

# Horticultural Saving Program: An Alternative Inclusive Microfinance Scheme

**Sulthonul Aulia; Rahma**

Universitas Padjadjaran, Indonesia

[sulthonula@gmail.com](mailto:sulthonula@gmail.com); [rahmaherman@gmail.com](mailto:rahmaherman@gmail.com)

## ABSTRACT

*According to Indonesia Agricultural Census (2013) almost 90% of poor people work in agricultural sector. On the other hand, financial support is inadequate, a mere 5.89 percent of total credit loan being allocated to the agricultural sector in 2015. This phenomenon is similar with the finding from World Bank (2015): "Banking sectors in developing countries lend a much smaller share of their loan portfolios to agriculture compared to agriculture's share of GDP. It also demonstrates that the barrier to lending isn't due to a lack of liquidity in the banking sectors, but rather a lack of willingness to expand lending to agriculture".*

*The purpose of this study is to examine the scheme of horticultural saving program and the welfare level on 60 household in Baran Mundu Village, Wonogiri, East Java. This study is not only use qualitative approach but also quantitative approach. Probit regression are employed, the authors modeled whether the household has joined the horticultural saving program or not as a function of expenditure and demographic characteristics. The result show the evidence that people who have joined the program will be wealthier, based on their income, than people who have not joined yet.*

**Keywords:** *Horticultural Saving Program, microfinance, East Java.*