

What is Financial Exclusion? A Review

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The Central Bureau of Statistics (BPS) recorded that the Indonesian population living below the poverty line as of March 2016 reached 28.01 million people. Although Indonesia's poverty tended to decline in 2016, the World Bank considers that Indonesia's economic inequality has widened in the last 15 years. Poverty in Indonesia is motivated by financial exclusion. Financial exclusion is the lack of access, faced by those most in need, to cheap, fair and safe financial services from mainstream service providers. This study aims to determine the development of Financial Exclusion research trends published by leading journals on Islamic financial economics. The data analyzed consisted of 597 indexed research publications. The data is then processed and analyzed using the VoSviewer application to determine the bibliometric map of Financial Exclusion research development.

Keywords: Financial Exclusion, Bibliometrics, VoSViewer

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INTRODUCTION

The Central Statistics Agency (BPS) recorded that the number of Indonesians living below the poverty line as of March 2016 reached 28.01 million people. This figure is around 10.86 percent of the national population. The number of poor people decreased by 0.58 million people compared to the March period of the previous year. BPS divides poverty data into urban and rural poor. The number of poor people in urban areas fell by 280 thousand people in March 2016 compared to September 2015. Meanwhile, the number of poor people in rural areas decreased by 220 thousand people compared to the same period last year (Central Bureau of Statistics, 2016).

Although Indonesia's poverty tended to decline in 2016, the World Bank considers that Indonesia's economic inequality has widened in the last 15 years. Indonesia's Gini coefficient in 2016 reached 0.397 from 0.30 in 2000. This is a joint work of the government and society that must be resolved immediately.

Poverty, unemployment and economic inequality are actually motivated by people's difficulties in gaining access to capital. Indonesian people's access to financial institutions, especially banks, is still very low. The World Bank research results explain that Indonesia's financial inclusion index is only 19.6 percent. This is still far below other countries such as Malaysia 66.7 percent, the Philippines 26.5 percent, Thailand 77.7 percent, China 63.8 percent, and other countries. (World Bank, 2014).

Poverty in Indonesia is also motivated by financial exclusion. Indonesia is a country with a high level of financial exclusion. This can be seen from the results of several surveys and research conducted by several national and international institutions. The results of a survey by the Demographic Institute of FEUI in 2012, only 35.51% of Indonesia's adult population have accounts in formal financial institutions. The survey is in line with the results of the Bank Indonesia household survey in 2011 which showed that only 48% of the Indonesian population has savings in banks and non-bank financial institutions and non-formal financial institutions (Bank Indonesia, 2011).

Justice, prosperity and people's welfare, which are the ideals of the nation as stated in the preamble of the 1945 Constitution, have not been achieved optimally after 71 years of Indonesia's independence. Poverty and economic inequality are still crucial problems for this nation. Indonesia's economic growth has not been

followed by economic equality. There are still many Indonesians who are unemployed and do not have the capital to open a business. Because financial exclusion is the lack of access, faced by people who need it most, to cheap, fair and safe financial services from mainstream service providers (Hagedoorn, 2006).

LITERATURE REVIEW

Financial exclusion refers to 'the process by which people face difficulties' accessing and/or using financial services and products in mainstream markets that suit their needs and enable them to lead normal social lives in the communities to which they belong (Carbo, 2005). Obaidullah and Latif (2008) define financial exclusion as the exclusion of the poor from the financial system. Meanwhile, Howell (2005) states that financial exclusion is a process that prevents poor and disadvantaged social groups from accessing the financial system. Sinclair (2001) divides the definition of financial exclusion into two perspectives - the narrow sense and the broad sense. In the narrow sense, financial exclusion is the exclusion from certain sources of credit and other financial services (such as insurance, bill payment services, and deposit accounts). In a broader sense, financial exclusion refers to factors that shut out the disadvantaged from key money services.

Warsame (2009) identified the criteria of financially excluded people into two groups across countries (developed and developing). He also highlighted several measures of financial exclusion based on most of the previous research, namely long-term unemployment, parents with no or few assets, single parents who are unable to work due to family commitments, uneducated people, those who are financially illiterate, ethnic minorities and immigrants who exert an influence on the surrounding community that causes financial exclusion, people living in deprived neighborhoods with high crime rates; and people with a history of bad debts whose accounts are usually closed due to non-payment making it difficult for them to open another account.

Financial exclusion remains a significant global problem. The World Bank's Global Findex Database shows that around 1.7 billion people worldwide remain unbanked, meaning they do not have an account with a financial institution or with a mobile money provider. Almost half of these people live in emerging economies, such as Indonesia, India, China, Bangladesh, Pakistan and Mexico. The database also reveals that most of these unbanked adults are more likely to have obtained very little education. Half of this segment has primary

education (or less), while more than a third have completed secondary school (post-secondary). Another important finding is that women are more likely than men to be inactive in the labor force (World Bank, 2017).

RESEARCH METHOD

This study uses paper publication data sourced from various journals ranging from 1982-2021 with research on the theme of Financial Exclusion. Data collection was carried out through a search for articles indexed by the Google Scholar database, the search was carried out by typing the keyword 'Financial Exclusion', then selected papers that were relevant to the Financial Exclusion research theme, for the criteria of journals that were filtered and processed in the software indexed by Google Scholar only journals equipped with DOI. From the search results, there were 597 articles published from 1982-2021. Data in the form of topics used in the publication of papers on the theme of Financial Exclusion and analyzed using Microsoft Excel 2010. The development trend of publications on the theme of Financial Exclusion was analyzed using VOSViewer software.

The computer program introduced is called VOSviewer. VOSviewer is a program developed to create and view bibliometric maps. The program is freely

available to the bibliometric research community (see www.vosviewer.com). VOSviewer can create maps or author journals based on cocitation data or create keyword maps based on co-occurrence data. The program offers a viewer that allows bibliometric maps to be examined in detail.

To build maps, VOSviewer uses the VOS mapping technique, where VOS stands for visualization similarity. For previous studies where the VOS mapping technique was used. VOSviewer can display maps built using the corresponding mapping technique. Therefore, this program can be used to display maps constructed using the VOS mapping technique and display maps constructed using the multidimensional scaling technique. VOSviewer runs on many hardware and operating system platforms and can be started directly from the internet.

RESULTS AND DISCUSSION

The following table shows the collection of documents used in research on the theme of Financial Exclusion in Islamic economic research. Of the total 597 documents used, it is divided into 4 types of documents, including journal articles (348 documents), anthologies/book chapters (127 documents), conference papers (94 documents) and reviews (28 documents).

Table 1: Document Types

No.	Document Types	Number of Articles
1	Journal article	348
2	Book chapter	127
3	Conference Paper	94
4	Review	28
	TOTAL	597

Based on the results of the document type grouping above, the type of document most widely used as a research subject with the theme of Financial Exclusion is a document in the form of a Journal article with a percentage of 58.29% or as many as 348 documents. Meanwhile, the least used document is in the form of a review of 4.69% or 28 documents. This shows that the references used are quite valid because most of them come from documents in the form of scientific journals.

Bibliometric Graph Analysis

Bibliometrics is based on the calculation and statistical analysis of scientific output in the form of articles, publications, citations, patents, and other more complex indicators. It is an important tool in evaluating research activities, laboratories and scientists, as well as scientific specialization and country performance. The report, after setting the background to the development of bibliometrics, presents the databases on which bibliometrics is built, as well as the main indicators used.

To explore the results of the meta-analysis, this section will present a visual mapping chart of 597 journals published by Financial Exclusion. The results of the keyword mapping analysis form the basis for mapping together important or unique terms contained

in a particular article. Mapping is a process that allows one to recognize knowledge elements and their configurations, dynamics, interdependencies, and interactions.

Related to bibliometrics, science mapping is a method of visualizing the field of science. This visualization is done by creating a landscape map that can display the topics of science (Royani, et al., 2013). The results of network visualization of 597 word map

journals with the theme of Financial Exclusion can be seen:

Bibliometric Author Mapping

Using the VOSViewer software, we found the bibliometric mapping of authors as shown below. The larger the shape and the brighter the color indicates that the author has published more papers related to Financial Exclusion.

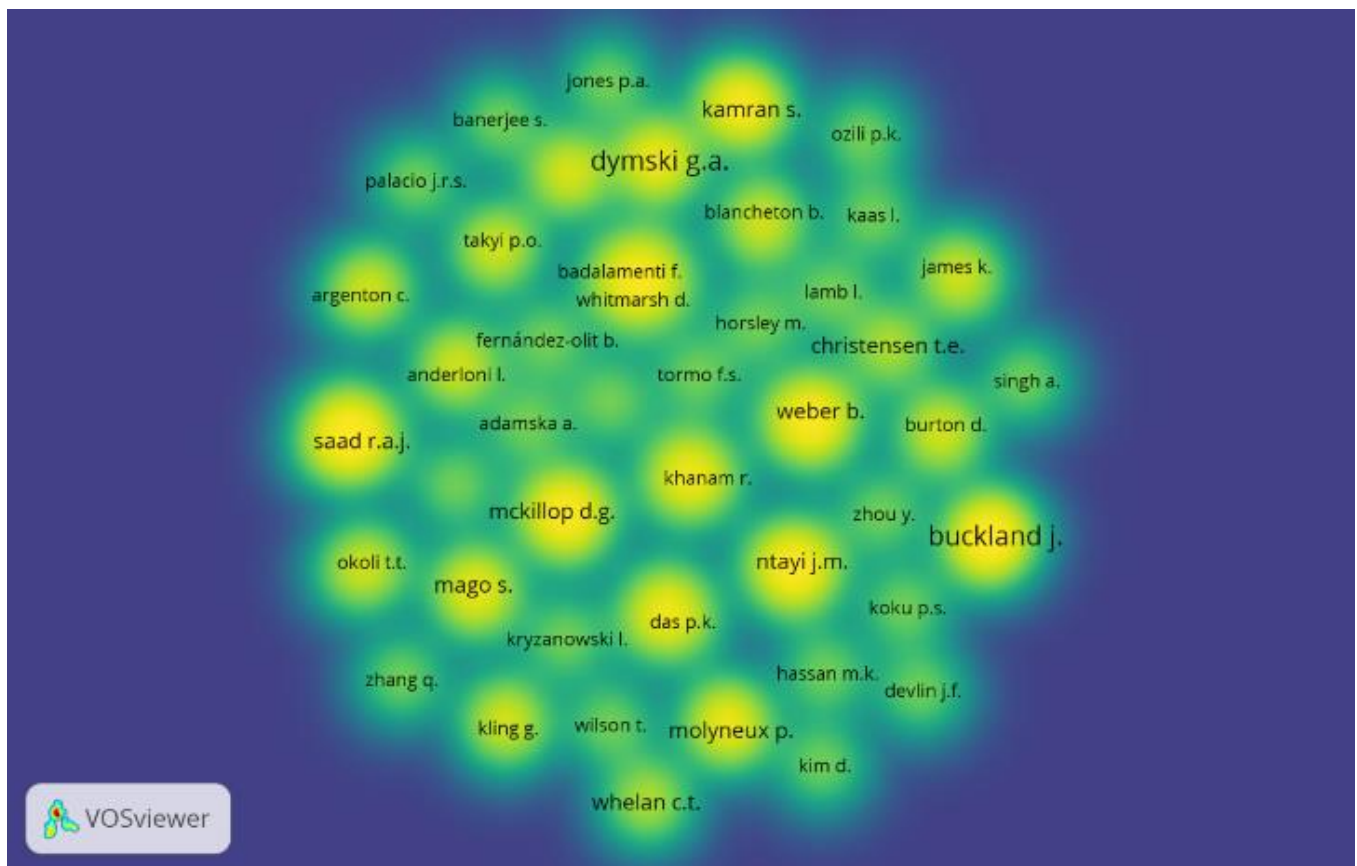


Figure 1: Bibliometric Author Mapping

The cluster density display depends on the level of yellow light description. This identifies that the yellow color of the map depends on the number of items associated with other items. This section is useful to get an idea of the general structure of the bibliometric map by noting which parts of the light are considered important to analyze. From the map, it is possible to interpret the authors who published the most.

In general, each researcher has different tendencies. Some of them are indexed as a single author, while others are co-authored with other researchers, resulting in several clusters that are indicated by different densities. However, authors whose density is quite large show that they publish more research on the theme of Financial Exclusion than those with lower density, so

these results can be used as a reference for future researchers.

Based on these results, the bigger and brighter the author's name, the more papers he published. The most published author related to the theme of Financial Exclusion based on bibliometric mapping, namely Dymski G.A.

Bibliometric Institutions Mapping

In bibliometric analysis, the author's institution can be seen from which institution they come from. Through this result, we can interpret the institution that wrote the most publications.

Financial inclusion and financial exclusion represent two contrasting concepts within the realm of access to financial services. Financial inclusion focuses on ensuring equal access and opportunities for all individuals to participate in the financial system (Ozili, 2021; Sarma & Pais, 2011), while financial exclusion

highlights the barriers and limitations that prevent certain groups or individuals from accessing these crucial financial services and products. Efforts to promote financial inclusion aim to address and alleviate the issues contributing to financial exclusion to create a more inclusive and equitable financial landscape.

Table 2: Keywords, Authors and Institutions with the Highest Publication

Rank	Keywords	Authors	Institution with the Highest Publication
1.	Financial Exclusion	Dymski G.A.	Oesterreichische Nationalbank, Austria.
2.	Financial Inclusion	Buckland J.	Universidad de Valencia, Spain
3.	Social Exclusion	Hossein C.S.	University of Sheffield, United Kingdom
4.	Financial Services	Christensen T.E.	Central Bank of Nigeria, Abuja, Nigeria
5.	Microfinance	Mago S.	Liverpool John Moores University of Sheffield, UK
6.	Finance	Mckillop D.G.	Newcastle University, United Kingdom
7.	Banking	Molyneux P.	Nottingham University Business School, UK
8.	Financial Crisis	Ntayi J.M.	University College Dublin, Ireland
9.	Exclusion	Weber B.	University of California Center Sacramento (UCCS)
10.	Financial System	Whelan C.T.	University of the West of England, United Kingdom

CONCLUSION

This research aims to find out the extent of the development of the theme of Financial Exclusion in the world. The results show an increase in the number of papers published on this theme in recent years from 1982 to 2021, more than 590 studies have been published on this theme.

Bibliometric visualization mapping shows that Dymski G.A. wrote the most papers about Financial Exclusion. The institution that published the most papers related to Financial Exclusion is Oesterreichische Nationalbank, Austria. And the country that published the most papers related to Financial Exclusion is United Kingdom.

The Financial Exclusion research development map is divided into 3 clusters. Cluster 1 consists of 22 topics, cluster 2 consists of 17 topics and cluster 3 consists of 13 topics. In the Financial Exclusion themed word index, the most used word is Financial Services.

Recommendations that can be given to academics are to continue developing scientific research on the theme of financial exclusion, especially by utilizing bibliometric results, for example using popular keywords, selecting references based on the most popular authors, institutions, countries, keywords and indexes. Academics can also expand the financial exclusion literature review with more specific references, such as Scopus indexed articles or use other software to produce more diverse bibliometric mapping, such as R

Biblioshiny (Antonio, 2023; Puspita, 2022; Maulida & Rusydiana, 2022; Maulida & Ali, 2023).

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