

Fintech and Microfinance: Empowering Local Entrepreneurs for Sustainable Growth

Ferdi Nazirun Sijabat¹; Safiah²; Banta Karollah³; Muhammad⁴;

^{1,3,4} Sekolah Tinggi Ilmu Ekonomi Sabang (STIES) Banda Aceh, Indonesia

² Sekolah Tinggi Ilmu Ekonomi-YPH, Indonesia

¹ Email Korespondensi: fnsijabat@gmail.com

Received: 17 Juli 2025

Accepted: 19 Juli 2025

Published: 21 Juli 2025

Abstract

The issue of limited financial inclusion continues to hinder sustainable growth among micro-entrepreneurs in developing regions. This study explores the integration of Fintech and microfinance as a solution to enhance digital financial access, entrepreneurial capacity, and community resilience. The research focuses on a hybrid community engagement program jointly organized by KABA Academic Society (Indonesia) and KRIRK University (Thailand) in Soi Ram Intra, Bangkok. Using a participatory action research approach, the program was implemented through needs assessment, development of appropriate technologies, hybrid training, and short-term impact evaluation. The results showed significant improvements in digital literacy, business management skills, and environmental awareness among local participants. Community members learned to adopt digital marketing tools and simple composting technologies, which directly supported both economic and ecological sustainability. The hybrid model enabled inclusive access and knowledge transfer across diverse participants. The study concludes that combining Fintech solutions with microfinance frameworks in a community-based, cross-cultural initiative can empower local entrepreneurs and support long-term sustainable development goals.

Keywords: Fintech, Microfinance, Sustainability, Digital Empowerment, Community Engagement

Masalah keterbatasan inklusi keuangan masih menjadi hambatan dalam mendorong pertumbuhan berkelanjutan di kalangan pelaku usaha mikro, khususnya di negara berkembang. Studi ini mengkaji integrasi antara Fintech dan mikrofinansial sebagai solusi untuk meningkatkan akses keuangan digital, kapasitas kewirausahaan, dan ketahanan komunitas. Penelitian ini berfokus pada program pengabdian masyarakat hybrid yang diselenggarakan secara kolaboratif oleh KABA Academic Society (Indonesia) dan KRIRK University (Thailand) di Soi Ram Intra, Bangkok. Menggunakan pendekatan participatory action research, program ini dilaksanakan melalui tahapan identifikasi kebutuhan, pengembangan teknologi tepat guna, pelatihan hybrid, dan evaluasi dampak jangka pendek. Hasil menunjukkan peningkatan signifikan dalam literasi digital, keterampilan manajemen usaha, dan kesadaran lingkungan peserta lokal. Masyarakat belajar mengadopsi teknologi pemasaran digital dan komposter sederhana yang mendukung keberlanjutan ekonomi dan ekologi. Model hybrid memungkinkan akses inklusif dan transfer pengetahuan secara luas. Studi ini menyimpulkan bahwa penggabungan solusi Fintech dengan kerangka mikrofinansial

melalui inisiatif berbasis komunitas lintas budaya mampu memberdayakan pelaku usaha lokal dan mendukung pencapaian tujuan pembangunan berkelanjutan jangka panjang.

Kata Kunci: *Fintech, Mikrofinansial, Keberlanjutan, Pemberdayaan Digital, Pengabdian Masyarakat*

A. Introduction

Financial inclusion has become a global development priority, particularly in emerging economies such as Indonesia, where access to formal finance remains limited in rural and micro-enterprise communities (Rustan, 2023; Wahyuni et al., 2023). In this context, financial technology (Fintech) has emerged as a disruptive innovation offering digital payments, peer-to-peer lending, microlending, and digital wallets, widely expanding financial access to underserved micro-entrepreneurs (Fauzi, 2024; Rustan, 2023). Recent Indonesian studies show that over 300 Fintech firms were active by 2023, contributing significantly to financial inclusion and MSME development (Wahyuni et al., 2023).

Specifically, Fintech platforms such as OVO have been shown to shift users from cash toward digital transactions, supporting MSME cash flow and entrepreneurial activity (Sari Puspita Sari & Huda, 2024). Despite these positives, challenges persist, including limited digital literacy, uneven infrastructure, regulatory uncertainties, and consumer protection gaps (Widadi & Puspitasari, 2024; Fauzi, 2024; Rustan, 2023).

Meanwhile, microfinance, long regarded as an engine for local entrepreneurship, offers small credit, savings, and training services tailored to micro-entrepreneurs. Its integration with Fintech shows potential to overcome traditional barriers by providing scalable, low-cost digital microcredit and improved outreach (Nur'aeni, 2024; Karim et al., 2024; Mun'im, 2024).

Nonetheless, empirical analyses in Indonesia remain limited: adoption among microenterprises in regions like Magelang is still supplementary rather than core to business operations (Widadi & Puspitasari, 2024); and the role of Islamic Fintech microfinance further demands more exploration (Nur'aeni, 2024; Mariska, 2024; Mun'im, 2024).

Therefore, this study aims to examine how Fintech and microfinance together empower local entrepreneurs in Indonesia to achieve sustainable growth. The objectives include assessing the impact of combined digital microfinance services on entrepreneurial performance, sustainability, and regional economic inclusion, while evaluating barriers and policy-regulatory drivers that shape effective deployment.

B. Method

This community engagement initiative employed a participatory action research (PAR) approach, emphasizing collaborative planning, implementation,

and evaluation with the target community. The program, conducted from June 30 to July 2, 2025, was a joint effort between KABA Academic Society (Indonesia) and KRIRK University (Thailand). Designed as a hybrid activity, it combined in-person sessions at KRIRK University's main hall in Bangkok and online participation via Zoom and YouTube Streaming to ensure broad reach and effective knowledge transfer.

The first phase of the program involved needs assessment and community potential mapping. Through surveys and direct observations in Soi Ram Intra, Anusawari Subdistrict, Bang Khen District, the team identified critical issues such as suboptimal waste management and untapped local economic potential. This stage served to establish a contextual foundation for the intervention design.

In the second phase, the focus shifted to the development and adaptation of appropriate technologies. The team co-created simple, accessible technological solutions tailored to local challenges. These included household composting systems for organic waste and digital marketing strategies for promoting local MSME (micro, small, and medium enterprise) products. These innovations were designed to be low-cost, scalable, and aligned with the socio-cultural context of the community, ensuring ease of adoption.

The third phase consisted of hybrid training and community empowerment sessions. On June 30, 2025, the team conducted face-to-face workshops and technology trials with local participants in KRIRK University's main hall. On July 1, 2025, training continued via online platforms, allowing wider community participation. These sessions covered the operation of new technologies, digital literacy, business management, and sustainability practices. The hybrid format not only broadened accessibility but also fostered interactive learning between onsite and remote participants.

Following implementation, monitoring and preliminary evaluation activities were conducted to assess immediate impact. On July 4, 2025, the team carried out environmental impact monitoring and data collection. On July 5, initial progress reports and documentation were compiled, while July 6 was dedicated to early evaluation of environmental outcomes and community response. These assessments were aimed at measuring behavioral change, technological adoption rates, and the community's engagement in sustainability practices.

Throughout the program, both quantitative and qualitative data were collected through surveys, interviews, observation, and feedback forms. These data points will serve as the empirical basis for subsequent reporting and scholarly

publication. The final report and publication draft are scheduled for completion on July 7, 2025, providing a comprehensive account of outcomes, lessons learned, and future directions. This methodical, cross-cultural, and evidence-based approach highlights the collaborative potential between academic institutions to create meaningful and sustainable social, economic, and environmental impacts at the international level.

C. Result and Discussion

Bagian hasil disediakan sebelum bagian diskusi. Setiap bagian berdiri sendiri sebagai subtitle. Hasil dan pembahasan harus ditulis tidak kurang dari 60% dari seluruh tubuh naskah.

The collaborative community engagement program successfully demonstrated how hybrid, cross-border academic efforts can empower local communities through technology and capacity building. The participants primarily residents of Soi Ram Intra in Bangkok benefited from both the hands-on training sessions and the online modules.

One of the main outcomes was a measurable increase in practical skills among participants. They learned how to operate household composting systems and adopt digital tools for marketing local products. Several community members reported initiating waste sorting at home and improving their product presentation online.

Furthermore, the program significantly increased environmental awareness. Many participants expressed a newfound understanding of sustainable waste management practices and the economic value of organic waste through composting. This aligns with the program's objective to integrate environmental sustainability with community-based entrepreneurship.

The hybrid training model also proved to be highly effective. Participants appreciated the flexibility of online access, especially those unable to attend in person. This allowed the program to reach a broader audience and encouraged inclusive participation, especially from younger digital natives and local entrepreneurs.

Equally important was the strengthened collaboration between Indonesian and Thai academic institutions. The involvement of KABA Academic Society and KRIRK University fostered cross-cultural exchange, academic synergy, and mutual learning serving as a model for future international community service programs.

The early evaluation and monitoring showed positive short-term impacts. The data collected will inform the development of future programs and will be published as a reference for similar hybrid community development initiatives in Southeast Asia.

D. Conclusion

The collaborative hybrid community engagement conducted by KABA Academic Society and KRIRK University effectively empowered local residents of Soi Ram Intra, Bangkok. Through the integration of appropriate technology and digital-based training, participants gained practical skills, improved their entrepreneurial potential, and became more aware of environmental sustainability. The program demonstrated that academic collaboration across countries can produce meaningful, scalable impact at the grassroots level. The initiative not only addressed local challenges but also laid the groundwork for long-term partnerships and future community-based innovations.

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