DIGITAL ISLAMIC FINANCIAL LITERACY AND INCLUSION ON PROFITABILITY OF MICRO, SMALL AND MEDIUM ENTERPRISES

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Abstract

Digital Islamic financial literacy and inclusion are the main factors in playing a role in increasing the profitability of Microfinance Microfinance Enterprises (MSMEs). This study uses a quantitative approach, data collection techniques using questionnaires, and the data source of this research is the owners of MSMEs in Bantul. Based on the results of this study, it is stated that digital Islamic financial literacy has a positive and significant effect on the profitability of MSMEs in Bantul, while digital Islamic financial inclusion has no significant effect on the profitability of MSMEs in Bantul. Taken together, digital Islamic financial literacy and inclusion simultaneously affect the profitability of MSMEs in Bantul. Limitations in this study are the limitations of two variables that affect profitability, of course, many variables affect profitability, and the sample in this study is only limited to Bantul.

Keywords : Literacy; Inclusion; Digital Islamic Finance
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INTRODUCTION

Micro, Small and Medium Enterprises (hereinafter written as UMKM) is one of the businesses that has an important role in improving the economy in Indonesia. MSMEs are an inseparable part of social life, the existence of MSMEs is one of the factors of community life activities in fulfilling their daily needs. Over time with the era of the industrial revolution 4.0, the industrial revolution 4.0 is the development of the technology industry in the world that is more focused on digital technology. The emergence of this 4.0 industrial revolution, namely the use of digitalization, will create great opportunities for business industry players that have the potential to provide an increase in employment of up to 2.1 million jobs by 2025 (Respatiningsih et al., 2020).

The development of digital technology makes all community activities carried out digitally, both payment transactions, purchases, orders etc. With the development of technology, of course, financial institutions will participate in adjusting this development, because over time digital technology will become an activity carried out daily by the community. Through this digital development, all forms of transactions will be easier, faster, and more efficient without the need for face-to-face meetings. With this development, it will increase literacy and financial inclusion for the community and MSME actors (Muzdalifa et al., 2018).

The high level of financial literacy and inclusion will be important in increasing public participation in accessing financial institutions in order to improve the economy. In Indonesia, the growth of the financial sector is still inadequate, so there is a need for the government's role in expanding financial access and understanding of the financial sector (Muzdalifa et al., 2018).

Judging from the snapshot of the 2019 national financial literacy and inclusion survey booklet, it was found that the Yogyakarta Special Region (DIY) had a public financial literacy rate of still below 50%, while financial inclusion was 76.12%. Thus, the level of public financial literacy and inclusion in DIY still needs to be improved. The importance of increasing knowledge carried out will make MSME entrepreneurs recognize access.

formal finance such as banking. Financial knowledge theory has a close relationship with financial literacy, because it can be taught and understood through existing financial education. So that the provision of financial education can increase financial knowledge, and can reduce the occurrence of financial problems in the future, and increasing financial knowledge will also increase the ability of entrepreneurs to use financial services at existing financial institutions (Septiani, 2020).

Looking at the data from the presentation of the National Coordination Meeting for the Special Region of Yogyakarta in 2018, there were 5 districts in DIY, it is clear that Bantul Regency is one of the largest MSME owners in the DIY province. Thus, it is still necessary to develop related to financial literacy and inclusion, especially for MSME actors in Bantul. The problem is the high number of MSME actors who do not have banking financial services due to the poverty gap, low MSME financing, high micro-financing interest rates, bank monopoly in the banking sector.

the micro sector, and the limited distribution channels of financial services that make financial literacy a supporter of skills development and financial products for MSME entrepreneurs according to their needs, these conditions are the reasons for the importance of increasing financial literacy and inclusion (Septiani, 2020).

Financial inclusion includes financial literacy programs, especially in increasing the ability of small business actors to use financial services and get a real impact from financial institutions. Financial inclusion is one of the agents of mindset change about how to see profit and money. (Sanistasya et al., 2019)

With the increase in financial literacy and inclusion in MSME actors, it can be said that this will improve the economy by reducing economic inequality through increasing and equitable public access to financial products and services. By understanding financial literacy and financial inclusion, MSME actors can understand the basic concepts of financial products, good financial planning and management, and minimize if in the future there is work that can be detrimental to the MSME industry being carried out.

Talking about MSMEs cannot be separated from the performance and profitability generated. Profitability is an ability to generate profits, so that it can increase the level of

effectiveness achieved by an MSME actor. Profitability has an important role in maintaining its business continuity in the long term, because profitability is a measure of how the business has good prospects now and in the future. Thus, a business owner will try to keep increasing his profitability, because the higher the level of profitability in a business, the sustainability of the business will be more guaranteed (Pristiana et al., 2015).

LITERATURE REVIEW

Digital Islamic Financial Literacy

In the current industrial era, financial literacy will be very influential for the community, especially for MSME actors, because with this financial literacy, they are able to understand financial products, financial institutions, and the concept of financial skills.

Literacy can be defined as a person's ability to read and write. However, nowadays the notion of literacy has a very broad meaning. Literacy itself consists of many things such as legal literacy, media literacy, computer literacy, technological literacy, mathematical literacy, and so on. Therefore, in brief literacy is defined as the ability to be literate or aware of something whether it is in the form of politics, law, technology, literature, art, and so on. The essence of literacy is to include reading, thinking, and writing activities (Suyono, 2009).

Literacy according to (Bachrudin, 2014) is the ability to read, write, and think critically. This means that someone who has high literacy is someone who carries out reading activities, writes down his ideas, and is able to think critically about a problem obtained by reading, observing, and exploring something.

Literacy is the ability to identify something, understand what is happening, interpret a problem, make conclusions and decisions, communicate, and calculate, using written materials related to various contexts. In this case, literacy involves a learning component in making a person achieve his goals, develop his knowledge and potential, and be able to participate fully in a community (Bachrudin, 2014).

Financial literacy is one of the abilities for a person to read, analyze, manage and communicate back in financial conditions that affect his welfare. Good understanding of basic financial concepts can produce financial decisions that do not experience problems, both now and in the future, so that they will demonstrate sound financial behavior in determining priority needs (Sanistasya et al., 2019).

Financial literacy is the scope of one's ability to choose financial management, and manage money for one's future planning, and how to respond to events in life that affect daily financial management decisions. Financial literacy occurs when an individual has an expertise as well as a person's ability to utilize existing resources in achieving his goals (Sani and Wicaksana, 2019).

In another definition, financial literacy is the ability to manage finances wisely and appropriately. Financial literacy is an awareness of knowledge about products from financial services, and the concept of how to describe financial management (Desiyanti, 2016). Financial literacy is an individual's ability in terms of financial knowledge to manage individual finances in managing the individual's finances. With good financial literacy, it is hoped that they will be able to manage their finances well and maximally. As in the theory above, financial literacy involves how to manage finances, both expenses and income, so that they can make wiser decisions.

According to research (Desiyanti, 2016), the level of financial literacy of the Indonesian population is divided into four, namely: Well literate, someone has knowledge and beliefs about financial service institutions and financial products and services, including various

features, benefits and risks, rights and obligations of financial products and services, and can have skills in using these financial products and services. Sufficient literate, someone who has knowledge and beliefs about financial service institutions and financial products and services, including the various features, benefits and risks, rights and obligations of the use of these financial products and services. Less literate, someone has knowledge related to financial institutions, both financial products and services. Not literate, a person does not have both knowledge and belief in financial institutions and financial products and services, and has no skills at all in the use of these financial products and services. The emergence of fintech has helped the community to more easily access financial products and increase the level of financial literacy. The financial technology industry (fintech) is a method of financial services that is starting to rise in the digital era as it is today (Sugiarti and Diana, 2019).

Digital Islamic Financial Inclusion

Financial Inclusion is a variety of efforts made to eliminate all forms of obstacles for the public in using or accessing institutions from financial services. Inclusive finance is one of the national strategies to encourage economic movement and growth through income distribution, poverty reduction, and financial system stability (Anwar et al, 2017).

The term inclusion can have a broad meaning. Inclusion is related to the equality or equality of rights owned by an individual in certain divisions that include education, social, political, and economic. The division of these aspects are related to each other. This shows that inclusion is related to aspects in a person's life that are based on equal rights, equality, and recognition of the rights themselves (Robiatul, 2018).

Inclusion is a philosophy that believes that everyone has the basic right to participate fully in society. This is a term for accepting differences. Inclusion is a practice that requires collaboration, teamwork, flexibility, willingness to take risks, and support from across a wide range of individuals, services, and institutions. It is designed to prepare all students for productive lives as full and participating members of their community. Inclusion is rewarding for everyone involved. When done right, inclusion has benefits for all students and teachers involved in the process (Bachrudin, 2014).

In another definition, financial inclusion is an effort to eliminate various forms of access barriers from the community in utilizing and accessing financial services. Based on research from the world banks from various countries, they have implemented financial inclusion as a strategy to reduce poverty, reduce people's income problems, and encourage economic growth. The formulation of a national strategy in Indonesia, inclusive finance was launched in early 2013, the goal is to achieve prosperous economic growth by reducing poverty, income distribution and financial system stability in Indonesia by creating a financial system that is easily accessible to the public (Anwar et al, 2017).

In his research (Desiyanti, 2016), defines financial inclusion as a process that facilitates access, availability, and benefits from the formal financial system for all economic actors. Financial inclusion as an effort aims to eliminate barriers, both price and non-price, public access in utilizing financial services (Muzdalifa et al., 2018).

Indicators of financial inclusion in a country are availability in measuring the ability to use financial services, both formal, physical affordability and price, use to measure the ability to use financial products (Desiyanti, 2016). Financial inclusion includes financial literacy programs, especially in order to improve the ability of small business actors to use financial services and get a real impact from financial institutions. Financial inclusion is an agent of changing the economic mindset about how to view profit and money (Sanistasya et al., 2019).

Financial institutions must innovate in their business activities, considering the presence of fintech as one of the opportunities that can be done by collaborating with fintech companies. Thus, by collaborating with fintech companies, the services and products offered by financial institutions can be accessed by all business people throughout Indonesia, and financial institutions will be closer to business actors (MSMEs). (Muzdalifa et al., 2018).

RESEARCH METHODS

Types of research

This research uses quantitative methods, is a systematic scientific research on the parts and phenomena and their relationships. The purpose of quantitative research is to develop also use mathematical models, theories and/or hypotheses.

Research design

Research design is needed so that a research can be carried out effectively and efficiently. This research design will provide a series of procedures, in order to obtain the information needed to structure and provide answers to research problems (Suliyanto, 2018).

The research design in this study uses quantitative methods, which is one of the research design methods based on data analysis. This research is included in the field of economic studies that examines how the influence of digital financial literacy and digital financial inclusion affects the profitability of MSMEs in the Bantul area (Martono, 2011).

Research Objects and Subjects

The object in this study is the influence of digital financial literacy (X1), digital financial inclusion (X2), on profitability (Y), the research subjects in this study were MSME actors in the Bantul area.

Population and Research Sample

Population is a collection of individuals with predetermined qualities and characteristics. The population in this study were MSME actors in the Bantul Regency area, while the number was 5,745 MSME actors. The sample is part of the number and characteristics possessed by the population. So the sample is a collection of research objects or populations studied and observed by researchers. There are several reasons researchers conduct sample research, including:

1) If the number of members of the population is relatively large, the researcher may not collect all elements of the population, because it will take a long time and energy.
2) The quality of the data generated from this sample study will be better than the results from the census, because the process of collecting and analyzing sample data is relatively small from the existing population.

The sample in this study used a sampling technique based on the formula from Taro Yamane or Slovin in (Riduwan, 2014), which is as follows

Information:

$$n = \frac{N}{N.d^2 + 1}$$

n = Number of samples

N = Total Population = 5,745 respondents

d2 = Precision (set 10% with 95% confidence level)

Based on this formula, the number of samples is obtained as follows:

$$n = \frac{N}{N.d^2} = \frac{5.745}{(5.745).0,1^2 + 1} = \frac{5.745}{58,45} = 98,29 = 100 \; responden$$

Research Instrument Test

Validity test is carried out with the accuracy of the measuring instrument against the concept being measured. According to (Riduwan, 2014) Validity test is a measure that shows the level of reliability or validity of a measuring instrument. Validity test is used to measure the accuracy of the indicators of a questionnaire. While the reliability test is used to obtain the level of accuracy of the data collection tool or the instrument used. (Riduwan, 2014)

In this study, the validity and reliability tests were carried out directly using SPSS 22.0 software. This validity test is done by comparing the numbers r calculated and r table, and if r count is greater than r table then the item can be said to be valid, whereas if r count is smaller than r table then the item is invalid. While the reliability test is carried out by comparing the numbers from Cronbach Alpha with the provision of a minimum Cronbach value of 0.6, which means that if the Cronbach Alpha value obtained from the SPSS calculation is greater than 0.6, it can be said that the questionnaire is reliable, and vice versa if the Cronbach Alpha is smaller than 0,6 then it can be said that the questionnaire is not reliable. (Sujarweni, 2014)

Multiple Linear Regression Analysis

The analytical method used is a statistical method using multiple linear regression analysis. To analyze the effect of financial literacy and financial inclusion on the profitability of MSMEs in the Bantul region, the multiple linear model used is formulated as follows:

Y = a + b1X1 + b2X2 + €

Where :

a = Constant

b = Regression coefficient

Y = MSME Profitability

X1 = Digital Islamic Financial Literacy

X2 = Digital Sharia Financial Inclusion

€ = standard error

This multiple regression analysis is known as multiple regression. Multiple regression is useful for finding the effect of two predictor variables or is also used to find a functional relationship between two predictor variables on the criterion variable or used to predict two predictor variables on the criterion variable (Hartono, 2004).

Thus, multiple regression is used for research that includes several variables at once. In this regression it can also be used as a knife in the analysis of the research conducted, of course this regression is directed to test the existing variables (Hartono, 2004).

Multiple regression analysis is used to test and calculate the level of significance, as follows:

a. Calculate the equation of the regression.
b. Test whether the equation of the regression line is significant.
c. Knowing the conclusions from the results of data analysis (Hartono, 2004).

The state of multiple linear regression analysis with least squares equation (OLS) as an estimation tool is very much determined by the significance of the parameters in this case is the regression coefficient which can be done with the t test and f test.

RESEARCH RESULT

1. Instrument Test Results
a. Validity test

Validity test is used to measure whether or not a questionnaire is valid. The significant test was carried out by comparing the calculated r value with the r table, for the degree of freedom (df) = n-2, with a pre-test of 40 samples (df = 40-2 means the 38th df table is 0.312). The following are the results of the validity test of the digital Islamic financial literacy variables, digital Islamic financial inclusion and profitability with 40 Pre-Test Respondents.

1) Digital Islamic Financial Literacy Variable

Table 1. Validity Test Results for Digital Islamic Financial Literacy Variables

Question	r Hitung	r Tabel	Result
x1.1	0,580	0,312	*Valid*
x1.2	0,353	0,312	*Valid*
x1.3	0,728	0,312	*Valid*
x1.4	0,596	0,312	*Valid*
x1.5	0,601	0,312	*Valid*
x1.6	0,720	0,312	*Valid*
x1.7	0,603	0,312	*Valid*
x1.8	0,490	0,312	*Valid*
x1.9	0,507	0,312	*Valid*
x1.10	0,677	0,312	*Valid*
x1.11	0,404	0,312	*Valid*
x1.12	0,675	0,312	*Valid*
x1.13	0,716	0,312	*Valid*

Based on table 1, it shows that the digital Islamic financial literacy variable has valid criteria for all statement items based on the criteria, namely where the r count is greater than the r table in this study of 0.312, it shows that each statement on the digital Islamic financial literacy variable reliable and worthy of research.

2) Variable Digital Sharia Financial Inclusion

Table 2. Validity Test Results for Digital Sharia Financial Inclusion Variables

Question	r Hitung	r Tabel	Result
x2.1	0,722	0,312	*Valid*
x2.2	0,632	0,312	*Valid*
x2.3	0,711	0,312	*Valid*
x2.4	0,627	0,312	*Valid*
x2.5	0,692	0,312	*Valid*
x2.6	0,680	0,312	*Valid*
x2.7	0,707	0,312	*Valid*
x2.8	0,694	0,312	*Valid*

Based on table 2, it shows that the digital Islamic financial inclusion variable has valid criteria for all statement items based on the criteria, namely where r is greater than the r table in this study of 0.312, it shows that each statement on the digital Islamic financial literacy variable reliable and worthy of research.

3) MSME Profitability Variables

Table 3. Results of the Validity Test of MSME Profitability Variables

Question	r Hitung	r Tabel	Result
y.1	0,706	0,312	*Valid*
y.2	0,690	0,312	*Valid*
y.3	0,664	0,312	*Valid*
y.4	0,698	0,312	*Valid*
y.5	0,424	0,312	*Valid*
y.6	0,619	0,312	*Valid*
y.7	0,607	0,312	*Valid*
y.8	0,655	0,312	*Valid*
y.9	0,607	0,312	*Valid*

Based on table 3, it shows that the Profitability variable has valid criteria for all statement items based on the criteria, namely where r is greater than the r table in this study of 0.312, it shows that each statement on the digital Islamic financial literacy variable is reliable and worthy of research.

b. Reliability Test

Reliability test is a questionnaire measuring instrument which is an indicator of variables and constructs. Questionnaires can be said to be reliable or reliable if someone's answer to the statement is consistent or stable from time to time. Then the data obtained is analyzed with a certain technique, namely Alpha Cronbach. The basis for decision making in the reliability test if the Cronbach Alpha value is above 0.6. (Sujarweni, 2014)

1) Digital Islamic Financial Literacy Variable

Table 4. Reliability Test Results for Digital Islamic Financial Literacy Variables.

Variabel	Cronbach Alpha	N of item	Result
Literation of Digital Sharia Financial	0,841	13	*Reliable*

Based on table 4, it shows that the value of Cronbach's Negligence on the digital Islamic financial literacy variable is 0.841. Thus, it can be concluded that the statement in this questionnaire is reliable because it has a Cronbach's Alpha value greater than 0.60.

2) Variable Digital Sharia Financial Inclusion

Table 5. Reliability Test Results of Digital Sharia Financial Inclusion Variables

Variabel	Cronbach Alpha	N of item	Keterangan
Inclusion of Digital Sharia Financial	0,832	8	*Reliable*

Based on table 5, it shows that the value of Cronbach's Negligence on the digital Islamic financial inclusion variable is 0.832. Thus it can be concluded that the statements in the questionnaire

3) MSME Profitability Variables

Table 6. Reliability Test Results of MSME Profitability Variables

Variabel	Cronbach Alpha	N of item	Result
Profitabilitas	0,810	9	*Reliable*

Based on table 6, it shows that the value of Cronbach's Negligence on the profitability variable is 0.810. Thus, it can be concluded that the statement in this questionnaire is reliable because it has a Cronbach's Alpha value greater than 0.60.

2. Individual Parameter Significance Test Results (Test Statistics t)

Table 7. t test results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	13.975	2.044		6.836	.000
literasi	.392	.061	.652	6.400	.000
inklusi	.127	.083	.155	1.524	.131

a. Dependent Variable: profitabilitas

Based on the results of the t-test in table 7, the t-test hypothesis can be obtained as follows:

Hypothesis 1: The Effect of Digital Islamic Financial Literacy on MSME Profitability

H0: If tcount is smaller than ttable, then there is no influence between the digital Islamic financial literacy variable on the MSME profitability variable partially.

Ha : If tcount is greater than ttable, then there is an influence between the digital Islamic financial literacy variable on the MSME profitability variable partially.

In the t-test results table, the t-count value for the digital Islamic financial literacy variable is 6.400 with a probability of 0.000 less than 0.05. Ttable with a significance level of 0.05 with a degree of freedom (df) for df = n-2 or 100-2 = 98, then the t table is 1.664. The result is tcount (6,400) > ttable (1,664). This shows that H0 is rejected and Ha is accepted, so that the digital Islamic financial literacy variable has a significant effect on the profitability of MSMEs because the significance level of the digital Islamic financial literacy variable is smaller than 0.05. This study proves that with the ability, knowledge, behavior in managing finances owned by MSME actors will increase MSME profitability in order to sustain MSMEs being managed.

The results of this study are supported by research from (Sanistasya et al., 2019), (Sudarsono, 2017), (Septiani, 2020), (Sukoco and Endang, 2015), and (Respatiningsih et al. ., 2020), (Kusuma, 2019) which states that digital Islamic financial literacy has a positive effect on the profitability of MSMEs. With the ability and knowledge of Islamic finance owned by business people, it will help MSMEs in increasing profitability by minimizing costs, managing future financial planning, recording financial sources both income and expenses, and seeking information about finances

digitally. Thus, it can maximize the time value of money, so as to increase work efficiency and add value to the goods offered. A literate business actor will carefully optimize expenses and income so that it will facilitate the management of his business. In addition, literacy certainly helps business owners in obtaining knowledge, abilities, and financial management skills that are used by business actors in making decisions.

Hypothesis 2: The effect of digital Islamic financial inclusion on the profitability of MSMEs

H0: If tcount is smaller than ttable, then there is no effect between the digital sharia financial inclusion variable on the MSME profitability variable partially.

Ha : If tcount is greater than ttable, then there is an effect between the digital sharia financial inclusion variable on the MSME profitability variable partially.

In the t-test results table, the t-count value for the digital Islamic financial inclusion variable is 1.524 with a probability of 0.131 greater than 0.05. Ttable with a significance level of 0.05 with a degree of freedom (df) for df = n-2 or 100-2 = 98, then the t table is 1.664. The result is tcount (1.524) < ttable (1.664). This shows that H0 is accepted and Ha is rejected, so that the digital Islamic financial inclusion variable does not significantly affect the profitability of MSMEs because the significance level of the digital Islamic financial literacy variable is greater than 0.05. This study proves that the understanding, use, knowledge, and behavior in digitally conducting Islamic financial transactions are not necessarily able to increase the profitability of MSMEs for the sustainability of managed MSMEs.

The results of this study are supported from previous studies (Sanistasya et al., 2019) and (Septiani, 2020), that increasing financial inclusion can affect the performance of MSMEs, but in this study we take the independent variable of digital Islamic financial inclusion, where the results Research shows that increasing digital sharia financial inclusion does not necessarily increase the profitability of MSMEs that are managed for the sustainability of these MSMEs.

3. Simultaneous Significance Test Results (Statistical Test F)

The F test test is used to find out how much of a significant level the influence of the independent variables simultaneously or together on the dependent variable is. (Ghozali, 2011) Following are the results of the F test:

Table 8. F Test Results

ANOVAª

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	873.705	2	436.852	74.675	.000ᵇ
Residual	567.455	97	5.850		
Total	1441.160	99			

a. Dependent Variable: Profitabilitas (y)
b. Predictors: (Constant), Inklusi (x2), Literasi (x1)

Based on the results of the F test in table 8, it shows that the Fcount value is 74.675 with a significance of 0.000. Based on a significance level smaller than 0.05, it

can be concluded that this regression model can be said that digital Islamic financial literacy and inclusion affect the profitability of MSMEs.

Hypothesis 3: The effect of digital Islamic financial literacy and inclusion on MSME profitability

H0 : If the value of Sig. > 0.05 then there is no effect between the literacy variable and digital sharia financial inclusion on the profitability variable of MSMEs simultaneously.

Ha : If the value of Sig. <0.05 then there is an influence between the literacy variable and digital Islamic financial inclusion on the MSME profitability variable simultaneously.

With the exposure of the results above, H0 is rejected and Ha is accepted so that it can be concluded that the variables of digital Islamic financial literacy and inclusion have a simultaneous and significant effect on the profitability of MSMEs. This study shows that digital Islamic financial literacy and inclusion has an important role in increasing the profitability of an MSME for the sake of its business continuity. For business people and businesses, knowledge, ability, and behavior in managing finances play an important role in managing company finances, with an understanding of using Islamic financial transactions digitally, it can certainly increase the profitability of MSMEs for the sustainability of managed MSMEs.

DISCUSSION

This study aims to determine the effect of digital sharia financial literacy and inclusion either partially or simultaneously on the profitability of MSMEs domiciled in 17 sub-districts in Bantul Regency. Discussion of the test, as follows:

The effect of digital Islamic financial literacy on profitability

The first hypothesis in this study states that there is a positive influence between the digital Islamic financial literacy variable on the profitability variable. After calculating and analyzing multiple linear regression, the regression coefficient value is 0.392 and the probability is 0.000. This means that the probability is smaller than 0.05 so the researcher can conclude that the digital Islamic financial literacy variable has a positive influence on the profitability variable.

In previous research, namely research from (Sanistasya et al., 2019) who conducted research in East Kalimantan Province and the sample from this research was small business actors who attended education and training at the KUMKM Business Clinic, the Provincial Office of Industry, Trade, Cooperatives and SMEs. East Kalimantan in the third period (July - September 2018) in Balikpapan City, Samarinda City, Kutai Kartanegara Regency, East Kutai Regency as many as 100 units. The results of this study are that there is a positive and significant effect of financial literacy on business performance, in this previous study, it became one of the factors used as a reference in this study, because if business performance is good it will produce good profitability as well.

The effect of digital Islamic financial inclusion on profitability

Testing the second hypothesis states that there is no significant effect between the digital Islamic financial inclusion variables on the profitability variable. After calculating with multiple linear regression analysis, the regression coefficient value is 0.127 and the probability value is 0.131. This means that the probability is greater than 0.05 so that the researcher can conclude that the digital Islamic financial inclusion variable has no significant effect on the profitability variable. The insignificant effect of digital Islamic financial inclusion variables on the profitability of MSMEs is caused by the research sample on MSME actors who have not accessed Islamic financial institutions optimally both digitally and non-digitally.

The effect of digital Islamic financial inclusion variables on profitability is positive, but not significant on profitability. This condition shows that there is a tendency to move in the same direction on the digital Islamic financial inclusion variable with the profitability variable, although the influence of the movement is not significant. MSME actors do not pay attention to access to Islamic financial institutions both digitally and non-digitally. However, MSME actors do not completely ignore this, they are only not maximized, because profitability will determine how MSMEs are managed in the future. this is evidenced by the existence of a positive influence, although the influence is not statistically significant, but it is sufficient to illustrate that MSME actors do not ignore their profitability.

The simultaneous influence of digital Islamic financial literacy and inclusion on profitability

Based on the F test, the Fcount value is 74.675 with a probability of 0.000. Thus it can be interpreted that simultaneously the independent variables, namely literacy and digital Islamic financial inclusion simultaneously affect profitability. So, it can be concluded that the third hypothesis in this study is accepted because digital sharia literacy and inclusion affect the profitability of MSMEs in Bantul Regency. This can be interpreted that MSME actors pay attention to these two independent variables in achieving MSME profitability. The existence of simultaneous influence of independent variables on the dependent variable, then the third hypothesis is proven.

CONCLUSION

Based on the analysis and discussion, it can be concluded that digital Islamic financial literacy has a positive and significant impact on the profitability of MSMEs in Bantul Regency. This can be seen from the tcount value of 6.400 with a significance value of 0.000. Digital sharia financial inclusion has a positive but not significant effect on the profitability of MSMEs in Bantul Regency. This can be seen from the tcount value of 1.524 with a significance value of 0.131. Digital sharia literacy and inclusion simultaneously affect the profitability of MSMEs in Bantul Regency. This can be seen from the Fcount value of 74.675 with a significance value of 0.000.

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