Analysis of Non-Cash Social Assistance Policy in Tangerang

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Abstract: In 2017, Indonesia changed the provision of Rastra rice social assistance to non-cash social assistance in 44 cities across Indonesia. This study was conducted to determine the satisfaction level of Beneficiary Family (KPM); to analyze the gap between the implementation of non-cash social assistance program and KPM expectation; to analyze the policy evaluation that influence KPM satisfaction; to formulate strategies that can improve the implementation of non-cash social assistance. This study was conducted in Tangerang with total sample of 104 respondents. The data analysis methods used in this study were gap analysis, SEM (Structural Equation Modeling) and CSI (Customer Satisfaction Index) method. The finding of this study showed that 50% of the KPM have expressed their satisfaction with the non-cash social assistance policy. The implementation of all the indicator variables was still below the KPM’s expectation. The policy evaluation has significantly influenced the satisfaction level of KPM. To improve the performance of non-cash social assistance, there were 8 priority indicator variables rating that should be immediately followed up to improve the performance of non-cash social assistance in the future.

Keywords: Beneficiary Family (KPM), non-cash social assistance, priority strategy, SEM

1. Introduction

Poverty is one of intractable problems in Indonesia. Up to now, the government has not been able to deal with or solve this problem yet. One of the factors that lead to poverty in Indonesia was the inequality in the distribution of income. Poverty is the economic inability to meet the basic need of food and non-food as measured from the average monthly per capita expenditure that lies below the poverty line (Badan Pusat Statistik, 2017). Indonesia has a desire to eradicate the poverty problem. In order to make it happen, the government has tried implementing various poverty alleviation programs. One of the poverty alleviation programs in Indonesia is Rastra rice social assistance program.

Rastra rice social assistance program aims to provide the low income families with food adequacy, especially rice. However, there were some weaknesses and shortcomings of the implementation of Rastra rice social assistance. For instance, malfeasance could be found during the distribution of Rastra rice social assistance to the beneficiary family which was happened due to the poor institutional arrangements and rules. Therefore, the actual implementation of Rastra rice social assistance program was far from the initial objective of rastra rice social assistance—providing subsidized rice for the poor. On the other hand, the President of the Republic of Indonesia has given direction on the non-cash social assistance or subsidies distribution to encourage financial inclusion (Limited Meeting on Financial Inclusion, April 26th, 2016). So the distribution of Rastra rice social assistance changed into Non-Cash Social Assistance (Bantuan Pangan Non-Tunai BPNT).

In 2017, non-cash social assistance has been implemented in 44 cities across Indonesia. The difference between Rastra rice social assistance and BPNT lies in the fact that Rastra rice sosial assistance is food subsidy in the form of rice, while non-cash social assistance is in the form of social assistance. In addition, in the implementation of Rastra program the social assistance is distributed directly to the Target Households (RTS) while in non-cash social assistance the Beneficiary Family (KPM) make a purchase of the food using Prosperous Family Card in e-warong, Rumah Pangan Kita (RPK) or merchants who have cooperated with the bank. The changes from Rastra rice sosial assistance program to non-cash social assistance can be seen in Table 1.

Table 1: The Changes from Rastra (raskin) rice social assistance program to Non-Cash Social assistance (BPNT)

<table>
<thead>
<tr>
<th>Old Distribution Model (Rastra rice sosial assistance)</th>
<th>New Distribution Model (BPNT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The rice is distributed from BULOG directly to the Target Household</td>
<td>The government distributes a certain amount of money (IDR 110,000) per month to the beneficiary families’ account. The beneficiary families can choose to spend this money to buy their basic necessities, such as rice and eggs, at the merchant as needed.</td>
</tr>
<tr>
<td>Disadvantages:</td>
<td>Advantages:</td>
</tr>
<tr>
<td>1. Not on target</td>
<td>1. Improve the accuracy on the targeted group (beneficiary).</td>
</tr>
<tr>
<td>2. Not appropriate amount</td>
<td>2. Provide more balanced nutrition</td>
</tr>
<tr>
<td>4. Not appropriate quality</td>
<td>4. Encourages public retailing</td>
</tr>
<tr>
<td>5. Not on time</td>
<td>5. Providing access to financial services for the poor (beneficiary).</td>
</tr>
<tr>
<td>6. Not appropriate administration</td>
<td>6. Create an Effective Budget</td>
</tr>
</tbody>
</table>

Source: Office of the President, Republic of Indonesia (2016)

Tangerang was chosen as the location for conducting this study because the e-warong in Tangerang was deemed to be sufficient and adequate for the study. The problems found in this study were related to the questions: How was the...
implementation of and the beneficiary’s satisfaction level toward the non-cash social assistance policy in Tangerang? How was the performance level of policy program and the Beneficiary Families’ (KPM) expectation level toward the implementation of non-cash social assistance program as well as the gap between the implementation and expectation of the non-cash social assistance program? Did the policy evaluation affect the satisfaction level of the Beneficiary Family (KPM)? What was the strategy used to improve the performance of non-cash social assistance system in Tangerang? 

In general, the aim of this study was to formulate an appropriate strategy to improve the performance of non-cash social assistance program. While in particular, this study aimed to analyze the implementation and the satisfaction level of the implementation of non-cash social assistance program; analyze the performance level of non-cash social assistance program and the Beneficiary Families’ (KPM) satisfaction level on the implementation of non-cash social assistance program; analyze the gap between the implementation and expectation of the non-cash social assistance program; analyze how the policy evaluation affected the Beneficiary Families’ (KPM) satisfaction level; and to formulate an appropriated strategy to improve the performance of non-cash social assistance system in Tangerang.

This study was expected to provide benefits for all parties related to non-cash social assistance program. This study evaluated the non-cash social assistance program especially from the KPM satisfaction level.

2. Previous Studies

The previous study addressed the effectiveness of raskin program is conducted by Rini Andrida (2010). The study conducted by Rini Andrida (2010) is focused on the analysis of the effectiveness of Raskin program and the satisfaction level of beneficiary households in DKI Jakarta. The relevance of this study lies in the data analysis which used SEM. In addition, the study conducted by Rini focused on raskin program which can be used as a guideline for the making of this thesis.

An Evaluation of the Effectiveness of the Families First: Nutrition Education and Wellness System Program is conducted by Carolyn Jamerson Nobles, B.S (2000). Carolyn Jamerson conducts a study on the effectiveness of nutrition education and health programs in Food Stamp program (Non-cash Social assistance in America). The relevance of this study lies in the data collection method which is done through survey and the use of Likert scale in the questionnaire distributed to the respondent in Food Stamp.

Budi Rahardjo (2010) conducts a study on the analysis of the satisfaction of arwana ceramic customers. The relevance of this study lies in the use of gap analysis.


3. Method

This study was conducted in Tangerang in April 2017. The method used in this study was descriptive qualitative and quantitative methods. The types of data used in this study were primary and secondary data. The primary data was collected through survey by use of questionnaire instrument. The survey respondents were the KPM who received non-cash social assistance in Tangerang. The respondents were selected through the use of non probability sampling. Convenience sampling was used in determining the respondents, in which the sample is taken based on the availability and that is easy to reach (Nazir, 1999). In this study the number of the respondent was 104 respondents which based on Slovin’s formula calculation with an error rate of 10%.

3.1 Data processing and analysis technique

Descriptive analysis

Descriptive analysis is used to learn the detail description of matters relating to the research object. According to Nazir (1999) descriptive analysis can describe the ongoing situation in the form of narration, images, and matrices. In this study, descriptive analysis was used to describe the implementation of non-cash social assistance in Tangerang.

Policy Evaluation Analysis

According to Dunn (2000), the evaluation criteria for a policy are effectiveness, efficiency, adequacy, equity, responsiveness, and accuracy. These six criteria were the independent factors, while the dependent factor was the policy evaluation. To determine the ideal score for the implementation of non-cash social assistance (BPNT), then the respondents should answer the questions from each predetermined criteria. Each criterion was measured using Likert scale of 1-5 for each question in the questionnaire. The variable of Dunn’s evaluation can be seen in table 2.

<table>
<thead>
<tr>
<th>Indicator Variable</th>
<th>Symbol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimension of Effectiveness</td>
<td></td>
</tr>
<tr>
<td>The basic needs (nutrition) of the target household are met</td>
<td>X₁</td>
</tr>
<tr>
<td>The availability of options to be purchased by the target household</td>
<td>X₂</td>
</tr>
<tr>
<td>The level of welfare of the target household does not decrease</td>
<td>X₃</td>
</tr>
<tr>
<td>There is shared social responsibility</td>
<td>X₄</td>
</tr>
<tr>
<td>BPNT for rural communities</td>
<td>X₅</td>
</tr>
<tr>
<td>Dimension of Efficiency</td>
<td></td>
</tr>
<tr>
<td>KPM do not have to spend a lot of money (cost) to make a purchase at e-warong</td>
<td>X₆</td>
</tr>
<tr>
<td>The price set in e-warong is cheaper or at least the same as the price set in other market</td>
<td>X₇</td>
</tr>
</tbody>
</table>

Table 2: Variable used in the Study

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If the average gap value was ≥ 0, it meant that the policy had been successfully implemented in accordance with the work plan and was able to help solving the problems found in the society (poverty). On the other hand, if the average gap value was <0, it meant that the policy had not been successfully implemented in accordance with the work plan and considered to be failed in solving the problems.

3.2 Structural Equation Modeling (SEM)

SEM is very appropriate to be used in management research as well as to answer regressive and dimensional questions at the same time. Regressive means to test the relationships between constructs, while dimensional means to test the dimensions in Constructs (Ferdinand, 2002). There are two types of model in SEM, namely: structural model and measurement model. The structural model and measurement model used in this study are:

Structural Model:

$$\eta = A_{11} B_{11} + A_{12} B_{12} + A_{13} B_{13} + A_{14} B_{14} + A_{15} B_{15} + A_{16} B_{16} + C$$

where:

- \( \eta \): latent dependent variable of the customers’ satisfaction
- \( B_i \): latent independent variable \( i \), which consist of the dimensions of service effectiveness (B1), efficiency (B2), adequacy (B3), equity (B4), responsiveness (B5), and accuracy (B6)
- \( A \): the value of (loading factor) \( B_i \) in forming \( \eta \)
- \( C \): the error rate that occurs in the calculation of variables \( \eta \)

Measurement model:

$$X_i = A_i^{(x)} Y_i + \delta$$

$$Y_i = A_i^{(y)} \eta_i + \epsilon_i$$

In this study, this model can be written as follows:

Where:

- \( X_i \) = the indicator variable \( X \) forming latent independent variable \( Bi \)
- \( Y_i \) = the indicator variable \( Y \) forming latent dependent variable \( \eta \)
- \( A_{ij} \) = the value of (loading factor) \( X_i \) in forming \( B_i \) or the value of (loading factor) \( Y_i \) in forming \( \eta \)
- \( \delta_i \) = the error rate that occurs in the calculation of variables \( X_i \)
- \( \epsilon_i \) = the error rate that occurs in the calculation of variables \( Y_i \)

SEM analysis was processed using LISREL software. According to Suharjo and Suwarno (2002), LISREL as a multiple variable analysis tool is used to describe the linear simultaneous relationship of both exogenous and endogenous indicator variables which at the same time also involving other variables.
3.3 Costumer Satisfaction Index (CSI)

CSI was used to determine the overall customers’ satisfaction level by looking at the importance level of product/ service attributes. According to Suryawan and Dharmayanti (2013), the customers’ satisfaction level is determined by the customers’ perception of how the product or services performance meet their expectations. The customers in this study were the beneficiary families.

The respondents’ satisfaction level could be seen from the criteria of customers’ satisfaction level using the following criteria:
1) 0.81 – 1.00 very satisfied
2) 0.66 – 0.80 satisfied
3) 0.51 – 0.65 unsure
4) 0.35 – 0.50 dissatisfied
5) 0.00 – 0.34 very dissatisfied

4. Result

The majority of respondents in this study were female. There were 98.08% of female respondents and only 1.92% of male respondent. This was because the BPNT card holders were mostly women whose main task was to take care of the household. Most of the respondents (50%) were in the age range of 31-40 years old. Actually, they were relatively young and still in their productive age. However, most of respondents had no special skills which enable them to get job/ work. Most of the respondents—33.65% of the total respondents—were elementary school graduates. This caused the KPM had a hard time to compete with others. Generally, the KPM were housewives with the percentage of 77.18%. The percentage of KPM whose monthly expenditure more than 1,200,000 was 73.08% and the percentage of KPM with more than 4 dependants was 32.69%.

4.1 The Gap between KPM Expectations and Policy Implementation

Gap analyst was used to assess the performance of government policy by comparing the actual conditions with the KPM expectation. The result of this study showed that the implementation of all indicator variables was still below the KPM’s expectation. However, there were some indicator variables that almost met the KPM's expectation. For instance, the variable of officer who responded well to the complaints and suggestions from KPM and the society had the gap value of -0.05. Following that variable, the variable of the provision of infrastructure and means to accommodate complain from KPM regarding the implementation of the program occupied the second position with the gap value of -0.08. As for the variable with highest gap value of -1.89 was the smooth process of BPNT funds distribution (X14) conducted every month. Thus, KPM expectation for monthly BPNT fund distribution had not been fulfilled. The gap between the implementation of BPNT and KMP’s expectation can be seen in Figures 1 and 2.
4.2 Effect of Policy Evaluation toward the Satisfaction level of the Beneficiary Family

The initial model was considered poor because the loading factor value of the manifest variable still below 0.5 and the t-value was less than 1.96. Therefore, re-specification should be done by checking the loading factor value and the t-value. For loading factor with the value of <0.5 would be removed from the model. While t-value would be checked for the loading factor that was not significant or <1.96. Therefore, there were some indicator variables removed from the model, namely the availability of options to be purchased by the target household (X2); target accuracy (X12); commodities/basic needs which were in good condition (X16); the provision of non-cash social assistance has made the KPM tend to be overly dependent on the EDC machines (Electronic Data Capture) at some erring (X10) with its magnitude of the influence of 0.77. It was then followed by the indicator of shared social responsibility (X4) and BPNT for rural communities (X5) with its magnitude of the influence of 0.72 and 0.69, respectively.

Efficiency criterion had the highest construct coefficient of 0.91, followed by effectiveness, adequacy, equity, accuracy, and responsiveness criteria with the value of 0.89, 0.85, 0.70, 0.56, and 0.51, respectively. To measure the magnitude of influence of each indicator variable toward the satisfaction level, it was done by multiplying the loading factor of each indicator with the criteria coefficient construct.

Based on the magnitude of the influence of each indicator, the indicator with the highest influence was the Adequacy of EDC machines (Electronic Data Capture) at some erring (X10) with its magnitude of the influence of 0.77. It was then followed by the indicator of shared social responsibility (X4) and BPNT for rural communities (X5) with its magnitude of the influence of 0.72 and 0.69, respectively.

4.3 Priority strategy to Increase the Effectiveness of Non-Cash Social assistance

The priority strategy to increase the implementation of Non-Cash Social assistance was formulated using CSI analysis which was obtained from SEM calculation. Indicator with the lowest value should receive special attention from or should be prioritized by the government to be improved. This CSI calculation could help the government to measure and analyze the extent to which the government had tried to fulfill the KPM's satisfaction. According to Suryawan and Dharmayanti (2013), an effective program is a program with CSI score of 66% <CSI <80% for satisfied criteria and 81% <CSI <100% for very satisfied criteria. The CSI calculation results can be seen in Table 3.

Table 3: Costumers Satisfaction Index (CSI) Calculation

<table>
<thead>
<tr>
<th>Indicator Variable</th>
<th>Magnitude of Influence</th>
<th>Weight</th>
<th>CSI (%)</th>
<th>CSI weighted</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.46</td>
<td>0.05</td>
<td>61.54</td>
<td>2.93</td>
<td>3.08</td>
</tr>
<tr>
<td>X3</td>
<td>0.53</td>
<td>0.05</td>
<td>66.35</td>
<td>3.59</td>
<td>3.32</td>
</tr>
<tr>
<td>X4</td>
<td>0.72</td>
<td>0.07</td>
<td>73.65</td>
<td>5.47</td>
<td>3.68</td>
</tr>
<tr>
<td>X5</td>
<td>0.69</td>
<td>0.07</td>
<td>70.77</td>
<td>5.06</td>
<td>3.54</td>
</tr>
<tr>
<td>X6</td>
<td>0.54</td>
<td>0.06</td>
<td>69.42</td>
<td>3.84</td>
<td>3.47</td>
</tr>
<tr>
<td>X7</td>
<td>0.65</td>
<td>0.07</td>
<td>78.46</td>
<td>5.22</td>
<td>3.92</td>
</tr>
<tr>
<td>X8</td>
<td>0.59</td>
<td>0.06</td>
<td>71.73</td>
<td>3.12</td>
<td>3.59</td>
</tr>
<tr>
<td>X9</td>
<td>0.63</td>
<td>0.06</td>
<td>72.31</td>
<td>4.68</td>
<td>3.62</td>
</tr>
<tr>
<td>X10</td>
<td>0.77</td>
<td>0.08</td>
<td>59.62</td>
<td>4.70</td>
<td>2.98</td>
</tr>
<tr>
<td>X11</td>
<td>0.63</td>
<td>0.06</td>
<td>63.08</td>
<td>4.08</td>
<td>3.15</td>
</tr>
<tr>
<td>X13</td>
<td>0.53</td>
<td>0.05</td>
<td>74.42</td>
<td>4.02</td>
<td>3.72</td>
</tr>
<tr>
<td>X14</td>
<td>0.36</td>
<td>0.04</td>
<td>51.73</td>
<td>1.90</td>
<td>2.59</td>
</tr>
<tr>
<td>X15</td>
<td>0.36</td>
<td>0.04</td>
<td>55.00</td>
<td>2.02</td>
<td>2.75</td>
</tr>
<tr>
<td>X17</td>
<td>0.33</td>
<td>0.03</td>
<td>80.00</td>
<td>2.69</td>
<td>4.00</td>
</tr>
<tr>
<td>X18</td>
<td>0.51</td>
<td>0.05</td>
<td>83.46</td>
<td>4.38</td>
<td>4.17</td>
</tr>
<tr>
<td>X19</td>
<td>0.38</td>
<td>0.04</td>
<td>84.23</td>
<td>3.32</td>
<td>4.21</td>
</tr>
<tr>
<td>X20</td>
<td>0.50</td>
<td>0.05</td>
<td>71.54</td>
<td>3.72</td>
<td>3.58</td>
</tr>
<tr>
<td>X22</td>
<td>0.55</td>
<td>0.06</td>
<td>83.27</td>
<td>4.75</td>
<td>4.16</td>
</tr>
<tr>
<td>Total endogenous CSI</td>
<td></td>
<td></td>
<td>97.37</td>
<td>1250.58</td>
<td>69.49</td>
</tr>
</tbody>
</table>

After using SEM model to measure the relationship between the evaluation variables and KPM’s satisfaction level toward the implementation of Non-Cash Social assistance, it was found that the policy evaluation had significantly affected the satisfaction level of KPM with the path coefficient of 0.31 and t-value of 6.35.
The priority strategy to increase the implementation of Non-Cash Social assistance was formulated using CSI analysis which was obtained from SEM calculation. Indicator with the lowest value should receive special attention from or should be prioritized by the government to be improved. Based on the CSI table, the average of KPM’s satisfaction level on non-cash social assistance policy was 69.49%. Thus, the improvement of the implementation of Non-Cash Social Assistance will be focused on CSI whose score below the average score. There were 8 indicator variables with the score below the average, namely the adequacy of e-warong at the distribution point (X8); the precise distribution of Non-cash social assistance funds (X14); the target coverage (X15); the adequate number of EDC Machine (Electronic Data Capture) at some e-warong (X10); the basic needs (nutrition) of the target household are met (X1); the availability of basic necessities needed (X11); the level of welfare of the target household does not decrease (X3); and the KPM do not have to spend a lot of money (cost) to make a purchase at e-warong (X6).

5. Conclusions and Suggestions

5.1 Conclusions

From the results of this study it was found that 50% KPM in Tangerang had expressed their satisfaction with the non-cash social assistance policy. The most common problem found was related with the infrastructure (technology and network) and the data base of Non-Cash Social assistance (BPNT).

The implementation of Non-cash Social assistance policy was still below the KPM’s expectation. The criterion that quite close to met the KPM’s expectation was accuracy criterion, while the criterion that were far from the KPM’s expectations was equity criterion. From the gap analysis between the implementation of the policy and the KPM’s expectations, it was found that the biggest gap was on the variable of the accuracy of distribution of Non-Cash Social assistance with the gap of -1.89.

The policy evaluation significantly affected the satisfaction level of KPM on the implementation of Non-Cash Social assistance. The criterion with the biggest influence was the efficiency criterion.

To improve the performance of Non-Cash Social assistance, then the priority indicator variables rating should be immediately followed up. From 8 priority indicator variables, the strategies that can be recommended for the government are:

a) Adding the number of e-warong in each village by cooperating with the existing e-warong so that the KPM do need to go too far to reach e-warong.

b) The government should ensure that administrative process in the government will not disrupt the funds disbursement from Bank to KPM.

c) The government revise the data base of non-cash social assistance beneficiaries so that the aid distribution will be right on target.

d) The government appoints reliable officers/ institution to ensure the availability of basic necessities in the e-warong.

e) The government recalculated the amount given to the KPM, which amount to IDR 110,000/ month/ KPM.

5.2 Suggestions

The results of this study can be used as a reference to improve the performance of non-cash social assistance in the future. Based on the results of this study, the budget allocation for KPM in the BPNT program is calculated solely based on the amount of predetermined food. The budget allocation given to KPM should be calculated based on the cost required to purchase food in e-warong considering the e-warong mostly located in the city or sub-district.

In the future, non-cash social assistance program will be implemented on national scale. However, the infrastructure in the form of technology and network can be one of the problems. As for now, minimarkets are considered as the place with the potential of network and technology since they already have a wide network throughout Indonesia. Therefore, in order to stick with the initial objective of this program—to encourage public retailing—the government needs to make the rules governing the appointment of e-warong given the limitations of technology and network. Thus, the involvement of minimarket network in the BPNT program should be limited/ restricted to prevent the minimarket dominates the e-warong which potentially can harm small business belongs to the community.

One of the government’s objectives in the provision of non-cash social assistance is food diversification. It is necessary to calculate the availability of food in order to expand food diversification by appointing government institutions in charge of food availability. In Law No. 18 of 2012 on food, it states the importance of National Agency for Food establishment whose duty is to manage the availability and adequacy of strategic food.

In the future, it is advisable to conduct a study on the issues related to risk analysis of the total changes from Rastra rice social assistance program to BPNT throughout Indonesia, especially concerning the infrastructure readiness (technology and networks) throughout the village. In addition, it is also advisable to conduct a study on the analysis of satisfaction level of the non-cash social assistance implementer on the implementation and expectation of the program.

References


