

Bridging the Capability Gap among Women-Owned MSMEs: From Financial Access to Financial Resilience

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Abstract

Expanding access to formal financial services has become a central strategy for promoting entrepreneurship and reducing economic exclusion. Yet, access to financial products and services does not necessarily translate into the capacity of micro, small and medium enterprises (MSMEs) to withstand financial shocks, manage resource constraints, or recover from periods of disruption. This distinction is particularly important for women-owned MSMEs, which frequently operate within interconnected financial, informational, technological, institutional, and social constraints. This conceptual article challenges the implicit assumption that greater financial access necessarily produces stronger financial resilience. It proposes an access–capability–utilisation–resilience perspective in which financial inclusion provides access to financial resources, while enterprise capabilities determine whether those resources can be effectively mobilised and converted into resilient financial outcomes. The article identifies four interrelated capability domains, namely financial capability, informational capability, digital capability, and relational capability, as potential mechanisms connecting financial access with financial resilience. It further argues that structural and gender-related constraints may limit the conversion of financial access into meaningful enterprise outcomes among women entrepreneurs. By repositioning financial inclusion as an enabling resource rather than an end outcome, the proposed framework provides a basis for future empirical research on how women-owned MSMEs transform financial resources into capabilities for coping, adaptation, and recovery. The framework also highlights the need for entrepreneurship and financial inclusion policies to complement access-oriented interventions with capability-building mechanisms.

Keywords: financial inclusion, financial resilience, financial capability, informational capability, digital capability, relational capability

1. Introduction

Financial inclusion has become an important component of international development strategies because access to appropriate financial services can reduce financing constraints, facilitate productive investment, improve financial management, and broaden participation in formal economic systems. For entrepreneurs and micro, small and medium enterprises (MSMEs), access to savings, payments, financing, insurance,

and other financial services can provide resources required for business establishment, operation, and expansion. However, the developmental value of financial inclusion cannot be inferred solely from the availability or ownership of financial products. Access represents an opportunity to obtain financial resources, whereas meaningful economic outcomes depend on whether individuals and firms possess the capabilities required to select, utilise, manage, and adapt those resources to changing circumstances. Consequently, a distinction needs to be made between being financially included and being financially resilient.

This distinction has become increasingly important as financial resilience has gained attention following successive economic disruptions and periods of financial uncertainty. Financial resilience broadly concerns the capacity to withstand, respond to, and recover from adverse financial events while maintaining essential financial functions. Evidence from Malaysia demonstrates that financial resilience is associated with more than resource availability alone. Hamid et al. (2023) [1], using Malaysian financial capability and inclusion data, showed that financial resilience varies according to financial knowledge, financial inclusion, and socioeconomic characteristics. Their findings indicate that access to the financial system forms only part of a wider configuration of factors influencing the ability to manage financial difficulties. More recent conceptual work similarly treats financial resilience as multidimensional rather than simply the presence of financial assets or formal financial access. This suggests that financial inclusion and financial resilience should be conceptually connected but not treated as interchangeable outcomes [1, 2].

The distinction is especially relevant to women-owned enterprises. Women entrepreneurs make substantial contributions to employment, production, household welfare, and local economic activity, yet their entrepreneurial activities continue to be shaped by intersecting constraints. OECD (2021a) [3] identifies persistent barriers related to entrepreneurship skills, access to financial capital, networks, regulatory environments, and gendered social conditions. More recent OECD evidence continues to identify access to finance as an important constraint for women entrepreneurs, despite extensive policy efforts aimed at expanding entrepreneurial participation [4]. The World Bank (2024) [5] likewise identifies human capital, skills and networks, access to finance, technology adoption, market access, regulatory conditions, and social norms as interrelated constraints affecting women-led enterprises. These observations suggest that the challenges confronting women entrepreneurs cannot be reduced to a single shortage of finance. Rather, their ability to benefit from finance is embedded within the broader set of capabilities and conditions through which financial resources are deployed.

Malaysia provides a particularly relevant setting illustrating the economic importance of this issue. The Department of Statistics Malaysia reported 219,015 women-owned establishments in 2022, equivalent to 20.1% of all establishments in the economy. These businesses generated RM136.9 billion in gross output and RM61.4 billion in value added and engaged 979,812 persons [6]. The scale of this contribution demonstrates that strengthening the sustainability and resilience of women-owned businesses has implications extending beyond individual entrepreneurs to employment and broader economic activity. At the same time, the substantial presence of women-owned establishments should not be interpreted as evidence that financial vulnerabilities have been resolved. Participation in the economy and access to formal financial services are analytically different from the ability to absorb financial disturbances and sustain business operations.

Much of the policy discussion surrounding financial inclusion has historically concentrated on removing barriers to access and increasing participation in formal financial systems. Such objectives remain

necessary. Women entrepreneurs continue to experience both supply-side and demand-side financing constraints, including differences in access to external capital, financing networks, collateral, entrepreneurial skills, and financial confidence [3, 7]. However, an access-centred perspective becomes incomplete when financial inclusion is implicitly assumed to generate positive business outcomes once financial services become available. Having access to credit does not establish that financing will be appropriately allocated. Holding an account does not establish effective cash-flow management. Access to digital financial services does not ensure that digital tools are integrated into business decision-making. Similarly, access to insurance or savings facilities does not necessarily demonstrate adequate preparation for financial shocks. The central analytical issue is therefore not merely whether financial resources are accessible, but whether entrepreneurs possess sufficient capability to transform access into effective utilisation.

This article conceptualises this problem as an access–capability gap. Financial access creates opportunities to acquire and mobilise resources, but the economic value of those resources depends upon the capabilities through which they are understood, selected, combined, and deployed. This reasoning shifts analytical attention from financial inclusion as a final achievement towards financial inclusion as an enabling condition. Within this perspective, financial resilience emerges not automatically from access but from the effective utilisation of accessible resources under both ordinary and adverse conditions. A financially included enterprise may therefore remain financially vulnerable when financial knowledge is weak, information is inadequate, digital tools are poorly integrated, or supportive networks are limited.

Four capability domains are proposed as particularly relevant to this conversion process. Financial capability concerns the capacity to interpret financial information, plan, budget, manage liquidity, assess financing options, and make informed financial decisions. Informational capability concerns access to and interpretation of information necessary for market and financial decision-making. Digital capability represents the ability to incorporate digital systems and tools into transactions, financial management, communication, record keeping, and other business processes rather than merely possessing access to technology. Relational capability refers to the ability to obtain information, advice, resources, referrals, and support through business, institutional, and social networks. These capabilities are analytically distinct but potentially complementary. Their interaction may determine whether financial access is translated into productive utilisation and, ultimately, stronger financial resilience.

This capability perspective is especially useful for women-owned MSMEs because gender-related entrepreneurial constraints frequently occur simultaneously rather than independently. Limited financing may interact with narrower professional networks; information constraints may coexist with weaker access to training; digital opportunities may be present without sufficient capability for meaningful adoption; and institutional programmes may expand financial availability without addressing the knowledge or organisational capacities needed to use those resources effectively. OECD (2021a) [3] emphasises precisely this multidimensionality by identifying finance, skills, networks, entrepreneurship ecosystems, and regulatory institutions as interconnected policy areas affecting women's entrepreneurship. Accordingly, interventions directed only at financing availability may alleviate one constraint while leaving other barriers to effective resource mobilisation unchanged.

The problem therefore extends beyond the familiar question of whether women entrepreneurs have sufficient access to finance. A more precise question is how and under what capability conditions does financial access become financial resilience? Existing studies have generated substantial evidence separately on financial inclusion, financial literacy, entrepreneurship constraints, and financial resilience.

Nevertheless, these streams can be connected more explicitly through a conversion mechanism that distinguishes resource access from resource utilisation and eventual resilience outcomes. This distinction is important because it avoids attributing developmental outcomes directly to financial access without examining the capabilities through which those outcomes are produced.

Accordingly, this conceptual article has three objectives. First, it re-examines the assumption that increased financial access necessarily strengthens the financial resilience of women-owned MSMEs. Second, it develops an access–capability–utilisation–resilience framework to explain how financial resources may be converted into resilience through financial, informational, digital, and relational capabilities. Third, it identifies implications for future empirical research and policy design by shifting attention from expanding financial access alone towards strengthening the capabilities required to derive resilient outcomes from that access.

The article contributes to the literature in three respects. Conceptually, it differentiates financial inclusion as resource availability from financial resilience as a capability-dependent outcome. Analytically, it introduces the capability conversion process as the missing mechanism between access and resilience. Contextually, it applies this reasoning to women-owned MSMEs, for which financial access is embedded within broader financial, social, technological, and institutional constraints. The resulting framework provides a foundation for examining not only whether women-owned MSMEs are financially included but, more importantly, whether they are capable of converting inclusion into sustained financial resilience.

2. From Financial Inclusion to Financial Resilience: Reconsidering the Access Assumption

Financial inclusion is commonly associated with the availability, accessibility, affordability, and use of formal financial services. At its core, the concept seeks to ensure that individuals and businesses are able to access financial products that correspond with their economic needs. For MSMEs, such access can include transaction accounts, savings facilities, credit, insurance, payment services, and increasingly, digitally delivered financial products. These services can reduce transactional constraints and provide enterprises with financial resources that support day-to-day operations, investment, and business expansion. Nevertheless, the presence of financial access does not establish that those resources are used effectively or that firms are sufficiently prepared to withstand financial disruption.

This distinction has become increasingly visible in the evolution of financial inclusion measurement itself. The Global Findex Database, for example, distinguishes ownership and access to financial accounts from the ways in which individuals actually use payments, savings, borrowing, and other financial services. Its more recent framework also connects financial inclusion with financial well-being and resilience, including the capacity to obtain emergency funds when faced with an unexpected expense [8]. This progression is important because it demonstrates that financial access represents only one stage in a broader financial process. An individual or enterprise may be connected to the formal financial system without necessarily possessing adequate liquidity, emergency resources, or financial management capacity to respond effectively to financial stress.

The same distinction is relevant at the enterprise level. Access to external financing can ease capital constraints, but financing alone cannot guarantee sound cash-flow management, appropriate debt utilisation, effective financial planning, or preparedness for unexpected disruption. Indeed, MSMEs may simultaneously experience formal financial access and considerable financial vulnerability. Credit can provide working capital but may also increase financial fragility when repayment obligations are not adequately matched with business cash flows. Similarly, access to savings products creates an opportunity

to accumulate financial buffers, but the existence of the product does not guarantee that adequate reserves will be maintained. The developmental value of financial inclusion therefore depends not only on whether resources are available but also on how those resources are managed.

This issue is particularly significant for MSMEs because financial decisions are often closely connected to the knowledge and decision-making capability of the owner-manager. Unlike larger enterprises, which may possess specialist finance departments and formal risk-management structures, smaller firms frequently rely on entrepreneurs themselves to manage financing, budgeting, working capital, and investment decisions. Atkinson (2017) [9] highlights that financial education for MSMEs is relevant not only to obtaining finance but also to strengthening entrepreneurs' money-management skills. The implication is important: financial inclusion may expand the financial opportunities available to an enterprise, while financial capability affects whether those opportunities are recognised, assessed, and used appropriately.

Financial resilience represents a different, although related, outcome. Rather than indicating whether financial services are available, resilience concerns the ability to withstand and respond to financial adversity. The OECD (2021b) [10] relates financial resilience to the ability to cope with financial shocks and explicitly connects it with financial literacy, financial inclusion, and longer-term financial well-being. This framing moves the discussion beyond participation in the financial system towards the capacity to manage financial disruption. Financial resilience therefore incorporates an adaptive dimension: resources must not only be accessible but must also be sufficiently understood, organised, and mobilised when circumstances change.

Empirical evidence from Malaysia supports this distinction. Hamid et al. (2023) [1] examined financial resilience using dimensions that included maintaining control over money, meeting expenditures, having a financial cushion, dealing with financial shortfalls, and undertaking financial planning. Financial inclusion was positively associated with financial resilience, but financial knowledge also emerged as an important determinant. The findings therefore do not imply that inclusion and resilience are equivalent. Rather, they indicate that financial resilience develops within a broader configuration of financial resources, knowledge, and socioeconomic conditions. Access may contribute to resilience, but the capacity to manage those resources remains consequential.

The importance of this distinction is even clearer when the unit of analysis shifts from individuals to MSMEs. Aassouli and Ahmed (2023) [11] argue that financial literacy initiatives targeting entrepreneurs frequently give insufficient consideration to financial resilience, particularly during periods of crisis. Their framework emphasises that financial literacy programmes for entrepreneurs should be designed not merely around conventional financial knowledge but around the financial decisions and vulnerabilities that become critical during disruptions. This reinforces the argument that resource access and resilience-building capability should not be treated as substitutes. Financial inclusion can expand an enterprise's financial opportunity set, whereas resilience requires the capacity to deploy those opportunities in ways that preserve business continuity under stress.

This distinction can be expressed through three analytically separate stages: access, utilisation, and outcome. Access concerns whether financial resources and services are available to the enterprise. Utilisation concerns whether those resources are selected, combined, and deployed in ways appropriate to business needs. Outcome concerns whether their deployment improves the firm's ability to maintain financial stability, respond to shocks, or recover from disruption. Conflating these stages risks attributing

outcomes directly to access even when the mechanism through which financial services generate those outcomes has not been established.

The access-utilisation distinction is particularly important in the context of digital financial services. Digitalisation can reduce transaction costs, broaden payment options, and increase the speed with which entrepreneurs interact with financial institutions. Nevertheless, digital access does not necessarily imply effective digital use. Entrepreneurs may possess mobile banking applications, digital payment accounts, or online financing channels while lacking the knowledge, confidence, information, or organisational routines needed to integrate them effectively into business operations. This issue has led the OECD (2021b) [10] to emphasise digital financial literacy as an important component of financial resilience rather than assuming that digital financial inclusion itself produces resilient outcomes.

For women-owned MSMEs, the distinction between access and effective utilisation becomes particularly salient because financial decisions are embedded in wider entrepreneurial conditions. Evidence from Asia demonstrates that women entrepreneurs may face barriers not only to obtaining finance but also to using digital financial services and accessing entrepreneurial support systems. For example, the Asian Development Bank's analysis of women-owned MSMEs in the Philippines identifies persistent differences in access to credit and use of digital financial services, while also emphasising the importance of training and a supportive entrepreneurial ecosystem [12]. Although this evidence is context-specific, it illustrates why financial access should be analysed alongside the complementary capabilities needed to use financial services effectively.

The Malaysian policy environment provides a similar indication that access and capability development are increasingly being treated as complementary rather than interchangeable interventions. Bank Negara Malaysia's iTEKAD programme, for example, combines seed capital and access to microfinance with structured financial and business training for low-income microentrepreneurs. This programme design implicitly recognises that financing alone may be insufficient when entrepreneurs also require stronger financial management and business capabilities. By March 2026, iTEKAD had reached more than 14,000 microentrepreneurs, while its programme architecture continued to integrate financial resources with capability development rather than treating the two as separate policy objectives [13].

This approach is also consistent with the broader direction of Malaysia's financial-sector policies. Bank Negara Malaysia reported that its 2025 initiatives under the Financial Sector Blueprint 2022–2026 combined measures to widen financing options for SMEs and microentrepreneurs with efforts to strengthen financial skills and literacy. The policy logic is therefore increasingly consistent with a multidimensional interpretation of financial inclusion in which access, capability, and resilience are mutually related but conceptually distinct [14].

Recent evidence on SME financing further reinforces the relevance of this distinction. OECD (2026b) [15] reported that outstanding SME financing in Malaysia reached RM418 billion in 2024 and that MSMEs accounted for approximately 51% of total business loans. Financing approvals also remained strong. These developments demonstrate substantial progress in the availability of formal financing to MSMEs. Nevertheless, expanding financing volumes does not by itself establish whether individual enterprises possess sufficient liquidity management, financial planning, digital capability, or risk-management capacity to withstand adverse events. Increased access therefore represents an important condition for enterprise development, but it is not an adequate proxy for financial resilience.

Accordingly, financial inclusion is more appropriately conceptualised as an enabling resource than as a guaranteed resilient outcome. It expands the range of financial resources and instruments available to an

enterprise. Financial resilience, by contrast, reflects what the enterprise is capable of doing with available and accumulated resources when financial conditions deteriorate. Between these two conditions lies a conversion process. Financial resources must be interpreted, allocated, combined with other resources, and mobilised through appropriate decisions before they can contribute to resilient outcomes.

This conversion perspective helps explain why similar levels of financial access may produce different outcomes across enterprises. Two firms may have access to comparable financing facilities but use them differently. One entrepreneur may use financing to stabilise working capital, maintain liquidity reserves, invest selectively, and respond rapidly to disruption. Another may experience repayment pressure, inadequate cash-flow monitoring, or poorly timed investment despite having equivalent formal access to finance. The difference cannot be explained by access alone. It points instead to heterogeneity in the capabilities through which financial resources are converted into business outcomes.

The central argument of this article therefore moves beyond the proposition that financial inclusion contributes to financial resilience. The more theoretically important issue concerns the mechanism of conversion between the two. Financial inclusion may provide financial resources and opportunities, but these become resilience-enhancing only when entrepreneurs possess sufficient capabilities to understand, organise, utilise, and adapt them to changing business conditions. This creates the basis for the access–capability–utilisation–resilience framework developed in the subsequent sections.

3. The Access-Capability Gap: Explaining the Missing Conversion Mechanism

The distinction between financial access and financial resilience raises a more fundamental question: why does greater access to financial resources not produce comparable outcomes across enterprises? If financial inclusion were sufficient in itself, enterprises with broadly similar access to formal accounts, financing, payments, savings, or insurance would be expected to derive relatively similar financial benefits. In practice, however, access does not eliminate differences in financial behaviour, resource management, or vulnerability to financial shocks. This suggests that an intermediate process exists between the availability of financial resources and the outcomes eventually generated from those resources. In this article, this intermediate problem is conceptualised as the access-capability gap.

The access-capability gap refers to the gap between gaining access to financial opportunities and possessing the capability to convert those opportunities into appropriate financial actions and resilient outcomes. This distinction is consistent with established financial capability literature. Sherraden (2010) [16] argued that financial capability involves both the ability to act, reflected in knowledge, skills, confidence, and motivation, and the opportunity to act, which depends upon access to appropriate financial products and institutional arrangements. Accordingly, financial literacy and financial inclusion address different but complementary dimensions of financial capability rather than functioning as interchangeable concepts.

More recent scholarship reinforces this interpretation. Xiao et al. (2022) [17], in a systematic review of 215 studies, conceptualised financial capability as the ability to apply appropriate financial knowledge, perform desirable financial behaviours, and take advantage of available financial opportunities in pursuit of financial well-being. Their formulation is particularly useful for the present article because it separates three elements that are often implicitly combined: what an individual knows, how that knowledge is translated into behaviour, and whether the external environment provides opportunities that can actually be used.

This reasoning also resonates with the broader capability approach, which shifts attention away from possession of resources alone towards what individuals are genuinely able to achieve with those resources. Nussbaum (2011) [18], building on the capability tradition, emphasises the distinction between resources and the real opportunities available to individuals to convert them into valued outcomes. The relevance of this perspective to financial inclusion is clear. Financial access can enlarge an entrepreneur's resource environment, but access alone cannot determine what the entrepreneur is ultimately able to accomplish. The conversion of resources into outcomes depends on both internal capabilities and external conditions. Financial capability therefore extends beyond conventional financial literacy. Financial literacy contributes knowledge and understanding, but capability concerns whether such knowledge can be mobilised in actual decision-making. This distinction is supported by empirical literature questioning the assumption that financial knowledge automatically produces financial behaviour. Fernandes et al. (2014) [19], based on a meta-analysis covering 201 prior studies, found that financial education interventions had relatively limited downstream effects on financial behaviour and that observed associations between financial literacy and behaviour were sensitive to omitted psychological characteristics. Their findings do not imply that financial literacy is unimportant. Rather, they demonstrate that possessing knowledge and translating knowledge into behaviour are distinct processes.

Kaiser and Menkhoff (2017) [20] reached a more nuanced conclusion. Their meta-analysis of 126 impact evaluations found that financial education significantly improved both literacy and behaviour, but the effects were heterogeneous and weaker among lower-income groups and in some developing-economy settings. The effectiveness of financial education also depended on intervention intensity and the context in which learning occurred. Taken together with Fernandes et al. (2014) [19], this evidence suggests that financial knowledge can support improved behaviour, but behavioural outcomes remain conditional on context, opportunity, timing, and the capacity to apply knowledge effectively.

The distinction becomes even more important when financial resilience is considered. Lusardi et al. (2021) [21] demonstrated that financial fragility is strongly associated with financial literacy and that individuals with weaker financial knowledge may be poorly prepared to navigate complex decisions during periods of financial stress. Their findings establish a clear connection between financial knowledge and resilience but also underline the importance of application under adverse conditions. Resilience requires more than recognising financial concepts. Financial resources must be organised and mobilised when shocks actually occur.

At the MSME level, the conversion problem becomes more complex because financial decisions are embedded within ongoing business operations. Financing decisions interact with cash-flow management, pricing, inventory, customer payments, supplier obligations, debt servicing, record keeping, and investment. Consequently, owner-managers may possess adequate general financial knowledge while remaining constrained by poor records, inadequate information, weak organisational routines, limited technological capability, or insufficient external support. Capability should therefore be understood not merely as an individual cognitive attribute but as an enterprise-level capacity to mobilise available resources through complementary knowledge, systems, practices, and relationships.

Evidence from MSMEs experiencing severe disruption supports this broader interpretation. Nassuna et al. (2023) [22], examining MSMEs that continued to grow during the COVID-19 period, found that financial resilience was associated with a combination of savings, financial knowledge, experience, innovative leadership, social capital, client relationships, and access to financial capital. The significance of these

findings lies in the combination of factors involved. Financial resources were important, but resilience emerged alongside managerial knowledge, experience, relationships, and adaptive practices.

This complementarity provides an important basis for the access-capability gap. Financial access may create a resource opportunity, but its value depends on whether other capabilities allow that resource to be deployed effectively. A working-capital facility, for example, may enable one enterprise to stabilise liquidity and preserve productive operations, while another enterprise with comparable access may experience repayment pressure because cash flows are inadequately monitored. The difference cannot be explained by access alone. It depends partly on the financial and managerial capability surrounding the resource.

The digitalisation of finance further strengthens the need to distinguish access from capability. Digital financial services increasingly allow entrepreneurs to transact, save, borrow, receive payments, and manage financial information through digital channels. Yet digital access is not equivalent to digital financial capability. Lyons and Kass-Hanna (2021) [23] argue that financial literacy in digital environments requires an integration of financial and digital competencies because digital financial decision-making introduces additional informational, technological, and behavioural demands.

Recent competence frameworks make a similar distinction. The European Union and OECD (2022) [24] identify knowledge and understanding, skills and behaviour, and confidence, motivation, and attitudes as interconnected components of financial competence. More recent ASEAN guidance extends this logic directly into digital finance, emphasising the competencies required to navigate increasingly digitalised financial products and services safely and effectively [25]. These frameworks indicate that the mere availability of digital financial services does not establish effective capability to use them.

For an MSME owner, this difference can be substantial. An entrepreneur may accept digital payments but make little use of transaction records for forecasting or cash-flow planning. A firm may operate mobile banking without integrating digital information into bookkeeping or financial control. An owner-manager may have access to online financing but lack the ability to evaluate repayment structures, platform risks, data security, or financing suitability. The relevant progression is therefore not simply from digital access to digital use, but from access to informed and purposeful integration.

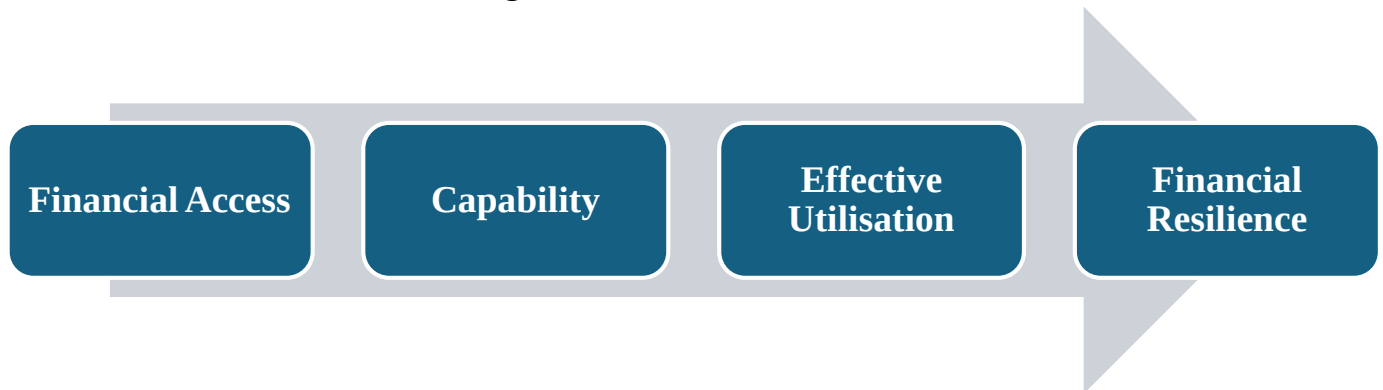
Evidence involving women entrepreneurs further supports this argument. Sari et al. (2024) [26], using data from 208 women entrepreneurs in Indonesia, found that digital financial literacy significantly influenced financial behaviour and contributed to financial resilience through current and future-oriented financial decisions. The study is important because it demonstrates that digital financial literacy functions through behavioural mechanisms rather than merely through technological access.

Similarly, Dzulkepli's (2024) [27] structured review of literature on women entrepreneurs identified continuing interactions among financial literacy, digital inclusion, sociocultural barriers, education, and access to financial services and technologies. These findings suggest that financial and digital inclusion among women entrepreneurs are conditioned by a broader capability environment rather than determined solely by the availability of financial technologies.

The importance of complementary capability is also visible in institutional practice. Bank Negara Malaysia's iTEKAD programme combines seed capital and microfinance with structured financial and business training rather than treating financing access as a standalone intervention. Its design therefore reflects an implicit recognition that entrepreneurs may require both resources and the capability to manage those resources productively.

The access-capability gap can therefore be represented as a four-stage process:

Figure 1: Conversion Process



- **Financial access** refers to the availability and accessibility of financial services and resources.
- **Capability** concerns whether the enterprise possesses the knowledge, skills, information, technologies, organisational practices, and relationships required to mobilise those resources.
- **Effective utilisation** refers to their actual deployment in ways that correspond with business needs.
- **Financial resilience** represents the capacity to absorb financial stress, maintain essential financial functions, adapt to changing circumstances, and recover from disruption.

These stages are interconnected but should not be collapsed conceptually. Access does not guarantee utilisation, and utilisation does not necessarily guarantee resilience. Resources may be accessed but poorly allocated. Financial services may be used without contributing to liquidity, preparedness, or adaptability. Conversely, enterprises with stronger capability may derive greater value from relatively similar resource endowments because they are better able to interpret information, coordinate decisions, and mobilise resources at appropriate times.

This distinction allows financial inclusion to be conceptualised as an enabling condition, while capability functions as a conversion mechanism. The capability concept explains why similar levels of formal financial inclusion may generate heterogeneous enterprise outcomes. Two firms may both possess transaction accounts, digital payment facilities, and formal financing, yet one may use these resources systematically for liquidity management, record keeping, planning, and adaptation while the other derives only limited operational value from them. Conventional indicators may classify both enterprises as financially included, but a capability perspective predicts differences in the outcomes arising from that inclusion.

Importantly, this broader capability perspective does not diminish the role of financial literacy. Financial literacy remains fundamental because entrepreneurs must understand financial information, costs, risks, and available choices. The distinction is that literacy represents one component of capability rather than the entire conversion mechanism. Xiao et al. (2022) [17] explicitly connect knowledge with behaviour and opportunity, while Sherraden's capability framework connects individual ability with institutional access. Financial capability therefore provides a stronger conceptual bridge between financial inclusion and financial resilience than financial knowledge alone.

The same reasoning suggests that capabilities are likely to be complementary. Financial knowledge may generate limited benefits when business information is unavailable. Digital systems may generate little value when the entrepreneur cannot interpret the information they produce. Networks may provide financing opportunities, but those opportunities can remain underutilised when financial planning and

management practices are weak. Nassuna et al. (2023) [22] provide empirical support for this multidimensional interpretation by demonstrating that resilient MSMEs relied simultaneously on financial knowledge, savings, leadership, social capital, experience, and external financial resources.

This complementarity may be particularly relevant among women-owned MSMEs because financial, technological, social, and institutional constraints frequently overlap. Dzulkepli (2024) [27] shows that financial literacy and digital inclusion among women entrepreneurs intersect with sociocultural and educational barriers. Sari et al. (2024) [26] further show that digital financial literacy can influence resilience through financial behaviour. Together, these findings indicate that expanding financial access without addressing complementary capability constraints may generate uneven outcomes among women entrepreneurs.

On this basis, the following section develops four capability domains that appear particularly relevant to the conversion process among women-owned MSMEs: financial capability, informational capability, digital capability, and relational capability. These domains are not intended to constitute an exhaustive taxonomy. Rather, they represent complementary mechanisms through which accessible financial resources may acquire functional value and contribute to financial resilience.

Theoretically, the proposed perspective integrates financial capability with a broader resource-conversion logic. Financial access represents resource opportunity, capability determines whether those opportunities are convertible into action, effective utilisation captures realised resource deployment, and financial resilience represents the adaptive outcome of that deployment. This integration provides the theoretical basis for examining why similar levels of financial access can generate different resilience outcomes across enterprises.

4. Capability Domains Supporting the Conversion of Financial Access into Financial Resilience

The access-capability perspective developed in the preceding section suggests that financial resources acquire economic value through the capabilities that enable entrepreneurs to interpret, organise, and mobilise them. Capability is therefore unlikely to represent a single competence. MSMEs operate through interconnected financial, informational, technological, and relational processes, particularly because owner-managers frequently combine several managerial roles within the same enterprise. Four capability domains are particularly relevant to this conversion process: financial capability, informational capability, digital capability, and relational capability. In this framework, financial capability is one domain within a broader enterprise capability configuration rather than an umbrella term for all four domains. Although conceptually distinguishable, the domains are complementary and may reinforce one another in determining whether financial access contributes to resilience.

4.1 Financial Capability

Financial capability represents the most immediate capability through which financial access can be converted into purposeful financial action. It extends beyond the possession of financial knowledge by incorporating the ability to apply that knowledge through planning, budgeting, cash-flow management, borrowing, saving, risk assessment, and financial decision-making. Earlier financial capability literature similarly distinguishes the concept from financial literacy by emphasising actual financial behaviour and the ability to manage financial circumstances effectively [28]. More recent conceptual synthesis defines financial capability as the ability to apply appropriate financial knowledge, perform desirable financial behaviours, and take advantage of available financial opportunities in pursuit of financial well-being [17].

This distinction is especially important for MSMEs because the financial decisions of the enterprise are frequently concentrated in the owner-manager. Smaller firms often operate with limited liquidity buffers, less formalised financial systems, and fewer specialist personnel than larger organisations. Consequently, routine decisions concerning working capital, customer credit, supplier payments, debt servicing, savings, withdrawals, and investment may directly affect the capacity of the enterprise to absorb financial pressure. Financial capability therefore concerns not merely what an entrepreneur knows about finance, but whether financial knowledge can be translated into practices that support effective resource management and business continuity.

Evidence from Malaysia supports this distinction between financial literacy and broader financial capability. Mohamed et al. (2024) [29], using data from 231 Malaysian SME owners, found significant relationships between dimensions of financial literacy and financial capability. Their findings indicate that financial literacy contributes to financial capability, while capability captures a broader ability to engage in financial planning, expenditure management, liquidity management, and other financially consequential behaviours. This distinction is particularly relevant to the present framework because access to financial resources is unlikely to generate resilient outcomes when owner-managers lack the capacity to evaluate and manage those resources effectively.

The broader Malaysian financial capability framework is consistent with this interpretation. Bank Negara Malaysia's Financial Capability and Inclusion Demand Side Survey evaluates financial capability through financial knowledge, behaviour, and attitude, while its 2024 survey also incorporates financial well-being and digital financial literacy. This multidimensional approach reflects the view that financial capability cannot be reduced to knowledge alone and that the practical management of financial resources is increasingly connected to wider financial resilience concerns [30].

The importance of financial capability becomes more pronounced during periods of disruption. Under relatively stable conditions, deficiencies in financial practices may remain partly concealed by predictable cash flows or continued access to financing. During crises, however, liquidity shortages, repayment obligations, declining demand, and unexpected expenditure can intensify the consequences of weak financial management. Aassouli and Ahmed (2023) [11] argue that financial literacy programmes for SMEs should therefore move beyond general financial education and incorporate the financial decisions and vulnerabilities that become critical during crises, particularly those involving working capital, financing, indebtedness, and financial resilience.

This reasoning clarifies why financial access and financial capability should remain conceptually distinct. Access to credit does not determine whether borrowing is sustainable. Access to savings facilities does not ensure that adequate liquidity buffers are accumulated. Similarly, access to financial information does not guarantee that the information will be incorporated into planning, expenditure control, or risk assessment. Financial capability instead concerns the capacity to evaluate, select, manage, and mobilise available financial opportunities in accordance with enterprise needs.

For women-owned MSMEs, this distinction is particularly consequential because the usefulness of financial access can remain constrained by differences in prior financial experience, business scale, financial confidence, access to advisory support, and institutional conditions. Strengthening access to finance therefore does not eliminate the need for capability development. Rather, capability-building complements financial inclusion by increasing the likelihood that accessible financial resources will be translated into appropriate financial decisions and practices.

Within the proposed framework, financial capability therefore represents the enterprise's ability to evaluate, manage, and mobilise financial resources in ways that support business continuity and adaptation. It operates closest to the financial access component because it determines whether accessible financial instruments are translated into prudent borrowing, liquidity management, financial planning, resource buffering, and other practices that can contribute to financial resilience.

4.2 Informational Capability

Financial decisions are also information-dependent. Entrepreneurs need information concerning cash flows, financing terms, market conditions, customers, suppliers, costs, prices, risks, and changing business conditions before resources can be allocated effectively. Informational capability therefore refers to the capacity to acquire, interpret, combine, and use relevant information for business and financial decision-making.

This distinction is relevant to MSMEs because owner-managers frequently rely on relatively simple information systems when making both financial and operational decisions. In Malaysian SMEs, the usefulness of management accounting information has been associated with characteristics such as timeliness, scope, aggregation, and integration, indicating that the value of information depends on whether it can support actual managerial decision-making [31]. This is important to the proposed framework because financial access may create resource opportunities, but those opportunities cannot be evaluated effectively when business information is incomplete or poorly interpreted.

Informational capability also complements financial capability. Financial capability concerns the ability to evaluate and manage financial resources, whereas informational capability concerns the evidential basis on which those decisions are made. An entrepreneur may understand the importance of cash-flow management, for example, but still be unable to anticipate liquidity pressure when financial records are incomplete or untimely. Under changing conditions, the ability to process relevant information becomes even more important because firms must reassess customer demand, operating costs, financing conditions, and resource requirements as uncertainty increases. Organisational information-processing theory similarly links higher uncertainty with greater information-processing requirements [32].

Recent evidence also suggests that stronger information-processing capability can support organisational resilience by improving information efficiency and information quality. Lu et al. (2026) [33], although examining larger Chinese firms, found that information-processing capability strengthened firm resilience through these mechanisms. The study is not direct evidence for women-owned MSMEs, but it supports the broader logic that resilience depends partly on the ability to convert changing information into timely organisational responses.

For women-owned MSMEs, the relevance of informational capability is reinforced by the wider financing environment. OECD/GWEP (2025) identifies information gaps and asymmetries as part of the constraints affecting women entrepreneurs' access to finance. Such conditions can limit the ability to identify suitable financing opportunities, assess alternatives, and communicate business viability to external finance providers.

Within the proposed Access-Capability-Utilisation-Resilience Framework, informational capability therefore functions as a decision-enabling capability. Its role is not to generate financial resilience directly, but to improve the quality and timeliness of decisions about when resources are needed, which options are appropriate, and how available resources should be deployed. In this way, informational capability supports the conversion of financial access into effective resource utilisation.

4.3 Digital Capability

Digital capability refers, in this framework, to the enterprise's ability to integrate digital technologies into financial and business processes in ways that improve the use and coordination of resources. It is therefore distinct from the mere possession or adoption of digital tools. An enterprise may use digital payments, online banking, accounting software, or social media without necessarily embedding these technologies into routines that improve financial control, information use, customer management, or operational decision-making.

This distinction is important because technology creates value only when it becomes functionally integrated into the way the enterprise operates. Digital adoption indicates that a technology is present or being used, whereas digital capability concerns whether that technology can be mobilised to support business processes. In Malaysian small and medium practices, Taib et al. (2025) [34] found that digital capabilities were positively associated with organisational resilience. Their conceptualisation included human, collaborative, innovative, and technological dimensions, indicating that digital capability extends beyond technical infrastructure alone and depends on the broader organisational ability to use digital resources effectively.

The value of digital capability becomes clearer when its role in resource utilisation is considered. Digital technologies can improve the speed of transactions, strengthen record keeping, facilitate communication, widen customer access, and provide more timely financial and operational information. However, these benefits are not automatic. A digital accounting system may generate detailed transaction records without improving cash-flow management if those records are not incorporated into planning. Similarly, digital banking may increase transaction convenience without improving financial decision-making. The resilience value of digital capability therefore lies in the extent to which technologies are embedded into business routines that support continuity, responsiveness, and adaptation.

Evidence from women-owned enterprises further illustrates this distinction. Yeong et al. (2023) [35], examining women-owned MSMEs in Malaysia, found that e-business adoption contributed to sales performance and operational efficiency, while organisational readiness and management support influenced the extent to which digital technologies were effectively adopted and used. Their findings suggest that the outcomes associated with digitalisation depend not only on access to technology but also on the conditions that enable enterprises to integrate it into business activities. Yeong et al. (2022) [36] similarly emphasise that the value of e-business for Malaysian women-owned SMEs depends on actual organisational adoption and integration rather than technology availability alone.

The timing and embeddedness of technology may also matter for resilience. Njiwa et al. (2023) [37], using data from 9,035 firms across 24 countries, found that technology adoption affected business resilience differently depending on whether firms had adopted technology before or during the COVID-19 crisis. Although their study focuses on adoption rather than digital capability directly, the findings indicate that technological preparedness and established digital use can shape how effectively firms respond to disruption.

For women-owned MSMEs, this capability is particularly relevant because digitalisation can simultaneously widen access and create additional demands. Digital finance can reduce physical barriers to financial services, while e-commerce and digital communication can expand market access. At the same time, entrepreneurs must be able to select appropriate technologies, integrate digital records into decision-making, manage online transactions, and use digital platforms in ways that support business continuity.

The benefits of digitalisation therefore depend less on whether technology is available than on whether it becomes embedded within the enterprise's financial and operational processes.

Within the proposed Access-Capability-Utilisation-Resilience Framework, digital capability therefore represents the ability to derive functional value from digital technologies through their integration into business processes. Its contribution to financial resilience is indirect: digital capability strengthens the speed, flexibility, and continuity with which resources can be accessed, coordinated, and deployed, thereby supporting more effective resource utilisation under both normal and disruptive conditions.

4.4 Relational Capability

Relational capability is conceptualised in this framework as the enterprise's ability to develop, maintain, and activate external relationships in order to access resources that may not be available internally. For women-owned MSMEs, such relationships may involve customers, suppliers, financial institutions, business associations, government agencies, peers, and community-based organisations. The value of these relationships lies not simply in their existence, but in whether they can be mobilised when additional information, expertise, financing, or institutional support is required.

This capability is particularly relevant to MSMEs because smaller firms often operate with more limited resource bases and are therefore more exposed when disruption exceeds their internal capacity. Mustafa et al. (2026) [38] show that external relationships can support organisational resilience by widening access to financial assistance, expertise, information, and other resources during periods of disruption. Relational capability therefore extends the effective resource base of the enterprise by enabling external resources to become accessible when internal resources are insufficient.

The resource-mobilisation function of relationships is also evident in small-business recovery. Torres et al. (2019) [39], examining small firms affected by Hurricane Katrina, found that community-based and institutional relationships contributed to business resilience following the disaster. Their findings demonstrate that external connections can become economically consequential when they provide resources and support that assist firms in coping with and recovering from disruption.

Evidence from the COVID-19 period provides a similar indication. Branicki et al. (2022) [40] found that SMEs with stronger relationship-based resources were better able to develop broader resource repertoires and capabilities during the crisis. Their findings are important to the present framework because they show that external relationships do not operate only as passive connections. Their value emerges when they enable firms to obtain, combine, and mobilise resources in response to changing conditions.

The relevance of this capability is especially apparent among women-owned enterprises. Odoch et al. (2024) [41], studying 384 women-owned SMEs following the COVID-19 pandemic, found that different forms of relationship-based resources contributed differently to financial resilience. This suggests that the usefulness of external relationships depends on the type of resources and support that can be accessed through them rather than on the presence of network connections alone.

Malaysian evidence also indicates that relationships do not produce identical entrepreneurial outcomes simply because they exist. Chong et al. (2026) [42], examining Muslim women entrepreneurs in Malaysia, reported different effects across relationship-related dimensions. Although their study focuses on entrepreneurial outcomes rather than financial resilience, the findings reinforce the importance of considering the functional quality of relationships rather than assuming that a larger or more extensive network necessarily produces stronger outcomes.

Accordingly, in this Access-Capability-Utilisation-Resilience Framework, relational capability represents the ability of women-owned MSMEs to mobilise external resources through functional relationships. Its

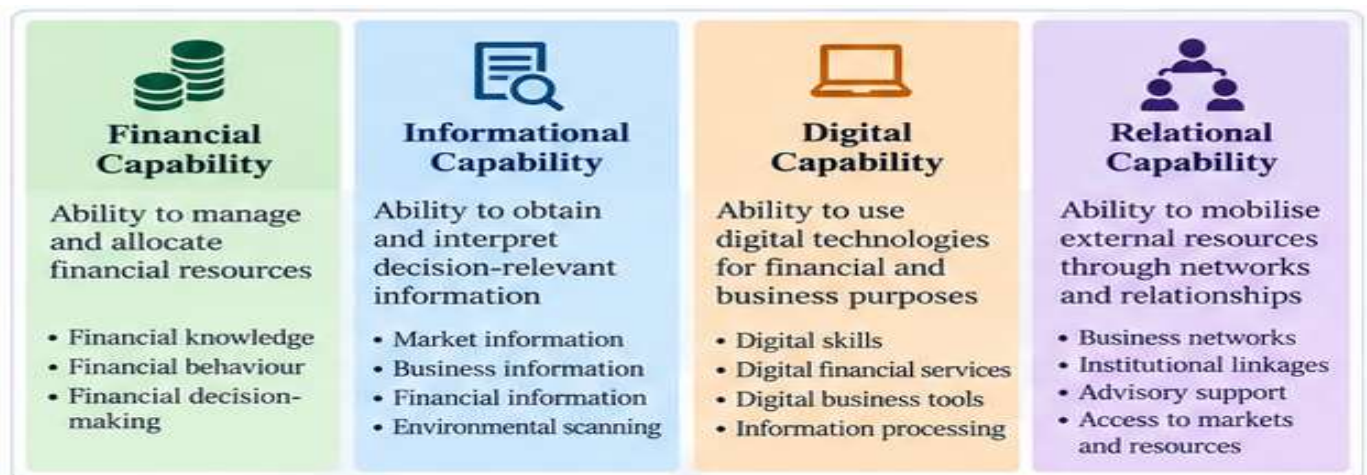
contribution to resilience is not assumed to be direct. Rather, relational capability enlarges the set of resources available to the enterprise by facilitating access to information, expertise, financial opportunities, and institutional support that can subsequently be incorporated into resource-utilisation decisions. In this way, relational capability forms one component of the broader capability configuration through which financial access can be converted into more effective resource utilisation and, ultimately, financial resilience.

4.5 Capability Complementarity and the Conversion of Financial Access

The four capability domains are not intended to operate as isolated pathways. In this framework, their significance lies partly in the way they reinforce one another during the conversion of financial access into effective resource utilisation. Financial capability supports the evaluation and management of financial resources, informational capability provides the evidence required for those decisions, digital capability strengthens the processes through which information and transactions are accessed and coordinated, while relational capability extends the resource base available to the enterprise. The effectiveness of one capability may therefore depend on whether other complementary capabilities are sufficiently developed. This complementarity becomes particularly important when financial resources must be mobilised under changing conditions. Access to financing, for example, may provide little resilience value when the entrepreneur lacks the financial capability to assess repayment obligations or the informational capability to evaluate future cash-flow requirements. Likewise, digital systems may generate transaction data without improving financial decisions when those data are not interpreted effectively. External relationships may also provide information or financing opportunities, but such opportunities may remain underutilised when the enterprise lacks the capability to evaluate and integrate them into business decisions. In this framework, capability configuration therefore matters because resource utilisation often requires several capabilities to operate together rather than sequentially or independently.

Evidence from MSME resilience research is consistent with this configuration perspective. Nassuna et al. (2023) [22] found that financially resilient MSMEs combined several resources, including financial knowledge, savings, experience, leadership, social capital, customer relationships, and access to finance, rather than depending upon a single determinant. Resilience thus appears to emerge from the mobilisation and combination of complementary resources and capabilities.

Figure 2: Four Capability Domains



Moreover, the relevance of such combinations is particularly apparent among women entrepreneurs, whose financial and business conditions may be shaped by several overlapping capability constraints. Dzulkepli (2024) [27], in a structured review of research on women entrepreneurs, identified financial literacy and digital inclusion as interconnected with broader barriers involving education, access to financial services, digital technologies, and sociocultural conditions. The review does not test capability complementarity directly, but it shows that women entrepreneurs often face multiple, interrelated conditions that can influence their ability to convert financial and digital opportunities into business outcomes.

Within the proposed framework, capability complementarity therefore refers to the extent to which financial, informational, digital, and relational capabilities operate together to support resource mobilisation and utilisation. The framework does not assume that each capability must contribute equally or that one universal configuration applies to all women-owned MSMEs. Rather, it proposes that the resilience value of financial access depends partly on whether the capabilities required to evaluate, interpret, coordinate, and mobilise resources are sufficiently aligned with the needs of the enterprise.

This perspective shifts attention away from isolated capability deficits towards the broader configuration through which financial resources acquire functional value. It also provides the conceptual basis for the Access-Capability-Utilisation-Resilience Framework developed in the following section, where capability configuration is positioned as the mechanism through which financial access can be translated into effective resource utilisation and, subsequently, financial resilience.

5. Proposed Access-Capability-Utilisation-Resilience Framework

The preceding sections establish two central arguments. First, financial access and financial resilience represent conceptually distinct conditions. Access determines whether financial resources and services are available to an enterprise, whereas resilience concerns the capacity to withstand financial pressure, maintain critical functions, adapt to disruption, and recover from adverse circumstances. Second, the transition between these conditions is not automatic. Accessible financial resources acquire functional value only when entrepreneurs possess sufficient capabilities to evaluate, organise, and deploy them effectively. These arguments provide the basis for the proposed Access-Capability-Utilisation-Resilience Framework.

5.1 Financial Access as an Enabling Condition

Financial access represents the entry point of the proposed framework. It encompasses the availability and accessibility of financial resources and services that can support enterprise operations, including transaction facilities, savings, credit, insurance, payments, and digitally delivered financial services. Such access expands the range of options through which MSMEs can obtain, preserve, transfer, or mobilise financial resources.

However, the framework deliberately positions financial access as an enabling condition rather than a sufficient condition for resilience. This distinction is supported by evidence showing that financial inclusion and financial resilience are related but not equivalent. In Malaysia, Hamid et al. (2023) [1] found that financial inclusion contributed to financial resilience alongside financial knowledge and socioeconomic factors. Their measure of resilience incorporated control over money, expenditure management, financial cushions, responses to financial shortfalls, and financial planning, demonstrating that resilience involves capacities extending beyond formal financial participation.

Financial access should therefore be understood as expanding the resource opportunities available to an enterprise. Whether these opportunities ultimately strengthen resilience depends upon subsequent conversion. A credit facility can relieve liquidity pressure, but its effect depends upon financing cost, repayment capacity, timing, allocation, and financial management. Similarly, access to savings facilities makes reserve accumulation possible but does not itself create a financial buffer.

Accordingly:

Proposition 1 (P1): Financial access expands the resource opportunities available to women-owned MSMEs, but its contribution to financial resilience depends on the extent to which accessible resources are effectively utilised.

This proposition moves the conceptual emphasis away from the quantity of access towards the functional value generated from access.

5.2 Capability Configuration as the Conversion Mechanism

The second component of the framework concerns capability configuration. Capability determines whether accessible resources can be transformed into appropriate actions. The term *configuration* is used deliberately because the conversion of financial resources is unlikely to depend upon a single competence. Financial capability enables owner-managers to evaluate financing, manage cash flows, budget, plan, and assess financial consequences. Informational capability allows them to identify, interpret, and use relevant financial and business information. Digital capability allows technologies to be incorporated into financial and operational processes. Relational capability enables enterprises to mobilise information, advice, referrals, financing opportunities, and other resources through external relationships.

Evidence from resilient MSMEs supports this multidimensional view. Nassuna et al. (2023) [22] found that MSMEs demonstrating resilience during COVID-19 relied on a combination of savings, financial knowledge, experience, innovative leadership, social capital, customer relationships, and access to financial capital. Their findings suggest that resilience did not arise from a single financial resource but from the mobilisation of several complementary resources and capabilities.

This combination is theoretically important because the usefulness of one resource can depend upon another capability. Financing can be available but poorly allocated when financial capability is weak. Digital transaction records may be generated but remain unused when informational or financial capability is inadequate. Networks may identify financing opportunities that the entrepreneur lacks the capability to evaluate. Capability configuration therefore provides the mechanism through which resource availability becomes resource convertibility.

Accordingly:

Proposition 2 (P2): Stronger financial, informational, digital, and relational capabilities increase the ability of women-owned MSMEs to convert accessible financial resources into effective resource utilisation.

This proposition does not imply that every capability must operate at an identical level. Rather, enterprises require a sufficiently functional configuration of capabilities appropriate to their operating conditions.

5.3 Effective Resource Utilisation as the Proximal Mechanism

The third component is effective resource utilisation. This concept occupies a critical position in the framework because it distinguishes having resources from doing something economically useful with them.

Effective utilisation refers to the purposeful deployment of accessible financial and complementary resources in ways that support enterprise needs. It may include maintaining appropriate liquidity,

allocating financing to productive activities, building emergency reserves, managing debt obligations, strengthening financial records, integrating digital information into decisions, maintaining customer and supplier relationships, or mobilising external support during disruption. For SMEs, the ability to reconfigure and deploy resources in response to disruption is particularly important for maintaining continuity and adapting to changing operating conditions [43].

The distinction between capability and utilisation is analytically important. Capability reflects what an enterprise is able to do, whereas utilisation reflects what is actually done with available resources. A financially capable entrepreneur may possess the knowledge and skills required to evaluate financing options but may deliberately refrain from using a particular facility if it does not fit the needs or risk profile of the enterprise. Conversely, frequent use of financial products does not necessarily demonstrate effective utilisation when those resources are poorly matched with business requirements.

This distinction addresses an important weakness in access-centred approaches. Financial inclusion frameworks have traditionally differentiated between access, usage and quality, recognising that availability of financial services and actual use represent conceptually different dimensions [44]. Contemporary financial-inclusion measurement continues to distinguish account ownership from the actual use of savings, borrowing, payments and other financial services [45]. Measures such as account ownership, credit uptake, digital payment use or insurance ownership therefore indicate participation, but they provide only limited information about whether financial resources are being deployed in ways that strengthen enterprise capacity.

Effective utilisation consequently provides a more proximal connection between financial inclusion and resilience because it captures the conversion of accessible resources into practices that support continuity, adaptation and recovery. Evidence from SME research similarly suggests that resilience emerges through the active mobilisation and reconfiguration of organisational resources rather than through resource availability alone [43]. In Malaysia, this conversion logic is also reflected in initiatives such as iTEKAD, which combine financing with financial and business capability development rather than treating capital access as a sufficient intervention on its own [13]. Accordingly, the framework proposed in this study positions effective resource utilisation as the proximal mechanism through which financial access and enterprise capabilities are translated into financial resilience.

Accordingly:

Proposition 3 (P3): Effective utilisation of accessible financial and complementary resources strengthens the financial resilience of women-owned MSMEs.

The proposition is consistent with evidence that resilient MSMEs combine financial resources with savings, financial knowledge, experience, leadership, customer relationships, and social capital in managing adversity.

5.4 Capability as the Bridge Between Access and Utilisation

The framework further proposes that capability does not simply operate alongside financial access. It explains why the same level of access can produce different outcomes across enterprises.

Consider two women-owned MSMEs with comparable access to formal financing and digital financial services. The first maintains reliable records, monitors cash flows, understands borrowing costs, uses digital transaction information, and has relationships through which additional information or support can be obtained. The second possesses the same formal access but has incomplete records, weaker financial planning, limited interpretation of digital data, and fewer functional support relationships. An access-based

measure may classify both enterprises similarly. The proposed framework, however, predicts substantial differences in the extent to which those resources become useful.

The distinction is consistent with women entrepreneurship literature showing that financial and digital inclusion interact with financial literacy, educational conditions, sociocultural barriers, and access to technology rather than functioning independently. Dzulkepli's (2024) [27] structured review identified financial literacy, digital inclusion, gender-related constraints, education, and access to financial services and technologies as interconnected issues affecting women entrepreneurs.

Similarly, empirical research among women entrepreneurs has demonstrated that digital financial literacy influences financial resilience through financial behaviour, supporting the proposition that competencies generate resilience partly through the actions they enable rather than merely through their presence.

Accordingly:

Proposition 4 (P4): Capability configuration and effective resource utilisation sequentially transmit the contribution of financial access to financial resilience among women-owned MSMEs.

This proposition represents the central theoretical mechanism of the framework. It explains the access-capability gap by locating capability between resource opportunity and resource deployment.

5.5 Complementarity Among Capability Domains

A further feature of the framework is the proposition that capabilities interact rather than operate as completely independent resources. This complementarity is important because enterprise decisions typically require more than one capability at the same time.

For example, financial capability may allow an entrepreneur to understand the importance of liquidity forecasting, but informational capability is required to generate reliable data for that forecast. Digital capability may increase the speed and accuracy with which the data are collected, while relational capability may provide external information concerning financing conditions or changing market demand. The quality of the financial decision therefore depends upon a combination of capabilities.

The same logic applies during disruption. An entrepreneur experiencing an unexpected liquidity shortage may require financial capability to identify the magnitude of the shortfall, informational capability to evaluate expected cash inflows, digital capability to access records or conduct transactions rapidly, and relational capability to negotiate with suppliers or obtain external support. No single capability necessarily substitutes fully for the others.

Evidence that resilient MSMEs combine financial, managerial, and relational resources rather than depending upon a single factor lends support to this configuration perspective. Financial capability research likewise conceptualises outcomes as emerging through interactions among knowledge, behaviour, and available opportunities.

Accordingly:

Proposition 5 (P5): Financial resilience is strengthened when financial, informational, digital, and relational capabilities operate as complementary configurations rather than as isolated capabilities.

This proposition distinguishes the proposed framework from models in which financial literacy, digital adoption, social capital, or similar factors are treated only as independent predictors. The framework instead proposes that resilience depends partly upon how capabilities operate together.

5.6 Contextual Conditions Affecting Capability Conversion

The conversion process also occurs within a broader entrepreneurial environment. Women-owned MSMEs do not mobilise financial resources independently of business size, sector, geographic location,

institutional arrangements, household responsibilities, sociocultural expectations, market conditions, or the characteristics of the financial system.

These contextual conditions may influence both the development of capabilities and the opportunities available for applying them. An entrepreneur may possess strong financial capability yet face limited financing options. Another may have access to digital financial services but operate in an environment where digital infrastructure, market acceptance, or cybersecurity knowledge restricts deeper integration. Relational capability may similarly vary according to the availability and quality of business networks and institutional connections.

The structured literature on women entrepreneurs confirms that financial literacy and digital inclusion operate within wider sociocultural, educational, technological, and financial constraints. These conditions should therefore not be treated merely as background characteristics. They can shape the degree to which capabilities can be converted into economic action.

Accordingly:

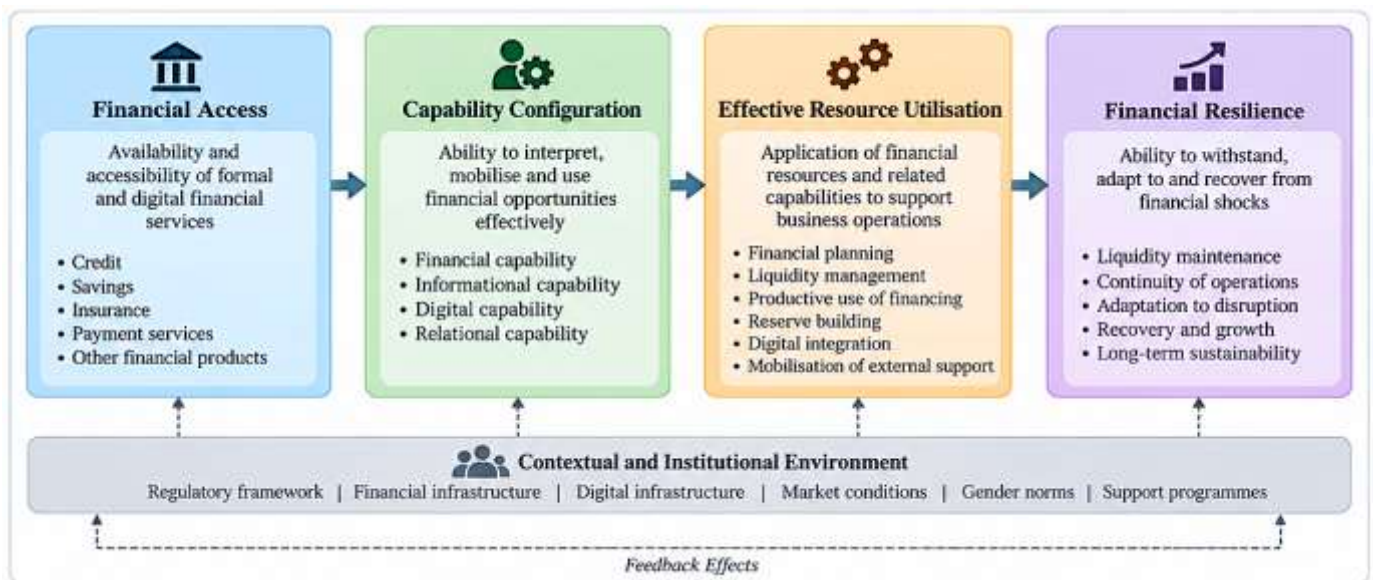
Proposition 6 (P6): The effectiveness of the access-capability-utilisation-resilience process among women-owned MSMEs varies according to the structural, institutional, technological, and social conditions in which the enterprise operates.

The inclusion of contextual conditions prevents the framework from assuming that identical capabilities necessarily generate identical outcomes across all women-owned MSMEs.

5.7 Integrated Conceptual Framework

Taken together, the six propositions produce a sequential but context-dependent framework.

Figure 3: Access-Capability-Utilisation-Resilience Framework



The framework therefore distinguishes four questions that are often combined in discussions of financial inclusion:

1. Can the enterprise obtain the resource?
2. Can the enterprise mobilise the resource effectively?
3. Is the resource actually deployed in a manner appropriate to business needs?
4. Does that deployment strengthen the enterprise's capacity to cope with financial disruption?

These distinctions clarify the theoretical contribution of the framework. Financial inclusion describes participation in and access to financial opportunities. Capability explains resource convertibility. Utilisation captures resource deployment. Financial resilience represents the capacity-dependent outcome of that deployment.

The resulting framework therefore challenges a linear assumption in which greater financial access is expected to translate directly into stronger resilience. Instead, it proposes a staged conversion process in which access creates resource opportunity, capability enables conversion, effective utilisation reflects deployment, and resilience represents the resulting adaptive outcome.

The framework further proposes that the strength of this process depends upon both capability complementarity and the context in which capabilities are exercised. In this respect, the access-capability gap does not imply a deficiency located solely within women entrepreneurs. A capability gap may emerge from individual competencies, enterprise systems, the quality of available information, technological conditions, financial institutions, network resources, or broader structural constraints. This distinction is important because it prevents capability-building from being interpreted merely as an obligation for entrepreneurs to overcome structurally produced barriers themselves.

The framework accordingly provides a basis for shifting the financial inclusion debate from a single question of whether women-owned MSMEs have access towards a more consequential question of whether accessible resources can be converted into resilient enterprise outcomes.

6. Implications and Future Research Agenda

The proposed Access-Capability-Utilisation-Resilience Framework has implications for how financial inclusion and financial resilience are conceptualised, measured, and examined among women-owned MSMEs. Its principal contribution lies in shifting attention from the existence of financial access towards the process through which accessible resources acquire functional value. This shift has consequences for theory, empirical research, and policy design.

6.1 Theoretical Implications

The first theoretical implication concerns the position of financial inclusion within resilience research. Financial inclusion is frequently examined as an explanatory factor associated with improved financial outcomes. The proposed framework does not reject this relationship but argues that its explanatory value remains incomplete unless the conversion mechanism between access and outcome is specified.

By positioning financial access as an enabling condition, the framework distinguishes resource availability from resource convertibility. This distinction is consistent with financial capability scholarship, which emphasises that financial opportunities must be accompanied by the ability to act on them [16, 17]. The implication is that financial inclusion research may benefit from moving beyond models in which access is assumed to operate directly on enterprise outcomes and towards models that examine how resources are interpreted, mobilised, and combined.

A second theoretical implication concerns the conceptualisation of capability. Financial literacy remains an important antecedent of financial behaviour and resilience, as demonstrated by Lusardi et al. (2021) [21]. However, the present framework argues that capability extends beyond financial knowledge. Effective resource conversion may also depend on the availability and use of business information, the integration of digital technologies, and the mobilisation of external relationships.

Accordingly, future theorisation should distinguish between financial literacy as knowledge, financial capability as the ability to act, and effective utilisation as realised resource deployment. Treating these concepts as interchangeable risks obscuring the mechanisms through which resilience develops.

A third implication concerns capability complementarity. Much empirical research examines financial literacy, technology adoption, social capital, and access to finance as separate predictors. The proposed framework suggests that such variables may instead function as parts of a capability configuration. Nassuna et al. (2023) [22], for example, found that resilient MSMEs combined financial knowledge, savings, experience, leadership, social capital, client relationships, and financial resources. This indicates that resilience may be better explained through resource combinations than through isolated determinants. Future theoretical work could therefore examine whether different capability configurations produce comparable resilience outcomes. Such an approach would recognise that enterprises may achieve resilience through different combinations of internal and external resources rather than through a single universal pathway.

6.2 Empirical Research Agenda

The framework provides several directions for empirical testing. The most immediate is to examine the sequential mechanism proposed in this article. Rather than testing only a direct relationship between financial inclusion and resilience, future studies could evaluate whether capability and effective utilisation function as intermediate mechanisms.

A basic empirical model could therefore examine whether financial access predicts capability development, whether capability predicts effective resource utilisation, and whether utilisation subsequently predicts financial resilience. Mediation analysis would be particularly relevant because the framework explicitly proposes an indirect conversion process.

Future research could also examine whether individual capability domains exert different effects. Financial capability may be particularly relevant to borrowing, liquidity management, and financial planning. Informational capability may become more important where business environments are volatile or records are weak. Digital capability may have greater explanatory value among enterprises that rely heavily on digital payments, online markets, or digital financial platforms. Relational capability may become especially important when formal resources are limited or during periods of crisis.

The framework further suggests that interactions among capabilities deserve empirical attention. For example, digital capability may generate stronger resilience effects when financial capability is high because entrepreneurs are better able to interpret digitally generated financial information. Relational capability may strengthen informational capability by increasing access to market intelligence and financial advice. Similarly, financial access may produce greater resilience when entrepreneurs possess both strong financial capability and reliable business information.

These possibilities suggest that future studies should move beyond purely additive models. Interaction effects, configurational approaches, or other methods capable of examining capability complementarity may provide a more accurate representation of enterprise resilience.

Longitudinal research would also be valuable. Most cross-sectional designs measure access, capability, and resilience simultaneously, making it difficult to establish the order through which resource conversion occurs. The proposed framework is explicitly process-oriented. Longitudinal evidence could therefore examine whether improvements in access are followed by capability development, changes in resource utilisation, and eventually stronger resilience.

Crisis-based longitudinal studies would be particularly informative because capability may not become fully observable until enterprises experience disruption. An enterprise may appear financially stable under ordinary conditions while lacking the capability to respond effectively to sudden revenue loss, financing constraints, supply disruption, or unexpected expenditure. Resilience should therefore be studied not only as a stable characteristic but also as a response revealed under changing conditions.

Research should also test whether capability configurations vary across women-owned MSMEs by rural or urban location, sector, business size, and stage of development. Particular attention should be given to capability thresholds, substitution and complementarity, and cross-country variation in financial systems, digital infrastructure, institutional support, and gender-related conditions. Configurational methods, interaction models, and longitudinal designs may be especially useful for identifying multiple pathways through which access is converted into resilience.

6.3 Policy Implications

The proposed framework also has implications for financial inclusion policy. Expanding access remains essential, particularly where entrepreneurs continue to face barriers to suitable financing and financial services. However, the framework suggests that access-oriented interventions should be evaluated partly according to whether they improve the capacity of enterprises to use financial resources effectively.

Programmes that provide financing could be accompanied by support for cash-flow management, financial planning, digital record keeping, financing assessment, market information, and business networking. Bank Negara Malaysia's iTEKAD programme already illustrates aspects of this approach by combining financial resources with structured financial and business training.

However, capability-oriented policy should extend beyond generic training. The effectiveness of training depends on whether learning is sufficiently connected to actual financial decisions. Aassouli and Ahmed (2023) [11] argue that financial literacy programmes for SMEs should respond more directly to the financial challenges experienced during crises. Capability-building interventions should therefore address practical decision environments rather than focusing solely on general financial concepts.

Digitalisation policies should similarly move beyond encouraging technology adoption. Supporting enterprises to accept digital payments or adopt accounting systems may improve technological access, but resilience benefits are more likely when entrepreneurs learn how to use digital information for financial control, forecasting, customer management, and adaptive decision-making.

Relational capability also has policy implications. Women entrepreneurship programmes frequently include networking and mentoring components, yet the value of such programmes depends on the resources that relationships provide. Policy initiatives should therefore evaluate whether networks connect entrepreneurs with financing institutions, markets, advisors, technology providers, and other sources of actionable support rather than measuring participation alone.

The broader policy objective should consequently be to strengthen an ecosystem in which women-owned MSMEs possess both opportunities to access resources and capabilities to convert those opportunities into resilient outcomes.

7. Conclusion

This article conceptualises the relationship as a conversion process in which financial access creates resource opportunities, while resilience depends on whether those opportunities can be interpreted, mobilised, and deployed effectively. To explain this process, the article introduces the access-capability gap and identifies four complementary capability domains: financial, informational, digital, and relational

capability. Together, these domains form the capability configuration through which accessible resources can acquire functional value. Effective resource utilisation then represents the proximal process linking capability with resilience.

The resulting Access-Capability-Utilisation-Resilience Framework therefore distinguishes four analytical stages: Financial Access → Capability Configuration → Effective Resource Utilisation → Financial Resilience. This structure explains why similar levels of financial access may produce different outcomes and provides a basis for testing sequential mediation, capability complementarity, contextual variation, and dynamic resilience processes.

For women-owned MSMEs, the framework is particularly relevant because financial vulnerability can reflect overlapping financial, informational, technological, relational, institutional, and social constraints. Accordingly, capability should not be interpreted solely as an individual responsibility. The surrounding environment can shape both the development of capabilities and the opportunities available for applying them.

For policy and practice, expanding access remains necessary but may be insufficient when capability constraints remain unresolved. Financial inclusion initiatives may generate stronger resilience outcomes when access is combined with support for financial management, information use, digital integration, and functional networks. Ultimately, the central question is not only whether women-owned MSMEs can access financial resources, but whether they can convert those resources into actions that preserve financial stability under pressure.

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