



Inclusive Finance in Sembako Program: An Overview From Proper Governance Perspective

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Abstract

The Sembako program is one of the social protection programs launched by the Government of Indonesia to overcome poverty by providing food assistance. The sembako program is also expected to increase financial inclusion by using the prosperous family card as an electronic money and savings feature. This study uses a proper governance perspective with the research location in Banyumas Regency, Central Java Province, Indonesia. The results showed that the implementation of the Sembako program went well. However, the recipients complain that the types, quantities, and goods received are different from the instructed provisions, so they are not in accordance with the principles of proper governance. The sembako program contributes little to increasing financial inclusion because the KKS Card can only be used to take assistance from the sembako program and cannot access other banking services. It was found that the KKS Card was not held by the recipient of the basic food program, and the recipient did not memorize the KKS Card Pin. This study recommends that all shops and stalls carry out the distribution of the sembako program without being limited to certain stalls. The sembako program is not packaged so that beneficiaries are free to take basic food assistance according to the needs of their families.

Keywords: food aid, poverty, sembako, financial inclusion, Indonesia

Introduction

Food aid has become famous and influential in social assistance schemes because 61 percent of household expenditures are used to meet food needs. As much as 20.4 percent of the population in lower-middle-income countries receives food assistance (Alderman et al., 2018). The sembako program is a food assistance program from Indonesia that has beneficiaries of 20 million families, making the program one of the food assistance programs with the most significant number of beneficiaries in the world.

The sembako program started in 2020 is a transformation of the Non-Cash Food Assistance (Bantuan Pangan Non Tunai/BPNT) program (Hermawati et al., 2019). The sembako program has been transformed repeatedly, from the Special Market Operation Program (Operasi Pasar Khusus) in 1998 Rice for the Poor (Raskin). In 2002 (Bulog, 2022), Rice for Prosperous Families (Rastra) in 2015 (Samsudin, 2020; Tim Koordinasi Rastra Pusat, 2017), and in 2017 changed to BPNT. In BPNT, there was a change in the mechanism for distributing aid, which was not in the form of rice but became aid funds distributed directly to beneficiaries' accounts. These funds must then be exchanged for eggs and rice at a predetermined agency. In 2020, the sembako program (Dewi & Etal, 2020) with a target of 18.8 million poor and underprivileged families. The sembako program is a food social assistance program that develops non-cash food assistance with the addition of assistance value and types of food ingredients. Starting in March 2020, social assistance worth IDR 200,000,-/ (USD 13.29) (beneficiary families/month. There are four types of food aid; 1). Carbohydrate sources (rice, corn, cassava, and sago), 2). Animal Protein Sources (eggs, chicken, beef, and fish); 3). Vegetable Protein Sources (beans, tempeh, and tofu) 4). Sources of Vitamins and Minerals (vegetables and fruits). The Social Welfare Card (KKS Card) provides sembako program, which has electronic money and savings features and can be used as a medium for distributing social assistance. In addition, KKS functions as a means of transaction in the redemption of food ingredients and the receipt of other social assistance.

Social Assistance for Food and Welfare State

Cash transfers, particularly conditional cash transfers, have dominated various social assistance programs implemented by various countries in the last decade (Alatas et al., 2016; Fiszbein & Schady, 2009; Gonnet, 2020; Hatta & Sarkawi, 2011; Ladhani & Sitter, 2020; D. Lopez et al., 2006; Pfütze, 2019; Rawling, L, B and Rubio, G, 2003; Rawlings, 2005; Roelen, 2014; Suradi et al., 2020). Although CCT became a popular social aid, in-kind social assistance remained because it assisted in the form of goods more politically suitable for politicians or taxpayers who may have paternalistic preferences for how social assistance is spent (Currie & Gahvari, 2008). Tried-and-tested in-kind assistance, such as food aid or education coupons, is widely regarded as more politically suited to redistribute public funds to poorer households.

Food aid was originally a civil society initiative to provide food for people unable to meet food needs in emergencies (Poppendieck, 1994). The concept of food assistance was developed and adopted by the state to fulfill the state's responsibility to its citizens (Livingstone, 2015; McIntyre et al., 2016). Some experts argue that the practice of food aid is a form of state failure, and is not an effective path of food security worth (Booth & Whelan, 2014; Lang & Barling, 2012; Livingstone, 2015; Warshawsky, 2010; Wells & Caraher, 2014). However, despite these criticisms, food assistance beneficiaries are more likely to choose food aid over cash assistance (Khera, 2014). The benefits of food assistance are more than cash assistance (Hoynes & Schanzenbach, 2009). Beneficiaries increase food expenditure more when given a kind transfer than cash (Lusk & Weaver, 2017). In addition, food assistance in the Supplemental Nutrition Assistance Program (SNAP) program acts as an important safety net for homes from the level of adverse shocks in food expenditures they may face (Kim & Shaefer, 2015).

Food aid has a drawback, namely high handling and transportation costs compared to cash (Skoufias et al., 2013). The problem of high logistics costs is overcome by changing the food assistance mechanism, food assistance is no longer in the form of food distributed directly by the government, but food assistance is in the form of *electronic* vouchers. It is easier and cheaper for the government to top up electronic vouchers every month than to run logistics operations directly. The distribution of social assistance through the electronic voucher mechanism has disadvantages, including internet signals for debit cards, PIN problems, and other authentication mechanisms, as well as efforts to ensure that debit cards reach the correct household (Banerjee et al., 2021). The use of *vouchers* allows the government to have greater control over the accuracy of the target beneficiaries because debit cards are challenging to divide. At the same time, food in kind can be shared by local government officials in any way they choose in practice (Banerjee et al., 2021).

Financial Inclusion

The use of assistance in the form of electronic vouchers in assistance encourages beneficiaries to access banking. Poor people receiving food assistance generally have low access to banking. Without removing financial barriers to financial services, the poor will remain in poverty continuously (Demirgüç-Kunt et al., 2018). Financial inclusion is an effort to incorporate unbankable people into the formal financial system so that they have the opportunity to enjoy financial services such as savings, payments, and transfers (Hannig & Jansen, 2011). Another opinion states that financial inclusion is a process that ensures the ease of access, availability, and benefits of the formal financial system for all economic actors (Sarma, 2015). However, financial inclusion is progressing slowly in rural areas where poverty is

most prominent. Higher transaction costs, high risk, and a more unfavorable contractual environment make it more difficult for financial institutions to achieve and maintain sustainability in rural areas than in urban areas (T. Lopez & Winkler, 2018).

The dimension of financial inclusion consists of outreach, usage, and quality of financial services. The outreach dimension is the extent to which the recipient can reach the core of financial services. The usage dimension measures the usefulness of the financial system depicted through Automatic Teller Machine (ATM) machines, bank branches, household depositors, and borrowers. Meanwhile, the quality level dimension of financial products meets the community's needs (Demirgüç-Kunt et al., 2018; Sarma, 2015; Sarma & Pais, 2008). Another opinion states that financial inclusion consists of bank account ownership, debit card ownership, use of financial services, and debit cards (Grohmann et al., 2018).

From Good Governance to Proper Governance

Good governance stems from the discourse of academics in the African region's efforts to design development concepts that can create high economic growth and be inclusive and democratic. However, in subsequent developments, the terminology of good governance has been adopted by international business institutions, especially the World Bank. It is used as a new label for requirements in distributing aid and loans to recipient countries (developing countries) (Hidayat, 2016). The World Bank (1992) defines good governance as an implementation of solid and responsible development management, in line with the principles of democracy and efficient markets, avoidance of misallocation of investment funds and prevention of corruption, both politically and administratively, carrying out budgetary discipline and creating a legal and political framework for the growth of business activities (Kharisma, 2014; Srivasta, 2009). As a result, the concept is more geared toward overseeing the international development agenda and tends to use parameters that are one size fits all (Sambodo & Hidayat, 2020).

At the implementation level, the good governance concept has produced different achievements, both success and failure. Such inaccuracies are related to a country's social, economic, and political characteristics. Thus, the root of the problem lies not in good or bad governance but in whether or not the concept is appropriate (Sambodo, 2018). The concept of proper governance as an improvement of good governance is substantial in interpreting governance as an effort to build state-society relations that can ensure the realization of three main objectives, namely: a) healthy economic development governance; b) democratic life and respect for the rights of every citizen; and c) the creation of social inclusivity. Meanwhile, the existence of government itself must be more positioned as a tool to achieve the three essential goals stated above by paying particular attention to equity and inclusiveness (Hidayat, 2016). The use of KKS Card (food voucher) in the Sembako program is in line with the values of proper governance¹ and as a way to realize financial inclusion

Previous studies have discussed financial inclusion much, but there is no link between financial inclusion and food social assistance programs. Social assistance programs from the Government of Indonesia often have multiple goals to achieve. The sembako program aims to reduce the burden of spending on low-income families by meeting food needs. However, on the other hand, the sembako program also aims to increase the access of the poor to banking and financial inclusion.

Therefore, the research question is how financial inclusion in the sembako program is analyzed using proper governance point of view.

Methodology

This study used qualitative data with *semi-structured* interviews with participants of parties involved in the implementation of the sembako program in the Banyumas Regency. Parties participating in the implementation of the sembako program in Banyumas Regency consisted of officials of the Social Service and Village Community Empowerment Office, Regional Coordinator, Facilitator, Distributor, and Beneficiaries of the sembako program. This study's participants were determined according to the

¹ Four the main principles of proper governance, namely:

1. Developmental, presenting development management that allows synergy between a) economic growth; b) structural changes; c) the establishment of a balance between social return and personal return or the presence of the role of the state in carrying out the function of redistribution; and d) responsible and sustainable utilization of resources.
2. Democratic, a) the guaranteed right of citizens to participate in decision-making and in supervising government administration; b) law enforcement; c) public accountability and transparency.
3. Socially Inclusive, a) ensuring the right of every citizen to obtain the same right to access economic and political resources; b) equal legal treatment, regardless of status; and c) the establishment of an attitude of mutual trust (trust), both among the community, state organizers, and between the community and state organizers.
4. Local Content. The latter principle is the "frame" of the other three principles. That being said, the principle of proper governance will only work effectively if it recognizes the local social, cultural, economic, and local characteristics.

purposive: individuals who knew about implementing the basic food social assistance. Initially, they were contacted by phone, and the study details were further explained for participation approval. This selection method aims to find suitable informants who can provide the best information and increase understanding of research questions. Data collection was carried out in June 2021.

Table 1. Participant Data

| No. | Code | Gender | Roles |
|-----|------|--------|--------------------------------------------------------------------------|
| 1 | CNS | Female | Regional Coordinators of the Sembako Program |
| 2 | DK | Female | Officials of the Social Service and Village Community Empowerment Office |
| 3 | SO | Male | The Facilitator of Sembako Program |
| 4 | DN | Male | Agent of Sembako Program |
| 5 | SD | Male | Agent of Sembako Program |
| 6 | KA | Female | Beneficiaries of Sembako Program |
| 7 | KD | Female | Beneficiaries of Sembako Program |

The researchers also carried out one of the triangulation methods, namely data collection using report materials and reports in the mass media: reports on sembako program activities, government regulations related to sembako program. The triangulation method allowed us to compare and cross-examine results and reduces the potential for systematic bias using various data sources, procedures, or methods (Lawrence, 2007). We designed semi-structured qualitative interviews with informants using open-ended questions. We used semi-structured interview methods for data collection due to time constraints and to ensure flexibility with maximum data generation for this study. Informants were interviewed in depth about sembako programs and financial inclusion. The interviewer gave a letter of approval to the informant regarding the scope of the study. The interviewer explained to the informant that the information they provided was confidential and that their full names would not be disclosed. Interviews were conducted in a mixed languages, Indonesian and Javanese. Responses were recorded audio to maximize reliability.

Results

The Context

The research location is Banyumas Regency, about 330 kilometers from Jakarta, the capital of Indonesia, and about 200 kilometers from Semarang, the capital of Central Java Province. The capital of Banyumas Regency is Purwokerto City. Administratively, it consists of 27 sub-districts and 331 villages. The population of Banyumas Regency in 2019 amounted to 1,840,152 people. The number tends to increase due to reasonably high birth. About 70 percent of the population lives in existing villages (BPS Kabupaten Banyumas, 2022). From 2016-2020, the poor population in Banyumas Regency decreased in numbers and percentages. However, in 2020, the poor population of the Banyumas Regency experienced an increase (BPS Kabupaten Banyumas, 2021). The increase in poverty in Banyumas Regency is due to the Covid-19 pandemic, which has resulted in many working residents losing their jobs.

Table 2. Number of Poor People and Percentage of Poor Population, 2016-2020

| Year | Population Poor (Thousand) | Percentage Poor People (%) |
|------|----------------------------|----------------------------|
| 2016 | 283.90 | 17.23 |
| 2017 | 283.20 | 17.05 |
| 2018 | 226.20 | 13.50 |
| 2019 | 211.65 | 12.53 |
| 2020 | 225.80 | 13.26 |
| 2021 | 232,90 | 13,66 |

Source: Banyumas Regency In Numbers, 2022

In 2021, the number of beneficiaries of the basic food social assistance in Banyumas Regency amounted to 270,752 beneficiary families. It is one of the districts with the highest number of beneficiaries of the basic food social assistance in Indonesia. Regarding financial inclusion, Banyumas Regency has a long history in the banking world. The first bank in Indonesia was established in this district, Bank Rakyat Indonesia (BRI). BRI was founded on December 16, 1895, when it was still in the Dutch colonial period. At the beginning of the establishment of BRI, it still used Dutch, namely; *De Poerwokertosche Hulp en Spaarbank der Inlandsche Hoofden* means Bank of Aid and Deposits

Belonging to the Priyayi Purwokerto People. The establishment of the bank is an institution that serves the finances of Indonesian people or indigenous people (Bank BRI, 2022).

Implementation of the Sembako Program in Banyumas Regency

Implementing the sembako program in Banyumas Regency is by the General Guidelines of Sembako program. The Banyumas Regency Government does not have the authority to change the mechanism for sembako program. Therefore, implementing sembako program is carried out by a field team consisting of the Regional Coordinator and the The Facilitator of Sembako Program. The Facilitator of the sembako program are Subdistrict Social Welfare Workers (TKSK), whose scope of duties is by the TKSK work area.

The mechanism for implementing the sembako program starts from the Banyumas Regency Government proposing prospective beneficiaries of the sembako program to the Ministry of Social Affairs. The Ministry of Social Affairs verifies the sembako program beneficiaries. The beneficiary families of the sembako program will be listed in the Integrated Social Welfare Data (DTKS) published by the Ministry of Social Affairs of the Republic of Indonesia. In 2021, in Banyumas Regency, there were 181,735 families beneficiaries of the sembako program spread across 27 sub-districts and 301 villages.

Beneficiaries at predetermined agents carry out retrieval of food assistance. Beneficiaries of social assistance from the sembako program cannot transfer their service to other assistance agencies. In Banyumas Regency, there are 750 agents spread across each district with an unequal number. Generally, agents providing sembako program serve between 250-400 beneficiaries. The number of sembako program beneficiaries in each agent is determined by the ability of the sembako program agent to serve the sembako program beneficiaries. Gathering needs begins by checking the savings balance. If there is a balance, you will receive several goods with proof of notes or receipts of Rp. 200,000- (USD 13.29). The mechanism for distributing the sembako program refers to good governance, namely the involvement of various parties in distributing social assistance. The government does not work alone but encourages the banking sector and sembako program agents.

The necessities are distributed by agents providing sembako program collaborating with Bank Mandiri Banyumas Branch. Only sembako program providers who have entered into a cooperation agreement and are registered with Bank Mandiri can distribute food aid. Shops or stalls that provide sembako program services through individual independent agents called Laku Pandai Bank Mandiri (Bank Mandiri, 2022).

In sembako program, agent of sembako program cannot directly provide the food ingredients but is supplied by a predetermined supplier. Suppliers of to sembako program agents are not regulated by the general guidelines for the sembako program. However, food suppliers are determined by the Bank. Regional Coordinators of the Sembako Program reported that:

".....Agents agents difficult to control and do not pay attention to the 6T² principle according to the General Guidelines of the Sembako Program. Services to beneficiaries are not paid attention to, even agents tend to be only as intermediaries between suppliers and Beneficiaries without conducting quality filters first" (CNS, 2021)

Predetermined food suppliers provide food supply to the program's sembako agents. However, the provision of food ingredients by predetermined food providers has drawbacks. Food prices are not competitive and more expensive than prices on the market. Therefore, recipients of sembako program say that the cost of sembako program does not follow market prices. One of the respondents stated,

".....It seems that the food aid I received was not up to Rp. 200,000 (USD 13.29) - if I bought it at the market...."(KA, 2021)

However, according to the Banyumas Regency Village Social and Community Empowerment Office, the sembako program in Banyumas Regency is right on Price. The system for checking the price is coordinated between the government worker from the local Ministry of Social Affairs (TKSK) and the agent.

"..... Exact Price: the Price is also sdh according to the market price. Because TKSK always coordinates with the Agent/eWarong when preparing for distribution and conveys information from the Trade Office regarding market price updates that apply in that month...." (DK, 2021)

² 6T (tepat), right on target, right amount, right time, right price, right quality and right administration

Mechanisms for the provision of food by predetermined suppliers support the provision of sembako program in a sustainable and accountable manner. Administratively, it can be accounted for following the principles of good governance. These provisions have implemented good governance. As a result of this policy, prices were inaccurate, food assistance was more expensive than market prices, and the benefits received by beneficiaries were reduced. Food suppliers supply food ingredients from outside the area so they don't boost the economy of the local community. The staple food program facilitator said the food ingredients came from outside the area.

"...Food suppliers come from Companies, Business Groups/Associations and Traders very rarely buy directly to farmers" (SO,2021)

Even though nuts, vegetables, and fruits can be bought from local farmers or stalls. Those who have grown rice, vegetables, and fruits can sell rice, vegetables and fruits to a competent selling agent. Foodstuffs come from outside the region, not following proper governance principles and ignoring local social, cultural, economic, and political characteristics (local characteristics)(Hidayat, 2016). Packaging causes beneficiaries to be unable to choose food assistance that suits their needs at a lower price. The beneficiary's sembako program policy has the right to determine the type and amount of food to be received. However, in fact the policy was not implemented. beneficiary's sembako program cannot change the type and amount of sembako program that has been determined. It was acknowledged by one of agent sembako program distributors that this packaged sembako program was based on a commodity survey filled in by the beneficiaries of the sembako program but the survey results were not used.

"... We do the packaging of food aid, in this case, the distributor of the sembako program does the packaging but based on the request of the beneficiary's family based on the commodity questionnaire filled by representatives of the recipient's family, this has also been known to the Ministry of Human Development and Culture who happened to visit Banyumas regency.....(DN,2021)

Basic food assistance in the form of packages, facilitating the process of distributing food aid. At the time of distribution, each agent of sembako program distributing to between 250-400 beneficiaries at a predetermined time for distribution and no later than the 10th of each month. The Sembako program agent stated that

"...beneficiaries can choose the type and amount of food to be purchased according to the needs of each beneficiary....."(SD, 2021).

Beneficiaries do not have the opportunity to choose food aid according to their needs but must receive packaged food aid even though according to general guidelines, food aid cannot be packaged. Beneficiaries, get food assistance worth Rp. 200,000 (USD 13.29)/month, but most beneficiaries do not know the amount of staple food aid they receive each month. However, according to the Banyumas Regency Social and Community Empowerment Service, the amount of assistance for the sembako program was appropriate.

".. Exact Amount: based on the results of monitoring in the field, the amount of commodities provided is in accordance with the value of assistance, which is 200,000 (USD 13.29)....."(DK, 2021)

Beneficiaries sembako program stated that the sembako program received lower than Rp. 200.000,-. One respondent stated

".....I don't know for sure the amount of sembako program, it seems lower than Rp. 200,000, " (SP, 2021)

The beneficiaries of the basic food program do not know how much assistance they will receive from the basic food program. The same thing was found ((Jayaputra et al., 2021), as many as 60.67 percent of the beneficiaries of the basic food program did not know the amount of assistance they received. Beneficiaries of the basic food program must take food assistance to the agent closest to where they live. During the distribution period, all social assistance funds must be withdrawn so that there is no balance on the KKS Card. If the balance is empty, then the food aid is considered distributed

to beneficiaries and can be accounted for administratively. Accountability for food aid in an orderly manner is a form of good governance. However, simply implementing good governance has not been able to solve the problem of poverty, especially in developing countries (Scholte, 2012).

To comply with the guidelines, various efforts to control the sembako program in Banyumas Regency. The Banyumas Regency Government opened several complaint channels through the website <http://lapakaduan.banyumaskab.go.id/>, Facebook: Aduan Banyumas, Instagram Aduan Banyumas, SMS dan Whatapps 08112626116. Officials of the Social Service and Village Community Empowerment Office stated

“..... Regarding complaints: people usually come to the social service office, village office, or to the sub-district team. Through WhatsApp to Regional Coordinators, Faciliator of the Sembako Program, as well as through the Lapak aduan of the Banyumas Regent...” (DK, 2021)

In addition, complaints were submitted through the Banyumas Resort Police, Banyumas Regency Regional Inspectors, Non-Governmental Organizations, lawyers, and mass organizations. Complaints were responded to and followed up by the Social and Community Development and Village Offices and the Regional Secretary of Banyumas Regency. The good governance principles of public administration aim to reduce corrupt actors in the public bureaucracy and thereby improve the economy. It is assumed that easy access for giving feedback will be an effective way to identify corrupt actors.

Financial Inclusion and Sembako Program in Banyumas Regency

One of the objectives of the sembako program is to increase financial inclusion. The requirements for obtaining sembako program is for poor families registered with the Integrated Social Welfare Data (DTKS). In general, the poor rarely get access to banking services. There are many reasons the poor are not connected to banking services, including limited education, knowledge, or no income that can be saved in the bank. Therefore, sembako program is carried out using a non-cash scheme by providing electronic vouchers in the form of KKS Card. However, the beneficiaries are expected to be familiar with banking services. One of the goals of the sembako program is to increase non-cash transactions and financial inclusion for the beneficiaries sembako program (Kementerian Sosial RI, 2020). The agent of sembako program is an agent for banking product services. Laku Pandai is abbreviated from Officeless Financial Services in the Framework of Financial Inclusion, namely the Financial Services Authority (OJK) Program for the provision of banking services or other financial services through cooperation with other parties (bank agents), and is supported by the use of information technology facilities.

Laku pandai aims to provide financial products that are simple, easy to understand, and fulfill the needs of people who have not been able to reach financial services (Otoritas Jasa Keuangan, 2022). In addition, it also launches community economic activities to encourage economic growth and equitable development between regions in Indonesia, especially between villages and cities. The products provided in this program are savings with basic saving account characteristics, credit or financing to micro customers, and other financial products such as Micro Insurance. The beneficiaries of the basic food social assistance need to be more familiar with and use banking and other financial services. The first banking card is only the KKS card, a card to take food aid from the sembako program. Obstacles caused the beneficiaries of the sembako program not to be connected to the bank, including living far from the bank office, burdensome fees or requirements, and not understanding or not interested in banking services.

Increasing understanding, use, and utilization of financial services by beneficiaries of the sembako program is an effort to increase financial inclusion. Financial inclusion is an effort to incorporate unbankable people into the formal financial system so that they have the opportunity to enjoy financial services such as savings, payments, and transfers (Hannig & Jansen, 2011). Another opinion states that financial inclusion is a process that ensures the ease of access, availability, and benefits of the formal financial system for all economic actors (Sarma, 2015). However, efforts to increase financial inclusion in the sembako program showed insignificant results based on research results. For example, as many as 69.25 percent did not memorize the PIN (Jayaputra et al., 2021). The same happened in Banyumas Regency; the beneficiaries of the sembako program needed to memorize PIN of the KKS card. As a result, the PIN of the KKS card has never been changed, and if it has been changed, the PIN of the KKS card is affixed to the staple food card so that the staple food provider agent knows the PIN. An example of a respondent issue with the card states that:

"....I have always kept the PIN of the KKS card the same because I am afraid of being blocked and the business becomes complicated..." (KD, 2021)

The beneficiaries of the sembako program reasoned that they kept the PIN the same for fear of forgetting, and if they input it incorrectly three times, the KKS card would be blocked. If the KKS card is blocked, if you enter incorrectly three times, the KKS card will be blocked and must be processed at the KKS Card issuing bank. Indeed, there have been efforts to include poor families in banking services. However, poor families are still experiencing difficulties and need better literacy on the mechanism for distributing the food aid they receive. Beneficiaries do not swipe their KKS cards when they collect food aid. However, they are assisted by other people, be it agents, facilitator or other family members. The Facilitator sembako program said that the beneficiaries of the basic food program did not directly swipe the KKS card at EDC.

"..... The Sembako program agents were formed by Bank Mandiri, so they just do what Bank Mandiri says even though we have reported violations committed such as keeping KKS cards, providing commodities other than general guidelines, not recording manual transactions, etc. Meanwhile, Bank Mandiri needs to be more assertive in dealing with this problem..." (SO, 2021)

As many as 74.97 percent did not swipe their KKS cards on EDC machines because education and understanding of technology for the use of KKS cards caused some people to take advantage of the rights of beneficiaries of the sembako program. The taking of beneficiary rights by the sembako program includes a reduction in the amount of sembako program received, or the Price of food aid is much more expensive than the market price. The Banyumas Regency Village Social and Community Empowerment Office knew that the sembako program distributors committed fraud. However, it was not the authority of the Social Service Office to sanction the agent of sembako program..

"..... There are some agents/e-warong who commit fraud, but the social service office does not have the authority to give sanction because the authority lies with Bank Mandiri.....". (DK, 2021)

Abuse also occurs by taking food assistance from the sembako program without being noticed to the program beneficiaries. Taking food aid without informing the beneficiaries of sembako program can be done by swiping the KKS card on the EDC machine without providing food aid to the program beneficiaries. This can be done because the KKS Card is not held by the beneficiaries of the sembako program. By increasing financial inclusion for the beneficiaries of the sembako program, it is expected that the beneficiaries will begin to take advantage of banking services through the usage of KKS cards. However, the beneficiaries of the sembako program do not take advantage of other banking services. Banking services cannot automatically be accessed by using KKS cards. The KKS Card can only be used to get the food aid and cannot be used for other banking transactions.

Discussion

Reformatting Financial Inclusion in the Sembako Program

The transformation of the food social assistance program in Indonesia has experienced fairly good development and strives to realize good governance. The Sembako program allows beneficiaries to choose the type, quality, Price, and place to buy food (Hermawati et al., 2019). The good governance applied to the sembako program cannot necessarily overcome the problem of poverty in Indonesia only helps reduce the burden of spending on poor families. The distribution of food aid using the e-voucher scheme is much better than the government's direct food aid distribution scheme in a central way because it can overcome aid leakage at each distribution point. The principle of good governance can be applied to distributing basic food programs, namely realizing government programs that are more accountable and easy to account for administratively. However, in its implementation, the application of the principles of good governance loss control (Handayani & Nur, 2019) so that sembako program is still found that is not by the provisions. Not only that, the application of e-vouchers on food aid seems forced even though the poor are not ready for banking access due to low financial literacy.

Reformatting the sembako program to be on target, reducing corruption in social assistance programs, increasing financial inclusion, and empowering the local economy can be implemented by applying proper governance principles. The reformatting was carried out on distribution which was initially only on agent sembako program registered in collaboration with the channeling bank but expanded to stores/stalls already having access to simple banking services such as already having an EDC machine or already an official QR Code and accepted by all banks for transactions, namely QRIS (PT Telekomunikasi Indonesia & PT Interaktif International, 2022). QRIS makes it easier for beneficiaries of the sembako program to take their food assistance to the nearest stall/merchant, at a

price that matches the market price, according to the needs of each beneficiary. In addition, getting the beneficiaries of the sembako program to make their own food aid collection transactions at any time and any merchant without being determined accelerates efforts to increase financial inclusion.

Conclusion and Suggestions

Conclusion

The implementation of sembako program is running well as an effort to realize good governance. However, complaints regarding the type, quantity, and goods received are outside the general guidelines for the sembako program, so that proper governance has not yet been achieved. Basic food assistance only contributes little to increasing financial inclusion because KKS cards can only be used to receive social assistance from sembako program and not yet to access other banking services.

Suggestions

This study recommends increasing financial inclusion for recipients of sembako program which the collection of food assistance is not limited to certain traders. Further, the time span for distribution needs to expand.

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