

Women-Owned MSMEs: How Financial Literacy Moderate the Association Between Fintech and Financial Performance?

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[https://doi.org/10.35609/gcbssproceeding.2023.1\(144\)](https://doi.org/10.35609/gcbssproceeding.2023.1(144))

ABSTRACT

Financial performance plays a central role in the Micro, Small, and Medium Enterprises (MSMEs) management system and has implied MSMEs' financial health (Jubaedah and Destina, 2016; Orobia et al., 2020). Indonesian MSMEs have contributed 61,97 percent to GDP (Growth Domestic Product) in 2020 including women and man-owned MSMEs. Women entrepreneurs have an important role in national economies worldwide, contributing to employment, value-added, and also to innovation. They contribute over half the GDP of the most advanced and emerging economies (Sajuyigbe, et al., 2021). Furthermore, women-owned MSMEs in Indonesia can contribute at least 64 percent to GDP in 2021. The amount of woman-owned MSMEs also increases to 114 percent in 2021 (Indonesia.go.id). Women-owned MSMEs need to transform from traditional to digital to reach more consumers (Hasan et al., 2021). As stated before, innovation, digital transformation, and technology are in line with one of the digital platforms, namely financial technology (fintech). Previous studies from Leong and Sung (2018) state that fintech can create new value for businesses including MSMEs. Darma et al. (2020) state that fintech has a positive integration in supporting MSMEs' financial performance, especially in capital lending. Hamidah et al. (2020) also state that fintech positively and significantly affects MSMEs' financial performance.

Keywords: financial literacy, financial performance, fintech, woman-owned MSMEs, Balinese culinary.