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Financial Inclusion in Home Industry of Bamboo Handicrafts in The Trenggalek District

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Abstract

This study aimed to analyze the conditions of financial inclusion in home industry of the bamboo handicrafts and their implications for business performance. The approach used in this research was a qualitative approach, type of case study research. Data collection methods used were interviews and observation. The results of this study indicated that most of the craftsmen were still classified as unbanked people and did not yet have a bank account. The craftsman considered that it was not too important to have a bank account because of the lack of income and low understanding of financial services and products. Significant profit differences made the creation of three classes of craftsmen in the village of Wonoanti. Productivity among craftsmen had a significant difference, caused by the production machines and the number of employees. So, financial inclusion in each craftsman was different. This difference in the level of financial inclusion resulted in differences in business performance between craftsmen classes. The level of financial inclusion was directly proportional to the business performance of each craftsman.

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INTRODUCTION

Home industry usually concentrates production activities at home and employs family members, relatives and neighbors to work as workers. According to Law No. 9 of 1995 home industry can be categorized into small businesses because the nominal amount of business wealth is usually at most Rp. 200,000,000 (not including land and buildings for businesses). The existence of large, medium and small home industries will certainly have a positive impact on the socio-economic conditions of the community, both large, medium and small scale. The contribution of MSMEs to the economy is 60.34% with the number of MSME actors of 57.9 million (or 99% of the total business). MSMEs are able to absorb almost 97% of the total national workforce of 114 million people (Kemenko, 2018).

Research with MSME object is very interesting to study, because MSMEs constitute the majority of businesses in almost all countries. However, so far much research has focused on large companies that have been listed on the stock exchange. Opportunities for MSME research are still very large with various aspects and research perspectives (Latifah, Setiawan, & Aryani, 2019). In this case, the existence of MSMEs in terms of assets and turnover as well as administrative and financial conditions can be used as a basis for providing information in applying financial accounting standards where the standard is used as a means to prepare accounting information (Wihartanti, Nurhuda & Munafi'ah, 2018).

The existence of home industry in an area can cause an increase in trade volume, an increase in development activities, an increase in volume and an increase in the frequency of money and goods traffic from the area. Home industry has an important role in efforts to overcome economic problems because it can have a positive impact such as absorbing labor, providing goods and services for the community, reducing urbanization, optimizing regional economic potential and showing the self-image of the Indonesian nation.

The community actually has a fairly large entrepreneurial motivation. The amount of motivation is sometimes not comparable with the conditions in the field. Home industry players often experience problems in marketing and capital. The problem is actually able to be solved by maximizing the role of the banking sector. Gardeva & Rhyne (2011) defines financial inclusion as a condition where everyone can access quality financial services, available at affordable prices, in a convenient and satisfying way. The condition of good access to financial services and products can certainly increase public interest in utilizing various financial products for business development needs.

According to Soederberg (2018) in the global development effort and broadly, financial inclusion is an interesting theme because it is considered capable of being a policy tool that encourages economic growth and stability while reducing poverty. On the other hand, financial inclusion is also an effort to minimize the existence of unbanked people. The main indicators of financial inclusion according to Global Findex (2017) consist of account ownership, saving at a formal financial institution and borrowing from a formal financial institution. Conditions in the field show that there are still many people who do not have accounts, make loans and savings outside of formal financial institutions.

Efforts to increase financial inclusion rates have actually been carried out by financial institutions in Indonesia. However, these efforts seem less optimal; this can be seen from the number of financial institutions that lack a stable growth rate. The following data is the number of financial institutions in Indonesia during 2014 - 2018 according to (BPS RI, 2020).

Table 1. Number of Financial Institutions in Indonesia

Details	2014	2015	2016	2017	2018
Commercial Banks					
Conventional-based Commercial Banks					
State Banks					
Number of banks	400%	400%	400%	400%	400%
Number of offices	17 430	17 809	18 106	18 262	17 853
Regional Government Banks					
Number of banks	2500%	2500%	2600%	2600%	2400%
Number of offices	3 254	3 781	4 052	4 130	4 110
Private National Banks					
Number of banks	6800%	6700%	6400%	6400%	6400%
Number of offices	9 727	9 477	8 750	8 167	7 739
Branches of Foreign Banks					
Number of banks	1000%	1000%	1000%	900%	900%
Number of offices	11200%	10200%	9100%	4800%	4700%
Sharia-based Commercial Bank					
Regional Government Banks					
Number of banks	0%	0%	0%	0%	200%
Number of Offices	0%	0%	0%	0%	17800%
Private National Banks					
Number of banks	1200%	1200%	1200%	1200%	1200%
Number of Offices	1 946	1 780	1 731	1 678	1 691
Total Commercial Banks					
Number of banks	11900%	11800%	11600%	11500%	11500%
Number of offices	32 739	32 949	32 730	32 285	31 618
Rural Banks					
Conventional-based Rural Banks					
Number of banks	1 643	1 636	1 633	1 619	1 597
Number of offices	4 895	5 982	6 075	6 192	6 273
Sharia-based Rural Banks					
Number of banks	16400%	16300%	16600%	16700%	16700%
Number of offices	44300%	44600%	45300%	44100%	49500%

Source: Statistics Indonesia (BPS) (2020)

Efforts to increase the number of financial institutions in Indonesia have sometimes not been matched by an increase in the number of banked people. There are still quite a lot of people in Indonesia who are classified as unbanked people. Demirguc-Kunt et al. (2018) explained that only 36% of the adult population in Indonesia had a bank account. This number is quite far behind when compared to Malaysia which reached 81%, China 79%, India 53%. The number of banked people in Indonesia is relatively low when considering the large role of home industry in the country's economy. The large number of unbanked people is also caused by how people access to understand and use financial products.

Public access to financial products should be facilitated with the aim of increasing financial inclusion rates and financial services and products so as to be utilized by all levels of society, especially for home industry players who experience marketing and capital problems. Difficulties in people's access to formal financial products can make people make loans outside formal institutions. Loans made by the community outside the formal institutions often do not take into account the risk aspects, the strength of repayments and interest is usually quite high. In addition, the public still needs education about savings through financial institutions. There are still quite a lot of people who do not yet have the knowledge about the interest that will be earned through savings programs in banks.

Considering the low percentage of people classified as banked people, according to Shankar (2013) there will be quite a lot of risks that occur such as: (1) Inability to access financial services can lead to the exclusion of financial entities in obtaining capital. (2) Lack of access to savings will result in low incentives to save. (3) Lack of credit products means the inability to invest and business development efforts. Some of these risks should be minimized by efforts to facilitate craftsmen access to financial products. This needs to be done for the development of the craftsmen's business performance.

Allen et al. (2012) found that the probability of having a bank account and saving at a bank was higher among those who were richer, lived in cities, were older, educated, worked and individuals who were married. Based on these conditions, it is important to develop policies that favor all levels of society by trying to remove barriers for all people who want to access financial services and products. Three dimensions of financial inclusion according to Sanjaya & Nursechafia (2016) are Outreach, Usage, and Quality. Outreach is the extent to which recipients can reach financial services units. Usage is a measurement of the usefulness of the financial system illustrated through the presence of an ATM machine (Automatic Teller Machine), bank branch offices, household depositors, and borrowers while the quality level is the level of financial products in meeting the needs of the community.

Financial inclusion often influences the business performance of bamboo craftsmen. Bamboo craftsmen have difficulty developing their businesses because not all craftsmen have good financial inclusion. Based on the results of preliminary observations, only craftsmen in large class are classified as banked people and have used financial services such as savings and credit for the purposes of developing a business while small and craftsmen in medium class have not been able to take advantage of formal financial services and products because they are still classified as unbanked people.

Based on research by Adriani & Wiksuana (2018), it shows that the increase in MSME growth in the province of Bali is influenced by the level of financial inclusion, the level of inclusiveness of all regencies / cities in Bali ranges from 0.5 to 0.8, which is classified as moderate - high. This shows that financial inclusion has an important role in the effort to develop a home industry business and financial inclusion in Indonesia is not evenly distributed. All Indonesians should be able to have access to good financial services and products.

Craftsmen who have better financial inclusion will usually have better business performance. Business performance in this case is seen from profitability, productivity and market. Other studies also revealed the same thing, according to Bongomin in (Sanistasya et al., 2019) showing that financial inclusion had a significant effect on the performance of small businesses. The study stated that on a large scale, financial literacy had not been reached optimally if there were still problems with asymmetric information on financial services that can hamper the success of small businesses to compete. Considering the importance of financial inclusion to business performance, easy access is needed as an effort to improve the performance of a business.

Based on the results of preliminary observations, there are differences in the level of business performance in home industry players. Craftsmen in large class have a much better performance when compared to craftsmen in medium and small class. According to Tiwari & Shahbaz (2010) where business organizations lacking access to finance to various sources of funding can lead to poverty conditions. Access to finance is an important aspect for business actors because the ease of accessing finance can improve business performance. Business performance really needs to be maintained because the existence of a home industry is able to provide employment, improve the welfare of society and contribute to the regional and national economy.

According to Ummah et al. (2018) the low access to financial services and products is due to low income levels, fairly complex bank operational procedures, lack of education about finance and banking, high bank administration costs and bank locations that are quite far from where to live. This low access can lead to differences in business performance among craftsmen because craftsmen are less able to develop their businesses if the level of financial inclusion is low. One example is the difference in financial inclusion in each business class resulting in a significant difference in the number of loans. Here are the credit data between business classes according to (Financial Services Authority, 2020).

The data shows that the large business sector has a much greater credit financing when compared to the micro business sector. However, if viewed from its impact on employment, the MSME sector is able to absorb more workers. This happens because financial inclusion in the large business sector is better when compared to the small business sector. Large businesses have more convenience to qualify for accessing financial services and products while small businesses are usually still quite difficult to meet the requirements proposed by the banks.

The current condition of the craftsmen in the village of Wonoanti shows a difference in the level of business performance. This difference can be seen from the three classes of craftsmen, namely small, medium and craftsmen in large class. Following are the differences between the three craftsmen classes in Wonoanti village.

Table 2. Data on The Amount of Credit in Each Business Class

Business Category	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
1. Large Enterprise	63.778	65.186	65.179	63.500	63.060	61.187	60.421	61.932
2. Medium Enterprise	51.626	52.392	52.681	52.705	52.786	52.713	51.978	52.518
3. Small Enterprise	19.488	19.801	20.034	20.244	20.743	20.840	21.076	21.303
4. Micro Enterprise	38.537	39.226	39.654	39.845	41.007	41.915	41.750	41.651
5. Other Categories	289.739	290.934	291.034	291.778	293.123	292.670	292.581	293.744
Total	463.169	467.539	468.583	468.071	470.720	469.325	467.806	471.148

Source: Financial Services Authority (2020)

Table 3. Craftsman Classification in The Village of Wonoanti

Craftsmen in Small Class	Craftsmen in Medium Class	Craftsmen in Large Class
The product produced in the form of traditional kitchen equipment.	The resulting products are more diverse in the form of souvenirs and household trinkets.	The resulting products are more diverse in the form of souvenirs, garden gazebos and bamboo-based furniture.
Production is carried out continuously then collectors take their products	The stock of goods is limited and usually production is only done when there is an order	They have more stock of goods and not always depend on the order
They only work weaving bamboo and do not think about marketing.	They do production and marketing independently.	They do production and marketing independently.
Raw materials are bought from collectors	They look for production materials by themselves	They look for production materials by themselves

Source: Data Processed

The creation of class differences between craftsmen is due to differences in the level of financial inclusion and the potential for income inequality. In accordance with the opinion of Sarma & Pais (2011) which shows that the widening income disparity indicates a lower level of financial inclusion. In addition to the diverse business performance issues, some craftsmen also took over the profession. Quite a number of craftsmen turn to other professions because they feel unable to continue their business and consider that the work undertaken is less profitable.

The decline in the number of craftsmen in Wonoanti village is an important thing to highlight because if this continues to be ignored, more and more craftsmen will switch professions. This transition of professions can lead to the possibility of craftsmen urbanizing to find new professions and eventually will add to existing problems. Therefore, researchers feel it is important to analyze financial inclusion in the home industry of bamboo handicraft in Wonoanti Village, Gandusari Sub-district, Trenggalek Regency so that the results of this study are expected to be used as a reference for solving problems that occur in the environment.

METHODS

Based on a research design on the role of financial inclusion in the home industry of bamboo handicraft, the approach used was a qualitative approach. The qualitative approach was chosen because through this approach the researcher can obtain complete, in-depth, credible information and so that the objectives of this study can be achieved. This research used case study research. This type of case study research was chosen because this research sought to uncover cases of financial inclusion in the home industry of bamboo handicraft in Wonoanti village, Gandusari sub-district, Trenggalek Regency. Bamboo craftsmen in the village of Wonoanti were chosen to be the subject of research on the grounds that the craftsmen were business actors who should have sufficient financial inclusion.

The data collection process in this study originated from informants from three classes of craftsmen, namely large, medium and small. The selected informants were key informants because they were senior craftsmen and had long worked as craftsmen. The selection of data sources or research informants was done by using purposive sampling technique.

Data collection techniques in this study used observation and interviews.

Analysis of the data in this study used the steps of data reduction, data display, and verification and conclusion drawing. This study used triangulation methods of data sources and triangulation techniques to determine the validity of the data that had been obtained. This triangulation aimed to find the similarity of data obtained from informants through different methods.

RESULT AND DISCUSSION

The results obtained from the interview, observation and triangulation techniques indicated the condition of several aspects of financial inclusion as follows. (1) Public access to financial institutions and products was still quite difficult. (2) Most of the craftsmen were unbanked people. (3) Savings were still mostly done outside formal financial institutions. (4) There were still many loans made outside formal financial institutions.

Financial inclusion had 3 aspects, namely account ownership, savings through formal institutions and formal credit. Based on data from Demirguc-Kunt et al. (2018), only 36% of the adult population in Indonesia had a bank account. The low percentage of bank account ownership in Indonesia seemed to contrast with the conditions in the study location. Most of the craftsmen were still classified as unbanked people and did not yet have a bank account. The craftsman considered that it was not too important to have a bank account because of the lack of income and low understanding of financial services and products.

Craftsmen, who were village people, tended to lack access to financial services and products so that there were still many who were classified as unbanked people. Only craftsmen in large class were classified as banked people. Craftsmen in large class revealed that they had four bank accounts that were used for their business needs. This showed that craftsmen in large class had easy access to financial services and products for business development needs.

Medium and small-scale craftsmen did not quite understand the importance of using financial products such as savings and credit for productive purposes. The low level of understanding was due to the lack of socialization from formal financial institutions regarding the importance of using financial services and products, resulting in low financial inclusion. Direct socialization to the village community should be maximized, considering that the majority of village communities lacked understanding of financial literacy and were poorly educated.

Unlike the majority of urban communities who had a better understanding of financial literacy and were highly educated so as to be able to have a better level of financial inclusion. This condition supported the research results of Allen et al. (2016) who found that the probability of having a bank account and saving at a bank was higher among those who were richer, lived in cities, were older, educated, worked and individuals who were married. This condition made craftsmen less informed about financial products such as savings and credit.

The importance of saving had actually been understood by craftsmen, but the differences in economic conditions between craftsmen made different forms of savings and the strength to save. So far, the craftsmen in large class were the most potential group to have a formal savings program because the craftsmen in large class had been classified as banked people making it easier to access financial services and products. Craftsmen in large class always allocated some of their finances to be saved in a bank with consideration of safety factors.

The way to save for craftsmen in medium and small class was quite different. These class craftsmen saved their savings through community gatherings. The intensity of saving every craftsman also varied, according to economic conditions. Some craftsmen in small class even revealed that they did not have the ability to save. Craftsmen who were village people often realized savings in other forms. Savings in rural communities were often transformed into livestock, stored crops, trees that had been planted for a long time or other things that were identical and close to the characteristics of village communities that cannot be separated from farming.

This condition occurred in craftsmen in small class and some craftsmen in medium class. The craftsmen did this because the small and medium class craftsmen were classified as unbanked people so that these class craftsmen lacked access to financial products and did not understand the importance of utilizing financial products from formal institutions. This condition supported the results of Anggraeni's research in Ummah et al., (2018) that formal financial services were difficult to access especially by villagers so they chose to borrow and save in informal financial institutions.

Savings made outside formal financial institutions were actually less recommended considering its vulnerability in terms of security outside formal financial institutions. Craftsmen of medium and small classes also lacked understanding of the interest on savings through formal financial institutions. Shankar (2013) revealed that the lack of access to savings would result in low encouragement to save. This can happen because the craftsmen did not have the incentive every month to oblige to deposit some money to be saved through formal financial institutions.

Apart from savings, another important aspect was credit. Credit became an important element in the course of a business. Financing in the form of credit was often the solution to the problem of capital to establish or develop a business. Therefore, public access to financial services and products was expected to be facilitated. Ease of access to financial services was expected to be utilized by the community to increase income through credit for productive purposes (Allen et al., 2016).

Conditions in the field showed that most craftsmen had not been able to understand credit for productive purposes. Credit was still seen as a negative thing so that medium and small-scale craftsmen had difficulty finding business. In addition, the character of village people who lived modestly made craftsmen quickly satisfied with the current conditions so that they lacked the enthusiasm to develop a business. At present only craftsmen in large class were able to understand the importance of credit for productive purposes and these craftsmen had good financial inclusion. According to Tiwari (2013) where business organizations were lacking in access to finance to various sources of funding can lead to poverty conditions. This was what was happening right now at the research location, good financial inclusion was only owned by the craftsmen in large class. Medium and small-scale craftsmen lacked access to financial products, so business performance was poor.

Craftsmen in large class had experience doing credit at banks for their business needs, whereas craftsmen in medium and small class had never done it. Craftsmen in large class had easy access because they had promising business prospects so that banks can more easily provide loans. Small and medium class craftsmen were usually seen as lacking the potential to develop, so the credit application process was usually quite difficult. At present financial inclusion had not been able to touch all levels of small communities, so that many people were still classified as unbanked people. The low financial inclusion among craftsmen was caused by several factors such as: (1) Did not have knowledge about banking, (2) Interest was too high (3) Did not have a financial statement system, (4) Did not have legal documents which were a requirement for accessing services and financial products.

Craftsmen as village communities had limited information regarding banking financial institutions. The limited information made the craftsmen make credit and save outside formal financial institutions. The location of the house far enough to go to the nearest bank office made the public increasingly unaware of information about financial services and products whereas information such as soft loans was very much needed by craftsmen to overcome capital problems.

Data in the field showed that in the small and medium class, craftsmen considered the loan interest was too high, so the craftsmen did not have the courage to do credit. One informant who was a medium craftsman revealed that the informants felt they did not have the courage to do credit, even for productive purposes. Informants preferred to save money and make the results of their savings as venture capital. Venture capital that did not originate from credit funds was considered to make informants calmer in running their business.

The next condition that was usually proposed by financial institutions was the company's financial accounting. In the home industry class, financial accounting was still a difficult thing to apply. This can be seen from the three classes of craftsmen who did not have detailed financial books. Craftsmen in small class never recorded their finances at all. The medium craftsman usually only recorded the number of orders, the type of order, the date of withdrawal and the amount of money that had been paid. Craftsmen in large class revealed that they had made financial records ranging from income, expenses, turnover and net income.

However, it cannot run routinely due to time and energy constraints. This description of the home industry supported the results of Azhar & Harif's (2010) research that home industries had limitations in terms of financial planning, control, financial accounting, financial analysis, management accounting and working capital budgeting. Without a clear financial management, it would be difficult for craftsmen to have discipline in managing their finances so it was feared that it would lead to inappropriate economic decisions and resulted in a budget deficit for the business or personal financial funds. Conditions in the village of Wonoanti showed that there was no formal financial institution in the village, Automatic Teller Machines (ATM) and Rural Banks (BPR). The following data is about financial institutions in Gandusari Sub-district according to (BPS Trenggalek, 2019).

Table 4. Number of Financial Institutions in Gandusari Sub-district

Village	Commercial Bank	Rural Bank
Ngrayung		
Jajar		
Wonorejo		
Sukorejo	1	
Gandusari	1	1
Wonoanti		
Widoro		
Karanganyar		
Melis		
Krandegan		
Sukorame		
Total	2	1

Source: Data from Statistics Indonesia in Trenggalek District (2019)

If seen from the data, the number of financial institutions in the Gandusari sub-district was quite minimal. In the village of Wonoanti there were no financial institutions, whereas the village of Wonoanti was the center of the home industry of bamboo handicraft and the home industry of concrete stones. That number should be added, considering that Gandusari was a sub-district with a large number of small businesses such as home industry of tile, bamboo crafts, concrete stones, etc. The lack of financial institutions caused many bamboo craftsmen in the village of Wonoanti to be classified as unbanked people. This condition was in line with the Survey conducted by the Financial Services Authority (OJK) in 2016 which showed a financial inclusion index of 67.82% (Financial Services Authority, 2019). This figure was still relatively low so that financial inclusion in each region was different. Therefore, access to equity and financial facilities needed to be increased so that all people could access financial services and products easily.

The government should have a breakthrough so that all levels of society can be classified as banked people, especially for craftsmen because the home industry sector had a large role in the country's economy. In accordance with the opinion (Kemenko, 2018) that the contribution of MSMEs to the economy amounted to 60.34% with the number of MSME actors was 57.9 million (or 99% of the total business actors). MSMEs were able to absorb almost 97% of the total national workforce of 114 million people. This seemed to be less appropriate when compared to the amount of credit channeled to the large business sector, the amount of which was much greater when compared to the small business sector.

Financial inclusion can be increased through several ways such as the distribution of banking services. Equitable distribution of banking services can take advantage of technological developments as a medium for the dissemination of information flow and as an effort to facilitate public access. Moreover, there were now quite a lot of people who had smartphones and were supported by financial products that can be accessed digitally. In accordance with the opinion of Oluwatayo (2013) that the improvement of information flow and reduction in transaction costs can be done by utilizing the development of cellphones, especially banking costs from a physical perspective.

The results of this study were supported by Mago & Chitokwindo (2014) that the problem of banking access for people in developing countries that had substantial costs can be resolved through optimizing the use of cellphones. This step can be optimized if the role of cellular operators was maximized by leveling access to cellphone signals throughout Indonesia. If all parties were able to work optimally, financial inclusion would increase and business performance would get better.

Based on field observations, most of the craftsmen were already using smartphones, especially craftsmen in large and medium class. Quite a number of craftsmen who used smartphones were an opportunity for the government to develop the fintech (financial technology) industry to reach all regions and the whole society. According to Dhar & Stein (2017) Fintech is an innovation of the financial sector that involves a business model that is connected with a technology model that can make various kinds of facilities without intermediaries, changing the existing financial company system in making financial services and products. The existence of the fintech (financial technology) industry was able to bring people closer to financial services and products. The public would find it easier to access financial services and products because they did not need to come directly to the bank and can access it from all regions of Indonesia.

Regarding business performance, according to Bongomin in (Sanistasya et al., 2019) showed that financial inclusion had a significant effect on the performance of small businesses. The performance of a craftsman when viewed from profitability showed that craftsmen in large class had a much higher profit compared to craftsmen in medium and small class. Tabel 5 was the amount of income from each informant.

Table 5. The Income of Each Craftsman Class

Name	Income
Bibit Handayani (Craftsman in large class)	Rp 15.000.000
Suwandi (Craftsman in medium class)	Rp. 2.000.000
Siti Nurhayati (Craftsman in medium class)	Rp. 2.500.000
Jarmi (Craftsman in small class)	Rp 600.000
Yatini (Craftsman in small class)	Rp 700.000

Source: Data Processed

This difference in income level occurred because the goods produced by craftsmen in large class were far more varied and followed market demand. Significant profit differences made the creation of three classes of craftsmen in the village of Wonoanti. In accordance with the opinion of Sarma & Pais (2011) which showed that the widening income disparity indicated a lower level of financial inclusion.

In terms of productivity, craftsmen in large class had a much higher productivity because it was supported by a much higher workforce and more sophisticated production equipment. They were able to produce a minimum of 3000 pcs of bamboo souvenirs every month, coupled with other product orders in the form of the construction of bamboo buildings and furniture made from bamboo. Productivity among craftsmen had a significant difference. This difference was caused by the production machines owned by craftsmen in large class who were already quite modern and the number of employees they had was far more so that they were able to have high productivity.

Meanwhile, from the market side it showed that craftsmen in large class controlled the local market and had penetrated the export market. They had marketed their products to Malaysia, Singapore, Brunei Darussalam and Japan. However, at present they preferred to market their products in the country because they were considered more profitable and the selling prices abroad were considered too cheap so it was not worth the cost of production. Craftsmen in medium class had a market in Trenggalek district and surrounding cities. One of them had tried to market their products through Facebook, but this had not been able to run optimally.

Craftsmen still needed education related to online marketing. This should be used as an opportunity and utilized because nowadays product marketing was getting easier, not limited in space and time. Meanwhile, craftsmen in small class still struggled with the pattern of depositing their production results to collectors. They cannot act as a price determinant, so the selling price was determined by the collectors. Craftsmen in small class cannot yet be independent because they still had a dependency on raw materials for collectors. The existence of this significant difference proved that financial inclusion played an important role in the performance of the craftsmen's business.

Good financial inclusion would be able to improve the performance of bamboo craftsmen. In accordance with the results of research by Adriani & Wiksuana (2018) which showed that the increase in MSME growth in the province of Bali was influenced by the level of financial inclusiveness. Based on these conditions, development in financial and banking aspects was expected to be maximized so that public access to financial services and products was easier. With this facility, the public was expected to be able to use financial services and products to improve performance and develop businesses so that income increased.

CONCLUSION

Based on the description of the results of research and discussion of financial inclusion in the home industry of bamboo handicraft, it can be concluded that the financial inclusion of each craftsman was different. This difference in the level of financial inclusion resulted in differences in business performance between craftsmen classes. The level of financial inclusion was directly proportional to the business performance of each craftsman. Research on financial inclusion was still not too many in number. Moreover, in the village of Wonoanti no one had ever examined the financial inclusion of the home industry of bamboo handicraft. The results of this study were expected to be able to provide a solution to the case of the decline in the number of craftsmen and profession shifts in the village of Wonoanti, Gandusari sub-district.

This research is certainly not perfect and still has limitations. Therefore, suggestions for further researchers should add a topic about financial literacy because financial inclusion is very closely related to financial literacy. Adding secondary data about the number of craftsmen or other data can describe the condition of the study site.

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