

# **Utilization of Digital Financial Facilities by Female MSMEs: A Systematic Literature Review**

Dwi Lesno panglipursari<sup>1,a)</sup>, Yurilla Endah Muliatie<sup>2,b)</sup>, Trisa Indrawati<sup>3,c)</sup>

<sup>1,2,3</sup> *Fakultas Ekonomi dan Bisnis, Universitas Wijaya Putra, Surabaya, Indonesia*

<sup>a)</sup>Corresponding author: [dwilesnopanglipursari@uwp.ac.id](mailto:dwilesnopanglipursari@uwp.ac.id)

<sup>b)</sup>[yurillaendah@uwp.ac.id](mailto:yurillaendah@uwp.ac.id)

<sup>c)</sup>[trisaindrawati@uwp.ac.id](mailto:trisaindrawati@uwp.ac.id)

**Abstract.** This study aims to analyze the use of digital financial services by female MSMEs in Indonesia, with a focus on factors that influence the use of digital services and the challenges faced. Based on a systematic literature review approach from several previous studies of the same type, the results of the study indicate that low digital and financial literacy are the main obstacles for female MSMEs in optimally utilizing financial technology. In addition, social and cultural factors, such as the dual role of women and negative perceptions of the security of digital transactions, also hinder the adoption of technology. On the other hand, support from financial institutions and the government in the form of training and increasing access to digital infrastructure has been proven to accelerate the adoption of digital financial services. This study emphasizes the need for more inclusive policies that are oriented towards women's empowerment, as well as strengthening collaboration between the government, financial institutions, and the community sector to increase digital financial inclusion among female MSMEs. These findings provide valuable insights for policy makers and related parties in developing more effective strategies to encourage digital transformation in the female MSME sector.

**Keywords:** Digital financial facilities, Female Entrepreneurs, MSMEs

## **INTRODUCTION**

Digitalization in the financial sector is a global phenomenon that plays an important role in expanding financial access, especially for the MSME segment which is often hampered by access to traditional banking services. (OJK, 2022). In Indonesia, MSMEs contribute more than 60% of the national GDP, and women entrepreneurs are an important part of this sector. However, obstacles such as limited access to capital, low financial literacy, and minimal technical support still hinder the optimization of the role of women's MSMEs in economic development. (Marcellina & Santoso, 2020; OJK, 2022). According to Bank Indonesia, there were 57.83 million MSMEs in Indonesia in 2018, with 37 million businesses, or more than 60%, managed by women. (Ramdhaningrum et al., 2022). According to (Ministry of Finance of The Republic of Indonesia, 2022), women entrepreneurs (MSMEs) play an important role in a country's economy. Considering the perpetrators, the Indonesian government has attempted to eliminate discrimination against women in the economic sector through Law Number 7 of 1984 concerning the Ratification of the Convention on the Elimination of All Forms of Discrimination Against Women. In addition, Presidential Regulation (Perpres) Number 59 of 2017 concerning the Implementation of Sustainable Development Goals or Sustainable Development Goals (SDGs), one of which is to achieve gender equality and empower women. One of its goals (reduction 5.a) is to carry out reforms to ensure that women and men have equal access to financial services (Bappenas, 2022). The 2020-2024 National Medium-Term Development Plan (RPJMN) also includes the implementation of gender equality in economic terms.

The presence of digital financial services such as fintech is a great opportunity to overcome these challenges because it can offer solutions that are more accessible, faster, and more flexible than conventional financial services (Lee dan Shin, 2018). Financial access and use of technology are two components that influence economic and market activities (Ramdhaningrum et al., 2022). Complicated procedures prevent 40% of women and 28% of men from dealing with banks. Men scored 39.94% and 77.24% on the gender literacy and financial inclusion index, while women scored 36.13% and 75.15%. More women (44%) than men (40%) want to borrow money and invest in their businesses for marketing purposes, product development, and equipment purchases. Better customer service and more experienced employees can increase the frequency and amount of credit that women working in banks can access (Philippe Le Hou  rou, 2016).

Previous studies have shown that digital and financial literacy play a key role in the successful adoption of digital financial services (Nuryanto & Kurniawati, 2019; Rahmawati, S., & Hidayat, 2021). Adequate financial literacy can help women entrepreneurs make better financial decisions, while digital literacy allows them to utilize technology-based services more efficiently. This low level of literacy is one of the biggest obstacles for women entrepreneurs, which not only impacts their ability to access capital but also narrows the space for innovation in business development (Kusumawati & Kurniasih, 2022).

In addition, support from the government and financial institutions is essential to drive digital financial inclusion. Research by the Bill & Melinda Gates Foundation found that policies that facilitate access to digital technology, such as digital financial training, can improve women's skills and confidence in using digital financial services (Gates, 2021). In Indonesia, government programs to increase financial inclusion have encouraged many MSMEs to try new technologies, but there are still many structural barriers that limit women's MSMEs' access to these services, especially in rural and remote areas (Susanti & Widyaningrum, 2020; OJK, 2022).

The adoption of digital financial services by women entrepreneurs also faces cultural and social barriers. Traditional societies still view women's roles as more dominant in domestic affairs, which often hinders them from fully engaging in economic activities (Santoso & Widiastuti, 2019). These factors further emphasize the urgency of developing programs that not only provide digital literacy but also strengthen social and cultural support that allows women to take a greater role in local economic development.

Along with the development of financial technology in Indonesia, opportunities for women entrepreneurs to utilize digital services in financial management and business development are increasingly open. However, the adoption of this technology requires not only infrastructure, but also a deep understanding of the mechanisms of financial digitalization. This study aims to identify the determinants of the use of digital financial services by women MSMEs, especially in the context of literacy and structural support, so that it can provide more targeted policy recommendations in encouraging financial inclusion among women entrepreneurs. This study is unique because it combines an analysis of the level of digital and financial literacy with the use of digital financial facilities by women MSME entrepreneurs in Indonesia, an aspect that has not been studied in depth in the local context.

This study is a Systematic Literature Review research model in the form of Meta Synthesis by conducting a more in-depth study of the review of previous research results regarding the optimization of the use of digital financial services by female MSME actors in terms of factors that influence the use of digital finance and its challenges. This study uses a more holistic approach that combines elements of digital and financial literacy, external support, and social and cultural factors, as an effort to encourage female MSME actors to use digital financial services. The results of this study are expected to provide a more adaptive and context-based perspective, in seeing the factors that influence the use of digital services by female MSME actors. The factors considered are not only technical aspects but also social factors that influence the adoption of financial technology among female MSME actors.

The urgency of this research is very high considering the important role of digitalization in supporting the growth of MSMEs and women's empowerment. In Indonesia, MSMEs are the backbone of the economy that absorbs the largest workforce, and almost 60% of these MSMEs are managed by women (OJK, 2022). Women entrepreneurs in the MSME sector often face double challenges, not only in terms of access to capital, but also in terms of structural and social support which is often limited. With digitalization, financial services can become more inclusive and accessible without geographical boundaries, allowing women in remote areas to participate in the formal economy. This study focuses on understanding how women entrepreneurs in the MSME sector can be more involved in the

digital economy, which is very important for creating equal access to economic opportunities and empowering women in creating sustainable economic growth. (Rahayu & Day, 2017; Kusumawati & Kurniasih, 2022).

## **METHODS**

This research is a qualitative research. This type of research allows researchers to adjust the data collection process according to the context and needs of the research. This is especially important in research involving subjects with different backgrounds, such as female MSME entrepreneurs who may have different levels of digital literacy and access to technology (Denzin dan Lincoln, 2018). This type of research also allows researchers to dig deeper and produce a holistic understanding of the factors that influence the use of digital financial services by female MSME entrepreneurs.

This research approach uses a systematic literature review approach with the meta-synthesis method. The systematic review approach is a study that examines all research results that are relevant to a particular research question, topic, or phenomenon of concern (Kitchenham, 2014). Basically, a systematic review is a research method that combines previous research results to provide more comprehensive and balanced facts. The meta-synthesis method is a data integration technique to gain new understanding or theory or a deeper level of understanding (Hammond, 2002). By following the seven-step method of Sandelowski and Barroso, researchers identify influential factors. Dengan mengikuti metode tujuh langkah Sandelowski dan Barroso, peneliti mengidentifikasi faktor-faktor yang berpengaruh.

Measurement of reliability and quality control, using the transcription method, which was found to have a very good level of suitability for the identified indicators. The number of previous studies that have similar keywords is taken from 15 research titles. The author looks for data or literature materials from digital libraries and also references from books so that they can be used as a strong foundation in the content or discussion.

## **RESULTS AND DISCUSSION**

Women entrepreneurs (MSMEs) play an important role in a country's economy. MSMEs, including women and youth MSMEs, are usually customers of formal financial institutions and have close ties to the economy, productivity and economic inclusiveness. Empowerment of women MSMEs in the context of this support by expanding access to financial services. They are very important for the continuity and sustainability of a country's economy, including in Indonesia (Ministry of Finance of The Republic of Indonesia, 2022). The results of this study indicate that although financial digitalization has great potential to empower women MSMEs, there are still a number of challenges that must be overcome so that they can optimize the use of these services. One of the factors that influences the use of digital financial services is the mastery of digital and financial literacy in supporting women entrepreneurs in accessing and using digital financial services. Low digital literacy contributes to the inability of most women entrepreneurs to understand and operate existing financial technology platforms, such as payment applications, digital loans, and cash management. Research results that support this finding are research from (Nuryanto & Kurniawati, 2019); (Lee dan Shin, 2018); (Rahmawati & Hidayat, 2021); Kusumawati, R., & Kurniasih, A. (2022).

Low digital literacy contributes to the inability of most female entrepreneurs to understand and operate existing financial technology platforms, such as payment applications, digital loans, and cash management. This finding is in line with previous research showing that low digital literacy is directly related to the limited adoption of digital technology in the financial context. (Nuryanto & Kurniawati, 2019). In addition, this study also found that female entrepreneurs who have higher levels of financial literacy tend to be more effective in utilizing digital financial services. The results of the study (Lee dan Shin, 2018) showed that they better understand concepts such as financial planning, capital management, and cash flow management, all of which are key to managing a growing business through a digital platform. Higher financial literacy can improve women's ability to make better financial decisions and leverage technology to improve the operational efficiency of their businesses. (Rahmawati & Hidayat, 2021). This low level of literacy is one of the biggest obstacles for women entrepreneurs, which not only impacts their ability to access capital but also narrows the space for innovation in business development (Kusumawati & Kurniasih, 2022). According to (Ministry of Finance of The Republic of Indonesia, 2022) digital financial service providers usually

offer services that improve digital skills and digital literacy to their customers at no additional cost. Digital point services that are continuously accessible to all customers, including novice customers, have an important role in optimizing the role of digitalization of financial services to increase the capacity of women's MSMEs, increasing the skills and abilities of women's MSMEs in terms of digital literacy is closely related to consumer protection efforts, especially in the financial sector.

While digital and financial literacy are important factors, external support from financial institutions and governments also plays a significant role in driving the adoption of digital financial services. Training programs, such as those organized by financial institutions or fintech, have been shown to improve the digital skills of women entrepreneurs. Responsive training, as well as access to technical support, serve to increase their confidence in using this technology for their business needs. According to the Bill & Melinda Gates Foundation (Gates, 2021), training related to the use of financial applications and understanding the security of digital transactions helps reduce uncertainty and increase the success of technology adoption among women MSME entrepreneurs. Improving the digital capabilities of businesses requires the availability of sustainable investment in the form of trainer training (Bank, 2021). Government policies that are more adaptive to women's needs, such as providing better internet access in remote areas, easily accessible digital training, and strengthening social networks for women entrepreneurs, can accelerate the process of digital financial inclusion. Programs that support access to technology and digital skills training will be more effective if integrated with holistic financial and entrepreneurship capacity building programs. In this case, collaboration between the government, financial institutions, and civil society organizations will be key in creating an ecosystem that supports the adoption of digital finance by women MSME actors. Support from the government, financial institutions, and non-governmental organizations in the form of digital training and infrastructure access will contribute to improving the skills and abilities of women entrepreneurs to participate in the digital economy (Susanti & Widyaningrum, 2020; Gates, 2021).

Other factors that influence the use of digital financial services by female MSMEs are social and cultural factors. In many communities, especially in rural areas, social norms and gender roles that place women in limited positions in terms of economic decision-making are significant barriers to the use of financial technology. This finding is also in line with research showing that cultural factors such as perceptions about the role of women in business and concerns about the security of digital transactions can limit their participation in the digital economy (Santoso & Widiastuti, 2019). Female entrepreneurs often have to play dual roles as housewives and entrepreneurs, which often limits the time and resources to develop their digital skills. Therefore, to support the wider adoption of digital financial services, policies are needed that take into account inhibiting social and cultural factors. According to the Bill & Melinda Gates Foundation, the gender gap in access to finance is a global problem that has a direct impact on women's well-being and economic empowerment (Gates, 2021).

Overall, the study emphasizes that while financial digitalization offers great opportunities, challenges related to digital literacy, external support, and socio-cultural factors need to be addressed comprehensively to ensure that women entrepreneurs can leverage technology more effectively. Governments and financial institutions should work together to provide relevant supporting infrastructure and training, while gender-sensitive and socio-cultural policies will accelerate the process of women's economic empowerment through digital MSMEs. (Mulyani & Rahayu, 2021; Susanti & Widyaningrum, 2020).

## **CONCLUSION**

This study shows that while financial digitalization has great potential to improve access and economic empowerment of women MSMEs, there are several challenges that hinder the adoption of digital technology among them. The main factor that affects the use of digital financial services by women MSMEs is low digital and financial literacy. This makes it difficult for many women MSMEs to operate technology and utilize digital financial services, which should be able to accelerate the growth of their businesses. Most women entrepreneurs with higher financial literacy show better ability in managing their finances through technology, which contributes to business efficiency and risk management.

In addition, the study revealed the importance of external support from financial institutions and the government, especially in the form of more intensive training and mentoring, to improve digital skills and provide confidence to women entrepreneurs. Training programs that focus on the use of financial applications and education on digital

transaction security have been shown to reduce uncertainty and fear of technology. Sustainable investment in training is needed. This strengthens the argument that the success of financial digitalization among women's MSMEs depends not only on individual skills, but also on policies and social support that facilitate access to and use of technology. A holistic approach involving the public, private, and civil society sectors in building the right infrastructure and training is essential to accelerate digital financial inclusion for women entrepreneurs.

Social and cultural issues such as women's dual roles as entrepreneurs and housewives, as well as cultural beliefs that prevent women from participating in business, remain significant challenges. These gaps suggest that creating inclusive policies that take into account social and cultural factors is critical to building an ecosystem that supports women in using digital technologies. To accelerate digital financial inclusion for women entrepreneurs, a holistic approach involving the public, private and civil society sectors is needed to build the right infrastructure and training.

Overall, this study shows that financial digitalization has the potential to reduce economic disparities between women and men entrepreneurs. However, this can only happen if a comprehensive and sustainable approach is used to address issues related to digital literacy, technology access, and social and cultural elements. Improving the welfare of women MSME entrepreneurs can be done through financial digitalization. This is highly dependent on cooperation between the government, financial institutions, and civil society organizations in creating programs that support and empower women to access and use digital technology for business.

## REFERENCE

- Bank, T. W. (2021). *Bukan Sekedar Unicorn :Pemanfaatan Teknologi Digital untuk Inklusi di Indonesia*.
- Barbara Kitchenham. (2014). Procedures for Performing Systematic Reviews. *Keele University Technical Report*, 33(2004), 1–26. <https://www.researchgate.net/publication/228756057>
- Denzin, N. K., & Lincoln, Y. S. (2018). *The SAGE Handbook of Qualitative Research* (5th ed.). SAGE Publications.
- Gates, B. & M. (2021a). Financial Inclusion for Women in the Digital Age: The Role of Technology in Supporting Women's Economic Empowerment. *Gates Foundation*.
- Gates, B. & M. (2021b). The Impacts of Digital Financial Services on Women's Economic Empowerment. *Gates Foundation*.
- Hammond, A. P. and N. (2002). Systematic Reviews: The Experiences of a PhD Student. *Psychology Learning and Teaching*, 2(1), 32–35. <https://doi.org/http://dx.doi.org/10.2304/plat.2002.2.1.32>
- Kementerian Keuangan Republik Indonesia. (2022). Upaya Peningkatan Akses Perempuan Terhadap Layanan Keuangan Formal. *Kementerian Keuangan RI*, 1–36.
- Kusumawati, R., & Kurniasih, A. (2022). Peran Literasi Digital dalam Mendukung Keberlanjutan Usaha Mikro di Indonesia. *Jurnal Teknologi dan Inovasi Bisnis*, 8(2), 114–125.
- Lee, I., & Shin, J. (2018). Digital finance: A new paradigm of financial inclusion. *Journal of Financial Innovation*, 4(1), 19–27.
- Lee, I., & Shin, Y. J. (2018). Fintech: Ecosystem, Business Models, Investment Decisions, and Challenges. *Business Horizons*, 61(1), 35–46.
- Marcellina, A. I., & Santoso, W. (2020). Inklusi Keuangan Digital dan Pemberdayaan Ekonomi Perempuan di UMKM. *Jurnal Bisnis dan Ekonomi*, 47(1), 121–138.
- Mulyani, D., & Rahayu, S. (2021). Digital Financial Inclusion and SMEs' Access to Finance in Indonesia: A Gender Perspective. *International Journal of Economics and Financial Issues*, 11(4), 20–29.
- Nuryanto, D., & Kurniawati, R. (2019). Pengaruh Literasi Keuangan terhadap Kinerja UMKM di Era Digital. *Jurnal Manajemen dan Bisnis Indonesia*, 12(2), 37–45.
- OJK, O. J. K. (2022). *Laporan Tahunan OJK 2022: Inklusi Keuangan di Indonesia*. OJK.
- Philippe Le Hou  rou. (2016). *Experience matters: Vol. (Nomor)*.
- Rahayu, R., & Day, J. (2017). E-commerce Adoption by SMEs in Developing Countries: Evidence from Indonesia. *Telematics and Informatics*, 34(1), 188–200.
- Rahmawati, S., & Hidayat, R. (2021). Digital Literacy and Financial Inclusion: An Empirical Study in Indonesian Small and Medium Enterprises. *Asian Journal of Business and Management*, 8(2), 53–64.
- Ramdlaningrum, H., Ismah, N., Mawesti, D., Aidha, C. N., Armintasari, F., & Ningrum, D. R. (2022). *Pemberdayaan ekonomi untuk UMKM yang dipimpin perempuan di pedesaan Indonesia: Pembelajaran dari CSO Indonesia*. 1–70.
- Santoso, E., & Widiastuti, R. (2019). Kendala dalam Implementasi Teknologi Keuangan di Kalangan UMKM. *Jurnal*

*Ekonomi Digital*, 5(4), 56–72.

Susanti, A., & Widyaningrum, T. (2020). Women's empowerment through financial technology: A study of Indonesian SMEs. *Journal of Economic Empowerment*, 12(3), 105–120.

Susanti, R., & Widyaningrum, F. (2020). Peran Pemerintah dalam Mendorong Digitalisasi Keuangan di Kalangan Pengusaha Perempuan UMKM. *Jurnal Inovasi Ekonomi*, 11(3), 88–99.