

Indonesia's Initiatives towards Increasing Financial Inclusion



Indonesia

National Financial Inclusion Priorities

To date, almost half of the Indonesia population, especially the poor and vulnerable, have no access to financial services. Financial Inclusion will help people connected with economic opportunities.

Thus, it is crucial to build inclusive financial system that is accessible by all layers of population to promote poverty reduction, economic growth and financial stability in Indonesia.



National Strategy for Financial Inclusion

National Strategy for Financial Inclusion is a nationwide framework that aims to increase public access to financial services among all layers of population. The strategy targets the poor and near-poor who have limited access to financial services and identifies number of ways to address their needs. There are 6 pillars constructed, namely financial education, public financial facility, mapping of financial information, supporting policies/regulation, intermediary facilities and distribution channels, and consumer protection.

Challenges and the Way Forward on Financial Inclusion

Increasing the access to financial system requires an effort from all relevant stakeholders, particularly from policy makers and regulators.

The key role of financial inclusion for poverty alleviation, economic growth and financial stability demands clear and strong leadership and direction. Multiple components of policy should be well coordinated and institutionalized. It is therefore crucial that the Government assigns to specific institutions the explicit role of leading and coordinating each relevant initiative in an effort to accomplish this national mission of extending financial inclusion.



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