

Survey on Financial Inclusion and Access (SOFIA)

SOFIA is a survey project funded by the Australian Embassy Jakarta and the Government of Switzerland, in cooperation with the Ministry of National Development Planning (Bappenas), Indonesia. The survey measures and profiles levels of access to, and use of, financial services by all adults across income ranges and other demographics.

Our vital demand-side information will support efforts to extend the reach of financial services, in line with the targets set by the Government of Indonesia of achieving a 75% 'rate of financial inclusion' by 2019.

We aim to make this information available for use by key stakeholders such as policymakers, regulators, and financial service providers.

The intention is for SOFIA to be a survey that will be conducted over several rounds.

This first round of the survey (2017) covers four provinces in eastern Indonesia: East Java, West Nusa Tenggara, East Nusa Tenggara and South Sulawesi

Challenges

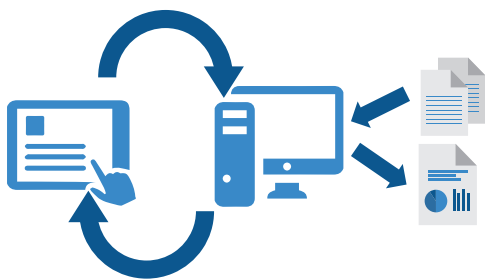
Limited access to financial services has been identified as one of the key constraints that many people face in eastern Indonesia – especially those who are among the poor and near-poor, those in rural areas, smallholder farmers, and those who operate micro, small to medium enterprises (MSMEs).

The importance and benefit of serving the financially-excluded population – especially those who remain unbanked or underbanked – is acknowledged by many stakeholders. Credible information and analysis on the financial lives of people needs to be established to provide solid evidence both for policy making and for developing appropriate financial products.

Approach

SOFIA is patterned after the FinScope methodology - a survey instrument used in many other countries as part of broader initiatives to support the financial inclusion agenda. We adjusted the instruments to be tailored to the specific context in Indonesia.

We use Computer Assisted Personal Interviewing (CAPI) for this survey, which ensures robust management of fieldwork and quicker access to data collected in the field.



PHASE 1 STAKEHOLDER CONSULTATION AND DESIGN

Effective stakeholder dialogue is an essential component of the survey, especially considering the high level of interest among government, industry players, development partners and other stakeholders in Indonesia. This phase includes the development of instruments.



PHASE 2 FIELDWORK

This phase includes pilot-testing the questionnaire and fieldwork process to test the adequacy of concepts to be measured; training for all fieldwork personnel; implementing household listing and interviews of respondents; and conducting fieldwork monitoring.



PHASE 3 ANALYSIS

The data collected (from the interviews) are then analyzed using Stata and SPSS, and the reports are prepared in line with the agreed analysis plan.



PHASE 4 DISSEMINATION

The headline results are presented to a wider stakeholder group at a Launch Event. This event brings together representatives of relevant government agencies (Bappenas, Bank Indonesia, OJK, Ministry of Finance, the Coordinating Ministry for Economy), various financial services providers and their associations; and development partners supporting the the promotion of financial inclusion in Indonesia.

Outcomes and wider impacts

The survey provides data and generates analysis to characterize financial access in four provinces in eastern Indonesia. This includes the overall financial access strand, the usage of formal financial services, the usage of financial services of other institutions, the usage of informal financial services, and the financially-excluded population. The main report provides results and analysis on the access to and use of savings products, loans, payments/transfer services, and insurance products.

In the analysis of the opportunities, we produce profiles of potential consumers of financial services. These profiles are meant to provide financial service providers with information that they can use as they develop new products or services. Developing these consumer profiles is aimed at making the proposition of expanding the reach of financial services more tangible to financial service providers.