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# THE IMPACT OF FINANCIAL TECHNOLOGY TOWARDS FINANCIAL INCLUSION DEVELOPMENT IN SMEs IN WEST JAVA, INDONESIA

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**ABSTRACT**
*The purpose of this study is to analyze the effect of fin-tech (risk and investment management, market provisioning, and cashless society) on financial inclusion (financial knowledge, financial behavior, and financial attitudes) in SMEs in West Java. This research is a quantitative research. The data of this research is based on the SME industry in West Java. This research uses descriptive analysis and classical assumption test. The research shows that simultaneously and partially the fin-tech variable (risk and investment management and market provisioning) has no effect on financial inclusion (financial knowledge, financial behavior, and financial attitudes), whereas simultaneously and partially, the fin-tech (cashless society) variable has an effect on financial inclusion (financial knowledge, financial behavior, and financial attitudes).*

## INTRODUCTION

Financial behavior, financial knowledge and financial attitude which is part of financial inclusion after the economic crisis that occurred in 2008 had a negative impact on financial stability in Indonesia. However, there are industrial sectors that can still survive and have no impact, namely the Small and Medium Enterprises (UMKM) industry which is one of the pillars of Indonesia's economy besides cooperatives (Jaya, 2019). The contribution of SMEs to Indonesia's Gross Domestic Product (GDP) is quite large, reaching 61.41%. One of the provinces in Indonesia that has quite high potential for SMEs is West Java province. Although, the potential of SMEs in Indonesia and West Java is quite large, there are still problems faced by SMEs, namely capital problems. One of the reasons for the difficulty of SME players getting access to capital from banking institutions is due to the limitations of SME players in providing quality financial reports (Hidayatulloh and Ainy, 2019). This limited capital is enough to make it difficult for SME players to enlarge and develop their business market share (Saadiah, 2019). In recent years, technological

developments have begun to develop into the digital realm. One of the innovations in technology development in business and economics, especially in the banking world, is the emergence of financial technology (Fintech) which has a function to facilitate all types of transactions including buying and selling, investing or collecting funds (Rasyid and Setyowati, 2017). With the emergence of more fin-techs, banks are currently changing their business models into a form of fin-tech aimed at creating new markets and enabling new technology-based services to be created (Drasch et al, 20 The core problem in this research is how the influence of fin-tech (risk and investment management, market provisioning, and cashless society) on financial inclusion (financial knowledge, financial behavior, and financial attitudes) at SMEs in West Java. The purpose of this study was to determine how much influence fin-tech (risk and investment management, market provisioning, and cashless society) has on financial inclusion (financial knowledge, financial behavior, and financial attitudes) in SMEs in West Java.

## LITERATURE REVIEW

The theory underlying this research is the Theory of Institutions and Financial Systems which states that the financial system functions to channel funds from savers to borrowers to finance productive activities. There are 3 (three) ways of channeling funds from savers to borrowers, namely: Direct Finance, Semi Direct Finance, and Indirect Finance. Fin-tech is defined as a technological innovation in terms of financial services that can produce business models, applications, processes or products with material effects related to the provision of financial services (FSB, 2017a). Fin-tech activities in financial services can be classified into 5 (five) categories (FSB, 2017a), namely: payments, transfers, clearing, settlement and deposits. The evolution of Fin-tech started with the innovation of credit cards, debit cards and terminals that provide cash, such as: automated teller machines (ATMs) (Arner et al, 2015; FSB, 2017b). Then, followed by the emergence of telephone banking and various financial products following the deregulation of the capital and bond markets. Furthermore, internet banking emerged, which encouraged the existence of branchless banking and banking activities carried out remotely. In addition, mobile technology has emerged which makes financial transactions easier. These changes have led to the emergence of financing and direct intermediation, which are predicted to replace costly and inefficient indirect financing and financial intermediation (FSB, 2017).

Financial inclusion has become a post-crisis trend that occurred in 2008. Financial inclusion is a comprehensive activity consist of financial behavior, financial knowledge and financial attitude aimed at removing all forms of barriers, both in the form of prices and non-prices, to public access to using or utilizing formal financial services. Financial inclusion arises because there are financial exclusions. The exception to finance is the inability to access formal financial institutions due to various obstacles, such as conditions, prices, marketing, and obstacles from the perceptions of individuals and other entities. Financial inclusion is one strategy to encourage economic growth through equal distribution of income, poverty alleviation and financial system stability. The level of financial inclusion can increase in response to a country's prosperity and decreasing inequality. Thus, financial inclusion is not an option, but a necessity and banking is the main driver to implement it (Nengsih, 2015). With the development of information technology and supported by a fast internet penetration rate, several digital financial services have emerged that make it easier for people to gain knowledge and education about finance and financial services.

By this definition it is hoped that consumers of financial products and services as well as the wider community will not only know and understand financial service institutions, as well as financial products and services, but also can change and improve people's behavior, knowledge and attitude in financial management, so as to improve their welfare. So, based on the above description, the following hypothesis is formulated:

H1: Fin-tech (Risk and investment management) has effect on financial knowledge in SMEs in West Java.

Currently, there are three financial institutions that provide access to financial services for the poor that deserve to be taken into account, namely: mortgage company; cooperative; and other microfinance institutions. Access to formal financial services is now recognized as an important factor supporting poverty reduction efforts in many countries. A series of literature has proven that increasing public access to financial services has a significant effect on poverty alleviation efforts. Increasing public participation in the use of financial services is an important issue on the policy agenda of several developing countries (Kunt and Peria (2004), (2005) and (2006). Based on the description above, a hypothesis can be formulated:

H2: Fin-tech (Market provisioning) has an impact on financial inclusion (financial knowledge) in SMEs in West Java.

Financial technology is a digital financial service, which means we can pay without having to take a physical form. The existence and application of the use of financial technology in Indonesia must continue to be developed, both from the government and the community to monitor and control financial activities at the state, corporate, and private levels. Massive use of financial technology will create a cashless society, or a non-cash society. With these two things, the people will be able to experience various innovative and cheaper social financial services and increase the nation's competitive level in the eyes of the world. From the description above, the hypothesis formulated based on the description above is:

H3: Fin-tech (Cashless society) has effect on financial knowledge in SMEs in West Java. Common forms of fin-tech services in Indonesia include payment systems, peer-to-peer lending that provide access to finance, investment management, market provisioning, and equity crowd funding. In 2018, fin-tech credit disbursement exceeded IDR7.64 trillion and much of it was channeled to the trade and agriculture sector (Laucereno, 2018). The existence of fin-tech is able to solve people's economic problems that have not been reached by the settlement banks. From the description above, the hypothesis formulated based on the description above is:

H4: Fin-tech (Risk and investment management) has effect on financial behavior in SMEs in West Java. The presence of a well-regulated fin-tech will be able to help solve public financial problems that have not been touched. Fin-tech can be a medium to improve people's lives independently. With the digital economy, especially financial 2066 technology, people can take advantage of financial services without having to go to the bank. Of course, without adequate internet infrastructure and network, the discourse of the non-cash society will also not materialize. If the internet infrastructure and network is not supported, the public will use physical money to make transactions. Without access to the internet, people will not be able to take advantage of the existence of financial technology. Based on the explanation above, the hypothesis formulated is:

H5: Fin-tech (Market provisioning) has effect on financial behavior in SMEs in West Java. The existence of breakthroughs in the digital economy, such as financial technology, will be able to help move the wheels of the people's economy. Financial technology in its development can make us a cashless society. With the existence of a non-cash society, corruption and illegal levies can be prevented and monitored, in addition to improving the people's economy. With the existence of a non-cash society and financial technology, people can take their business outside the region without much cost. The development of the digital economy, especially financial technology and a cashless society, is the revolution in the people's economy that we need. So, based on the explanation above, the hypothesis formulated is:

H6: Fin-tech (Cashless society) has effect on financial behavior in SMEs in West Java. Bank and Fin-tech share a mission to provide the best experience for customers and therefore complement each other. The synergy between banks and Fin-tech will ensure a reduction in blind spot of each service as a result of the combination of the strengths of each party. Through innovation in its services and products, Fin-tech is believed to be able to drive the digital economy by opening access to financial services for all levels of society. Through its mobile and efficient character, it is hoped that Fin-tech will be able to answer challenges that were not answered by traditional financial services before, so that digitalization has a strong impact on the financial services industry in providing financial services. Based on the explanation above, the hypothesis formulated is:

H7: Fin-tech (Risk and investment management) has effect on financial attitudes in SMEs in West Java. Market provisioning is a market data analysis service model. Manyika's (2015) research related to digital & banking in 2014 stated that around 40% of customers in the mass and affluent segment in Asia currently prefer online or mobile banking services, half of those under 40 choose digital banking services. Currently, digital banking customers in Asia reach 670 million and are expected to grow to reach 1.7 billion customers by 2020. From the description above, the hypothesis formulated based on the description above is:

H8: Fin-tech (Market provisioning) has effect on financial attitudes in SMEs in West Java. Changes in the times have caused changes for people in their daily lives, one of which is transaction activities in modern times, payments using cash are slowly becoming obsolete and turning to payment using cards. Use behavior 72 non-cash payments are also influenced by lifestyle. Latifa's research (2015) also shows that there is an influence between lifestyle (activity, interest and opinion) in purchasing BCA flazz by 36.8 percent. This lifestyle is based on the need for non-cash transactions and there is an influence between a lifestyle that tends to be less cash-so-so and the decision to purchase BCA flazz. From the description above, the hypothesis formulated based on the description above is:

H9: Fin-tech (Cashless society) has effect on financial attitudes in SMEs in West Java.

## METHODOLOGY

This research is a quantitative research. The population of this research is the SME industry in West Java, where the data will be used to focus more on archival data available at Statistical Bureau of West Java and determined as many as 77 SMEs. The formula used to calculate the number of samples in this study is according to the Slovin formula proposed by Husein (2013), namely:

$n = N / 1 + ne2$

Where :

n = Sample size

N = Population size p:

e = error tolerance

Based on the explanation above, using the Slovin formula, the sample size can be calculated as follows:

n = N / 1 + ne2

n = 100/1 + 100 (0.05) 2

n = 100 / 1.25

n = 80 Respondents

**Table 1. Research Variables**

| No. | Variable | Definition | Indicator |
|---|---|---|---|
| 1. | *Risk and investment management* (X1) | Risk management and investment is financial planning on all investment activities (OECD, 2012) | 1. *Lagging indicator*<br>2. *Leading indicator* (*Center For Risk Management and Sustainability*, 2020). |
| 2. | *Market provisioning* (X2) | *Market Provisioning is to compile various information useful for consumer needs.* (OECD,2012) | *This s type of Fin-tech provides comparison of products utilizing price, feature, and benefit (OECD, 2012)* |
| 3. | *Cashless Society* (X3) | No longer using cash for transactions by using debit card, credit card or thru gadget (OECD, 2012) | 1.(*payment card*)<br>2.(*electronic money)*<br>3.(*digital money*<br>(Manik, 2019) |
| 4. | Financial Literacy/knowledge | The ability to manage funds | *Knowledge about current* |

| | | | |
|---|---|---|---|
| | (Y1) | effectively not only in investment and banking but also responsible on managing daily funds. | *product and services*<br>*Educational of financial*<br>*Basic knowledge*<br>*Money management*<br>*Savings & investment*<br>*Risk management*<br>*Perception & opinion*<br>(OECD, 2012). |
| 5. | Financial Behavior (Y2) | Behavior on managing funds such as saving behavior and financial participation (OECD, 2012). | *a) Basic Money Management*<br>*Savings Behavior*<br>*Investment behavior*<br>*Portfolio and diversification*<br>*Financial participation (bonds, bills, repo, stocks, hedge funds, gold, foreign currency, term deposit and none).* (OECD, 2012). |
| 6. | Financial Attitude (Y3) | Behavior of measuring the attitude and responsibility on funds. (OECD, 2012) | *a) Attitude towards money*<br>*b) Financial responsibility*<br>(OECD, 2012). |

The analysis technique used in this research is multiple linear regression analysis. Researchers used a test tool, namely SPSS statistics software to test the relationship between the independent variables and the dependent variable. This analysis test uses 3 model forms, including the following.

a. Regression of first equation

- **Y1 = β0 + β1X1 + β2X2 + β3X3 + ε (PK = β0 + β1RM + β2MP + β3CS + ε)**

b. Regression second equation

**Y2 = β0 + β1X1 + β2X2 + β3X3 + ε (PK = β0 + β1RM + β2MP + β3CS + ε)**

c. Regression of third equation

**Y3 = β0 + β1X1 + β2X2 + β3X3 + ε (PK = β0 + β1RM + β2MP + β3CS + ε)**

**(PK = β0 + β1RM + β2MP + β3CS + ε)**

PK = Financial Knowledge

RM = Risk and investment management

MP = Market Provisioning

CS = Cashless Society

PeK = Financial Behavior

SK = Financial Attitude

$\beta_0$ = Constant

ε = Error

## RESULTS AND DISCUSSION

Descriptive analysis explains the overall printed variable data used in this study. The variables used in this study are fin-tech (risk and investment management, market provisioning, and cashless society) as independent variables. Meanwhile, the financial inclusion variable (financial knowledge, financial behavior, and financial attitude) is the dependent variable.

**Table 2. Descriptive statistics – Risk and Investment Management**

| Indicator | SS (5) | S (4) | N (3) | TS (2) | STS (1) | Respondent |
|---|---|---|---|---|---|---|
| **RIM01** | 4 | 15 | 26 | 17 | 15 | 77 |
| **RIM02** | 8 | 28 | 20 | 10 | 11 | 77 |
| **RIM03** | 5 | 23 | 19 | 18 | 12 | 77 |
| **TOTAL** | **17** | **66** | **65** | **45** | **38** | |

Source: Processed Data, 2020

The results of table 2 show that almost all indicators, namely RIM01, RIM02, and RIM03 used in this study were responded well by respondents. However, the second indicator (RIM02), which is about liking saving rather than having debt at the bank, has the most responses from respondents. The results above also show that most respondents tend to agree that risk and investment management in the era of financial technology is thought to have influenced the financial inclusion of MSME players in West Java.

**Table 3. Descriptive Statistic Test – Market provisioning**

| Indicator | SS (5) | S (4) | N (3) | TS (2) | STS (1) | Respondent |
|---|---|---|---|---|---|---|
| **MP04** | 3 | 24 | 28 | 17 | 5 | 77 |
| **MP05** | 2 | 23 | 24 | 13 | 15 | 77 |
| **MP06** | - | 22 | 35 | 14 | 6 | 77 |
| **TOTAL** | **5** | **69** | **87** | **44** | **26** | |

Source: Processed Data, 2020

The results of table 3 also show that almost all indicators, namely MP04, MP05, and MP06 used in this study responded well to respondents. However, on the third indicator (MP06), which is about Fin-tech, so far it has helped develop my business from a capital side. Most respondents have responded negatively. The results above also indicate that the majority of respondents tend to be neutral towards market provisioning in the era of financial technology. It is suspected that many MSME players in West Java do not really understand and are helped in terms of capital through fin-tech.

**Table 4. Descriptive Statistic – Cashless Society**

| Indicator | SS (5) | S (4) | N (3) | TS (2) | STS (1) | Respondent |
|---|---|---|---|---|---|---|
| CS07 | 6 | 50 | 19 | 1 | 1 | 77 |
| CS08 | 4 | 36 | 36 | 2 | 2 | 77 |
| CS09 | 10 | 50 | 16 | 2 | - | 77 |
| **TOTAL** | **20** | **136** | **71** | **5** | **3** | |

Source: Processed Data, 2020

The results of table 4 also show that almost all indicators, namely CS07, CS08, and CS09 used in this study responded well to the respondents. However, on the seventh (CS07) and ninth (CS09) indicators, namely about Financial Technology, it is very easy to make transactions without using cash and digital money is more modern and easier to implement, at this time the most responded with agree with the respondents. These results suggest that many MSME players in West Java prefer to use digital money rather than cash in the current fin-tech era.

**Table 5. Descriptive Statistic Test – Financial Knowledge**

| Indicator | SS (5) | S (4) | N (3) | TS (2) | STS (1) | Respondent |
|---|---|---|---|---|---|---|
| PK10 | 2 | 39 | 30 | 6 | - | 77 |
| PK11 | 2 | 38 | 31 | 6 | - | 77 |
| PK12 | 5 | 22 | 34 | 16 | - | 77 |
| **TOTAL** | **9** | **99** | **95** | **28** | | |

Source: Processed Data, 2020

The results of table 5 also show that almost all indicators, namely PK10, PK11, and PK12 used in this study were responded well by respondents. However, the tenth (PK10) and eleventh (PK11) indicators, namely the understanding of the importance of finance for business development and knowledge of the amount of income and operating costs each month received the most agreed responses from respondents. These results suggest that many MSME actors in East Java have a good understanding of the importance of finance for business development in the current fin-tech era.

**Table 6. Descriptive Statistic – Financial Behavior**

| Indicator | SS (5) | S (4) | N (3) | TS (2) | STS (1) | Respondent |
|---|---|---|---|---|---|---|
| PRK13 | 2 | 34 | 31 | 9 | 1 | 77 |
| PRK14 | 2 | 39 | 33 | 3 | - | 77 |
| PRK15 | 2 | 26 | 34 | 13 | 2 | 77 |
| **TOTAL** | **6** | **99** | **98** | **25** | **3** | |

Source: Processed Data, 2020

The results of table 6 also show that almost all indicators, namely PRK13, PRK14, and PRK15 used in this study were responded well by respondents. However, in the fourteenth indicator (PRK14), namely the understanding of calculating the amount of expenditure and income of funds in order to be able to control it every month the respondent mostly agreed with the respondents. These results suggest that many MSME players in East Java already understand well the importance of controlling finances, especially income and expenditure for business development in the current fin-tech era.

**Table 7. Descriptive Statistic Test – Financial Attitude**

| Indicator | SS (5) | S (4) | N (3) | TS (2) | STS (1) | Respondent |
|---|---|---|---|---|---|---|
| **SK16** | 1 | 29 | 35 | 12 | - | 77 |
| **SK17** | 4 | 32 | 31 | 10 | - | 77 |
| **SK18** | 5 | 43 | 24 | 5 | - | 77 |
| **TOTAL** | **10** | **104** | **90** | **27** | | |

Source: Processed Data, 2020

The results of table 6 also show that almost all indicators, namely PRK13, PRK14, and PRK15 used in this study were responded well by respondents. However, in the fourteenth indicator (PRK14), namely the understanding of calculating the amount of expenditure and income of funds in order to be able to control it every month the respondent mostly agreed with the respondents. These results suggest that many MSME players in West Java already understand well the importance of controlling finances, especially income and expenditure for business development in the current fin-tech era.

**Table 8. Test of Regression Equation1**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 7.723 | 1.377 | | 5.473 | 0.000 |
| | RIM_X1 | -0.02 | 0.111 | -0.044 | -0.133 | 0.895 |
| | MP_X2 | -0.037 | 0.125 | -0.027 | -0.255 | 0.782 |
| | CS_X3 | 0.257 | 0.127 | 0.244 | 2.123 | 0.048 |

Source: SPSS, 2020

Dependent Variable: Financial Behavior

Then, the results of the regression coefficients from table 8 produce the following regression equation:

$Y = 7.723 - 0.02RIM - 0.037MP + 0.257CS + \varepsilon$

The constant value of 7.723 means that if there are no risk and investment management, market provisioning, and cashless society variables, then financial knowledge shows a value of 7.723. Every time there is an addition of one value for the

risk and investment management variable, financial knowledge is reduced by -0.044, assuming that the value of other independent variables remains constant. A value of -0.027 states that every time there is an addition of one value for the market provisioning variable, financial knowledge is reduced by -0.027 with the assumption that other independent variables are assumed to be constant. The value of 0.244 states that every time there is an addition of one value for the cashless society variable, then financial knowledge increases by 0.244.

**Table 9. Test of Regression Equation 2 Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.609 | 1.265 | | 1.271 | 0.208 |
| | RIM_X1 | 0.132 | 0.086 | 0.184 | 1.659 | 0.101 |
| | MP_X2 | 0.071 | 0.090 | -0.100 | -0.897 | 0.372 |
| | CS_X3 | 0.723 | 0.100 | 0.624 | 7.112 | 0.000 |

a. Dependent Variable: Financial knowledge_Y2 Source: SPSS, 2020

Based on table 9, the regression is:

Y = 1,609 + 0,132RIM - 0,071MP + 0,723CS + ε

If all dependent variables is assumed to be 0, then the Y value is 1.609. This means that if there are no risk and investment management variables, market provisioning, and cashless society, then financial behavior shows a value of 1.609. Every time there is an increase in the value of the risk and investment management variable, financial behavior will increase by 0.132, assuming the value of other independent variables remains constant. The regression coefficient value of the market provisioning shows a value of -0.071, which states that every time there is an addition of one value for the market provisioning variable, financial behavior is reduced by -0.071. A value of 0.723 states that every time there is an addition of one value for the cashless society variable, the financial behavior increases by 0.723.

**Table 10. Test of Regression Equation-3**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.233 | 1.376 | | 3.062 | 0.021 |
| | RIM_X1 | 0.121 | 0.082 | 0.132 | 1.122 | 0.353 |
| | MP_X2 | -0.054 | 0.087 | -0.46 | -0.335 | 0.558 |
| | CS_X3 | 0.524 | 0.117 | 0.454 | 4.510 | 0.001 |

a. Dependent Variable: Financial Attitude_Y3

b. Source: SPSS, 2020

The results of the regression coefficient table 10 produce the following regression equation:

$$Y = 4.233 + 0.121RIM - 0.054MP + 0.524CS + \varepsilon$$

The constant value of 4.233 means that if there are no risk and investment management, market provisioning, and cashless society variables, then the financial attitude shows a value of 4.233. Every time there is an increase in the value of the risk and investment management variable, the financial attitude will increase by 0.121, assuming that the value of other independent variables remains constant. The regression coefficient value of the market provisioning shows a value of -0.054 which states that every time there is an addition of one value for the market provisioning variable, the financial attitude is reduced by -0.054. The value of 0.054 states that every time there is an addition of one value for the cashless society variable, the financial attitude will increase by 0.054

**DISCUSSION**

3.2.1 The effect of fin-tech (Risk and investment management) on financial knowledge in MSMEs in West Java show that the fin-tech variable (risk and investment management) has a t value of -0.0133 with a significance value of 0.895> 0.050, so the fin-tech variable (risk and investment management) is proven to have no significant effect on financial knowledge, thus, this conclusion means that H0 is accepted and Ha is rejected. The results of this study support previous research, namely Putra et al (2016) which states that a person's financial knowledge is disguised by current information disclosure so that people do not need extensive knowledge in conducting digital financial service transactions or complicated investment processes.

3.2.2 In terms of the effect of Fin-tech (Market provisioning) on financial knowledge in MSMEs in West Java the results show that the fin-tech variable (market provisioning) has a t value of -0.372 with a significance value of 0.897> 0.050, so that the fin-tech variable (market provisioning) is proven to have no significant effect on financial knowledge. This conclusion means that Ho is accepted and Ha is rejected. These results are in line with research by Saptia (2018) and Rivai et al (2020) which states that the existence of fin-tech can lead to intense competition in the financial industry, especially fin-tech with banks and microfinance institutions.

3.2.3 The effect of Fin-tech (Cashless Society) on financial knowledge in MSMEs in West Java show that the fin-tech (cashless society) variable has a t-value of 7.112 with a significance value of 0.000 <0.050, so that the fin-tech (cashless society) variable has a significant effect on financial knowledge. Thus, this conclusion means that Ho is rejected and Ha is accepted. From these results it can be said that most MSME players in West Java have started to learn about finance, especially the cashless society which is applied in their business transactions using digital money. This greatly strengthens the phenomenon in the era of the 5.0 industrial revolution, namely society technology. The better the knowledge of MSME players about financial knowledge, the higher they will use digital money as a form of cashless society today. These results are relevant to research conducted by Jaya (2019) which states that fin-tech has an effect on financial knowledge.

3.2.4 The effect of Fin-tech (Risk and Investment Management) on financial inclusion (financial behavior) in MSMEs in West Java show that the fin-tech variable (risk and investment management) has a t value of -0.133 with a significance value of 0.895> 0.050, so the fin-tech variable (risk and investment management) is proven to have no significant effect on financial financial behavior, thus, this conclusion means that H0 is accepted and Ha is rejected. This is not in accordance with Kumala and Susanti's

(2017) research which states that risk and investment management has an effect on finances.

3.2.5 Effect of Fin-tech (Market provisioning) on financial behavior in MSMEs in West show that the fin-tech variable (market provisioning) has a t value of -0.255with a significance value of 0.782> 0.050, so that the fin-tech (market provisioning) variable is proven to have no significant effect on financial inclusion (financial behavior). Thus, this conclusion means that Ho is accepted and Ha is rejected. This is in line with Saptia's (2018) research. If fin-tech penetration is not well anticipated, it is feared that it could disrupt economic stability because the practice of lending with high interest has the potential to cause high Non-Performing Loans (NPLs) or bad credit.

3.2.6 The effect of Fin-tech (Cashless Society) on financial behavior in MSMEs in West Java show that the fin-tech (cashless society) variable has a t-value of 2.123 with a significance value of 0.048 <0.050, so that the fin-tech (cashless society) variable is proven to have a significant effect on financial behavior. This conclusion means that Ho is rejected and Ha is accepted. These results can be said that most MSME players in East Java have started to use digital money in their financial behavior, such as in business transactions and others (Jaya: 2019).

3.2.7 The effect of Fin-tech (Risk and investment management) on financial attitudes in MSMEs in West show that the fin-tech variable (risk and investment management) has a t value of 1.122 with a significance value of 0.353> 0.050, so the fin-tech variable (risk and investment management) is proven to have no significant effect on financial attitude. This conclusion means that H0 is accepted and Ha is rejected. This is in accordance with Kumala and Susanti's (2017) research which states that risk and investment management has no effect on financial attitude.

3.2.8 The effect of Fin-tech (Market provisioning) on financial inclusion (financial attitudes) in MSMEs in West Java show that the fin-tech variable (market provisioning) has a t value of -0.335 with a significance value of 0.558> 0.050, so that the fin-tech variable (market provisioning) is proven to have no significant effect on financial attitude. This conclusion means that Ho is accepted and Ha is rejected. This is in line with Saptia's (2018) research, where fin-tech needs to be well anticipated so that it will not disturb economic stability such as causing high bad credit.

3.2.9 The effect of Fin-tech (Cashless Society) on financial behavior in MSMEs in West Java show that the fin-tech (cashless society) variable has a t value of 2.123 with a significance value of 0.048 <0.050, so that the fin0tech (cashless society) variable is proven to have a significant effect on financial inclusion (financial attitude). This conclusion means that Ho is rejected and Ha is accepted. The results of this test reinforce the first and second tests that the better the knowledge of MSME actors about financial inclusion knowledge, the higher their knowledge, behavior and financial attitudes of MSME actors with the current industrial revolution of cashless society. These results are relevant to research conducted by Jaya (2019) which states that fin-tech has an effect on financial inclusion.

## CONCLUSION

The study concluded that the (1) the fin-tech variable (risk and investment management and market provisioning) has no effect on financial knowledge, whereas the fin-tech variable (cashless society) has an effect on financial knowledge; (2) The fin-tech variable (risk and investment management and market provisioning) has no effect on financial behavior, whereas the fin-tech variable (cashless society) has an

effect on financial behavior; and (3) The fin-tech variable (risk and investment management and market provisioning) has no effect on financial attitude, whereas the fin-tech variable (cashless society) has an effect on financial inclusion(financial attitude.

The limitations of this studies that may affect the results of the study include: (1) Researchers are constrained by the difficulties in giving understanding to SMEs actors in West Java on the importance of the survey of fin-tech and financial inclusion as on average they have never fully learned these two concepts and (2) This research emphasizes the development of a cashless society that is currently happening, so that the other variables are not able to contribute more. Initial allegations are that not many MSME actors in West Java know and understand about risk and investment management and market provisioning.

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