Indonesia

IFS Focus
Country Comparison
2017 & 2021 Analysis

Project Overview

The goal of this work has been to **examine a set of barriers inhibiting women's access to and usage of financial services**. We seek to determine **which barriers are most resonant to different segments of women in different markets** and to **make recommendations about** the kinds of **interventions** that could address them.

Ultimately, **our goal is to remove barriers to women's economic empowerment in the financial inclusion arena.**

By 2030, women will have near ubiquitous (80% adults worldwide, 60% of those who earn <$2 a day), equal access to DFS, and can easily, safely, and confidently use them to manage their complex daily lives and aid in their aspirations, over which they have agency and control.

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The general sentiment is that *many barriers contribute to an inequitable financial system* that makes it difficult for women to access and use services and products in ways that will allow them to *achieve economic empowerment*.

All barriers are *important* and play a role in a woman's lack of ability and access to choose and use a financial product or service.

Ultimately, our intention was to try to help focus efforts in each market as we asked the following question:

Can we identify barriers that are relevant and not yet resolved so program officers and partners can *center their programs and interventions* on *critical issues* facing women?

Full List of Barriers (1 of 2)

Prerequisites

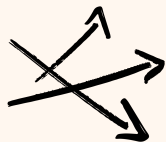Broader legal constraints
(e.g. male signature)

Internet/Mobile connectivity

KYC requirements

Lack of credit history
(for credit products only)

Digital/Foundational ID

Phone/SIM ownership

Accessibility

Mobility constraints (e.g.
legal curfews, norms)

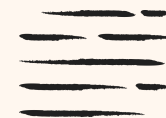Distance from bank/
FSP/CICO agent

Cost

Cost of mobile/internet

Cost of using DFS
(incl. transaction cost)

Perceived and/or
lack of money

Non-transparent fee
structures / hidden costs

Information Availability & Capability

Lack of peers/family/
network who use DFS

Basic literacy and numeracy

Digital literacy

Financial literacy

Unclear or unavailable
info about products/uses

Unclear or difficult
process to open account

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Full List of Barriers (2 of 2)

Product & Service Quality

Reliability of payments system and network

Reliability and quality of in-person services

Lack of products that meet women's needs

Lack of products and services that create value

Navigability of user interface of the digital product

Consumer Protection

Potential (or actual) privacy violations

Predatory lending

Over-charging

Fraud and scams

Fear of making mistakes

Online/Phone/Social media harassment

Difficulty resolving complaints

Human Resources

Lack of women in leadership at DFS providers and policy-makers

Lack of female agents

Social Norms

Ambivalence or antagonism towards women's financial independence

Expectation that men control HH finances

Women's disproportionate time burden

Biases that center men as financial customers

IMPACT

Financial Inclusion Segments

In 2021, BMGF asked Mathematica to create a segmentation model that would allow us to analyse and compare women across different markets.

01
Excluded, marginalized

02
Excluded, high potential

03
Included, underserved

04
Included, not underserved

Lower potential for inclusion   *Greater potential for inclusion*

Financial Inclusion Segments

This represents the segmentation approach as defined by Mathematica.

01. Excluded, marginalized	02. Excluded, high potential	03. Included, underserved	04. Included, not underserved
Does **not own** a financial account	Does **not own** a financial account	**Owns** a financial account	**Owns** a financial account
and	*and either*	*and*	*and*
Has not conducted **certain transactions** in the past 12 months	**Has** conducted **certain transactions** in the past 12 months	**Has not** conducted more than one type of **advanced transaction** in the past 12 months	**Has** conducted more than one type of **advanced transaction** in the past 12 months
and either	*or*		
Does **not have** an **income source** (neither in the workforce nor have received a G2P payment)	**Has** an **income source** (from being in the workforce or receiving a G2P payment)		
or	*and*		
Cannot access financial services (does not have a mobile phone, and financial institutions are too far away)	**Can access financial services** (does have a mobile phone and financial institutions are not too far away)		

◄ ··· ►

Lower potential for inclusion   *Greater potential for inclusion*

Barriers Relevant Across All Four Segments

|	
Prerequisites	Broader legal constraints (e.g. male signature)
Cost	Cost of using DFS (incl. transaction cost)
	Cost of mobile/internet
Social Norms	Biases that center men as financial customers
	Expectation that men control HH finances
	Ambivalence or antagonism towards women's financial independence
	Women's disproportionate time burden
Human Resources	Lack of female agents

CRIB IMPACT

Some barriers typical for the largest segments in each market may be *more or less relevant based on local context*. This doesn't mean other barriers should be ignored or deprioritized.

Rather, in all markets, *one should take a contextualized approach* to determine which barriers need to be addressed more urgently than others based on what has already been resolved or attempted in the market.
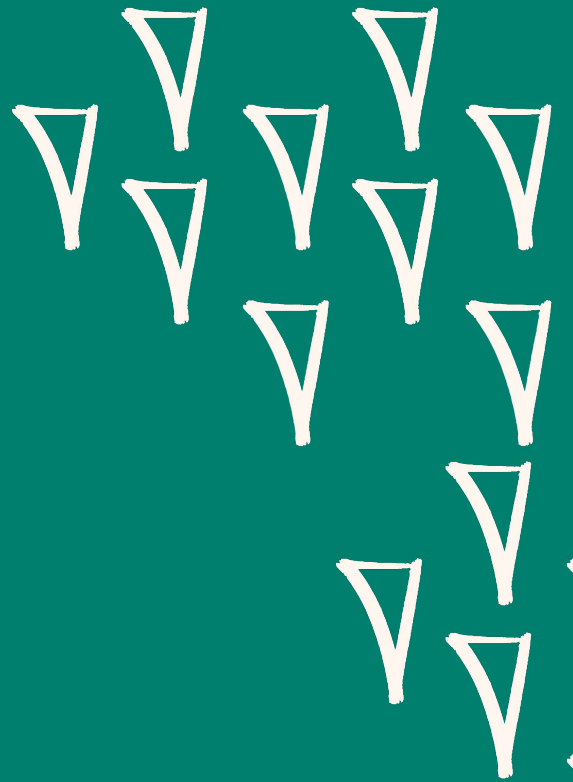
Connected Barriers Map

No barrier operates independently of other barriers.

The nodes derived from this map can serve as a guide to identify opportunities for outsized impact. For a more granular view into the connected barriers, see our project website.
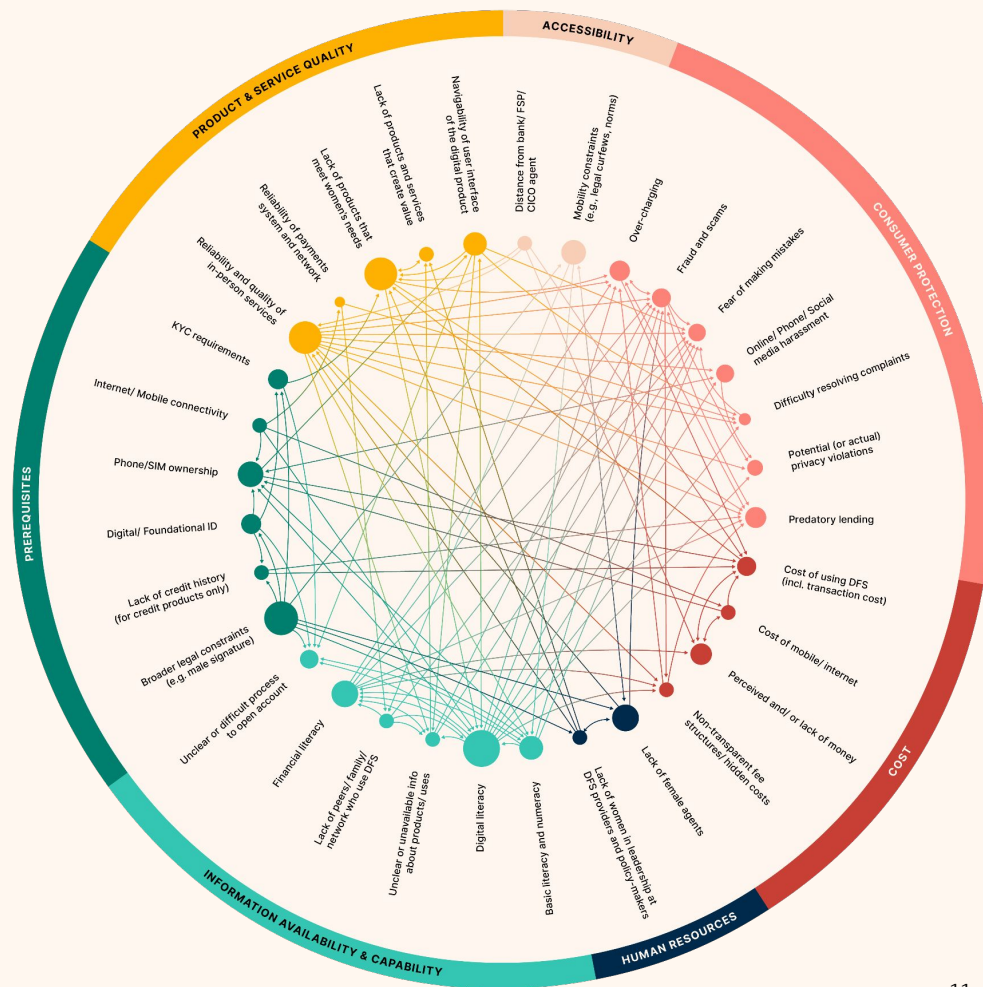
Indonesia

The following slides take an in-depth look at specific segments for Indonesia.

The following slides provide insights into Indonesia from the segmentation model, using 2017 and 2021 Findex data to allow for comparison over time. Note that Findex provides nationally representative data at points in time; it is not panel data on the same individuals over time.

Slides 1-2 A breakdown of women **by segment** in 2017 and 2021 and a **gender comparison** for all segments in 2021.

Slide 3 Insights into each segment's **demographic breakdown** in 2017 and 2021, including employment status, education level and age.

Slide 4 A breakdown of **mobile phone ownership** by segment in 2017 and 2021.

Slide 5 Insights into the **gender gap in mobile phone ownership** for each segment in 2021.

Slide 6-9 An overview of **key insights into women in each segment**, using 2021 Findex and additional sources.

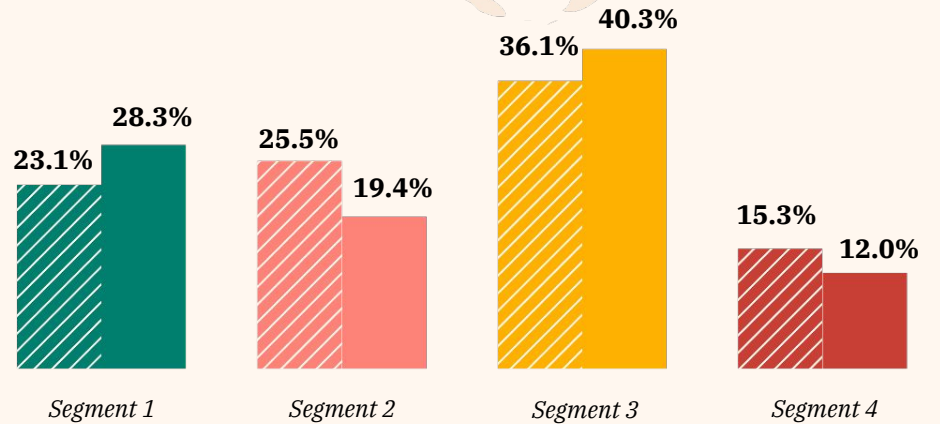*Slide 10* An analysis of the barriers that may be **more or less relevant for each segment** in Indonesia.

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Women in Indonesia:
Segmentation Breakdown

2017 & 2021

The largest segment represented in Indonesia - both in 2017 and 2021 - is Segment 3. In 2021, Segments 1 and 2 together make up 47.7% of the population.
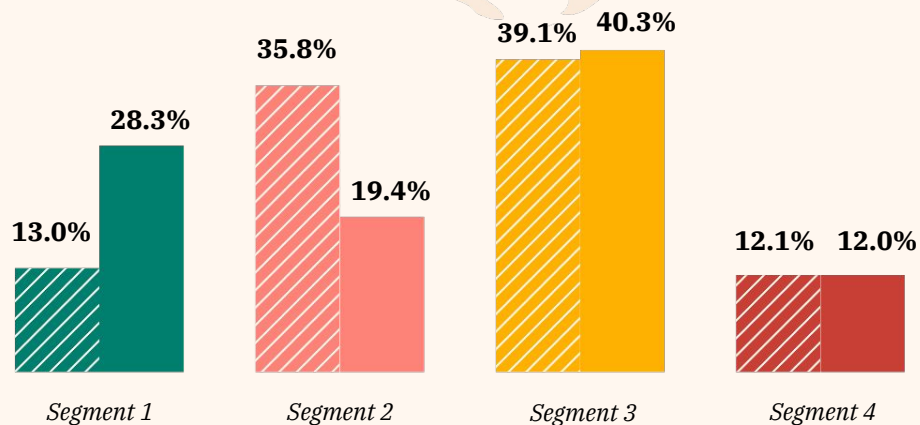
2017

2021

	Segment 1	Segment 2	Segment 3	Segment 4
2017	23.1%	25.5%	36.1%	15.3%
2021	28.3%	19.4%	40.3%	12.0%

IMPACT

Women in Indonesia:
Gender Comparison in Largest Segment

2021

In 2021, Segment 3 is the largest segment for both women and men in Indonesia. Notably, the percentage of women in Segment 3 is greater than that of men.
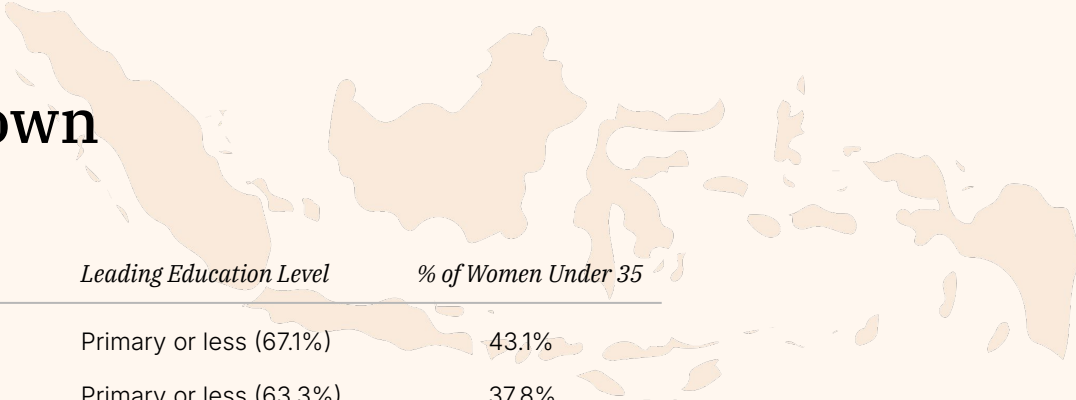
Men

Women

13.0% **28.3%** **35.8%** **19.4%** **39.1%** **40.3%** **12.1%** **12.0%**

Segment 1 *Segment 2* *Segment 3* *Segment 4*

Sources: Mathematica analysis of 2021 Global Findex database data.

IMPACT

Women in Indonesia:
Demographic Breakdown

2017 & 2021

Segment		*Primary Employment Sectors*	*Leading Education Level*	*% of Women Under 35*
01	**2017**	Not in workforce (64.1%)	Primary or less (67.1%)	43.1%
	2021	Not in workforce (80%)	Primary or less (63.3%)	37.8%
02	**2017**	Private employment (31.7%)	Primary or less (62.3%)	44.5%
	2021	Working, sector unknown (34.4%)	Primary or less (59.1%)	34.4%
03	**2017**	Not in workforce (32.4%)	Secondary (57.8%)	56.3%
	2021	Not in workforce (34.8%)	Secondary (49.9%)	45.1%
04	**2017**	Self-employment (27.6%)	Secondary (61.2%)	59.4%
	2021	Private employment (43.5%)	Secondary (51.7%)	62.4%

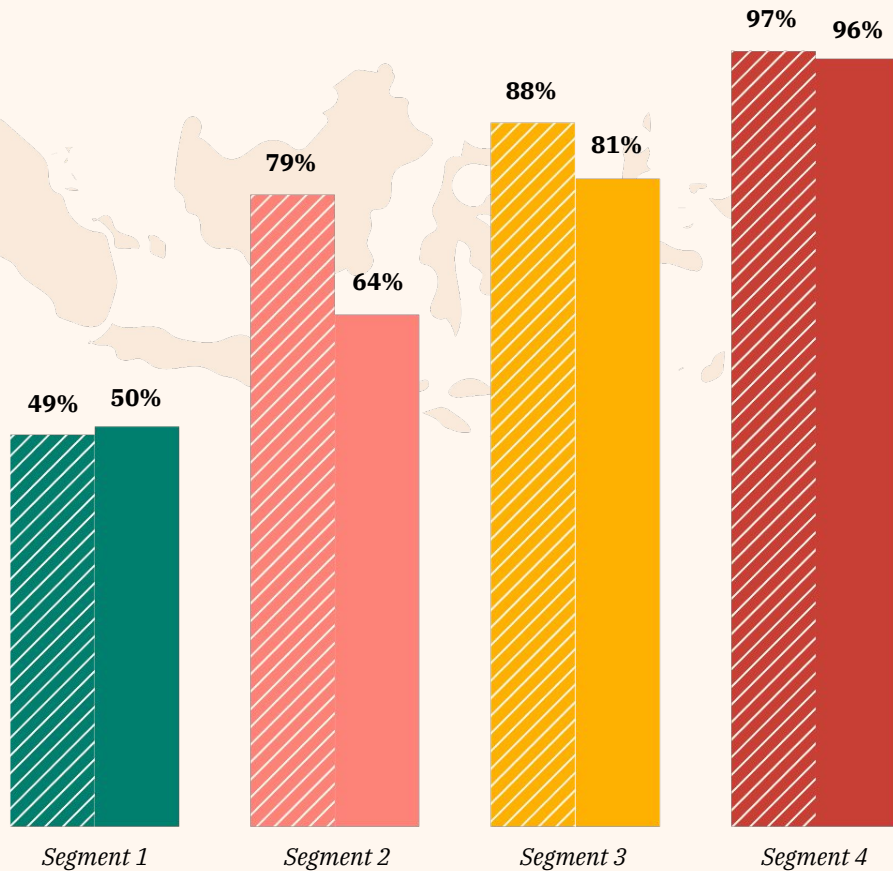Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Indonesia:

Mobile Phone Ownership

2017 & 2021

Women's mobile phone ownership decreased from 2017 to 2021 for Segments 2, 3, and 4. Segment 2 had the largest decrease (15%), whereas Segment 4 had the smallest decrease (1%).
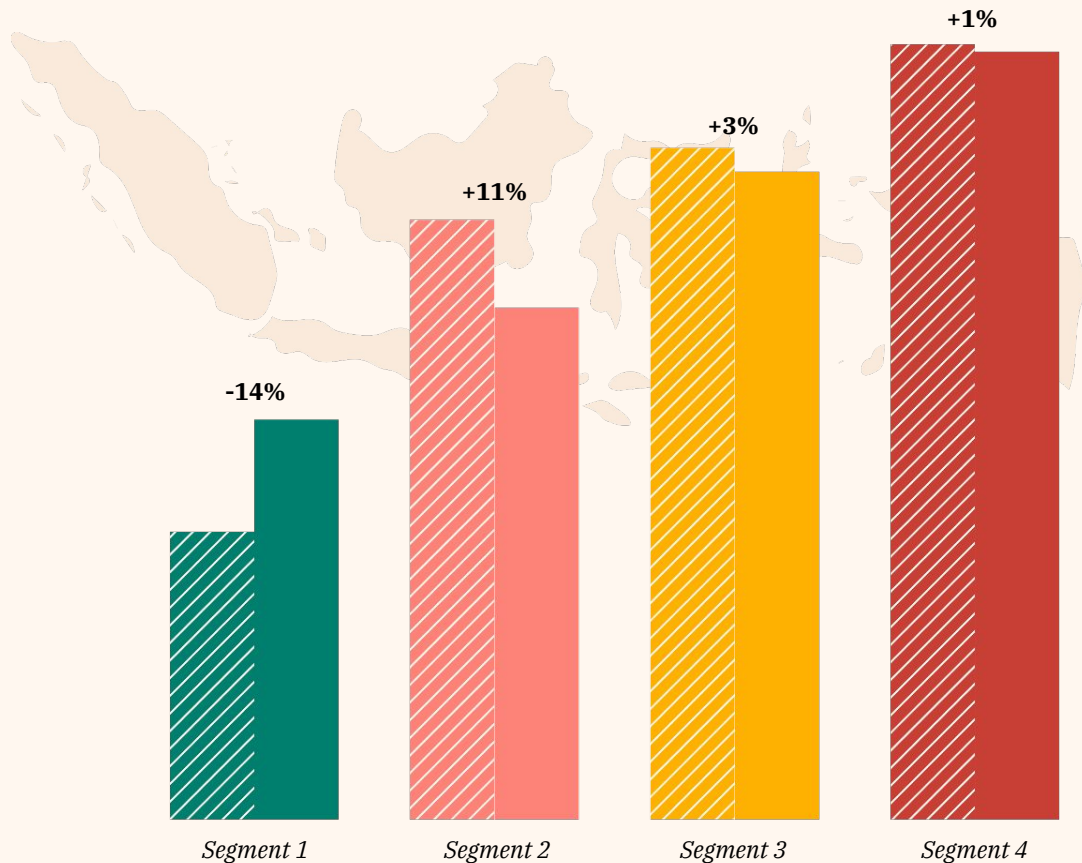
2017

2021

49% 50%   79% 64%   88% 81%   97% 96%

Segment 1   Segment 2   Segment 3   Segment 4

Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Indonesia:

Gender Gap in Mobile Phone Ownership

There is a -14% gap between men and women in Segment 1, with women having a higher level of phone ownership than men. Segment 2 has a gap of 11%, Segment 3 has a gap of 3%, and Segment 4 has the smallest gap of 1%.
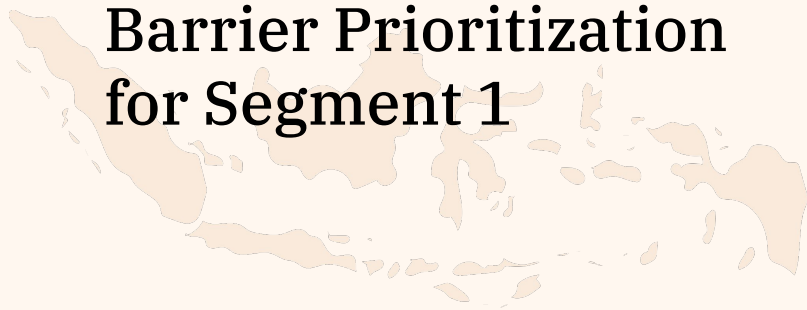
Men

Women

-14%

+11%

+3%

+1%

Segment 1   *Segment 2*   *Segment 3*   *Segment 4*

IMPACT

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Women in Indonesia:
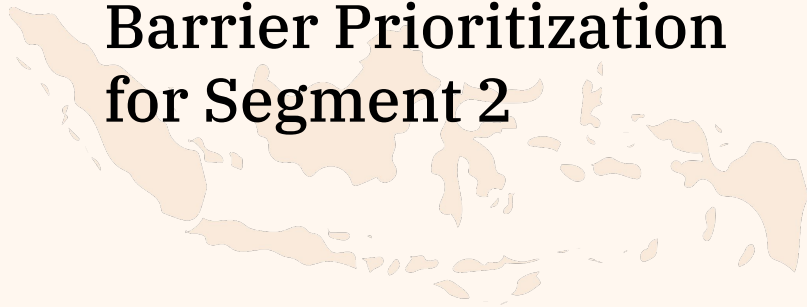
Barrier Prioritization for Segment 1

What we know:

- 72.2% of women in Segment 1 stated they don't have an account because they **do not have enough money to use financial institutions.**

- 55% of women in Segment 1 stated they don't have an account because **financial services are too expensive.**

- **53.5% of women in Segment 1** stated they don't have an account because there is **not a financial institution nearby.**

- 64.2% of women in Segment 1 **do not have a mobile phone**

- 63.3% of women in Segment 1 have **primary levels of education or less**

Sources: Mathematica analysis of 2021 Global Findex database data, IPA.

Women in Indonesia:

Barrier Prioritization for Segment 2

What we know:

- 74.1% of women in Segment 2 stated they don't have an account because they **do not have enough money to use financial institutions.**

- 43.9% of women in Segment 2 say they have **no need for formal financial services** and 41.4% say they don't have an account because **a family member already has one.**

- 38.9% of women in Segment 2 stated they don't have an account because **financial services are too expensive.**

- 63.7% of women in Segment 2 **have a mobile phone.**

Sources: Mathematica analysis of 2021 Global Findex database data, IPA.

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Women in Indonesia:

Barrier Prioritization for Segment 3
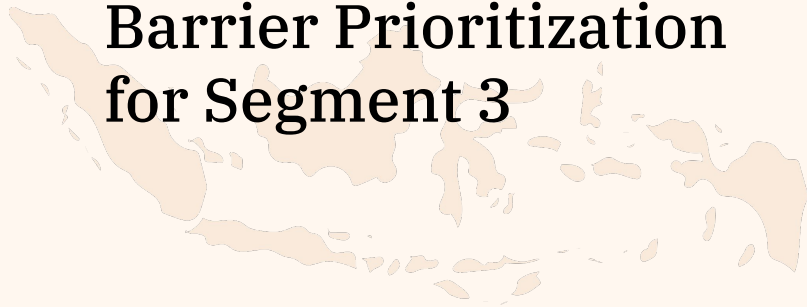
What we know:

- **Digital savings and payments are low.**

    - 3.6% saved money, 6.4% sent money, and 3.6% paid bills using a phone.

    - Less than 1% received wages into a phone and 4.3% received wages into a formal financial account.

- Approximately **50%** of women have **secondary education.**

- Only **2.3%** of the female population above the age of 15 is **unregistered** according to World Bank ID4D data.

- **The cost of mobile internet is relatively low.**

Sources: Mathematica analysis of 2021 Global Findex database data, IPA.

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Women in Indonesia:

Barrier Prioritization for Segment 4
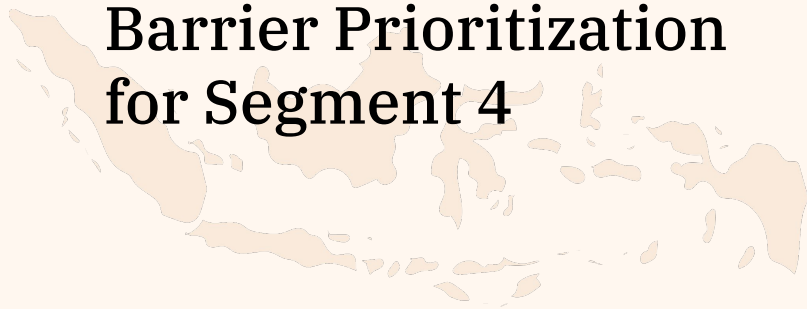
What we know:

- **76% of women in Segment 4 saved money using an account at a formal financial institution,** 42.8% saved money using informal savings groups or people outside the family, and 18% saved using a mobile money account.

- **Formal borrowing is higher among women than men in this segment, though only half borrow formally.** 48.9% of women borrowed money from a formal financial institution, compared to 34.2% of men and 29% of women borrowed from an informal savings group, compared to 15.1% of men.

- 43.9% of women in Segment 4 received **wage payments into an account at a formal financial institution.**

- 51.1% of women in Segment 4 **made a purchase online using a mobile phone or the internet.**

Sources: Mathematica analysis of 2021 Global Findex database data, IPA.

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Barrier Prioritization by Segment in Indonesia

	Segment 1	Segment 2	Segment 3	Segment 4
More relevant	Cost of DFS (incl. transaction cost)		Digital Literacy	
	Perceived and/or lack of money		Unclear or unavailable information about products/uses	
	Phone/SIM ownership	Lack of products and services that create value		
	Basic literacy and numeracy	Lack of products that meet women's needs		
Kept in mind during program design	**All barriers** in the Social Norms category			
Less relevant		Cost of mobile/internet		
		Digital/foundational ID		
		Basic literacy & numeracy		

Exemplars & Opportunities Analysis

Our exemplar analysis maps rigorously tested successful interventions and programs to the barriers and customer segments they address.

With an understanding of the most relevant barriers for a specific customer segment in a specific market, exemplars can *inspire and inform opportunities* for adapting and designing *evidence-based programs* in other markets.

To explore more exemplars in detail, go to our project website.

A key part of our exemplar analysis was identifying the design principles that were inherent in each activity, program, and intervention.

Design principles are a set of *guiding rules and elements to be considered during program conception and design.* These principles will help create intentional, effective, and valuable interventions and activities that work for women.

Five design principles emerged as the most common principles throughout our exemplar research.

Interventions that adopted one or more of these principles were also found to be successful in addressing barriers to WEE-FI and meeting their intended objectives.

These five design principles should be considered when designing programs and activities specifically for women given their popularity in existing programming and impacts on improving access and usage of financial services.

The five key design principles we identified are:

01 Bundling a product/service rollout with capacity-building training

02 Targeting both supply- and demand-side actors under one program

03 Leveraging multiple communication channels for recruitment, and trusted community members for program implementation

04 Using women-centered design models

05 Making interventions affordable

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Sample Exemplars

The following slides provide *a sample exemplar* that could *inspire activities* to address key barriers to women's financial inclusion in Indonesia.

The exemplar provides lessons from a project implemented in Tanzania that addresses key barrier affecting Segment 3 in Indonesia: digital literacy and unclear or unavailable information about products/uses.

There are 43 other exemplars in the extended resources that may provide additional inspiration for service providers working on women's financial inclusion and economic empowerment in Indonesia. These resources can be found on our website.

Business Women Connect Program

"The Business Women Connect (BWC) program was designed by TechnoServe to improve the business performance of women microentrepreneurs by providing them with improved access to savings through mobile money and business training. The BWC program in Tanzania consisted of two interventions... The first intervention (M-Pawa intervention) is a training session on M-Pawa and registration with the product. M-Pawa is a mobile finance product designed by Vodacom that allows customers to save money on an interest-bearing mobile savings account. It also enables users to access microloans conditional on good savings performance. The second intervention (Business Training intervention) is an intensive business skills training."

Researchers undertook an impact evaluation to present "short-term results from an experiment randomizing the promotion and registration of a mobile savings account among women microentrepreneurs (women working as street vendors and in markets) in Tanzania, with and without business training." The authors focus on savings, credit, and business practices (Bastian et al., 2018).

Quick facts

Barriers addressed

Prerequisites
Lack of credit history

Social norms
Ambivalence or antagonism towards women's financial independence

Information Availability & Capability
Financial literacy
Digital literacy
Unclear or difficult process to open an account
Unclear or unavailable information about products/uses

Segment focus

1 **2 3** 4

Geography

Tanzania

Sources
Bastian et al., 2018; Business Women Connect.

Customer Journey Relevance

Key stakeholders involved

TechnoServe
Vodacom
Arifu
4,003 women microentrepreneurs

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Business Women Connect Program

Key activities

Cited from Bastian et al., 2018:

4,003 women microentrepreneurs were selected to participate in the study. The women were randomly assigned to the control group, the M-Pawa intervention, and both M-Pawa and Business Training interventions.

The M-Pawa intervention is "a 2.5-hour training session on the uses and benefits of Vodacom M-Pawa savings account, along with the general concept of savings and its benefits, and registration with the product."

The Business Training intervention is "a twelve 2.5-hour weekly face to-face training sessions on business skills. The training focused on different business skills, including business expansion and profitability, finance and record-keeping, entrepreneurship and business planning, and personal and professional efficacy."

Outcomes/results

Cited from Bastian et al., 2018:

- "The M-Pawa intervention positively impacted transactions probabilities, increasing the probability of a woman making at least one deposit and one withdrawal during the first 58 weeks by 39% and 32%."

- "Women assigned to the M-Pawa intervention increased the number of deposits and withdrawals made during this period by 5.3 and 3.7 (control means are 1.4 and 1.6). These effects are 28% and 42% higher among women also assigned to the Business Training intervention."

- "The M-Pawa intervention increased the probability of receiving a loan by 14%, the average number of loans received by 0.39, and the average total amount borrowed by TZS 4,594... These microloans are being repaid at fairly consistent rates. The M-Pawa intervention increased the probability of loan repayment by 11%, the average number of loan repayments by 0.72, and the average total amount repaid by TZS 3,730."

Business Women Connect Program

Outcomes/results (cont.)

- "The overall positive impact of the M-Pawa intervention on women's empowerment is mostly driven by increases in women's say over how to spend money earned from their businesses, and on major household and children expenditures."

Key enabling environment factors for the intervention

This intervention had support from local governments. Participants received a certificate of completion upon finishing the Business Training intervention that was recognized by local governments.

Key design elements that led to successful outcomes

- The program bundled the business intervention with the M-Pawa intervention. Bundling these products and services (savings, credit, trainings) introduced more value to women participants.

- The program used a variety of learning methods during the trainings, such as manuals, videos, activity based learning, etc.

- The intervention also incorporated elements from Arifu—a digital content and interactive learning platform to reinforce trainings and send out messages—such as weekly savings reminders.

Potential for scale/replicability

The BWC program is already replicated in Nigeria and Mozambique, indicating that it has the potential to expand to additional countries. Organizations wishing to replicate this program should keep in mind that the success derived from both interventions bundled together.

Recommendations from the research

The research identified the need to conduct long-term evaluations of the program to see the effects of the interventions on financial inclusion and empowerment over a longer period of time.

Thank you!

For questions please contact:

info@gridimpact.org

www.wee-fi-barriers.org

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