

## REGIONAL ECONOMIC STUDIES PROGRAMME WEBINAR

### Webinar Series 2020-2021: Financial Transformation, Credit Markets and Household Debt in Southeast Asia

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#### Understanding People's Use of Digital Lending in Indonesia

Date : Monday, 15 February 2021

Time : 4.00 pm – 5.15 pm (Singapore time)

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#### About the Webinar

As the fourth most populous country in the world, and with an internet participation ratio of more than 50%, Indonesia shows huge potential for financial technology (fintech). However, the penetration of financialisation has brought many challenges. In Indonesia, the increase of household debt is partly supported by the rapid growth of information technology-based lending. For some people, the easier access to credit that is offered might be one opportunity. However, it raises new risks as well, such as being burdened by debt or worsening their financial condition, especially if they choose an unsecured loan. Government policies have become very important as a result. Strengthening regulation in the financial services sector is very important to reduce the complexity and fraud. Alongside with this, living in a more financialised world means that we need a better understanding of finance. Financial capability plays an important role because it supports a greater understanding of financial management and protects people from fraud and unnecessary financial risks. Given that over-indebtedness could risk the country into financial vulnerability, this presentation will discuss a range of relevant issues related to the use of fintech and financial capability in Indonesia, with the focuses on household debt sourced from online loans. It will also highlight the efforts and regulation of financial services made by the government in ensuring good market conduct and enhancing consumer protection.

#### About the Speaker



**Johan Irni Rahmawan** is an assistant professor at Department of Family and Consumer Sciences, IPB University, Indonesia. She completed her Ph.D. at School of Social Policy, University of Birmingham, UK (2018). In 2019, She was awarded an International Visiting Research Fellow from The Centre on Household Assets and Savings Management (CHASM), University of Birmingham, UK, and now join the CHASM Associate. Her research interests include financial capability, financial inclusion, and financial education, as well as looking at individual behaviour in relation to personal finance. She teaches courses in undergraduate and graduate such as Personal Finance, Economic of Household, Consumer Behaviour, Family and Resources Management, and Social Marketing. Besides teaching and conducting research, she is also actively involved in community development program in several topics, such as financial planning life cycle and consumer education and protection. Her latest publication includes 'the Influence of Financial Literacy and Reference Group toward Consumptive Behaviour across High School Students'. She is currently researching 'financial literacy and financial vulnerability among civil servants in Indonesia'; and 'understanding people's use of digital lending in Indonesia: a case study' (on going).

## **About the Discussant**



**Manggi Taruna Habir** holds a Master in Business Administration from the University of Michigan, USA, a Master in Public Administration from Harvard University, USA and a Bachelor of Arts in Economics from McGill University, Canada. He is currently a Visiting Fellow (Regional Economic Studies Programme) at ISEAS – Yusof Ishak Institute. He is also visiting faculty at Institut Pengembangan Manajemen Indonesia (IPMI), a Jakarta-based

Graduate Business School teaching Finance and Economics (1991-present). Previously, he served as Independent Commissioner of PT Bank Danamon Indonesia Tbk (2005 -2020) and as Supervisory Board Chairman of Yayasan Danamon Peduli (Danamon's CSR Foundation) as well as President Commissioner of PT Asuransi Adira Dinamika, (2009-2019) a general insurance subsidiary of Bank Danamon. Prior to joining Danamon, he was Director at Standard & Poor's, Singapore, covering Financial Institution Ratings across Asia ex Japan and Korea (2001-2005). Early in his career he was business and economic correspondent for the Far Eastern Economic Review (1982-1985) and held various key positions at Citibank N.A. Jakarta (1985-1991). His latest position was Head of Financial Institution Services. He established and lead PT Bahana Securities Research Unit (1995-1998) and was President Director of PT Pefindo, Indonesia's Credit Rating Agency (1998-2001).