THE ROLE OF ICT-BASED PUBLIC SERVICES IN ADDRESSING POVERTY IN NORTH SUMATERA

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ABSTRACT

E-Warong KUBE PKH, which is one of the poverty alleviation policies described in the Regulation of the Minister of Social Affairs of the Republic of Indonesia Number 25 of 2016, is a digital transfer of non-cash social assistance. The aim of this program is to increase the effectiveness of social assistance, the accuracy of target groups, expand the scope of inclusive financial services and facilitate supervision. Utilizing the qualitative descriptive method, this article examines the role of local government empowerment in small businesses through the implementation of E-Warong KUBE PKH in Medan. This study reveals the urgency of local government roles in enhancing beneficiaries' digital literacy through intensive facilitation in order to eliminate confusion on the application of technology in small businesses. It also demonstrates the partnering with community enhancing benefits ownership on this electronic-based small business.

Keywords: ICT-based Public Service, Poverty Alleviation, Small Business

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1. INTRODUCTION

Poverty is a denial of citizens' rights which creates complex social problems in an equitable development process. Especially for people in developing countries the problem of poverty requires an effort to solve problems done by planning and integrated. According to data from the Central Statistics Agency (BPS) 2018 the number of poor people in Indonesia in September 2017 was 26.58 million people. In Medan, the number of poor people is 204.22 thousand people (BPS Medan City, 2018). In this case the government is trying to initiate programs to reduce poverty. The number of programs made by the government to reduce poverty is a concern for the government towards its citizens. But the programs made by the government to reduce poverty do not necessarily succeed, and can even create new problems.
The use of information technology in poverty alleviation can facilitate community activities according to the needs of the community and the government itself in order to be able to manage data appropriately, obtain information more quickly, and make transactions with parties who become partners becomes easier. One of them is the implementation of the Regulation of the Minister of Social Affairs of the Republic of Indonesia Number 25 of 2016 concerning the assistance of the Development of Business Facilities through the Electronic Gotong Royong Warung Joint Business Group of the Hope Family Program (EWarong KUBE-PKH).

The implementation of e-Warong KUBE PKH is intended as a means to improve internal management in order to improve the quality of public services. In the application of e-Warong KUBE PKH, the community is guided to be more able to utilize technology that is increasingly developing in the present by receiving social assistance no longer by using cash but non-cash. Through the distribution of non-cash social assistance using the banking system, it is hoped that it can support the productive behavior of beneficiaries and increase program transparency and accountability for the ease of controlling, monitoring and reducing irregularities. As one of the government assistance programs that are channeled non-cash by transforming from aid subsidies to social assistance. Thus, the goal of the non-cash food aid program is in addition to increasing the accuracy of the target group, as well as to provide more balanced nutrition, encourage people's retail businesses, provide access to financial services to the poor and streamline the budget with the implementation of e-Warong KUBE PKH. In addition, the distribution of non-cash food aid is also expected to have an impact on improving the welfare and economic capacity of beneficiaries.

However, the Preliminary Study on the Implementation of the PKH KUBE e-Warong Program conducted in 2016 in 5 Regencies in Indonesia showed that there were still problems in the implementation of e-Warong. For the city of Batam and the city of Denpasar, since the inauguration until early November 2016, there are no more transactions in e-Warong so that all stock items are still intact (only decreases in number according to usage during the simulation). According to the Batam City Coordinator, e-Warong could not operate because the application on the tablet was not ready for use. In the city of Denpasar is the same, namely the withdrawal of the transaction registrar tablet. In this case, City Coordinator of Denpasar stated that the tablet that was originally used for simulation (branded Asus) was withdrawn because it would be replaced with a gadget (device) that was in accordance with the original plan (iPad). As a result, Beneficiary Families (KPM) cannot conduct transactions and the stock of goods is still intact (only a few packages are reduced for simulation purposes at the inauguration). For the case of Malang City, since the inauguration, two e-Warong samples have only been active open for less than a month. The closure of e-Warong operations was caused by the Prosperous Family Card (KKS) that had no funds or could not be "swiped" (damaged EDC). The only area with e-Warong conditions after the inauguration did not experience problems was the City of Balikpapan. Post-inauguration, in just a matter of days all KPM who have obtained the KKS can transact and all the stock of goods is immediately used up (Mawardi, et al, 2017). Constraints faced in the implementation of the PKH e-Warong KUBE program Based on the Research Center for Food and Advocacy Agriculture Studies on 36 e-Warong and 180 KPM in West Java and Lampung showed that the distribution of non-cash food aid during January-June 2017 still faced obstacles related to data accuracy, namely the Beneficiary Families (KPM) have moved or died and there is no readiness for supporting infrastructure (Azizah, 2018).

The e-Warong program, which has been running in Medan since 2016, also experienced problems, especially related to the imbalance in the number of E-Warong with the number of
beneficiaries in Medan totaling of 80,421 people. Some other problems that arise include: limited units, lack of completeness of program regulations such as general guidelines, operational technical guidelines as well as clarity of cooperation between parties and whether or not the target of this program is made for communities receiving social assistance called the Family Hope Program (PKH) (Tabloidimaji .com, accessed on September 11, 2017). This study focuses on local government institutions and strategies in implementing E-Warong in Medan.

2. LITERATURE REVIEW

The utilization of ICT though increase both efficiency and democratic aspects of governance, yet its implementation also face challenges related to institutional dynamics, regulations, technological difficulties, capacities and resources as well as cultural and developmental dimensions (The United Nations E-Government Survey 2016). Some of the benefits of e-government in providing services to public had been mentioned above. However, some studies demonstrate that the above benefits are not solely the result of the use of information technology and communication. Thus, e-government implementation should be viewed as a part of a more extensive reformation in enhancing public sectors’ achievements (World Bank, 2004). E-government has emerged as an effective instrument to modernize government and to achieve goals which were determined in government’s reformation agenda.

The concept of e-Government is established with the aim that government relations with both the community and business people can take place efficiently, effectively and economically. This needs to remember the dynamic movement of society at this time, so that the government must be able to adjust its function in the State, so that people can enjoy their rights and carry out their obligations comfortably and safely. In this case the goal of e-Government development is not just to establish a transparent and efficient management system and work process and to facilitate transactions and services between government institutions but also to develop electronic-based governance in order to improve the quality of public services efficiently and effectively (Main 2010). In other words, the purpose of e-Government is to improve citizens’ access to government public services, increase public access to information resources owned by the government and equal quality of services that can be enjoyed by citizens. The use of social assistance payment systems using biometric non-cash in India has made it easier for the public to access government assistance while reducing acts of fraud in the distribution of social assistance. Biometric technology is relevant to technology that can be used to analyze physical and human behavior authentically. This technology can recognize humans through fingerprints, eyes and other distinctive body parts. With biometric technology, people don’t need to memorize pins. Because, you can use fingerprints, eyes, and faces. That way the beneficiaries will be more appropriate, because they cannot be replaced by others and can reduce fraudulent actions.

But in its implementation electronic-based public services do not always run smoothly. E-Public services are inseparable from the challenges faced. Public services focusing on the contribution of ICT integration in the delivery of public services will face institutional challenges in improving the quality of services to the public. Such challenges occurred considering the limited infrastructure, human resource capacity and inadequate budget. Human resources and limited budget in the implementation of electronic-based public services will result in limited performance of local governments to implement various programs related to improving public services through the internet (Siahaan 2017). Research on the implementation of e-procurement in North Sumatra also found resistance to involving women in implementing e-procurement caused by gender prejudices who considered women to have limited capacity.
in carrying out their responsibilities in carrying out the e-procurement process (Siahaan & Trimurni 2014).

In order to increase the effectiveness and accuracy of targets, the distribution of social assistance now no longer uses the cash system but by utilizing technology systems and innovation opportunities to overcome inequality and poverty. India have used technology earlier in running their MSMEs, using electronic-based concepts such as Electronic Commerce (e-Commerce). E-Commerce can be defined as the application and application of e-Business related to commercial transactions, such as: electronic fund transfers, SCM (supply chain management), e-marketing (e-marketing), online marketing (online marketing), processing online transaction processing, electronic data interchange / EDI, product promotion and others. The benefits and advantages of using e-Commerce are for media promotion in order to increase sales volume, both for online and conventional sales (Jauhari, 2010).

Not much different from the State of India, Indonesia also distributes social assistance by using a non-cash system in the distribution of social assistance and distribution of daily necessities, called non-cash food aid. Non-Cash Food Aid is social assistance for food in non-cash form from the government which is given to Beneficiary Families (KPM) every month through an electronic account mechanism that is used only to buy food in e-Warong in collaboration with banks. This is intended to increase aid effectiveness social, accurate targeting and to encourage inclusive finance. Through the distribution of non-cash social assistance using the banking system, it is hoped that it can support the productive behavior of beneficiaries, as well as increasing transparency and accountability of the program to facilitate controlling, monitoring and reducing irregularities (Ministry of National Development Planning / Bappenas, 2017According to the Ministry of Social Affairs of the Republic of Indonesia (in the Implementation Guidelines Non-Cash Food, 2017: 4).

3. RESEARCH METHOD
The method used is descriptive research method with qualitative approach. This research consists of reviewing the literature and government policies related to electronic-based public services and field studies to examine the factors and implications of the utilization of ICT in government’s poverty alleviation programs in Indonesia. Field study using interview and observation techniques are aimed at assessing the implementation of E-Warong and how it impacted the achievement in addressing poverty among small businesses in Medan.

4. RESULT AND DISCUSSION
4.1. Policy on E-Warong in Indonesia
E-government has been established as an important part of bureaucratic reform in Indonesia. In Indonesia the implementation of e-government is strengthened by the issuance of Presidential Instruction Number 3 of 2003 concerning the National Development Policy of E-Government and Strategy. This policy is an effort to develop electronic-based governance in order to improve the quality of society from services in an effective, efficient, transparent and competitive, fair and accountable manner. This is supported by the issuance of Law No. 25/2009 concerning Public Services, in particular, article 4 concerning the principles of implementing public services. The presence of Law No. 11 of 2008 concerning Information and Electronic Transactions (ITE) and Law No. 14 on Public Information Openness also further strengthened the role of ICT in public services. An innovative service system (e-government) is also reaffirmed in the Indonesia Serving Movement program which is an implementation of
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The Presidential Instruction Number 12 of 2016 concerning the National Movement for Mental Revolution.

The PKH e-Warong KUBE program which is based on the Republic of Indonesia Social Minister's Regulation Number 25 of 2016 is one of the Indonesian government's strategies in ensuring that assistance received by the community is on target and increases the capacity of beneficiaries to develop business skills. E-Warong provides electronic transaction service facilities for disbursing social assistance. Through this program beneficiary communities are introduced to electronic-based banking service transactions such as saving, using electronic cards for payment transactions and cash withdrawals. E-Warong also functions as a place to accommodate and market the products of the surrounding community, especially beneficiaries, so that the daily staple food for social assistance beneficiaries (PKH participants, Non-Cash Food Aid) can be accessed at affordable prices. Thus the aim of this program is to increase the effectiveness of social assistance, the accuracy of target groups, expand the scope of inclusive financial services and facilitate supervision (Ministry of National Development Planning / Bappenas, 2017).

The PKH KUBE e-warong program is one of the government's efforts to alleviate poverty in each region by empowering community groups. The community can develop entrepreneurial skills, by introducing electronic service transactions using the Prosperous Family Electronic Card (KKS), which is given by the government to Beneficiary Families (KPM). Before the formation of the e-Warong KUBE PKH program, in 2013 the Ministry of Social Affairs and the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop and UKM) agreed to synergize the resources of related parties in order to empower the community by forming KUBE and cooperatives. The collaboration is carried out to strive for the development of human resource capacity, by providing guidance on entrepreneurial skills and increasing access to financing / financial resources (Mawardi, 2017). After the Social Minister's Regulation Number 25 Year 2016 was formed, the e-Warong KUBE PKH program was formed, which is a facility established and managed jointly by the Joint Business Group of Family Hope Program (KUBE PKH) by utilizing internet network technology for selling staple foods with a non-cash transaction system. The PKH KUBE e-Warong program was directly carried out by the people who received the social assistance itself, called KUBE Jasa as the manager of e-Warong.

The Joint Business Group, hereinafter referred to as KUBE itself, is a group of poor families that are formed, grow and develop on their initiative in carrying out productive economic businesses to increase family income. While the Family Hope Program, hereinafter referred to as PKH, is a conditional cash transfer program for poor families who are designated as PKH participants. KUBE has an important role in the realization of the PKH e-Warong KUBE program because the PKH KUBE e-Warong program is a program where the community runs the program as the perpetrators of an inclusive financial system that is channeled through non-cash systems. This is intended as an effort to accelerate the improvement of the welfare of the people who receive social assistance and subsidies. Thus KUBE PKH itself is a group formed by residents or families of social assistance consisting of people or underprivileged families who receive social services through empowerment program activities.

The implementation of e-Warong KUBE PKH is a digital transfer of non-cash social assistance cash social assistance. In Medan City the PKH e-Warong KUBE was first inaugurated in Medan Denai, on October 14, 2016 the Ministry of Social Affairs was officially inaugurated by a social assistance with the approval of the Director General of the Poor (PFM) on the recommendation of the Provincial Social Service. After the program started in 2018 for
Medan city, the e-Warong KUBE PKH that had been established was 93 e-Warong KUBE PKH spread in 21 sub-districts of Medan city.

4.2. Institution for Implementing E-Warong

Referring to Law No. 23 of 2014 concerning Regional Government, the Regional Government carries out the duties and responsibilities in the effort to overcome poverty to improve the welfare of the people in each region. The implementation of the e-Warong KUBE PKH program in this case is under the auspices of the Community Empowerment and Poor Community Empowerment (Pemmas and PFM) sector in coordination with the relevant Regional Government organizations. The Ministry of Social Affairs in this case the Director General of PFM and Dinsos in each city / regency plays a role in matters such as program socialization / debriefing to stakeholders at the national and city levels, verifying proposals from PKH members who will become KUBE Services and e-Warong locations, coordinating with program stakeholders at the City / District and National level so as preparing technical requirements and tools related to program launches.

At the city level the implementation of E-Warong includes PKH City Coordinator (Korkot PKH), Social Companions and District Social Welfare Workers (TKSK) as supporters of the Rastra Coordination of Non-Cash Food Assistance Team under the Guidance of the Social Service which plays a role in assisting PKH e-Warong KUBE program at the City, District and Village level. At this point, the Head of the Social Service serves both as the supervisor and coordinator. Social Companions and TKSK have their role as support for the coordination team. The role of local / city government is to ensure the preparation of the implementation of the PKH e-Warong KUBE program and the assistance of non-cash food at the city level, for example by providing facilities and infrastructure support, socialization, registration of beneficiary families (KPM), ease of licensing to e-Warong according with regulations, so that implementation in the area / city can run well.

In implementing e-Warong KUBE PKH program, the Social Service Department does not only involved sending the implementing team to the field but also coordinates with various related institutions. Coordination meetings are held at least once a month to discuss problems and obstacles that occur on the field with other parties related to the program. Social Companions coordinates with KPM at the district level through dissemination of information and education related to the e-Warong KUBE PKH program. The District Social Welfare Worker (TKSK) is a coordination team that serves as a team for data collection of prospective Beneficiary Families (KPM) for non-cash food assistance.

The commitment of the implementing agencies is also evident from the mechanisms for distributing aid benefits. The distribution of benefits was carried out based on the Integrated Data Management of the Poor (DT-PFM) that had been processed. In this case the Ministry of Social Affairs provides Beneficiary Data (DPM) Non-Cash Food Assistance to BRI channeling Banks. Then BRI channeling banks are responsible for opening KPM accounts and distributing funds to each KPM account. The role of BRI channeling banks opens accounts for Beneficiary Families (KPM), issues KKS and distributes them to KPM. Thus, the implementation of the PKH KUBE e-Warong program in the city of Medan is already quite optimal as seen from the good cooperation by each member of the member of the implementation of the e-Warong program which aims to succeed the program. There has also information disclosure in the distribution of benefits for Beneficiary Families (KPM). However, the lack of budget funding provided by local government, which is important to support Social Companions in gathering data on potential beneficiaries, demonstrated local government limited commitment in implementing E-Warong. Social Companions need fund to re-verify the data of Beneficiary
Families (KPM) for non-cash food aid and for transportation as part of coordination team who have to visit beneficiaries.

4.3. Enhancing digital literacy through Education and Facilitation

Digital illiteracy among beneficiaries is one of the challenges in the first stage of the implementation of E-Warong KUBE PKH. The form of education carried out in introducing the Medan City e-Warong KUBE PKH program is dissemination and training on using technologies related to E-Warong. BRI Social Companions officers and KUBE Jasa Social Companions directly go to e-Warong KUBE PKH to teach the community to do the card swipe procedure on the EDC machine. The socialization was carried out until the community really understood the use of EDC technology. Communication carried out by social facilitators with Beneficiary Families (KPM) namely by socialization and education aims to provide an understanding to beneficiaries about the purpose and mechanism of utilizing non-cash food aid, providing information about the complaints mechanism in the implementation of non-cash food aid.

The Medan City Social Service Department sent Social Companions and BRI officers to educate the KPM community. The appointed social companions already have authorization letter in handling e-Warong in their respective sub-districts. The Medan City Social Service Department, as an extension of the Indonesian Ministry of Social Affairs, has forwarded tasks at the city level such as facilitating the implementation of technical guidance, complaints, facilitating meeting places between related parties and others that are facilitating. BRI is responsible for opening accounts, providing cards in the form of ATMs for Beneficiary Families (KPM) and Electronic Data Capture (EDC) machines for e-Warong is BRI. BRI is a bank appointed by the Ministry to take care of the Medan e-Warong KUBE PKH activities.

The Social Companions under the auspices of this Social Service Department was recruited based on their experience in assisting PKH KUBE. The task of the Social Companions are to find 10 people included in the targeted program to form by KUBE Services prior to establish E-Warong KUBE PKH, This group then submit a proposal to the Medan City Social Service. After the proposal has been accepted then training on related skills and guidance were provided to KUBE Services members. Previously, the Social Companions also handled the opening of the KPM account, took the KUBE Service chairman and treasurer to the BRI Channel Bank to open group accounts.

With intensive education and facilitation from experienced mentors, the widespread digital literacy problem at the time of the initial launch of the PKH e-Warong KUBE program due to the unfamiliarity of the Beneficiary Family (KPM) using digital technology, had been solved. To date, the beneficiaries have eventually accustomed and already independent in operating technology-based equipment in running the E-Warong.

4.4. Partnering with community in providing E-Warong Infrastructure

The availability of infrastructure is one of the supporting factors in realizing the implementation of Medan's e-Warong KUBE PKH program. The basic measure or criteria in the formation of e-Warong PKH KUBE Based on the Regulation of the Minister of Social Affairs of the Republic of Indonesia Number 25 of 2016 concerning Assistance for the Development of Business Facilities through Electronics the E-Warong KUBE PKH must be established at the home of one of the KUBE Services administrators. In Medan the owner of the house willingly allow part of their house to be used for E-Warong. In this case, the community participated in providing a place because they perceived that there is a common interest for them, namely to increase their economy. Other criteria fulfilled, namely the e-
Warong PKH KUBE operator has carried out non-cash social assistance transactions, as well as adequate road accessibility in the establishment of the Medan City e-Warong KUBE PKH. The location of Medan Denai's PKH KUBE e-Warong has met the basic size or criteria, which can serve 500 (five hundred) to 1000 (one thousand) Beneficiary Families. Although e-Warong is located in an alley but the location can be easily accessed by the Beneficiary Families (KPM) who came.

On the other hand, government provides financial assistance and infrastructure required in implementing E-Warong such as Electronic Data Capture (EDC) and electronic cards. Adequate financial resources are significantly required to support all activities and facilities needed to implement the policy. Sources of funds in the implementation of Medan City's e-Warong KUBE PKH program and Non-Cash Food Aid totally come from State Budget (APBN). These funds are given by the State to the Ministry of Social Affairs of the Republic of Indonesia related to social assistance, one of which is the e-Warong KUBE program. Based on the Regulation of the Minister of Social Affairs of the Republic of Indonesia Number 25 of 2016 concerning Aid for the Development of E-Warong KUBE PKH, the funds provided for each e-Warong KUBE PKH is Rp. 10,000,000 for room repair, procurement of storefront cabinets and shelves for goods. There is also a Rp. 20,000,000 fund for business capital and working capital. The PKH e-Warong KUBE program funding was given by the Government through BRI Bank amount to Rp. 30,000,000 for each E-Warong. The funds are given in two stages. The first stage is Rp 10,000,000 for building construction, making shelves, etc. Then the second stage is Rp. 20,000,000 for the capital of the basic materials directly into the group account.

Along with the increasing capacity of the community in using equipment and also the commitment of the parties involved in the implementation of E-Warong, the time to receive funds by the public is also becoming more punctual. Sources of funding for the Medan City e-Warong KUBE PKH program and Non-Cash Food Aid (BPNT) come from state budget provided by the State to the Ministry of Social Affairs based on the President's approval for social assistance, including the e-Warong PKH e-Warong program and Non-Cash Food Aid inside it. For the achievement of the quality of the PKH e-Warong KUBE program, the Beneficiary Families (KPM) of non-cash food assistance were provided with a grant of Rp 110,000 / month by the government through an electronic account mechanism, namely the Prosperous Family Electronic Card (KKS) which was only used to buy food every 25th. Beneficiaries use electronic cards to buy food given in the form of rice and eggs. Unlike the disbursement of funds at the beginning of the launch of the E-Warong program, every 2-3 months, now the beneficiaries have routinely received these funds every month. The funds are given to the Beneficiary Family (KPM) community through an account to each KPM. The use of technology in implementing E-Warong has avoided the occurrence of corruption.

5. CONCLUSIONS

The policy targets in the implementation of the PKH KUBE e-Warong program in the city of Medan have been optimal in reaching the determined criteria especially with regard to home ownership in one of the KUBE Services groups. Other criteria fulfilled, namely the e-Warong PKB KUBE operator has carried out non-cash social assistance transactions. The community is already independent in conducting non-cash transactions in e-Warong. It is better to conduct a survey to re-record the poor people objectively in determining the poor program participants to reduce jealousy problems that exist in the community. It is expected that the Regional Government can play a role in the success of PKH's e-Warong KUBE program by providing Local Government funding for the implementing teams in the field.
Communication between implementing agencies has been carried out effectively in the form of coordination meetings conducted at least once a month. The coordination meeting discussed the implementation of the PKH KUBE e-Warong program in the city of Medan such as problems and obstacles that occurred in the field related to the PKH e-Warong KUBE program with other parties related to the program. Communication with Beneficiary Families (KPM) for non-cash food assistance is carried out through socialization and education. The effective coordination between implementing agencies has enabled them to carry out their duties in accordance with their respective responsibilities.

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