

Financial Inclusion in Indonesia and Its Challenges

Authors : Yen Sun, Pariang Siagian

Abstract : The aim of this paper is to examine the progress of financial inclusion in Indonesia. The object of this paper is Micro Enterprises (MEs) and methodology used will be qualitative method by using surveys and questionnaires. The results show that there are still 20% MEs have no banking facilities at all and about 78% MEs still use their own capital to run their business. Furthermore, personal characteristics such as gender and education are factors that can explain financial inclusion. It is also said that in general MEs need banking product and services. However, there are still barriers that hinder them to be financially included. The most barriers they have to face are marketing exclusion. It shows that they have lack information about banking product and services since marketing strategy from bank is not disseminated clearly through various media.

Keywords : financial inclusion, financial exclusion, micro enterprises, Indonesia

Conference Title : ICBFTM 2014 : International Conference on Business, Finance and Tourism Management

Conference Location : London, United Kingdom

Conference Dates : December 22-23, 2014