionally limited MSME access to financial services. These benefits are particularly important for MSMEs operating in remote and rural areas such as Bira, where conventional financial infrastructure is often limited. Therefore, fintech plays a crucial role in supporting MSME development by fostering more inclusive, efficient, and accessible financial ecosystems.

These findings are consistent with previous research which confirmed the results indicate that fintech significantly enhances MSMEs' access to formal financial services through greater service convenience and diversified financial products. Digital platforms enable MSMEs to conduct transactions quickly and efficiently without complex procedures or physical visits to financial institutions. In addition, the availability of varied financial products, such as digital payments and online financing, allows MSMEs to meet their specific business needs, thereby strengthening financial inclusion and participation in the formal financial system. (Asri & Alrasyid, 2024).

The use of fintech has a direct impact on the expansion of financial inclusion and the economic empowerment of small business operators. By providing easy access to digital payments, financing, savings, and other financial services, fintech reduces reliance on informal financial channels. This accessibility enables small business operators to manage their finances more effectively, improve cash flow, and access capital for business expansion. As a result, fintech strengthens business resilience, supports income growth, and promotes greater participation of small enterprises in the formal economic system. (Pitri, 2023).

Moreover, the implementation of fintech has facilitated the integration of MSMEs into the formal financial system. Access to digital financing, cashless transactions, and application-based financial services has contributed to improved financial literacy and public trust in financial technology (Yuliyanti & Pramesti, 2021). Thus, fintech can be regarded as a strategic instrument in addressing disparities in financial access, especially for business actors previously excluded from traditional banking services.

The results of this study can be explicitly linked to financial inclusion theory and fintech adoption models, which emphasize accessibility, usability, and cost efficiency as key drivers of inclusive financial systems. From the perspective of financial inclusion theory, the significant positive effect of fintech adoption on MSMEs' access to formal financial services supports the notion that digital financial innovations reduce structural barriers such as geographical distance, high transaction costs, and institutional rigidity that traditionally exclude small enterprises from the formal financial system. Furthermore, the strong regression coefficient and explanatory power indicate that fintech functions as an enabling mechanism that broadens financial participation, aligning with technology adoption theories such as the Technology Acceptance Model (TAM), which highlights perceived usefulness and ease of use as determinants of adoption.

The empirical evidence from MSMEs in Bira Village extends these theoretical frameworks by demonstrating that fintech adoption not only enhances operational efficiency but also strengthens financial literacy, trust, and integration into the formal economy in rural contexts. Consequently, this study contributes to the theoretical understanding of fintech as a transformative tool that bridges gaps in financial access, reinforces inclusive financial ecosystems, and supports sustainable MSME development, particularly in underserved and geographically constrained areas.

Nevertheless, the adoption of fintech still encounters several challenges, including low levels of digital literacy and concerns regarding data security, which hinder users' trust and willingness to utilize digital financial services (Ozili, 2018). Therefore, the success of fintech in promoting financial inclusion is not solely dependent on the technology itself but also on adequate education, public outreach, and the support of regulatory frameworks and infrastructure. With a holistic approach, fintech holds significant potential to serve as a primary catalyst in achieving broader and more sustainable financial inclusion in the future.

Conclusion

This study concludes that the utilization of financial technology (fintech) has a positive and significant impact on enhancing financial inclusion among micro, small, and medium enterprises (MSMEs) in Bira Village, Bulukumba Regency, as fintech facilitates easier access to formal financial services such as digital payments, savings, and online lending that were previously difficult to obtain through conventional banking channels. This increased accessibility improves business efficiency, strengthens financial literacy, and enhances trust in the digital financial system, positioning fintech as a strategic solution for expanding financial inclusion and supporting sustainable MSME growth.

The implications of these findings suggest that fintech adoption can serve as an effective policy instrument for reducing financial exclusion in rural areas, accelerating MSME formalization, and strengthening local economic resilience. In practical terms, integrating fintech into MSME development programs can improve access to capital, encourage better financial management, and increase competitiveness. Based on these findings, it is recommended that local governments and relevant agencies promote MSME digitalization through fintech and financial literacy training, MSME actors proactively adopt fintech solutions to improve efficiency and business opportunities, fintech providers strengthen education, transparency, and consumer protection to build user trust, and future researchers expand this study by incorporating additional variables and broader geographic coverage to generate more comprehensive insights.

This study is limited by its focus on MSMEs in a single rural village, which may restrict the generalizability of the findings to other regions with different socioeconomic conditions. In addition, the use of a simple linear regression model does not capture the influence of other relevant factors such as financial literacy, digital infrastructure, and regulatory support. Future research is therefore recommended to employ broader geographic coverage, larger samples, and more comprehensive analytical models to better explain fintech adoption and financial inclusion dynamics among MSMEs.

Acknowledgement

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