

Socialization of The Introduction of Financial Technology (Fintech) to Fisherman Group Of Malabero Village, Bengkulu City In The Era of Digitalization and Internationalization

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ABSTRACT

most groups of fishermen in the Malabero Village sell processed products along the road, namely dried/salted fish which are of fairly good quality, but product packaging is still very little paid attention to. Most of the products are sold in bulk, although some have gone through sorting and grading processes. To meet the needs of the local/international market, marketing is carried out between districts within the province, or even exports outside the city/province/country. All of these activities are hampered by a lack of understanding about banking, capital, and also financial literacy. Therefore, one of the efforts that can be made in the digital era and towards internationalization is the introduction of financial technology as an alternative to capital that is quite easy and fast. The advantages of financial technology are that it facilitates financial services, with low interest business capital, and overall can improve people's lives. Financial management using financial technology that involves payment transactions, savings, and funding. Activities and transactions within organisations that can support development of financial technology. The inhibiting factors in the implementation of financial technology in an organisation include unpreparedness of infrastructure, technology, and cost.

Keywords: *Fisherman Group, Financial Technology, Malabero Village, Bengkulu City,*

I. INTRODUCTION

Every individual must have the intelligence and skills to manage their personal finances. By applying the correct method of financial management, individuals are expected to get the maximum benefit from the money they have. In order to obtain financial well-being, individuals need to have the knowledge, attitude and implementation of a person in managing finances, which is better known as financial literacy. Developed countries such as America,

the Netherlands, Sweden, Italy, Japan and New Zealand (Lusardi, A & Mitchell, 2011: 9) also intensively provide financial education to the community.

The era of globalization and digitalization opens opportunities as well as challenges for the business world in line with increasing technological advances in various fields. According to the Asosiasi Penyelenggara Jasa Internet Indonesia (APJII), around 143 million people were connected to the internet network in 2017 out of 262 million Indonesians. The majority of internet users, 72.41 percent, are still from the urban community, whose use is not only to communicate but also to buy goods, order transportation, to do business and work. More about this source text

The financial sector has an important role to support the strength of a country's economy. With increasingly advanced technological developments, the financial sector is also experiencing developments in a more modern and practical direction. The financial technology business or in English it is called financial technology (fintech) is currently on the rise in Indonesia.

Satria (2018) suggests that in the digital era, where technology is an important key in winning competition in business. Financial service providers who still use conventional methods must move towards being more innovative in providing satisfying services to consumers. The digital and innovation era forces business people to continue to evolve with innovations that are close to consumer needs. services provided by fintech can be very easily accessed by consumers. <http://feb.ub.ac.id>.

For people whose lives are far from urban areas and do not know more about banking, Financial Technology (Fintech) is a breakthrough in technology that acts as a link between the financial sector and users or the general public. Fintech has the potential to be one of the solutions to overcome existing problems in society. Fintech can be interpreted as the utilization of information technology developments to improve services in the financial industry. Community needs encourage financial service actors to continue to innovate and transform traditional transactions into digital forms, with processes that are shorter, easier, and more affordable with digital platforms. (<https://konsumen.ojk.go.id/>)

The geographical location on the west coast of Sumatra Island facing the Indonesian Ocean makes Bengkulu City have enormous fishery potential (Mulyasari, 2015). These resource potentials cover two categories, namely marine fishery resources in the territorial area (0-12 nautical miles) of 46,145 tonnes/year and in the ZEEI sea area (12-200 nautical miles) of 80,072 tonnes/year. The potential types of marine fish that exist consist of large and small pelagic fish, demersal fish and other marine biota (Dirjen PDSPKP KKP, 2018). Fishery resources in the waters have been utilized by the local community as a source of livelihood for a long time (Erwina et al., 2015), namely supporting the livelihoods of most coastal communities as well as food, as an economic source of regional development and as a source of support for community recreational activities in the form of fishing (Masydzulhak, 2005).

Fishing business activities in Bengkulu City include small fishermen with simple technology (Mulyasari, 2015). The fishing gear used by most fishermen in this city is gill nets of various sizes according to the fishing season. The number of gill net fishing gear was recorded at 1,435 units or around 47% of the total fishing gear in this city (KKP Statistical Data, 2016); (Dirjen PDSPKP KKP, 2018). One of the fishermen's welfare is determined by the level of fishermen's income. Fishermen's income is an accumulation of fishermen's business results which do not stand alone, but are influenced by various factors. Therefore, fishermen's income in Bengkulu City fluctuates along with fluctuations in supporting factors such as capital, season, climate, fishing gear productivity, fishing grounds (Indara et al., 2017), fish prices and the amount of catch (Ridha, 2017).

Malabero Village, Teluk Segara, Bengkulu City



Image : Teluk Segara District Boundary

Source: Google Maps



Image : Malabero Village Boundary

Source: Pratama, 2017

Based on surveys and visual observations, it can be seen that most groups of fishermen in the Malabero Village sell processed products along the road, namely dried/salted fish which are of fairly good quality, but product packaging is still very little paid attention to. Most of the products are sold in bulk, although some have gone through sorting and grading processes. To meet the needs of the local/international market, marketing is carried out between districts within the province, or even exports outside the city/province/country. All of these activities are hampered by a lack of understanding about banking, capital, and also financial literacy. Therefore, one of the efforts that can be made in the digital era and towards internationalization is the introduction of financial technology as an alternative to capital that is quite easy and fast.

II. LITERATURE REVIEW

In a broader perspective, fintech is defined as an industry consisting of organizations/companies that utilize innovative technology to make financial services and delivery of financial administration more productive and efficient (World Bank Group 2016). Bank Indonesia (2017) defines fintech as a combination phenomenon between technology and financial features in creating products and services in the financial system and influencing monetary stability and financial system stability. Meanwhile, according to (OJK 2016) in the Financial Services Authority Regulation (POJK) No. 13/POJK.02/2018 uses the term "Digital Financial Innovation" (IKD) as the definition of fintech. Both regulations/guidelines have the same essence and define fintech as a form of innovation of various types that has added value to the current financial system.

Fintech as a combination of both domains will direct innovative financial services to shift from an internal approach to relying on external providers to deliver online and mobile solutions in a timely manner (Hung & Luo, 2016). Fintech implementation in Indonesia is the implementation of using technology to improve banking and financial services, fintech utilizes new software, the Internet, communication and computing technologies such as predictive analysis, big data, and artificial intelligence (Iman, 2018a).

In several literatures there are various definitions of Fintech. In general, Fintech refers to the use of technology to provide financial solutions or alternatives which describes a financial technology development as a continuous process where finance and technology

have evolved together and lead to various incremental and disruptive innovations, such as internet banking, mobile payments, crowdfunding, online lending or peer to peer lending, online identification, and others (Arner et al., 2015).

Fintech is an innovation in the financial service industry that uses technology (Santoso, 2020: 50). Fintech or financial technology refers more to terms that refer to business entities that offer advanced technology in the financial sector. The concept of financial technology includes financial services based on digital systems that have developed in Indonesia such as digital banking, online digital insurance, payment channel systems to Peer (P2P) and crowdfunding, which are adaptations of technological developments that juxtapose the financial sector with technological advances, so that in the future the process financial transactions will become more sophisticated, easy and safe (Yudhira, 2021:14). In this community service activity, fintech will discuss 1) Fintech and Opportunities, 2) Fintech Applications in Indonesia, 3) Fintech Concepts.

Framework for Problem Solving

Based on the problems that are felt by processed product business actors in the Malabero Village, Bengkulu City, that is not optimal capital and also knowledge about banking services such as financial technology which they can apply in business activities. This is due to factors such as the level of income which is still quite low, dependence on natural conditions due to the profession as a fisherman, the need for more and more life, and poor management of household finances. Therefore, this service activity is expected to support business activities in the current digital era. Through university cooperation as the implementation of the 3rd Dharma, namely community service. Universities as community partners should contribute to the community in their environment to be able to share knowledge as a form of service in accordance with the field of science they master.

Methods of Activity Implementation

The following method will be used in community service:

1. Conduct a detailed pre-survey to identify environmental conditions.
2. Inviting community members to socialize and invite resource persons from the University of Malaysia Kelantan to community service activities.
3. Activities are carried out in which participants are given an introduction, knowledge, and motivation to raise their awareness of environmental issues and how to protect their environments. Furthermore, the local community is socialized on how to widely promote their own destination through various media.
4. Method of presentation, namely, explaining information briefly and concisely but clearly using language that the community can understand.
5. Multimedia Visualization through the visualization of examples relevant to current conditions.
6. Evaluate and monitor participant activity during the activity.
7. When receiving an explanation of the theory, service participants should use the question-and-answer method.

III. RESULT AND DISCUSSION

Result and Discussion

The advantages of financial technology in its application in an organisation are organisation are (1) Fintech simplifies financial services; (2) Fintech can reduce the number of loans that have high interest rates; (3) Fintech can increase the development of new

companies (Startups); (4) Fintech helps MSMEs get low-interest business capital; (5) Fintech increases the standard of living in people's lives.

Convenient financial services are one of the benefits offered by FinTech. This is evident, because previously when making transfers, applications for loans, and investments, they had to come to the place where they wanted to use the services. FinTech companies have also helped to improve people's lives. Companies or startups in this field not only take business profits for themselves, but also provide financial benefits to society. The role of FinTech can be by increasing consumer purchasing power, as well as building the infrastructure of the banking world with various innovations. The breakthrough of FinTech is to transform traditional financial products into many variations. For example, for savings and loans, with FinTech, MSMEs can access financing facilities that previously had bureaucratic constraints on financial institutions such as banks.

With FinTech, it will simplify the process, such as being able to provide loans without collateral. Lenders can come from people who have more money, as well. The concept of financial management using financial technology in an organisation are: (1) Activities involving payment transactions, transfer, clearing and settlement transactions; (2) deposit or financing activities, which include including: deposits, loans and capital increases; (3) risk management; (4) market support; (5) investment management (OJK, 2020).

In line with the development of FinTech, the OJK has established a policy as a form of supervision that provides flexibility in the space for innovation, but does not the principles of transparency, accountability, independence and fairness, Independence and Fairness (TARIF) as principles in the company in achieving good corporate governance through the provision of an umbrella. Achieve good corporate governance through the provision of a legal umbrella digital financial innovation and regulation by product. FinTech companies that are registered or licensed fall into two categories, namely conventional and Sharia. The potential of FinTech companies in Indonesia as of 3 February 2019 is growing quite rapidly, with as many as 244 companies, consisting of 46 companies in the process of registration, 66 companies whose registration applications have been whose registration applications have been returned, 33 companies interested in registering, 69 companies with 69 companies with local status, and 30 companies with foreign investment status (OJK, 2019).

The Financial Services Authority (OJK) has issued the Financial Services Authority Regulation (POJK) No.77/POJK.01/2016 on Information Technology-Based Money Lending and Borrowing Services, which requires organisers or FinTech platforms to organise and manage FinTech services. Information Technology, which requires FinTech providers or platforms to prioritise the disclosure of information to potential lenders and borrowers in order to assess their creditworthiness, lenders and borrowers to assess the borrower's risk level and determine the interest rate.

This regulation regulates the financial industry using FinTech in Indonesia. With the rapid growth of the FinTech industry in the community, the OJK has also issued policies related to consumer protection issues. OJK issued POJK No. 13/POJK.02/2018 on Digital Financial Innovation in the Financial Services Sector as a provision that provides supervision and regulation of the FinTech industry in Indonesia. Activities and transactions that may be implemented as a form of financial technology as a form of implementation include: (1) the power of demand and the power of supply. Demand side factors are changes in consumer preferences that affect consumer demand for innovation. Easy access to the Internet and the ability of and the ability of Internet users to transact in real time are creating high expectations, namely convenience, speed, lower cost and ease of use of financial services; (2) Technology evolution. Technological innovation in financial services is evolving in new ways. Other constraining factors also relate to the increase in debt, increase in (digital) financial inclusion, and threats arising from the 236 online financial fraud. From these

various factors, it is necessary to have knowledge of financial management, as well as appropriate policies to improve overall financial and to improve financial and overall well-being.

IV. CONCLUSION AND RECOMMENDATION

Conclusion

The advantages of financial technology are that it facilitates financial services, with low interest business capital, and overall can improve people's lives. Financial management using financial technology that involves payment transactions, savings, and funding. Activities and transactions within organisations that can support development of financial technology. The inhibiting factors in the implementation of financial technology in an organisation include unpreparedness of infrastructure, technology, and cost.

This paper provides managerial implications. The high quality of a company is not only determined by accounting policies or internal factors, but also needs to be adaptive to technological developments that are implemented effectively and efficiently. The role of the regulator is needed to supervise companies with a FinTech base. A concrete example is the formulation of regulations by the OJK in the supervision of FinTech in Indonesia as a form of financial accounting policy flexibility and public protection.

Suggestion

Suggestions during this activity are:

1. Involve other parties such as OJK for the next service meeting so that the community knows the information for sure and directly.
2. Continuation of activities in the next community service period.
3. Adding more participants.

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