

# PROCEEDINGS

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INTERNATIONAL CONFERENCE  
of Graduate School on Sustainability

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**SUSTAINABILITY STUDIES**  
in the industry 4.  
and society 5.  era.

Proceeding of  
4<sup>th</sup> International Conference of Graduate School on Sustainability

SUSTAINABILITY STUDIES  
IN THE INDUSTRY 4.0 AND SOCIETY 5.0 ERA

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## FOREWORD BY STEERING COMMITTEE

This Conference is our 4th international event on sustainable development and we have held it as an annual agenda at Graduate School, University of Merdeka Malang. The Sustainability theme as a brand of our today's Conference is referring to the 17 goals of Sustainable Development proposed by The United Nations, such as Good Quality Education; Decent Work and Economic Growth; and Industry, Innovation and Infrastructure. Of course, we cannot answer all of the goals, but we will try our best to gradually formulate the solutions.

As for the Conference itself, this year we are cooperating with Universiti Teknologi Mara (Malaysia), Simon Fraser University (Canada), Rangsit University (Thailand), NAIIST (Japan) and Ural Federal University (Russia) and it will be conducted in two days; 11th-12th October, 2019. On the first day, that is today, we will have presentation by Invited Speakers, paper presentations on Parallel Session and Doctoral Colloquium. On the second day, tomorrow, we will have discussions with all our Keynote Speakers in the Panel Session. Apart from that, we also conduct Forum Group Discussion to have a follow-up with our international collaboration research in Asia Pacific.

We have a great hope that similar scientific events will be continually conducted at University of Merdeka Malang. This is important since these kinds of events can be a bridge for graduate students to publish their research papers in the international journals. This year, in this International Conference we are having collaborations with expert and publisher of journal indexed by Scopus (Q3), Sinta (2 and 3) and Web of Science (Thomson Reuters). The last, thank you to all the Committee for making this International Conference happen. Thank you for participating in this event. Have a great day and active discussion at the Conference.

Wassalaamu'alaikum wr.wb.,

Chairman

**Professor Grahita Chandrarin**

## FOREWORD BY EDITOR

On behalf of the organizing committee, it is our sincere pleasure to officially present the proceedings, which is based on the 4th-International Conference of Graduate School on Sustainability (4th-ICGSS) with the title of “SUSTAINABILITY STUDIES IN THE INDUSTRY 4.0 AND SOCIETY 5.0 ERA”. Graduate School of University of Merdeka Malang as an educational institution takes a role in a small part in the academic field by conducting scientific discussions from scholars and practitioners in a conference forum.

The exploration of sustainable development issues is still very open, especially at the regional level. These issues inspired Graduate Program, University of Merdeka Malang to develop research and teaching in sustainability topics. The conference is based on the belief that there are a large number of contemporary studies that are interdisciplinary and in the form of regional case studies in different countries. The conference also offers issues of the issue of industrial revolution 4.0 and society 5.0. These issues are initiated by the world's developed countries, especially Germany and Japan, which are facing their own country's socio-political challenges. Nevertheless the background that remains the same and applies universally is the influence of data technology advances such as big data and 'Internet of things'.

The conference is intended to explore how Indonesia and other international audiences face these issues. We hope this proceedings as a collection of research articles will be useful to assist the Indonesian government in particular and other parties in the world in providing alternative solutions and challenges for sustainability in the future.

Malang, December 20, 2019

Editor

**Dina Poerwoningsih**

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# STRATEGIC POLICIES FOR POVERTY REDUCTION IN ACHIEVING SUSTAINABLE DEVELOPMENT GOALS (SDG'S) IN TRENGGALEK REGENCY

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## ABSTRACT

Poverty is an urgent problem for the central and regional governments. Therefore this problem must be a priority in development and must be done in a systematic, focused, planned and well-coordinated manner. Poverty is a global problem that is specifically stated in the goals of Sustainable Development Goals or SDG's. The causes of poverty reduction failures that have been carried out so far have been caused by the integration of poverty reduction programs and activities, meaning that the implementation is still sectoral and not integrated. Each program and activity runs individually without integration and harmonization with other programs and activities. Tackling the problem of poverty will be effective if it is carried out across sectors and is a multi-stakeholder responsibility, and well-coordinated so that there is synergy in the implementation of poverty reduction programs. Poverty reduction programs and activities in the regions are an inseparable part of regional development activities. Poverty reduction planning must be integrated with overall development planning so that coordination, synchronization, and synergy between parties involved can occur. Regional Poverty Reduction Strategy is implemented to realize coordination, integration, synchronization, synergy between cross-sectors and cross-stakeholders in an integrated and sustainable manner to accelerate poverty reduction in the regions.

**Keywords** : Strategic Policy, Poverty Alleviation

## 1. INTRODUCTION

The high poverty rate and a large number of people living below the poverty line are a problem in developing countries, including in Indonesia. The living conditions of the poor demand that the central and regional governments continue to work to cope.

Various programs and activities have been carried out by the Central Government, the Provincial Government, and the Trenggalek Regency Government to improve the living standards of the poor. Human resource empowerment programs with various types of education and training, briefing, internships have been implemented. Capital assistance and business equipment has been provided. A business support infrastructure has also been built. However, the poor still exist and the decline seems to be slow.

Various government, private and academic institutions have participated according to their respective capacities in the context of reducing the number of poor people. Various breakthrough programs and activities have been carried out by the government. Corporate Social Responsibility or CSR funds from various private companies have also been allocated. Various strategies and concepts from academics have also been contributed. But in reality, the decline in the number of poor people has not been as expected.

Based on evaluations carried out from various parties both government, private and tertiary institutions, it was concluded that one of the causes of poverty reduction failure that had been carried out so far was the integration of poverty reduction programs and activities. Most of the implementation is still sectoral. Each program and activity runs individually without taking into account other programs and activities. The parties



implementing poverty alleviation programs and activities also carry out individually without coordination and involve other parties.

Following up on the results of the evaluation, the Central Government issued a regulation in the form of Presidential Regulation No. 166 of 2014 concerning the program to accelerate poverty reduction. In the Perpres, the Government established social protection programs including a welfare family savings program, the Smart Indonesia Program, and the Healthy Indonesia Program. Besides that, there are other regulations, namely Regulation of the Minister of Home Affairs Number 42 of 2010 concerning Provincial and Regency / City Poverty Reduction Coordination Teams. In the legislation, there is a mandate that must be carried out by the Regional TKPKD (TKPKD) both Provincial and District / City, namely compiling a policy with the name of the Regional Poverty Reduction Strategy document or SPKD.

Regional Poverty Reduction Strategy is implemented to realize coordination, integration, synchronization, synergy between cross-sectors and cross-stakeholders in an integrated and sustainable manner to accelerate poverty reduction in the regions. In the end, it is hoped that each sector will jointly place poverty reduction efforts as a priority which impacts on the budget allocation prepared by the related SKPD.

Regional Poverty Reduction Strategy is implemented in order to realize coordination, integration, synchronization, synergy between cross-sectors and cross-stakeholders in an integrated and sustainable manner in order to accelerate poverty reduction in the regions. In the end, it is hoped that each sector will jointly place poverty reduction efforts as a priority which impacts on the budget allocation prepared by the related SKPD.

## **2. POVERTY CONCEPTION**

The definition and understanding of poverty in the last few decades show a tendency towards shifts. Previously poverty was only understood to be limited to economic inabilities, such as aspects of income, expenditure or production assets. This understanding was reflected in two international financial institutions, the World Bank and the ADB (Asian Development Bank). The World Bank sets the category of poor if the level of expenditure is less than US \$ 2 PPP per person per day.

In Presidential Regulation No. 166/2014 concerning the Acceleration of Poverty Reduction, it is stated that the definition of Poverty Reduction is "policies and programs of the government and regional governments that are carried out systematically, planned and in synergy with the business world and the community to reduce the number of poor people in order to improve the degree of welfare of the people. "

While the definition of the Poverty Reduction Program is "activities carried out by the government, regional governments, the business community, and the community to improve the welfare of the poor through social assistance, community empowerment, empowerment of micro and small economic businesses, and other programs to increase economic activity." This means that poverty reduction programs are not only the

responsibility of the government but are also carried out by involving the business community and the community.

Poverty is a complex problem that is influenced by various factors such as income, education, location, gender, and the environment. There are two types of poverty data, they are micro poverty data and macro poverty data. Micro poverty data is poverty data that contains data on poor households and their characteristics. This data is sourced from the Data Collection of Social Protection Program or PPLS conducted by BPS in 2009. In 2015 the Integrated Database Update (PBDT) was carried out. The data was launched by the Central Government in 2016.

The second poverty data is macro poverty data which contains the percentage of the poor population to the total population. This data was obtained based on the National Socio-Economic Survey (Susenas) data which is carried out annually in Indonesia, including in the Trenggalek Regency.

In measuring poverty, the Central Statistics Agency (BPS) uses an approach or concept of the ability to meet basic needs (basic needs approach). In this approach, poverty is seen as the inability of the economy in meeting basic needs measured from the expenditure side, so that it can calculate the Headcount Index (P0), which is the percentage of the poor population to the total population.

The poor are defined as those who have an average per capita expenditure per month below the poverty line. The poverty line functions as a boundary line to classify the population into poor or non-poor.

Micro Poverty Aggregate Data Table Per District  
According to the 2016 Integrated Database Update Results

No	Districts	Number of Households					Number of Individuals				
		Decile 1	Decile 2	Decile 3	Decile 4	Total	Decile 1	Decile 2	Decile 3	Decile 4	Total
1	Panggul	3,093	3,896	2,965	890	10,844	12,396	12,496	9,452	3,043	37,387
2	Dongko	3,959	3,653	1,773	303	9,688	14,796	10,853	5,370	1,011	32,030
3	Pule	2,773	2,942	1,823	330	7,868	9,985	9,464	6,106	1,092	26,647
4	Munjungan	1,951	2,347	2,036	629	6,963	7,345	7,279	6,541	2,104	23,269
5	Tugu	1,004	2,116	2,380	900	6,400	3,554	6,062	6,769	2,867	19,252
6	Gandusari	609	1,864	2,427	867	5,767	2,111	4,961	6,631	2,575	16,278
7	Pogalan	384	1,522	2,282	907	5,095	1,513	4,571	6,225	2,850	15,159
8	Kampak	1,427	1,788	1,324	388	4,927	4,772	5,372	4,042	1,242	15,428
9	Durenan	882	1,610	1,752	626	4,870	2,826	4,353	4,569	1,798	13,546
10	Bendungan	2,070	1,815	728	117	4,730	7,589	5,333	2,106	388	15,416

11	Karangan	588	1,484	1,645	682	4,399	1,930	4,120	4,636	2,176	12,862
12	Trenggalek	700	1,265	1,371	652	3,988	2,411	3,526	3,730	1,885	11,552
13	Suruh	1,125	1,467	979	276	3,847	3,750	4,336	2,889	868	11,843
14	Watulimo	780	1,236	1,229	463	3,708	2,839	3,500	3,285	1,302	10,926
	Total	21,345	29,005	24,714	8,030	83,094	77,817	86,226	72,351	25,201	261,595

Source: Aggregate Data on the 2016 PBDT Results (TNP2K)

Information :

D 1: (Households / individuals with the lowest welfare up to 10% )

D 2: (Households / individuals with the lowest welfare conditions up to 20% )

D 3: (Households / Individuals with the lowest welfare conditions up to 30% )

D 4: (Household / Individual with the lowest welfare up to 40% )

The problem of poverty is not just the number and percentage of poor people. Another dimension that needs to be considered is the depth and severity of poverty. Policies, programs and activities to reduce poverty must not only reduce the number of poor people but must also be able to reduce the depth and severity of poverty.

The reduction in poverty is the contribution of various poverty alleviation programs. Several programs are applied in the context of poverty alleviation, both initiated by the Central Government such as PNPM Mandiri in Rural Areas, School Operational Assistance Program (BOS), Family Hope Program (PKH) and Family Welfare Improvement Program through Community Empowerment (PKKPM). There are also programs initiated by the Government of the Province of East Java such as the JALIN KESRA Program (Another Road to People's Welfare) and is now transforming into the JALIN MATRA Program (Another Road to Independent and Prosperous Communities).

The Trenggalek District Government in the past period has also developed several innovative programs to support the acceleration of economic growth and poverty reduction such as the TRENGGALEK Program (Trengginas Galang Ekonomi) and the APP (Anty Poverty Program) Program. These programs need to be maintained and supported by similar programs in the context of reducing poverty in the District of Trenggalek.

### 3. POLICY STRATEGY S POVERTY REDUCTION

Presidential Regulation Number 15 of 2010 has underlined four main poverty reduction strategies, namely reducing the burden of spending on the poor, increasing the income and ability of the poor, developing and ensuring the sustainability of micro and small businesses, and strengthening policy synergies. In implementing poverty reduction in Trenggalek Regency, several strategies are needed to be implemented, namely:

1. Reducing the expenditure of poor families. Expenditures that can be reduced are health, education and food needs.

2. Increase the income of poor families. Family income can increase if poor families have broad opportunities to do productive business.
3. Coordination, Integration, Synchronization, and Synergy of various poverty reduction policies, programs, and activities from various stakeholders, both government, private sector, universities, and the community.
4. The poverty alleviation policy is essentially a public policy in favor of the poor. Therefore the policy must be translated into pro-poor development and pro-poor economic growth. Operationally the direction of poverty alleviation can be grouped into four program groups, namely:
  - a. Family-based integrated social assistance group program aims to fulfill basic rights, reduce the burden of living, and improve the quality of life of the poor, including:
    - 1) BKSM Program (Special Assistance for Poor Students)
    - 2) Rice for the Poor Program (RASKIN)
    - 3) Poor and Remote Indigenous Peoples Program
    - 4) PKH Program (Family Hope Program)
    - 5) Jamkesda Program (Regional Health Insurance)
    - 6) Agriculture Anty Poverty Project (APP) Program
    - 7) Animal Husbandry Anty Poverty Project (APP) Program
  - b. Poverty reduction programs based on community empowerment, developing the potential and development groups of poor people based on community empowerment; aims to strengthen the capacity to be involved in the principles of community empowerment, including:
    - 1) Labor Intensive Program.
    - 2) Transmigration Program.
    - 3) Ex Traumatic Disability Program.
    - 4) Abandoned child development program.
    - 5) Nursing Home Program.
  - c. Poverty reduction program groups based on empowerment of micro and small economic businesses, aim to provide access and economic strengthening for micro and small scale businesses, including PNPM Mandiri in Rural Areas
  - d. Other programs that can directly or indirectly improve economic activities and the welfare of the poor, namely the Unliveable Housing Program (RTLH)

### **Intervention and Regional Priorities**

Regional priority and intervention is the policy of the Regional Government in determining which regions or regions will be prioritized or prioritized for development targets, so it is not always urban areas that will be targeted in government development. So that development in Trenggalek Regency can be distributed evenly in all areas between

rural areas in the hilly areas and flat, intervention priorities and which areas should be prioritized are in the areas of:

1. Education Sector, if the School Dropout Rate (APTS) in a certain region is still high.
2. Health Sector, if the Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) of childbirth are still high and the Poor Nutrition Rate in an area is still high when compared with the achievement figures of the Provincial and Central Government.
3. Basic Infrastructure Sector, if the value of the Basic Sanitation figure is still low compared to the figure value of the achievements of the provincial and central government and if the Decent Drinking Water Rate in the Region is lower than the achievement in Trenggalek Regency.

### **Grants and Subsidy Expenditure**

Grants and social assistance are two accounts of the Regional Budget and Revenue Expenditures (APBD) which are quite useful because many need them. Many interests need to be accommodated, both in the interests of public welfare and political interests in a broad sense.

Grants, in the form of money or goods, can be given to the government (vertical agencies in the region) or other regional governments, regional companies, communities, and community organizations that have been specifically designated for their purpose, in order to support the implementation of regional government affairs, or support the achievement of program targets and local government activities in compulsory and optional affairs.

While social assistance is social assistance in the form of money and/or goods to groups/members of the community, individuals, and families. Aims to protect the community from social risks. Where the social risk in the Minister of Domestic Affairs Regulation Number 32 of 2011 is defined as an event or event that can lead to the potential occurrence of social vulnerability borne by individuals, families, groups and / or communities as a result of social crisis, economic crisis, political crisis, disaster, or natural phenomena, which if not given a ban on social assistance will be worse off and not be able to live in reasonable conditions.

To anticipate further irregularities in the use of APBD, the Ministry of Home Affairs (Ministry of Home Affairs) conducted a joint review with the Corruption Eradication Commission (KPK). As a result, at present, the grant funds can no longer be provided without benchmarks with clear criteria. The grants will be seen by the Supreme Audit Agency (BPK) and if something goes wrong, it can be investigated legally. This guideline is contained in Minister of Home Affairs Regulation No. 32 of 2011. This rule clarifies the criteria for recipients of social assistance and grant funds. For social assistance, recipients must have social risks, involving empowerment, rehabilitation, social security, poverty alleviation, and natural disaster programs.

### **Program / Activity Funding Sources**

In carrying out development, the Trenggalek Regency Government requires funds for the continuity of development. The costs required for the construction are very large and cannot be funded by the Trenggalek District government itself. For this reason, assistance is needed from the Provincial Government and the Central Government, among which the aid fund covers:

1. From the Central Government includes DAK (Special Allocation Funds) and DAU (General Allocation Funds), and tax-sharing funds / non-tax revenue-sharing funds.
2. The Provincial Government includes the BK or Financial Aid and tax revenue sharing funds from the Provincial Government.
3. From Original Regional Income (PAD) which includes Regional Tax Revenue, Revenue from Regional Retribution, Management Results from Regional Wealth, and others.

#### **4. POVERTY STRATEGIC ISSUES**

Strategic issues are the key to a policy change at a certain time because strategic issues can be used as a basis for making decisions for policymaking. Strategic issues can drive change and serve as a basis for decision making if the strategic value is clear so that it can be used to determine the main policies in dealing with those issues. While the strategic issues are as follows:

##### **1. Increasing the welfare of farmers and fishermen;**

Agricultural development in Trenggalek Regency will be difficult if it prioritizes food crops because the area of rice fields in the Trenggalek Regency is difficult to develop. Precisely agriculture that must be developed is plantation crops because most of the Kab. Trenggalek is a mountainous area. Plantation crops that are cultivated should be agribusiness-oriented (on-farm and off-farm), such as cocoa, fruits, sengon wood, coffee and so on.

It turns out that marine and fisheries resources have not been maximally utilized. For this reason, the mastery of fishermen/cultivators/ fish processors on the technology of catching fish, cultivating and processing fish catches needs to be done continuously.

##### **2. Expansion of employment opportunities and increased regional investment**

The complexity of economic problems, in general, is still low which is characterized by declining regional investment, lack of availability of employment and low skills needed by the labor market. On the other hand, the demands of the labor market and industry competition in the global market, demanding the needs of a professional workforce that meet the labor qualification standards-based knowledge, skill, and attitude, as well as social skills. The labor market in the future also requires a friendly atmosphere of industrial relations and legal certainty in business and investment.

Investment will encourage job creation. This employment creation will reduce unemployment. Reducing unemployment will reduce poverty. and reducing poverty will have an impact on overcoming other problems such as malnutrition, illiteracy, crime, and others.

Trenggalek Regency's economic growth in 2017 decreased compared to previous years, where the rate of economic growth only reached 5.12%, compared to the previous year which was 5.93%, while in 2015 it reached 6.21%. Slowing economic growth is not only experienced by Trenggalek Regency but also experienced by regional, provincial and national scope. Trenggalek Regency's economic growth in 2016 was below the economic growth rate of East Java province which reached 6.06% and above the national economic growth rate which only reached 5.02%. Economic growth can also be interpreted as a process of increasing the production capacity of an economy that is realized in the form of an increase in national income.

The economic sector and the creative industry become key sectors in efforts to increase regional competitiveness. It is hoped that there will be efforts in the form of local government policies to generate local industries so that products from the tourism, agriculture, marine, and fisheries sectors can compete with other regions.

### **3. Accelerating Poverty Alleviation.**

To combat and overcome poverty requires serious efforts from the Trenggalek District Government and also the stakeholders. For the poverty alleviation program in Trenggalek Regency to run well and not deviate from the policies that have been implemented, several points are needed including:

- a. Implement P3BM (Pro-Poor Planning, Budgeting, and Monitoring) in the planning and budgeting process.
- b. Coordinating, synergizing and evaluating the implementation of poverty reduction programs from the central, provincial and district levels.
- c. Enhancing the role of the Regency TKPK in poverty reduction programs.
- d. Improve the handling of people with social welfare problems (PMKS).
- e. Creating productive employment for the community.
- f. Improving community participation in the Health Insurance Administering Agency (BPJS).
- g. Encourage the empowerment of post-employment migrant workers and improve family welfare and coaching through productive economic activities, family outreach, and counseling.
- h. Improving the implementation of the empowerment of fertile age couples through courses as well as guiding vulnerable families.
- i. Facilitating transmigration to the area of cooperation.
- j. Improve the application of Appropriate Technology in the community and empowerment of Community Information Groups.

## **5. REGIONAL ACTION PLAN**

In tackling poverty, the Trenggalek Regency government through the Regency TKPKD carries out various activities to reduce this poverty level. The action plans undertaken in Trenggalek Regency are:

### **a. Reducing the burden of spending on the poor**

Namely by assisting in the form of Raskin, cash (BLT), providing health programs in the form of BPJS health for poor families. Education in the form of providing smart cards.

**b. Increase the ability and income of the poor**

Attention is needed from the government through expanding productive businesses, by providing broad and independent employment opportunities, by providing training so that their products can be accepted by the market, as well as accommodating and marketing their products to be ready to sell.

**c. Develop and guarantee the sustainability of Micro and Small Businesses;**

Assistance is needed from the government and other banking sectors, to get an injection of funds for business development.

**d. Synergizing poverty reduction policies and programs**

To synergize policies and programs in poverty reduction must be translated into pro-poor development and pro-poor economic growth.

To synergize policies and programs in poverty reduction must be translated into pro-poor development and pro-poor economic growth. To harmonize the existing programs, the Trenggalek Regency Government made a program that was adopted from the best practice of various National Programs and the Province of East Java. The program was given the name GERTAK (Movement Look Under the Problem of Poverty). This program was the brainchild of the leader of the Trenggalek Regency TKPK Team. The GERTAK Program is a poverty alleviation program by assisting the poor. However, this program is not merely charitable (just giving help and giving birth to dependency), but must be able to change the lives of poor people for the better and more prosperous.

Data updated on the poor in the GERTAK Program must be monitored regularly every 3 (three) months. This is to motivate the poor so that their lives become even better. Besides that, the Bluster Program also provides a philosophy of life in which the middle and upper economic communities must look down so that they do not forget themselves about their better lives than the poor.

## 6. CONCLUSION

Poverty reduction efforts in the regions are an inseparable part of regional development activities. So poverty alleviation planning must be an integral part of overall development planning so that coordination, synchronization, and synergy between policies, programs, and activities and between parties involved can occur.

Regional Poverty Reduction Strategy is implemented to realize coordination, integration, synchronization, synergy between cross-sectors and cross-stakeholders in an integrated and sustainable manner to accelerate poverty reduction in the regions. In the end, it is hoped that each sector will jointly place poverty reduction efforts as a priority which impacts on the budget allocation prepared by the related SKPD.

The Regional Poverty Reduction Strategic Policy can be used as an integrated, planned, sustainable and comprehensive regional strategic document between sectors and



among stakeholders and as a reference for all government, private and academic stakeholders in the effort to reduce poverty in the District and as a means to build consensus and integrating efforts to reduce poverty in the scope of regions with the Center in Trenggalek Regency.

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# IMPLEMENTATION OF ACTIVITIES MANAGEMENT UNIT (UPK) IN THE MANDIRI RURAL EMPOWERMENT COMMUNITY PROGRAM (PNPM) RURAL DEVELOPMENT TO DEVELOP MICRO FINANCE IN MOJOWANGI VILLAGE, MOJOWARNO DISTRICT, JOMBANG REGENCY

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## ABSTRACT

The Rural Community Empowerment National Program (PNPM) Mandiri Pedesaan is one of the community empowerment program mechanisms used by PNPM Mandiri Pedesaan in efforts to reduce poverty and increase employment opportunities in rural areas. While UPK is tasked with and responsible for carrying out all activities related to the PNPM Mandiri Pedesaan. Problems that arise in the implementation of UPK duties in providing business capital loans are: 1). Inaccurate provision of business capital loans, 2). Lack of socialization and supervision carried out by UPK to receive business capital loans. The implementation of the tasks of the financial management unit (UPK) in the national community empowerment program (PNPM) Mandiri Pedesaan to develop small businesses. The procedures for carrying out the tasks carried out and carried out by the UPK are not so optimal because there are still procedures in the village related to the provision of capital loans to develop these businesses such as inaccurate targeting, no socialization carried out by UPK officers, and lack of supervision conducted by UPK officers to receive business capital loans.

**Keywords** : Implementation of the task of financial management unit (UPK) to develop micro finance.

## 1. INTRODUCTION

This Activity Management Unit (UPK) has the duty and responsibility to carry out all activities related to the rural PNPM Mandiri program. And in one of the tasks and responsibilities of the UPK (activity management unit), in Law number 9 of 1995, "states that, there is one poverty alleviation program in rural communities that is a small business development program, small businesses themselves are activities small-scale people's economy and meet the criteria of net wealth or annual sales results "As a small business is an integral part of the national business world that has a position, potential, and a very important and strategic role in realizing national development goals in general and economic development goals in especially. Small businesses are business activities that are able to expand employment opportunities and provide broad economic services to the community and encourage economic growth and play a role in realizing economic stability in particular.

Desa Mojowangi has an area of 4.95 square km with a population of around 3815 with various educational backgrounds, jobs, and economic levels. Over the past eight years the PNPM Rural program has been linked to the development of small businesses that are operational in their activities carried out by the Activity Management Unit (UPK), problems that arise in the community of the village of Mojowangi. The problem arises because the implementation of UPK's tasks is less than optimal in terms of: provision of venture capital loans, administration of financial governance, socialization, and return of business capital to the community. At the time of providing business capital loans UPK had never provided information to the poor beneficiaries of the loan capital so that the business loan capital was misused by the recipient community.

Regarding the duties and responsibilities of the Activity Management Unit (UPK) in the PNPM Mandiri program, especially in developing small businesses, it can be seen and observed that there are still many problems that arise and arise in the community. This happens because of several things, and that's why in the proposal this research will discuss and explain more about the implementation of UPK's tasks in developing small businesses, especially in the village of Mojowangi.

## **2. LITERATURE REVIEW**

### **2.1. Public policy**

As such, the Regional Fund for Joint Affairs (DDUB) or APBD BLM sharing for PNPM Mandiri automatically ceases to be effective starting in 2015, but is replaced with the obligation of the Regency Government to provide a minimum of 10 percent of the balance funds received after deducting the Special Allocation Fund (DAK). The 10 percent fund is regional sharing into this village fund. mandate of Law Number 6 According to Sujana Ro'yat, local governments that cannot provide 10 percent sharing of balance funds, could be subject to sanctions from the central government by holding funds transfer in advance. Another requirement is that village funds can be disbursed by the village government and the community, if the village already has a village mid-term design plan or village medium term development plan. This is a rule in the Village Law and Government Regulation (PP). If the village does not yet have a RPJMdes resulting from village deliberations, then the village funds cannot be disbursed by the central government.

### **2.2. Policy Implementation**

Policy implementation is a very important stage in the overall policy structure. This stage determines whether the policies adopted by the government are truly applicable in the field and successfully produce outputs and outcomes. realizing outputs and outcomes that have been set, then public policies need to be implemented without being implemented, the policies will only become elite records. the implementation of policies is something that is even more important than policy making. policies will only be in the form of dreams or good plans that are stored neatly in the archive if not implemented

### **2.3. Empowerment and Community Empowerment**

While community empowerment is a basic element that enables a society to survive and in a dynamic sense develop themselves and achieve progress. This community empowerment is the source of what in political insight is called national resilience. Empowering the community is an effort to improve the dignity and levels of the people who in their present condition cannot escape the pitfalls of poverty and underdevelopment. In other words empowering is enabling and independence of society towards a prosperous family.

From the notion of empowerment and empowerment it can be said that Empowerment is a process of encouraging people who lack access to resources, to be more independent in developing their lives,

## **2.4. Concept of Activity Management Unit (UPK)**

Activity Management Unit (UPK) is an institution determined by MAD to run its program both during the program period and in the context of preservation and development. For this reason UPK institutions have special personnel to manage activities in accordance with the AMD / BKAD (Inter-Village Cooperation Agency) forum. UPK work has a direction towards improving and quality of service, improving the quality of group assistance, and improving the quality of group development.

## **2.5. Small business**

According to M. Tohar "Small businesses are small-scale economic activities of the people, and meet the net worth or the results of annual sales and ownership as stipulated in the law" (Tohar, 2001: 1). At least it will be able to answer and explain the implementation of the UPK (activity management unit) task in the PNPM Mandiri program to develop small businesses in the village of Mojowangi, Mojowarno sub-district, Jombang Regency.

## **3. RESEARCH METHODS**

### **3.1. Types of research**

This study uses qualitative research methods because of the nature of the research problem itself which requires using qualitative research, research phenomena contained in research such as about life, history, social behavior requires qualitative analysis with in-depth explanation, in addition qualitative research methods are needed in this study to understanding what's hidden behind a phenomenon that is often difficult to understand or understand. Through this qualitative research method, it is hoped that it can be used to achieve and obtain a story and a direct view of the object under study and from resource persons about everything that can already be known about certain information.

The focus in this research is the implementation of the task of the Activity Management Unit (UPK) in the National Program for Community Empowerment (PNPM) Mandiri Rural to develop small businesses. Procedures for carrying out the work of the Kegiatan Management Unit (UPK)?

- a. Socialization conducted by the Activity Management Unit (UPK)
- b. Recruitment of prospective business capital recipients
- c. Procedure for UPK Administration records
- d. repayment of business capital loans by the recipient community
- e. Supervision

Data collection in this study uses three techniques namely:

1. interview

In this interview the researcher needs two (2) informants namely:

1. Activity Management Unit Officer (UPK)
2. UPK Officer (Loan recipient)
2. People receiving business capital loans
2. Documentation

Namely obtaining secondary data from this study, among others, to understand the description of the research location. Besides that, it is also to get data from the existing archives at the research location related to the studied variables. In this qualitative research the researcher must find documents, and documents are usually divided into personal documents and official documents. Documents have long been used in research as data sources because in many cases documents as data sources are used to test, interpret or even predict.

### 3. Observations

In this observation the researcher uses the type of perfect Observer, because in the search for data in order to support and achieve the desired goals in this qualitative research the researcher jumps directly into the community and is not involved in several activities related to the development of small businesses carried out by UPK, besides the researcher was also unknown to the community studied because in this study those who knew that the researcher was researching the research location were: several UPK officers, and village officials

## 4. DISCUSSION

### 4.1. Mojowangi Village Activities Management Unit

The Mojowangi Village Activity Management Unit has the duty and responsibility to carry out all activities related to the rural PNPM Mandiri program. And in one of the tasks and responsibilities of the UPK (activity management unit), in Law number 9 of 1995, "states that, there is one poverty alleviation program in rural communities that is a small business development program, small businesses themselves are activities small-scale people's economy and meet the criteria of net wealth or annual sales results "As a small business is an integral part of the national business world that has a position, potential, and a very important and strategic role in realizing national development goals in general and economic development goals in especially. Small businesses are business activities that are able to expand employment opportunities and provide broad economic services to the community and encourage economic growth and play a role in realizing economic stability in particular.

Mojowangi Village has been participating in rural PNPM Mandiri since 2008, and until now, the inclusion of the PNPM Rural Rural Program in Mojowangi Village is because Mojowangi villagers tend to be left behind in terms of their economy and also because the Human Growth Index (HDI) in Mojowangi Village is under average HDI of Jombang Regency, the data can be in appendices 1-4, pages 95-99. Mojowangi village until now has been allocated a PNPM Mandiri rural BLM I cycle 3 and PNPM rural rural III cycle 9. Entering the 2008 TA This Mojowangi village participated in the Healthy and Smart PNPM Generasi with BLM of IDR 750,000,000 (TA 2007) and IDR 1,500,000,000 (FY 2008).

### 4.2 Data Presentation and Discussion

In carrying out the tasks carried out by the UPK as explained above there are several procedures that must be carried out and considered in carrying out these tasks, the

procedure is divided into five (5) stages, namely: a). Socialization, b). Recruitment of prospective business capital loan recipients, c). Administrative Registration Procedure (finance), d) repayment of business capital loans, supervision.

#### 4.2.1. Socialization

In the general guideline of the UPK task, the provision of this socialization must be explained by the relevant UPK officers regarding the proper use of business capital loans. This socialization must be carried out before and after the granting of loans to the community, so that it can be said that the socialization carried out by UPK officers does not provide direction related to what the loan is given to them. small for the recipients of business capital loans, and the verification is carried out by UPK officers who are also assisted by UPK assistants in each hamlet.

Because there is no socialization from UPK officers, so many business capital loan recipients misuse the loans, and UPK officers also never carry out inspections or checks after the loan capital has been provided and received by the community of business capital loan recipients.

#### 4.2.2. Recruitment of prospective business capital recipients

In determining the prospective business capital recipients, UPK officers carry out several stages and processes to determine who is entitled to receive loans and groups that are also eligible for loans, As explained by UPK officers (Ita and Rosida) These stages include :

##### 1. Loan Submission Stage

Loan Requests and Decisions (PB - 02), attached:

- 1) Minutes of KSM Formation
- 2) CBO Rules
- 3) Photocopy of KTP of each KSM member
- 4) Blanks for Submitting KSM Member Loans (PB 01) that have been filled out
- 5) Letter K

After knowing that there are no problems in character, business conditions, capital and collateral, an analysis is made to determine the magnitude of the proposed loan decision:

Day sales	: 150,000
Cost of capital a day	: 125,000
One day profit	: 25,000
Profit a month	: 25,000 x 30 days = 750,000
Daily necessities of life	: 550,000
a month net income.	: 200,000
Ability to pay in installments (RPC) a month	= 75% x 200,000, - = 150,000, -
Loans plus interest that can be given, a maximum of:	
Formula	: $RPC \times (1 + i)^{100n}$
Where	: $RPC = \text{Repayment Capacity}$
	$i = \text{one-year loan service}$
	$n = \text{loan term}$

Calculation of the maximum loan plus services that can be provided to Bajuri:

$$= 150,000 \times (1 + 24\%) \times 100/12 = 1,550,000$$

While the loan requested plus 1 year interest: = 1,200,000 + 24% x 1,200,000  
= 1,200,000 + 288,000  
= 1,488,000

Or monthly installments: 100,000 + 24,000 = 124,000

Thus for Bajuri can be proposed:

Loan Principal of 1, : 200,000

Loan services : 2% per month from the original principal

Duration of 12 months

Types of monthly installments

#### 4.2.4. Capital loan repayment process

The repayment of this business capital loan is paid once a month with a different amount in accordance with the number of loans received by each person, and the repayment of this business capital loan is in installments and the installment process is carried out for 10 months from the beginning for 12 months.

In the return of business capital loans, there are still many recipients of business capital loans who are not disciplined in repaying their business capital loans that are not routine and do not even pay installments and payments.

#### 4.2.5. Supervision

Likewise, UPK Supervision, is not an activity aimed at finding fault with UPK officers, but to match whether all the rules that have been set to carry out revolving loan activities have been carried out by all UPK officers, and the extent of the achievement of its implementation compared to the indicators set. If there is still an irregularity, an improvement will be made so that the goals and objectives of the revolving loan through UPK can be achieved as expected. Large Main Indicators Revolving Loan Performance for satisfactory, minimal and deferred categories

But this supervision activity was felt to be less carried out by UPK officers because so far they have only provided business capital loans without ever conducting surveillance activities on what they have given to the community. Supervision activities to the houses of residents who received business capital loans to see whether the capital loans the business is used properly, that is, to open or develop their small businesses and also not existed by UPK officers

## 5. CONCLUSION AND SUGGESTION

### 5.1. Conclusion

The procedures for carrying out tasks that have not been carried out to the maximum by the UPK officers include socialization activities, the recruitment process of prospective business capital loan recipients, the return of business capital loans, and supervision. It is because of:

1. The socialization that should have been done had never been done and all that was done was to verify the data of the prospective loan recipients
2. The process of recruiting prospective loan recipients is too easy so that everyone has the right to submit his name to enter into KSM and everyone also has the right to make KSM both those belonging to the economically capable or less able, so that lending to borrowers is not on target
3. The loan repayment process, there are 10 borrowers who often are in arrears or are absent from their obligations and responsibilities so that other CBO members fulfill their obligations and responsibilities as a form of mutual commitment that has been agreed

So that what is aspired from the Rural Mandiri National Community Empowerment Program (PNPM) in particular to develop this small business has not been achieved and has so far been in Mojowangi Village.

## 5.2. Suggestion

1. In providing socialization to business capital loan recipients, UPK officers should give it before and after the loan is given and received by the loan recipients
2. In the socialization activities there must be a special speaker from UPK officers who provide material on how to do entrepreneurship and develop business.
3. Upk officers must selectively carry out the recruitment process
4. The loan recipient must sign a power of attorney above the stamp duty 6000 to designate who should be responsible if something happens to the loan recipient
5. UPK officials must pass strict sanctions on business capital loan recipients who do not pay the loan installments as specified, the sanctions can be in the form of prison.
6. UPK Officers must conduct surveillance activities in the houses of the people receiving business capital loans.
7. UPK Officers must make written data related to supervisory activities that have been carried out so that they can see who is still eligible to receive business capital loans in the next period.

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# EVALUATION OF INVESTMENT IMPROVEMENT REGULATIONS AND EXPANSION OF WORKING FIELDS INTRODUCTION

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## ABSTRACT

Research Evaluation of regulations on the increase of investment and the expansion of employment is one of the efforts made to equalize development and economic growth in Malang Regency. Because one of the indicators of success of regional development is seen based on economic growth that depends on investment and labor/workforce. In an effort to encourage investment in the region in line with the spirit of regional autonomy that has been listed in Law No. 23 of 2014 concerning Regional Government, the government has stipulated several regulations to support investment development and expansion of employment including Law No. 25 of 2007 concerning Investment and Law No. 13 of 2013 concerning Labor. Therefore this research was made with the aim of evaluating regulations related to the increase of investment and the expansion of employment in Malang Regency. This type of descriptive research with a qualitative approach and policy research design is used in this study. The results of the study showed that based on the evaluation of macro regulations on its implementation at the district government level, it was seen that the mandate of Law No. 23 of 2014 concerning Regional Government, Law No. 25 of 2007 concerning Investment and Law No. 13 of 2013 concerning Labor had not been as a whole represented in the form of Regional Regulations in Malang Regency which supports the increase of investment and the expansion of employment directly. Therefore, the recommendation from this research states that there needs to be a regulation that regulate the clarity of development areas, specifically for industry and trade, regulations governing regional security and order from all activities that cause social and political disturbances, regulations that provide ease of licensing, regulations as Government intent that represent support for investment opportunities and expansion of employment and regulations governing financial institutions both banking and non-banking and business in Malang Regency to help and facilitate the expansion of employment opportunities

**Keywords** : Evaluation of regulations, investment, employment

## 1. INTRODUCTION

Investment activities are developed as a medium to build public awareness and all stakeholders regarding the changes of direction and a breath of fresh air in the regency's development. Therefore, it requires serious efforts from the government to increase investment. Conceptually, there are at least three main functions of the government bureaucracy that are generally accepted, namely; service function, development function and general government function. Service function is related to the government's organizational units and directly related to the public (*public service*); development function is related to the government's organization units that are carrying out one particular field of task in the development function (*development function*); and General government function is related to the series of activities of government organizations that are carrying out general government tasks (*regulation and function*), including creating and maintaining serenity and order. In addition, in the implementation of national development, the position of labor or human resources has a very important role as a subject and also the goal of a development. It can be said that an increase in investment will have a positive impact on expanding employment.

In an effort to encourage investment in the region, in line with the spirit of regional autonomy, the government has adopted several regulations to support investment development, including the Law of the Republic of Indonesia (UU RI) No. 25 of 2007

concerning Investment. Likewise with the efforts made to encourage investment, expansion of employment also needs to be optimized. Some regulations supporting employment expansion are Law No. 23 of 2014 concerning Regional Government and also Law No. 13 of 2013 concerning Labor.

Various policies and regulations are formulated in order to encourage the creation of a conducive business climate and to accelerate the increase of investment in Malang Regency, to provide equal treatment for domestic investors and foreign investors while national and regional interests are taken into account, to ensure the certainty of law and business, as well as business security for investors from the licensing process until the end of investment activities in accordance with statutory provisions; also to open opportunities for the development and protection for micro, small, medium and cooperative businesses.

The expansion of employment is also formulated in an effort to empower and utilize labor/workers optimally and humanely, to realize equal employment opportunities and to provide labor that is suitable for the necessities of national and regional development, to provide protection for workers in realizing better welfare for workers and their families.

Based on those conditions, it is necessary to improve and innovate regulations in the field of the increase of investment and the expansion of employment in Malang Regency by referring to the evaluation of existing regulations. In this regard, in an effort to increase investment that has a positive impact on employment in Malang, a study entitled the evaluation of regulations on the increase of investment and the expansion of employment is aimed at evaluating a number of regulations relating to the increase of investment and the expansion of employment.

## **2. RESEARCH METHOD**

### **2.1. Research Design**

This study uses a policy research design, with a qualitative approach using descriptive analysis. Therefore, the research design used is descriptive survey research, which is a research that aims to describe a phenomenon or describe the facts or characteristics of certain populations or certain fields systematically, factually and accurately. Qualitative descriptive research aims to depict or describe facts, symptoms, phenomenon, opinions or arguments, and attitudes, carefully and systematically, as well as to describe an event that had happened. This descriptive qualitative research is used rather frequently because of several necessity factors for a method.

This study uses descriptive analysis which is a method to describe the existing conditions in the form of data, facts and information as an empirical basis that is depicted narratively, both on qualitative data and quantitative data to produce recommendations related to a number of development policies or regulations as well as several factors supporting investment business climate, such as taxation, banking, and non-banking financial institutions. Through this approach, it is hoped that representative information will be obtained to evaluate investment policies in Malang Regency.

### **2.2. Research Locations**

The research locations for the Evaluation of Regulations for Increasing Investment and Expansion of Work in Malang Regency include

1. Manpower Office of Malang Regency
2. Industry, Trade and Market Office of Malang Regency
3. Cooperative and Micro, Small and Medium Enterprise (UMKM) Office of Malang Regency
4. Investment and Integrated Services Board One Door of Malang Regency
5. Cooperation Section of Malang Regency

### **2.3. Data collection technique**

The technique of collecting data is done by:

1. Documentation, by collecting data:
  - a. Types of national regulations relating to investment and the expansion of employment
  - b. Type of Malang Regency local regulations relating to investment and the expansion of employment
2. FGD (Focus Group Discussion), with several stakeholders,
3. Observation and interview with several key informants.

### **2.3. Data analysis technique**

In this study, Data analysis technique used is interactive models that have been developed by Miles, Huberman and Saldana (2014). Data analysis specifications with this technique include data reduction, data presentation (*data display*), and drawing conclusions or verification (*conclusion drawing*). The components of data analysis by Miles, Huberman and Saldana (2014) are referred to as "interactive models."

## **3. RESULT AND DISCUSSION**

### **3.1. Regulatory Evaluation of Some Malang Regency Regulations relating to the Increase of Investment and the Expansion of employment**

The increase and decrease in the value of investment and employment in Malang Regency is actually also influenced by the existence of national and regional level regulations that have been approved and implemented. In simple terms, investors will be more interested in investing in an area where there will be both national and regional regulations support and do not significantly disrupt the smooth flow of investment. Such is the case with the expansion of the labor that was built as a positive effect that arises after an investment has been embedded in an area, which in this case, is the area of national and regional government. Before we move on to Malang Regency regional regulations relating to the increase of investment and the expansion of employment, three of the many macro regulations related to the increase of investment and the expansion of employment will be explained, which include:

1. Law No. 23 of 2014 concerning Regional Government

2. Law No. 25 of 2007 concerning Investment

3. Law No. 13 of 2013 concerning Manpower.

Based on the mandate of Law No. 23 of 2014 concerning Regional Government, Law No. 25 of 2007 concerning Investment and Law No. 13 of 2013 concerning Manpower, the following will be explained several local regulations in Malang Regency related to increase of investment and expansion of employment. From the data collected, there are six local regulations in Malang Regency related to increase of investment and expansion of employment including.

### **3.2. Regional Regulation No. 20 of 2014 concerning Delegation of Partial Affairs that Become the Regent's Authority in the Field of Licensing Administration Services to the Integrated Licensing Services Board**

The tendency of local regulations on investment and the increase of employment is to support the increase of investment in the aspect of ease of licensing. The scope of the concentration of implications of the relevant regional regulation is more towards the ease of investing.

In general, the substance of this regulation has provided clarity regarding the requirements that need to be met in obtaining a permit. These requirements are divided into administrative and technical requirements. It was also explained that administrative requirements include all documents used to determine the identity of the applicant, the legal status of the business activity and the rights to the place of business used. Meanwhile, the technical is the documents used to assess technical aspects related to business activities. This regulation is classified as providing a performance measure that must be carried out by government employees in serving licensing requests. Variables such as the time period, costs, licensing procedures and complaint services have been supported by performance indicators that must be met by the relevant Malang Regency government officials.

### **3.3. Regional Regulation of Malang Regency No. 3 of 2010 concerning Spatial Planning for Malang Regency**

The tendency of regional regulations on investment and the increase of employment is to support the increase of investment in the aspect of delivering information on spatial planning and areas that have been planned as investment opportunities as mandated in article 3 of the first section on spatial planning missions including to realize legal certainty in business activities according to the spatial plan space and encourage productive investment opportunities.

In general, substitution related to investment and employment, this regulation presents a plan to develop urban facilities in Malang Regency such as in the development area of Kepanjen with development functions as regional scale trade centers, regional scale services and regional and national scale sports. In addition, the development area of Ngantang has a development function as a tourism center in Malang, the processing industry and marketing of agricultural products.

### **3.4. Regional Regulation of Malang Regency No.8 of 2010 concerning Regional Taxes**

The tendency of local regulations towards investment and increasing employment opportunities is to support investment and has positioned this legal product as an explanation of the obligations that must be fulfilled after the investment process takes place.

In general, the substitution of this regulation is to provide an explanation of the obligations that must be fulfilled after investment by investors which includes hotel, restaurant, entertainment, billboards, street lighting, nonmetallic minerals and rocks, parking, groundwater, bird's nests, swallow tax and rural and urban buildings and fees for the acquisition of land and building rights.

### **3.5. Regional Regulation of Malang Regency concerning RPJMD in 2016-2021**

- The tendency of the regional regulation concerning RPJMD towards investment and the increase of employment is only to support order, security, and peace as one of the things that actually supports investment comfort. This is as explained by the mission of Malang Regency in 2016-2021 as follows.
- To realize good governance, clean government which is fair, and democratic.
- To achieve law supremacy and human rights.
- To create a safe, orderly and peaceful environment.
- To achieve the increase of availability and quality of infrastructure.
- To realize productive and competitive human resources.
- To realize the increase of economic growth based on agriculture and the empowerment of rural communities.
- To achieve the improvement in quality and function of the environment, as well as sustainable management of natural resources.
- Unfortunately, investment opportunities and full employment expansion is not stated directly in the vision and mission of the regional medium-term development plan in 2016-2021 of Malang Regency which means that investment and employment expansion are not the main agenda in Malang Regency.

### **3.6. Regional Regulation of Malang Regency No. 10 of 2013 concerning Tourism Administration**

The tendency of the regional regulation towards investment and the increase of employment is to support the increase of investment in the form of the tourism industry and also to open up more employment opportunities in the tourism business sector as well as the sound of these regional regulations objectives, namely to encourage the development of resources in tourism destinations and expand business opportunities and employment and increasing community participation and increasing community income as well as local governments.

In general, related to investment and employment, this regional regulation provides clarity of information and support from the Malang Regency government to tourism operators in organizing tourism in Malang Regency, where in article 5 the first part concerns tourism operators that agencies or individuals are directly or indirectly related to the

tourism industry allowed to hold tourism in Malang Regency. Tourism Development itself includes the tourism industry, tourism destinations, marketing and tourism institutions.

The weakness of this regulation is that it does not technically regulate the procedures for registering tourism business operations. This is important as explanatory information for business entities or individuals who want to participate in organizing tourism businesses in Malang Regency.

### **3.7. Regional Regulation of Malang Regency No. 1 of 2005 regarding Basic Provisions for the Maintenance of Peace and Public Order**

- The tendency of local regulations on investment and increased employment automatically supports increased investment in the aspect of security certainty and order of all actions and activities that cause disruption that can hamper investment confidence.
- In general, the substance related to investment and employment, this regulation offers the convenience of investing because according to article 4 in the chapter the purpose and objectives of this Regional Regulation state that the purpose of the enactment of this regulation includes the implementation of local regulations and implementing regulations as well as the maintenance of peace and public order, in a coordinated and integrated manner.
- The weakness of this regulation is that it does not mention an article that regulates the first action that must be taken by a business entity / individual when facing or encountering all activities that cause disruption and inconvenience so as not to violate the stipulated regulation.

Based on macro regulations and their implementation at the district government level, it can be seen that the mandate of the Law that has been explained previously has not been entirely downgraded in the form of Regional Regulation in Malang Regency which directly aims to increase investment growth and expansion of employment.

## **4. CONCLUSION**

Malang Regency has good prospects in terms of investment, especially in the field of investment. This condition does not rule out the possibility that in the following years, investors will come and the number of new companies will emerge in the Malang Regency area. Unfortunately labor force participation in Malang Regency has decreased and shows symptoms that are not good, therefore it needs strengthening in the economy and increasing the ability and expertise of the workforce population in accordance with the needs of the labor market.

Based on the evaluation of macro regulations on its implementation at the level of the local government of Malang Regency, it can be seen that the mandate of Law No. 23 of 2014 concerning Local Government, Law No. 25 of 2007 concerning Investment and Law No 13 of 2013 concerning Labor has not been fully represented in the form of Regional Regulations in Malang Regency which directly support increased investment and expansion of employment.

## 5. RECOMMENDATION

The increase and decrease in the value of investment and employment in Malang Regency is actually also influenced by the existence of local level regulations that have been passed and have been implemented. In simple terms, investors will be more interested in investing in an area when regional regulations support and do not significantly interfere with the smooth flow of investment.

The form of recommendations that can be given by regional governments include:

1. Regional Regulations that regulate the clarity of development areas that are intended specifically for industry and trade;
2. Regional Regulations governing regional security and order from all activities that cause social and political disturbance;
3. Regional regulations that provide facilities for licensing and;
4. Regional Regulation as Government intention that represents support for investment opportunities and expansion of employment.

Some recommendations that can be carried out operationally by the SKPD are as follows.

1. Department of Labor of Malang Regency, recommendation:
  - To conduct job training in collaboration with private parties.
  - To ensure that work training institutions run by the private sector obtain licenses and obtain accreditation from accreditation institutions.
  - To conduct work training and apprenticeship training towards improving quality and productivity through the development of a productive culture, work ethic, technology and efficiency of economic activities towards national productivity.
  - To ensure both banking and non-banking financial institutions and the business world help and facilitate the expansion of employment opportunities.
  - To pay close attention to all considerations, suggestions and opinions of tripartite cooperation institutions in formulating policies and solving labor problems.
  - To supervise the implementation of workers 'and employers' rights and obligations.
2. Department of Trade and Industry of Malang Regency, recommendation:
  - To support the ease of issuance of permits for management of public markets, shopping centers, and supermarket stores.
  - To support the ease of issuance of warehousing and storage certificates.
  - To support the control of franchise registration certificates.
  - To support the ease of issuance of trade business licenses.
  - To establish district industrial development plans.
3. Department of Cooperative and UMKM of Malang Regency, recommendation:
  - To support the ease of obtaining a savings and loan business permit for a cooperative with membership in the district.
  - To support the ease of issuance of licenses to open branch offices, sub-branches, and cash offices of savings and loan cooperatives.



- To empower micro businesses through data collection, partnerships, and licensing facilities.
  - To support the development of micro businesses with the orientation of increasing the scale of the business into small businesses.
4. Investment Board and Integrated Services One Door Office Malang Regency, recommendation:
- To establish facilities in the field of investment to investors
  - To make a map of district investment potential
  - To carry out investment promotions under the authority of the Regency
  - To support the ease of integrated one-door licensing and non-licensing services in the investment sector
  - To control the implementation of investment
  - To ensure that data management and licensing and non-licensing information are integrated
  - To establish basic investment policies
  - To accelerate increased investment
  - To ensure legal certainty, business certainty and business security for investors since the licensing process until the end of investment activities
  - To provide opportunities for the development of micro, small, medium and cooperative businesses
5. Cooperation Section of Malang Regency, recommendation:
- To provide ease in terms of cooperation in the field of job training by working with private parties
  - To support manpower development through international cooperation in the field of manpower
  - To provide ease of cooperation between investors and micro, small, medium and cooperative businesses through advocacy services.

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# COMMUNITY EMPOWERMENT STUDY IN THE SUSTAINABLE DEVELOPMENT OF TOURISM VILLAGE IN MALANG DISTRICT

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## ABSTRACT

Tourism Village is a tourist destination or also called a tourism destination that presents tourist attractions, public facilities, tourism facilities, accessibility, which is presented in the structure of community life that integrates with the procedures and traditions prevailing in the village. (Law No. 10 of 2009; Nuryanti, 1993). The application of the concept of sustainable development in the field of tourism is known as the concept of sustainable tourism development (Sustainable tourism Development), which basically implies the development of tourism that is able to capture the interest of tourists and direct involvement of the local community while still emphasizing the efforts to protect and manage them with long-term orientation. Efforts to develop and manage resources must be directed towards meeting economic, social and aesthetic aspects. At the same time can maintain the integrity and or preservation of ecology, biodiversity, culture and social life. (WTO, 1990). Strengthening of human resources in the tourist area which in this case is the community must be continuously carried out. It takes the participation of all stakeholders in the field of tourism to handle it. In the development of tourism based on the empowerment of social communities, the community occupies the role of both parties as objects and objects. The purpose of this study is to describe how the efforts of community empowerment and supporting and inhibiting factors in community empowerment. This research approach uses qualitative with the type of research is a descriptive study. Analysis techniques used are data reduction (Data Reduction), data presentation (Display Data), drawing conclusions (Verification) and the Likert Scale method. From the research results it is known that there are 3 stages in empowerment namely the awareness stage, the transformation stage and the improvement stage. With the existence of community empowerment will improve the skills and independence of the community in various aspects, namely economic, social, the uptake of maximum natural resources and human resources, as well as the development of independent and sustainable tourism management.

**Keywords** : Community Empowerment, Likert Scale

## 1. INTRODUCTION

The tourism village is a tourist destination or also called a tourism destination, which integrates tourist attractions, public facilities, tourism facilities, accessibility, which are presented in the structure of community life that integrates with applicable procedures and traditions (Law No. 10 of 2009; Nuryanti, 1993). Whereas in RI Law No. 6 of 2014 concerning Villages in article 4c states that the purpose of village regulation is to preserve and advance the customs, traditions and culture of the community or in the development of destinations known as Sustainable Tourism Development. Development of a tourist village is an activity that is very dependent on how often or offered tourist attractions can often be displayed. Attractions that sometimes look trivial but have never been seen or felt elsewhere will make interesting tourist attractions to be visited. The tourism village is relatively easier to develop if the community around the tourism area can play an active role and take part in the development of a tourism village which is an absolute requirement for the development of a sustainable tourism village.

The application of the concept of sustainable development in the field of tourism is known as the concept of sustainable tourism development (Sustainable tourism Development), which in essence contains an understanding of tourism development that is responsive to the interests of tourists and direct involvement of the local community while continuing to emphasize long-term oriented protection and management efforts. Efforts to develop and manage resources must be directed towards meeting economic, social and

aesthetic aspects. At the same time can maintain the integrity and or preservation of ecology, biodiversity, culture and social life. (WTO, 1990).

Strengthening of human resources in the tourist area which in this case is the village community is an effort that must be continuously carried out. It requires the participation of all stakeholders to handle it. In the development of tourism based on the empowerment of social communities, the community as a party plays an important role both as a subject and as an object. The community is a tourist activity actor who has the ability in terms of natural resource management, culture and economic activities so that he has a strong commitment to managing sustainably because it involves the interests of the social community.

Malang Regency has 378 villages and 33 districts which all villages have the potential to become village tourism areas. This condition indicates that there are still many opportunities open to develop tourist villages. Where each village has diverse socio-economic and demographic conditions and there are still limited community resources to participate actively to build their villages. Therefore the formulation of the problem is how the implementation of community empowerment in the context of the development of an environmentally friendly and sustainable tourism village, as well as supporting and inhibiting factors of community empowerment in the context of developing a tourist village.

The purpose of the Community Empowerment research in the Context of Sustainable Tourism Village Development in Malang Regency is to identify conditions of community empowerment in the field of sustainable tourism in the packaging of Tourism Villages.

While the intended purpose of the Community Empowerment research in the Context of Sustainable Tourism Village Development is to describe how the efforts of community empowerment at the research locus and identify supporting factors and obstacles to community empowerment.

From the above results, the researcher will discuss the development of sustainable tourism villages in Pegelaran District, District and Pujon District Malang Regency on natural themes. This is intended so that research will be more focused and focused on the main problems that exist, in addition to this being done due to various limitations of researchers, both in terms of time and energy. Researchers want to focus more on these problems in order to obtain more in-depth and maximum research results.

## **2. METHODS**

The research approach is a way or activity undertaken by researchers ranging from formulating problems to drawing conclusions, namely a qualitative approach to the type of research is a descriptive study. Preliminary research was carried out by looking for data on tourism potentials in Malang Regency. Qualitative is a research procedure that produces descriptive analysis data, i.e. what is stated in writing or verbally and also real, thorough and learned behavior as a whole in accordance with the conditions of what actually happens Data analysis techniques namely by way of data education (Data Reduction) ), data presentation (Disolay Data), Conclusion drawing (Verification) and Likert Scale calculation method.

## **2.1. Data collection**

Researchers extract data as follows:

### **1. Primary data, done with**

#### **a. Interview**

Researchers conduct in-depth question and answer interviews with informants with guidelines / interview forms conducted for people who have participated in tourism activities, community leaders, academics, Village-Owned Enterprises, Village Heads, Sub-Districts and Malang Regency Tourism Office.

#### **b. Observation**

The researcher conducts an observation to the research location / tourism villages to gather information about the community service activities that have been carried out.

#### **c. Documentation**

Researchers carry out documentation by recording information, recording interviews, pictures and photos.

### **2. Secondary data**

Researchers search for data needed from sources of literature that already exist. The secondary data needed in this study is in the form of policies derived from applicable regulations, as well as empowerment studies that can be a reference to the existence of a tourism village in Malang Regency.

The secondary data needed is taken from:

- a. Malang Regency Community and Village Empowerment Agency, in the form
- b. Malang Regency Tourism and Culture Office, in the form
- c. BPS of Malang Regency, in the form of
- d. Malang Regency Industry and Trade Office in the form of a list of SMEs in the tourist village

### **3. Population and Research Samples**

Population is a generalization area consisting of subjects or objects that have certain quantities and characteristics determined by researchers. While the sample is a portion of the population studied. The sampling technique is the respondent who will be sampled in the study refers to the population that has been determined. In this study criteria were given, namely:

- a. The sample is taken from the community at the study site
- b. Is a resident of Malang Regency
- c. People who are sampled are over 16 years old

## **3. RESULTS AND DISCUSSION**

### **3.1. Results of the Community Empowerment Assessment in Pujon District**

The results of the community empowerment assessment in Pujon District based on the results of the questionnaire are as follows:

#### **1. Public knowledge about tourism in the District of Pujon.**

Community knowledge about tourism is as follows:

- a. 50% of people are somewhat aware of the notion of tourism.
- b. 70% of people are somewhat aware of the need for management of tourist areas.
- c. 38% of the people are somewhat aware of the forms of management carried out
- d. 37% of people are somewhat aware of the community empowerment program around tourism.

From the results of the questionnaire it can be seen how the community's perception of the tourism village community empowerment program in Pujon District:

- a. 45% of the community somewhat agreed to know about the community empowerment program
- b. 58% of the community agreed somewhat knowing that the community empowerment program was running
- c. 72% of the community agreed somewhat knowing that the community empowerment program had a positive effect on people's lives
- d. 55% of the community strongly agreed to know that the rural tourism community empowerment program can improve the welfare of the community
- e. 58% of the public strongly agreed to know that the tourism village empowerment program can increase household income
- f. 59% of the community strongly agreed to know that the community empowerment program provided new experience and knowledge
- g. 58% of the community strongly agreed to know that the community empowerment program made progress in the village through physical buildings
- h. 62% of the public strongly agreed to know that the community empowerment program provides employment to the community
- i. 42% of the community agreed somewhat knowing that the community empowerment program was carried out according to the potential of the local community
- j. 56% of the community strongly agreed to know that the rural tourism community empowerment program was able to be sustainable
- k. 49% of the community agreed somewhat knowing that the rural tourism community empowerment program was able to preserve nature in the tourist sites

### **3.2. Results of the Community Empowerment Assessment in Pagelaran District**

The results of the community empowerment assessment in Pagelaran District based on the results of the questionnaire are as follows:

1. Public knowledge about tourism in the District of Pagelaran is:
  - a. 45% of people somewhat know the notion of tourism
  - b. 54% of the public are well aware of the need for managing tourist areas
  - c. 37% of people are somewhat aware of the forms of management of tourist areas
  - b. 50% of the community is somewhat aware of community empowerment programs around tourism

### **3.3. Community Perception regarding tourism village community empowerment programs.**

The community perception of Pagelaran District regarding the tourism village community empowerment program is as follows:

- a. 48% of the people are very much in agreement with the community empowerment program
- b. 46% of the community strongly agreed to know that the community empowerment program was running
- c. 46% of the public strongly agreed to know that the community empowerment program had a positive effect on the lives of rural tourism communities
- b. 46% of the community strongly agreed to know that the rural tourism community empowerment program can improve the welfare of the community
- c. 46% of the public strongly agreed to know that the rural tourism community empowerment program can increase household income
- d. 41% of the community agreed somewhat knowing that the community empowerment program provided new experience and knowledge
- e. 50% of the community somewhat agreed to know that the community empowerment program provided progress in villages with physical buildings
- f. 62% of the community agreed somewhat that the community empowerment program provided jobs
- g. 46% of the community agreed somewhat knowing that the community empowerment program was carried out according to the potential of the local community
- h. 52% of the community agreed somewhat knowing that the rural tourism community empowerment program was able to be sustainable
- i. 47% of the public strongly agreed to know that the tourism village community empowerment program is able to preserve the nature in the tourist sites.

### **3.4. Community Development**

#### **1. Pujon District**

Pre-Tourism Community Empowerment includes:

- a. Dissemination to the public about the purpose of establishing a tourist village
- b. Providing capital loans to people who will start a new business in a tourist village
- c. Empowerment support from the PKK group (Family Welfare Development)

Community empowerment when implementing Wiata:

- a. Involve all levels of society in the management of existing tourism
- b. Prioritizing people who are less able / poor to be involved in tourism management
- c. Accelerated development of tourist villages so that they can accelerate economic activity
- d. Public

Community empowerment due to travel:

- a. Funding underprivileged children for school fees, it was noted in 2017 that it is known that the Pujon Kidul Tourism village has 14 foster children
- b. Funding sick people

- c. Funding the affected community

## 2. Pagelaran District

### Pre Tourism Community Empowerment:

- a. Provide an understanding of the benefits of tourism development
- b. Provide an understanding of the position and role of the community in the development of tourist villages
- c. Provides a conscious understanding of travel
- d. Community Empowerment When Walking
- e. Community involvement in management
- f. The formation of community is also one aspect of increasing intellectual ability because the community is also taught to organize and socialize well

### Community Empowerment due to travel:

- a. Providing compensation
- b. Giving Mourning Money
- c. Repair of Facilities and Infrastructure
- d. Supporting and inhibiting factors

## Supporting Factors

### 1. Pujon District

Supporting Factors for Community Empowerment in Pujon District, namely:

- a. High community participation in Pujon District
- b. The enthusiasm of the tour manager in Pujon District and the people involved in it.
- c. The community community of Pujon District's mutual assistance which still feels strong.
- d. The availability of abundant natural potential that can be used as a tourist destination (DTW).
- e. Increasing enthusiasm of visitors each year.
- f. Support from the central government by providing village funds of Rp. 800 billion.

While the inhibiting factors include:

- a. Social jealousy in the community.
- b. The level of Human Resources (HR), the majority of which are farmers and ranchers, so an approach is needed to provide an understanding of tourism.
- c. Because the majority of landowners around tourist sites are privately owned, it is very difficult to develop tourist sites because it is necessary to unite dozens of family heads / landholders into one and create an MOU.

### 2. Pagelaran District

Some of the supporting factors are:

- a. High community participation in Pagelaran District.
- b. The enthusiasm of the Wisat management in Pagelaran District and the community involved in it.

- c. The mutual cooperation of the people of Pagelaran District that still feels strong.
- d. The availability of abundant natural potential that can be used as a tourist destination.
- e. Increasing enthusiasm of visitors each year.

While the inhibiting factors include:

- a. Community social jealousy.
- b. Lack of attention from the central government in assisting the development of tourist sites sourced by marons.
- c. The difficulty of extending cooperation with land owners hired for travel advice.
- d. Because the majority of landowners around tourist sites are private mililk, it is very difficult to develop tourist sites because it needs to unite dozens of heads into one and make an MOU agreement that slows the development of tourism in the District of Pagelaran.

## 4. CONCLUSIONS AND SUGGESTIONS

### 4.1. Conclusions

Community Empowerment through the management of Tourism Villages in Pujon, Ngntang, and Pagelaran Districts of Malang Regency has the same phase, namely the awareness stage, the transformation stage of the abilities and the stage of increasing intellectual abilities.

The implementation of the community empowerment program enhances the skills and independence of the community in various aspects both in economic and social aspects. The supporting factors of community empowerment through the management of tourism villages in Pujon, and Pagelaran Districts of Malang Regency are:

- a. High community participation,
- b. The enthusiasm of the tour management and the community involved in it,
- c. The community's mutual cooperation attitude that still feels strong.
- b. There is support from the central government,
- c. The availability of tourism potential that can be developed.
- d. While the inhibiting factors are:
  - a. Social jealousy in the community.
  - b. There are pros and cons in society.
  - c. The status of the land that belongs to many people is difficult to develop.
  - d. The level of human resources that needs socialization and understanding.

Then for the level of empowerment in 3 districts are:

- a. Pagelaran District is in the most advanced position.
- b. Pujon District is in a moderate position.
- c. District is in a pioneering position.

### 4.2. Suggestion

Based on the Tourism Village Community Empowerment at the research location, the following recommendations can be formed:



1. Further studies are needed to maximize and follow up on the Study of Community Empowerment in the Context of Developing a Sustainable Tourism Village in Malang Regency with the option of the study title as follows:
  - a. "Study of Supporting Factors and Obstacles to Village Tourism Empowerment in Malang District."
  - b. "Study on Determination of Sustainable Tourism Village Community Empowerment Model in Malang Regency."
2. District of Pujon:
  - a. Maintaining the proceeds of tourism funds for compensation to orphans and sending underprivileged children in Pujon Kidol Village to be emulated in other districts.
  - b. Mutually beneficial cooperation between the community and Perhutani in the management of tourism areas in the District of Pujon.
3. Community and Village Empowerment Agency:
  - a. Provide guidance, consultation and mediation on issues of tourism villages that cannot be resolved by the manager or the community.
  - b. Providing training in human resources to manage tourism that has been prepared in Pujon Lor Village to become a sustainable tourist destination.
4. Environmental Agency:
  - a. Efforts to preserve the environment with the community through the creation of a management information system and environmental control so that tourism potential is not damaged and can be developed in a sustainable manner.

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# THE ROLE OF LOCAL CULTURE COMMUNITIES OF TANIMBAR WEAVING CRAFTSMEN IN TANIMBAR ISLAND DISTRICT

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## ABSTRACT

Culture can not be separated from humans, because humans themselves create culture so that they are referred to as cultured creatures. There are humans, there are cultures; there will be no culture if there are no supporters, it is human. Regions with different regions have different inheritance or assets and therefore there needs to be preservation and development. The ikat industry in the Tanimbar Islands Regency is one of the businesses passed down from generation to generation traditionally. This craft is directed to make products that can be used to meet the needs of the community and at the same time serve as the main livelihood, especially for rural communities who have less fertile arable land or no arable land at all. The ikat industry is the center of community economic activity based on local wisdom. The existence of policies carried out by the Regional Government of the Tanimbar Islands Regency in terms of preserving and empowering the local wisdom of weaving in all Government Agencies and BUMN / BUMD. The culture of Tanimbar ikat is a legacy or a very valuable asset and has different uniqueness and characteristics. Therefore the community is very preserving this culture by forming small business groups that can support their own economy. Tanimbar ikat woven fabric is also known to a wide audience and most of the fashion designers to collectors woven fabrics. Tanimbar ikat woven cloth itself can be a regional income or income that is beneficial to the government and the community.

**Keywords** : Culture, Tanimbar ikat, economic income, and cultural heritage

## 1. INTRODUCTION

Indonesia is a nation that has diversity in various ways. One of them is the culture that developed in indigenous peoples as national wealth. Indigenous peoples traditionally continue to hold to the local values that are believed to be true and become the basis of life that is passed down for generations. As a unity of life, indigenous peoples have socio-cultural values that are worth developing in learning, such as social solidarity (solidarity) in carrying out their life activities. Culture can not be separated from humans, because humans themselves create culture so that they are referred to as cultured creatures. According to the Big Indonesian Dictionary (KBBI) culture is a way of life that develops, is shared by a group of people, and is passed down from generation to generation. Culture is formed from many complicated elements, including religious and political systems, customs, language, tools, clothing, buildings, and works of art. The word culture also comes from Sanskrit which means Buddhayah, which is the plural of the word buddi which means mind or reason.

Humans and culture are a very close unity. It is impossible for the two to be separated. There are humans, there are cultures; there will be no culture if there are no supporters, it is human. However, Marusia did not live for a long time, he died. So to carry out culture, supporters must be more than one person, even more than one derivative. In other words: it must be passed on to the people around him and to his children and grandchildren and subsequent descendants. Soekmono (1973: 8-10). The continuation of culture did not go through a straight line downward (children and grandchildren etc.), but also through horizontal lines, ie to other people around him. Indeed, humans can not live alone really, he formed a group with other people, whose nature is very different. In relation

to the problem of culture, Sumaatmadja (2000: 16) asserted that the superiority of human beings from other living creatures is that humans are endowed with a mind that is developed and can be developed, humans can educate themselves, and deliberately he can also be educated, so that his intellectual capacity is growing.

Cultural Studies is a diverse field with perspectives and the production of rich and diverse theories. In the scientific realm, cultural observers believe that it is not easy to determine the boundaries and regions of cultural studies in a unique and comprehensive way, especially amid the development of globalization in various fields where cultural, political, and economic boundaries are increasingly blurred, as well as cultural study areas multidisciplinary / interdisciplinary or post-disciplinary so as to blur the boundaries between cultural studies and other subjects. The ikat industry in the Tanimbar Islands Regency is one of the businesses passed down from generation to generation traditionally. Initially, the ikat weaving business was still a side activity aimed at fulfilling their own needs. However, now the folk handicraft industry has developed into small industrial clusters. This craft is directed to make products that can be used to meet the needs of the community and at the same time serve as the main livelihood, especially for rural communities who have less fertile arable land or no arable land at all. The ikat industry is the center of community economic activity based on local wisdom.

The existence of policies carried out by the Regional Government of the Tanimbar Islands Regency in terms of preserving and empowering the local wisdom of weaving in all Government Agencies and BUMN / BUMD. The government took this step to introduce the local wisdom of culture by means of ikat cloth. Ikat cloth itself has been introduced from national to international scale. Most of the children of the region have also made clothes designs that look elegant, luxurious and have capital with the ikat cloth. Local Wisdom in the ikat industry is inseparable from the culture of the creative community that has lasted a long time. The dependency of the people in this sector is so high for entrepreneurs, craftsmen and workers that the ikat industry is the economic center of the community in the Tanimbar Islands Regency. Weaving is a form of creative industry that reflects the independence of the community. Creative industries are industries that originate from the use of individual creativity, skills and talents to create prosperity and employment by producing and exploiting individual creative and creative power (Definition of creative industries by the Indonesian Ministry of Trade).

Weaving activities carried out by the community in the Tanimbar Islands Regency. In the process of development, it still faces various challenges, both internal factors originating within individuals or groups (human resources) based on the social relations system prevailing in society and external factors that originate from the physical environment (environmental resources) that affect the growth process. and the survival of this industry. Therefore community decisions adjust to external factors which can be seen as a form of mechanism of change. In this case the internal elements can not be completely separated, but colored by external elements that have led to the emergence of increasingly complex forms of the economic system.

## **2. LITERATURE REVIEW**

### **2.1. Preservation of Local Culture**

Diverse forms of local cultural heritage give us the opportunity to learn local wisdom in overcoming problems encountered in the past. The problem is that local wisdom is often ignored, considered to have no relevance to the present let alone the future. The impact is that many cultural heritages are rotted with age, neglected, neglected and even abused. Even though many nations whose history is not strong enough look for their identity from the historical relics and cultural heritage which are few in number. We ourselves, the Indonesian people, who are rich in cultural heritage, are ignoring these invaluable assets. What a contradictory condition. We as a nation with a long historical trail that is rich in local cultural diversity should desperately preserve the cultural heritage that reaches us. Preserving does not mean to make something durable and impossible to become extinct. Preserving means maintaining for a very long time. So the effort to preserve local cultural heritage means efforts to preserve local cultural heritage for a very long time. Because conservation efforts are efforts to maintain for a very long time it is necessary to develop conservation as an ongoing effort.

Conservation must be championed by the wider community (Hadiwinoto, 2002: 30). In short, preservation will be sustainable if it is based on inner strength, local strength, self-reliance. Therefore very much needed mobilizers, observers, lovers and supporters from various walks of life. For this reason, it is necessary to develop a strong motivation to participate in implementing conservation, including:

1. Motivation to maintain, maintain and inherit cultural heritage inherited from previous generations;
2. Motivation to increase the knowledge and love of the nation's next generation of the historical values of the nation's personality from time to time through the inheritance of cultural treasures and real cultural values that can be seen, remembered and lived;
3. Motivation to ensure the realization of diversity or variations in the cultural environment;
4. Economic motivations that believe that the value of local culture will increase if it is well maintained so that it has commercial value to improve the welfare of its influencers; and
5. Symbolic motivation that believes that local culture is a manifestation of the identity of a group or community so that it can foster a sense of pride, self-esteem and strong self-confidence.

From the above explanation it can be understood that the preservation of local culture also has an ideological content that is as a movement to strengthen culture, history and identity (Lewis, 1983: 4), and also as a fostering community awareness to encourage the emergence of a sense of the same past among community members ( Smith, 1996: 68).

### **2.2. The Role of Local Culture**

Almost all of our cultural observers have stated and even agreed that the existence of regional culture cannot be ignored, especially in the lives of their respective citizens. It is said so, because local culture has a very decisive role in the lives of the people. Local culture

and also including historical awareness can basically be seen as a foundation for the formation of national identity (nation identity). Edi Sedyawati (1994: 8) states that regional culture as a national cultural heritage is what makes a nation's culture has a "root". Haviland (1988: 223) also states that traditional (regional) culture can determine norms for regular behavior, as well as verbal art in general continuing the customs and values of the regional culture (nation). Each form of regional culture can add tight ties to the solidarity of the people concerned. Bascom (Danandjaja, 1997: 19) states, there are four roles of local culture namely:

1. As a projection system (projective system) is a reflection of the imagination of a collective,
2. As a ratification of institutions and cultural institutions,
3. As a tool for children's education (pedagogical devices), and
4. As a means of control so that the norms of society will always be obeyed by their collective members.

As Indonesians, each person in the regions does not have to lose their own indigenous culture. Only each of them needs to broaden their cultural views and attitudes, not to change and replace native culture with Indonesian culture.

### **2.3. Understanding Tie Weaving**

Ikat or ikat cloth is an Indonesian weaving craft in the form of cloth woven from weft strands or warp yarns that were previously tied and dipped in natural dyes. The loom used is a loom not a machine. The ikat can be sewn into clothing and clothing, furniture upholstery, or home interior decoration. Before weaving, the strands of yarn are wrapped (tied) in a plastic strap in accordance with the desired pattern or decorative pattern. When dyed, the yarn tied with a plastic cord will not stain. Double connective weaving is made from weaving weft and warp yarns, both of which have been given motifs through binding techniques before being dipped into dyes.

## **3. DISCUSSION**

The ikat weaving of the Tanimbar Islands Regency was already known among the people hundreds of years ago when people began to switch from using bark and animals as body wrapping. This weaving activity develops in all sub-districts, where the motives of each sub-district differ from one another, and are their own characteristics. Weaving is used as a dress in weddings, customs and has now become a souvenir for official guests who come to the area, even has been promoted and desirable to foreign countries.

Motifs and Characteristics of Tanimbar Ikat Fabrics (Tanimbar Islands Regency Tourism Office)

1. Swan / Branch: Usually used for weaving
2. Sair / Flag: Motives that describe victory are usually used when fighting.
3. Snielar: Coconut leaves / leaves which are usually tied to the feet and hands of the people / men who will fight.
4. Snakes / Snakes / Caterpillars: The motif of snakes / caterpillars

5. Lolohisi: Motif Centipede

6. Engke: The tortoise motif depicts a large turtle that lived in the village of Kandar Selaru island hundreds of years ago.

The business units carried out by local residents who work daily as Tanimbar ikat weavers are 10-15 people. Which is located throughout the District area to the countryside.

Hundreds of years of ikat woven cloth have become an important part of the civilization of the people of Tanimbar Islands Regency in Maluku Province. Until now, that position has not changed. Woven cloth continues to be one of the pillars of community welfare in the district whose territorial waters directly border Australia and Timor Leste. From generation to generation, expertise in making woven fabrics is inherited and preserved. Weaving cloth craftsmen are spread across (10) districts in Tanimbar Islands Regency, around 126 groups with a workforce of 1,046 people. Raw materials used are derived from cellulose fibers, protein fibers, synthetic fibers, dyes.

The equipment used for weaving still uses traditional tools inherited from the ancestors until now which is usually called gedogan. In working on Tanimbar ikat, this process certainly requires a long process to be done. The initial stages or processes for working on Tanimbar ikat fabrics include:

1. Yarn Washing

This process is the initial step carried out in order to get good results from the ikat cloth itself, where the washing process is very beneficial for the ikat cloth because the threads from the shop are not necessarily clean so washing must be done so that the yarn is clean.

2. Yarn Spinning

The yarn spinning is usually done to separate the yarn from one another in order to make the weavers easier.

3. Motive Making

In this stage is no less important where the motives determined by a consumer must be considered properly. Usually the motifs are first described in the book and then poured into the ikat cloth.

4. Staining

The coloring is done after the motive is made, to match what the consumer wants.

5. Drying

Drying is done so that the colored images can be integrated with the existing threads

6. Weave

The weaving process is the final stage where the weavers do it with a duration of  $\pm$  1-2 weeks to get good and interesting results

7. Ready to market.

The results of the production of Tanimbar ikat woven cloths processed are very diverse, in the form of: Men and Women's Clothing, Scarves, Tablecloths, Neckties, Wallets, Skullcap, Bags, Shoes and others. Marketing is carried out from the local, regional level, even to foreign countries in the form of orders.

In 2002, the Department of Industry, Trade and Cooperatives of the Tanimbar Islands Regency built a workshop as a place to practice and share experiences between craftsmen in order to improve the quality of the woven fabric made. In this workshop, artisans practice making a variety of other products made from woven fabrics, such as wallets, tissue boxes, and bags. "In the workshop, craftsmen can learn a lot," said Ida Refualu (30), a fabric weaving craftman who regularly comes to the workshop and can now produce other items made from woven cloth, such as wallets and bags, in addition to continuing to make woven fabrics. In addition, in 2007, the government bought looms used by weavers in Jepara, Central Java, and made them one of the tools in the workshop. (Compass "Ikat Weaving Is Not Limited To Tradition). Within one month, this tool is able to produce woven cloth with a size of 250 x 120 meters that can be utilized into 75 pieces of fabric. Compare with traditional looms used by residents, who produce a maximum of 12 pieces of cloth in a month. Head of Disperindagkop Tanimbar Islands Regency Lameck Luturmas added, in 2002 to 2007 the government had required the use of clothing made from woven cloth for employees, every Monday.

However, after 2008, the government's attention to the craft of woven cloth was reduced. One of them, there is no further program for looms. The craftsman also complained about the operation of the tool which was considered complicated. The allocation of funds for the development of crafters was even less. In 2011, from the total budget of the Tanimbar Islands Regency budget for Disperindagkop amounting to Rp 1.9 billion, the development fund was only Rp 57 million. It also covers all small and medium industries. In recent years Tanimbar ikat weaving craftsmen began to be noticed one of them by the way many interested Tanimbar ikat cloths, it can make the economic stability of the ikat weaving craftsmen improved and also increased. District Head The Tanimbar Islands made a policy to preserve and develop the local wisdom of Tanimbar ikat weaving in all Government Agencies, both BUMN / BUMD. The policies carried out by the Tanimbar Islands District Government are very good because they also support theories of cultural understanding themselves. One of the cultures possessed by the Tanimbar Islands Regency is Tanimbar ikat, so it is necessary to preserve and develop optimally because it will become an icon for the area. According to Melville J. Herskovits and Bronislaw Malinowski "It states that everything that exists in society is determined by the culture owned by the community itself. The term for that opinion is Cultural-Determinism. Herskovits views culture as something that is passed down from one generation to another, which is then referred to as superorganic. "The theory put forward by Melville J. Herskovits and Bronislaw Malinowski is the same as what the Regional Government thinks today because culture is a legacy or an asset. which is very valuable and has unique and different characteristics. Regions with different regions have different inheritance or assets and therefore there needs to be preservation and development.

### **Preservation and Development of Tanimbar Ikat Fabrics**

Tanimbar's ikat cloth is now getting a good place because there are many middle businesses that run this business. Lots of groups run businesses or businesses in Tanimbar

ikat. One of them is the "AWAYERAS" Tanimbar Woven Fabric Business Group located in Saumlaki City, Tanimbar Islands Regency. In the "AWAYERAS" Tanimbar Woven Fabric Business group itself has 15 weavers, all of whom come from Kec. Selaru



Source: Photo of research results, 2018

Figure 1. "AWAYERAS" Ikat Tanimbar Woven Fabric Business Group Board

Within 1 week there is usually an order of 2 pieces of woven fabric even a month there are 4-5 orders of woven fabric sheets that must be done. For woven fabric, the price varies because according to the needs of the fabric to be used. For long and short sleeve suits for Rp. 900,000, while for a scarf worth Rp. 200.00 The business that has been run is now in its 7th year while for this craftsman it was already a few years ago. The coordinator for this business is Mrs. Sila Fordatkosu (40), she said that "From the results of this effort, it is used for daily needs and for sending her children to school, this business has become a daily livelihood".



Source: Photo of research results, 2018

Figure 2. Yarns while being woven





Source: Photo of research results, 2018

Figure 3. The women of Tanimbar ikat

### Tie Woven Fabrics at Fashion Events

In addition to the Tanimbar ikat fabric business groups, there are also designers who are trying to make clothes for the fashion show with Tanimbar ikat fabric. One of them is a local child, Ms. Elin, S.Ds (21) who tries to utilize the business with what she learned during college. And now he is introducing fashion that he planned himself with Tanimbar ikat at the events held in Surabaya last October. The event took place at the Faculty of Creative Industries, UBAYA. On that occasion he immediately took the initiative to design all the works carried out using Tanimbar woven ikat. On that occasion he received a very good appreciation for preserving and developing one of the cultures that came from the area he came from.



Source: Photo of research results, 2018

Figure 4. Tanimbar ikat woven cloth introduced through modern style at a fashion event at UBAYA, Surabaya

#### **4. CONCLUSION AND SUGGESTION**

##### **Conclusion**

From the above discussion conclusions can be drawn namely:

1. Local culture is very important because it has the characteristics of each region and the impact and contribute to the region in various fields.
2. The Tanimbar Islands Regency Government strongly supports the movement to use Tanimbar ikat cloth, both Employees and BUMN / BUMD
3. Tanimbar ikat woven cloth has been widely known among Indonesian designers and fashion events. This can support the community economy of the Tanimbar Islands Regency.
4. Many small business groups in the Tanimbar Islands Regency are engaged in the craftsmen of Tanimbar ikat.

##### **Suggestion**

From the above discussion suggestions can be taken namely:

For Local Government

1. Making policies that become legitimacy or strength and guarantee to develop this business. Which is in the form of funds and other developments.
2. The regional government should introduce more woven cloth in various national and international events.

The government must maintain the efforts of small groups for Tanimbar ikat weaving craftsmen by providing assistance

For the Community

1. Collaborate with the Department of Tourism for the publication of woven fabrics in regional fairs or festivals.
2. Distribute this skill to the next generation because many future generations are apathetic towards culture.

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# ENGINEERING PERFORMANCE EVALUATION MODEL IN THE CONTEXT OF BUMDES POLICY FORMULATION: A STUDY FROM THE PERSPECTIVE OF THE POLITICAL ECONOMY OF ACCOUNTING THEORY

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## ABSTRACT

This study aims to engineer a performance appraisal model in the context of BUMDes policy formulation with the Political Economy of Accounting Theory approach. The design of this study uses multiple case study analysis. The research site was conducted in the Village Owned Enterprises or BUMDes of Malang Regency specifically in Jabung District, Poncokusumo District and Wajak District. As for the informants in the study included elements of the district, elements of the village, BUMDes management elements and BUMDes member elements. The results of this study are an engineering performance evaluation model that is used to formulate the BUMDes policy in Malang Regency which is examined from the perspective of the Political Economy of Accounting Theory with two theoretical premise approaches, namely the distribution of power and welfare distribution at the sub-district, village level, BUMDes elders and BUMDes members . The design sequence for the implementation of the model starts from the performance appraisal process, the results of the performance appraisal, making recommendations and finally formulating policies.

**Keywords** : Performance Appraisal, Political Economy of Accounting.

## INTRODUCTION

The presence of BUMDes in Malang is expected to be able to support the re-emergence of social democracy in the villages through increasing the capacity of rural communities in managing BUMDes in a sustainable manner, and the participation of rural communities in BUMDes is also no longer reduced. The role of the regional government in this case the Malang district government in the form of a local government policy is very important to improve the performance of BUMDes. The condition of BUMDes in Malang district is based on data submitted by the Head of Community Empowerment Agency (BPM), Eko Suwanto, only 25 BUMDes are active from 378 villages (Hapsari, 2017). The data raises a big question, why are there so many of the villages in Malang district that only have a small number of active BUMDes? Whereas the main purpose of establishing BUMDes is to improve the welfare of rural communities through empowerment programs. Information related to crucial factors especially regarding BUMDes sourced from performance appraisal is a very important input for formulating a policy for the district government of Malang. In this study, researchers have a strong view that to improve the performance of BUMDes requires a concrete effort that is engineering the BUMDes performance appraisal model. The engineering of the BUMDes performance appraisal model does not only emphasize the process and outcome aspects, but also comes up with a recommendation form of reflection on the performance appraisal in order to formulate a policy for the district government of Malang. The basic concept of this performance appraisal engineering model is to use two theoretical premises, namely the justice distribution of power distribution and the welfare

distribution adopted from the Political Economy of Accounting (PEA) theory from Cooper and Sherer (1984) and Apriyanto (2015).

## THEORY REVIEW

A performance evaluation formulation from the perspective of the Political Economy of Accounting (PEA), must pay attention to the relationship between the distribution of power justice and welfare. In performance appraisal based on the perspective of the Political Economy of Accounting (PEA), it focuses on the just and fair distribution of wealth, and the relationship between the distribution of power and the distribution of wealth (relation of power and wealth). The greater the power, the more prosperity will be followed (Tinker, 1980; Hoogvel and Tinker, 1978; Irianto, 2006; Irianto, 2007; Gaguk, 2015). This is in accordance with the purpose of establishing a Village-Owned Enterprise (BUMDes), which is to empower in order to prosper in the village. There is an influence between the performance of BUMDes and the level of welfare of participants. BUMDes performance is not free from the influence of the company's internal and external environment. This has led to the socio-political setting played a role in maintaining going concern BUMDes.

The theoretical model of the policy formulation research through the engineering performance evaluation model of Village-Owned Enterprises (BUMDes) in the framework of empowering equitable village communities in Malang district is as follows:

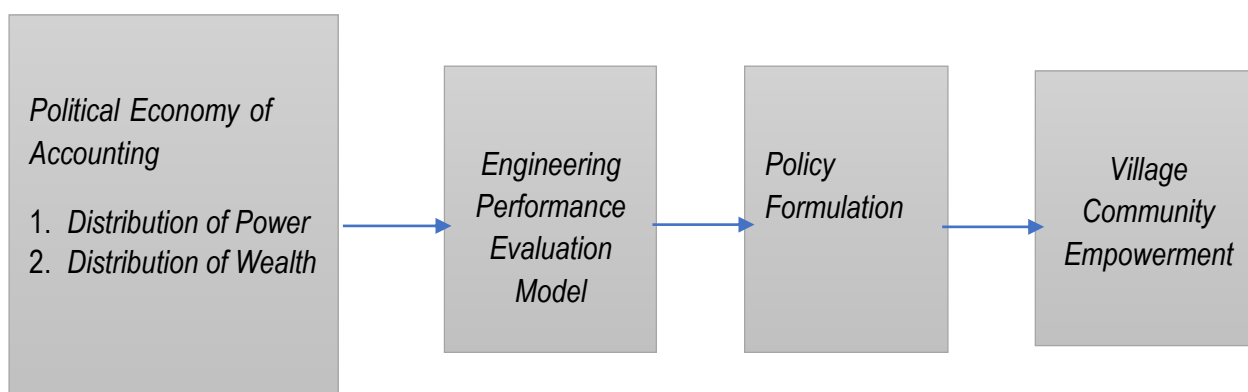


Figure 1: Theoretical Model of Performance Appraisal as a Basis for Policy Formulation

## RESEARCH METHODS

This type of research is descriptive qualitative. The research design is multiple case study. The reason for using the first case study, this type of research is social research, case studies are more appropriate for this type of research (Yin, 1996). Second, case studies have advantages in understanding more deeply related complex social problems (Dooley, 2005: 335). Third, case study research is carried out completely, thoroughly and deeply using a variety of data sources (Lincoln and Guba, 1985), further clarified by Stake (1994, 2005), then developed by Creswell (1998, 2007) and Dooley (2002), and was followed by Hancock and Algozzine (2006).

The site in this study was carried out at a Village-Owned Enterprise or BUMDes in Malang Regency. The reason for choosing this research site is because researchers did not encounter significant difficulties in obtaining research data. Related to the ease in accessing research data in the field as one of the considerations of researchers in selecting research sites, conveyed by (Morse in Denzin and Lincoln, 1998: 60). Third, the scientific meaning, by conducting research on the above research site, will result in the development of a wider and integrated BUMDes performance assessment that will measure the extent to which justice distribution of power and welfare is related to the interests of stakeholders. The unit of analysis in this study is the concept of performance appraisal at BUMDes with a Political Economy of Accounting Theory study.

In order to obtain the required data, researchers used data collection techniques of documentation, observation and interviews. Documentation includes quantitative data relating to BUMDes in Malang Regency, both from print media, electronic media and online media. Researchers do observation by involving themselves directly in the situation under study as a pure observer and systematically observing various dimensions that exist including interactions, relationships, actions, events, and so on (Mason, 1996: 60). Interviews, researchers conducted to the parties directly related to BUMDes activities as well as informants, namely from the elements of the district, village elements, elements of the BUMDes management and elements of BUMDes members. It is expected that with the representation of the informant is able to explore critically all aspects of BUMDes, especially related to the information needed to compile a comprehensive and in-depth concept of BUMDes performance evaluation with aspects of fair distribution of power and welfare.

## **RESEARCH RESULT**

### **1. The Distribution of Power Analysis**

This power analysis is carried out by looking at the extent of the role carried out by the sub-district institutions, village institutions, BUMDes management and BUMDes members in relation to the BUMDes existence so far. The data that the author of the analysis obtained both formally through the FGD and informally through casual chat.

#### District Institution level

Subdistrict is an administrative area that is under the district or city. A sub-district is a combination of several villages and wards. Discipline is led by a subdistrict leader who in carrying out his duties he will be assisted by other instruments. For more details, this article will explain the organizational structure of the sub-district government. According to Government Regulation No. 41/2007, it is explained that sub-districts are sub-district working areas as district or city apparatus. Thus a subdistrict head has a position and is responsible to the Regent or Mayor through the Regional Secretary. Or it can be said that the sub-district organization functions and is responsible for assisting the Bupati's duties in optimizing various government activities, development, and community development within the sub-district area. In BUMDes activities, some of the activities involve sub-

districts. There is a sub-district intervention in the management of BUMDes. As for the reason the kecamatan interfered because the BUMDes management was less able to manage BUMDes. In addition to the BUMDes management being unable to carry out their functions, the Wajak sub-district also considered the village head's understanding of the village chief especially regarding the BUMDes very poor. This happens because the village head has so far only known the task as an extension of the government structure above that deals more with administrative issues and is responsible for projects and programs that come from above. As a result, it takes a great deal of effort to understand the BUMDes which rely more on entrepreneurial issues. Weak understanding of BUMDes is what makes BUMDes discourse not well socialized to villagers. How can you socialize if your own understanding is still inadequate. As a result, the BUMDes issue only blows to the village elite or only to the circle of village officials.

### **Village Institution level**

A village institution is a unit of the legal community that has the authority to manage and administer government affairs, the interests of the local community based on community initiatives, original rights, and / or traditional rights that are recognized and respected in the system of government of the Unitary Republic of Indonesia.

From there it is evident that the legal community unit, namely the villagers who live in a location that has the right or authority to conduct or run their government for the benefit of residents who live in the village area. The village is not subordinate to the sub-district, because the sub-district is part of a district / city, and the village institution itself is not part of the regional apparatus. Unlike the Kelurahan, the village has the right to regulate its territory more broadly. But in its development, a village can be changed its status to become a village. In connection with the distribution of power at the village level, all BUMDes program development activities are carried out by the village. Besides that, most of the villages involved in BUMDes activities. Based on the data above, the picture is obtained that there has been an injustice distribution of power in the management of BUMDes by the Pajar village. This injustice is in the form of considerable village intervention, especially in the preparation of BUMDes program activities and in BUMDes daily activities.

### **BUMdes management level**

Related to the requirements to become a BUMDes management, it has been regulated in Article 14 of Permendesa No. 14 2015. The requirements to become a BUMDes operational operator are as follows: First, villagers who have a strong entrepreneurial spirit. Because BUMDes is a business institution, entrepreneurial spirit becomes a condition urgent. Second, domiciled and settled in the village for at least two years. In addition to the aspect of acceptance of long-lived residents will make someone familiar with the potential of their village. Third, have a good personality, honest, fair, competent and considerate of the economic efforts of the village. Although this seems normative, BUMDes are required to be open in carrying out their activities so that honesty becomes a very important indicator. Fourth, a minimum of a high school / Madrasah Aliyah / SMK or equivalent level of

education. This requirement applies to BUMDes management. But in the part that involves the implementation of the BUMDes business process, it can employ residents who are considered capable and do not have to pass at least high school. For example, workers under retail business units, waste management and so on. The following is an analysis and discussion of the BUMDes management profile: In managing BUMDes, the management hegemony is quite high. In connection with the preparation of the BUMDes program, all the arrangements are carried out by the management. In the BUMDes daily activities, the involvement of the management is quite large. This shows the quite dominant role of the BUMDes management in the management of this BUMDes.

### **BUMdes member level**

BUMDes members are part of the organization involved in the BUMDes management structure. There are no special requirements that must be met to become a member of BUMDes. BUMDes membership is like membership in a cooperative. Although BUMDes members are not included in the organizational structure, its role is very strategic, not a BUMDes progress depends on the extent of active members or not. The more participation level of BUMDes members, the better achievement or performance of a BUMDes. In the perspective of justice the distribution of power by BUMDes members, that there has been domination by BUMDes members especially in the preparation of program activities. All compilation of BUMDes activity programs are carried out by members. Besides that BUMDes members are involved in all BUMDes activities. There was domination of power by BUMDes members both in the preparation of program activities and in BUMDes daily activities.

## **2. The Distribution of Welfare Analysis**

Welfare is the impact or result of power. The greater the power, the greater his welfare. In this welfare analysis, what is discussed is related to what benefits are obtained by the sub-district, village, BUMDes management or BUMDes members. These benefits are both financial and non-financial in the management of BUMDes.

### **District Institution level**

The subdistricts that are the objects of this study include Wajak, Jabung and Poncokusumo. As for the reason why the researchers chose the three sub-districts because the three regions already have BUMDes that have been around for a long time. The welfare analysis that critics research is related to the benefits received by the sub-district, both financial and non-financial. In general, the kecamatan does not benefit financially from the BUMDes. But non-financially, the sub-district has benefited greatly from the BUMDes existence. One of the non-financial benefits is to advance and prosper the community. Besides that aspects related to community empowerment also increased.

### **Village Institution level**



An institution or institution is a place to carry out certain tasks and functions in order to achieve certain goals. Therefore the existence of village institutions is a place to carry out the tasks and functions of the Village Government. The purpose of the administration of the village government is to improve the welfare of the community, so that the task of the village government is to provide services (empowerment) and empowerment, as well as development (development) which is all aimed at the interests of the community. Financial benefits obtained by the village, can be said to be nonexistent. As for the benefits obtained non-financially by the village, there are benefits received. The form of non-financial benefits received in the form of increasingly orderly financial system business units. With the increasingly orderly financial system the business unit is expected to stimulate and trigger BUMDes performance.

### **BUMDes management level**

The BUMDes management is a person trusted by the village to manage the BUMDes. Demands as BUMDes management are not only competent or skilled in managing BUMDes but also must be honest and trustworthy. BUMDes management must be professional in managing BUMDes, so that BUMDes can develop well and be able to compete with other business entities. The welfare distribution in the form of financial benefits received by the BUMDes management is received routinely, but the amount is small, which is Rp. 250,000. While the welfare distribution in the form of non-financial benefits, some are received by the BUMDes management, namely the management becomes closer to the community. Besides that, the management can also develop other businesses in the village. This shows that the distribution of welfare received by BUMDes management on the existence of BUMDes, is not too waiting either financially or non-financially.

### **BUMDes member level**

BUMDes Members are part of the organizational elements in BUMDes. The participation of BUMDes members cannot be underestimated. The higher the participation of BUMDes members, the better the performance of BUMDes, and vice versa, the lower the participation rate of BUMDes members, the worse the BUMDes performance. Therefore, in order to optimize the performance of a BUMDes, a synergy of all organizational components, whether from the sub-district, the village element, the management element or the BUMDes member itself, financially, the BUMDes member receives a distribution equity of Rp. 700,000. Whereas on a non-financial basis, BUMDes members receive justice for the distribution of welfare in getting jobs in the field of empowerment.

### **3. Performance Appraisal Model as a Basis for Policy Formulation**

The following figure is the implementation flexibility of the Political Economy of Accounting Theory or commonly referred to as the PEA theory. This theory uses two premises, power distribution and welfare distribution. The greater the power the greater the welfare obtained. The author's theory of PEA is used as a basis for making BUMDes performance evaluation models. The results of performance assessments serve as the basis

for making recommendations for district governments. Based on these recommendations, the district government made a policy formulation for BUMDes. Sihingga, if in making the formulation of kebijakan starting from making academic texts, then in making this academic paper, recommendations made based on the results of the BUMDes performance assessment, are the main raw material for the district government to formulate a policy specifically related to BUMDes.

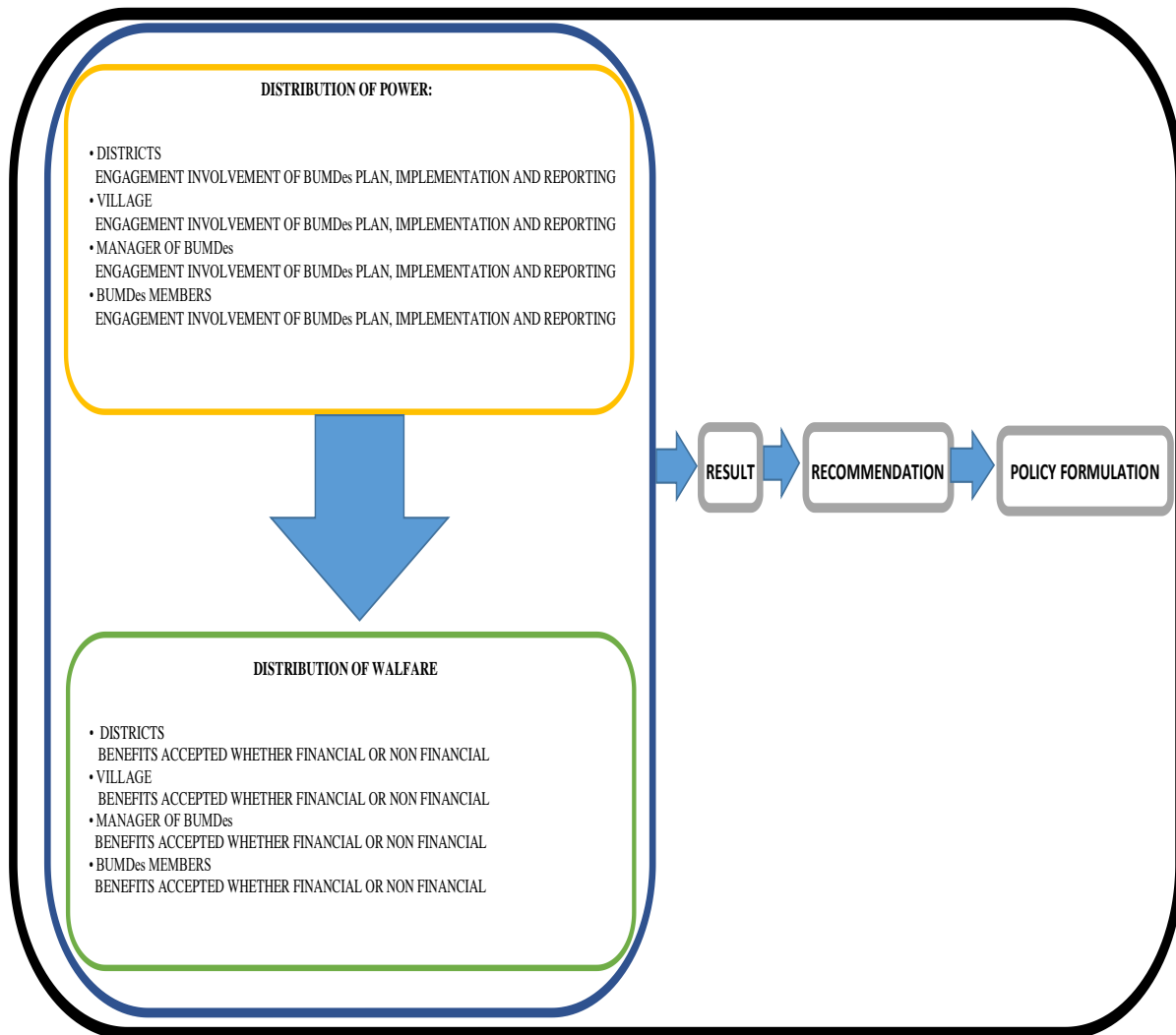


Figure 2: Performance Appraisal Model as a Basis for Policy Formulation

Image Caption 2:

1. The BUMDes performance appraisal model includes aspects of power distribution and welfare distribution aspects. Both aspects will be studied in depth to determine the extent of fairness in its application. The measurement of these two aspects of distribution includes starting at the sub-district level, the BUMDes management village and BUMDes members. The type of activity to measure the distribution of power is the extent of the involvement of each level of planning activities (both financial plans and activity plans), implementation of BUMDes activities, and all BUMDes activity reporting. While the welfare distribution aspects at all levels, measured by the benefits they receive both financial and non-financial.

2. The next step is the result of the activity in step number one. This result is a synthesis of data analysis in step number one. If the data on information in information no. 1 has been analyzed and discussed, it will be an input to make recommendations to the stakeholders.
3. Recommendations are a suggestion as one of the considerations by the district government to formulate a policy specifically related to BUMDes. Giving these recommendations was formulated after an evaluation of the BUMDes performance was carried out. Recommendations are made based on the results of performance assessments from BUMDes.
4. Policy formulation is one of the activities carried out by the district government to formulate a policy. This policy formulation was formulated based on the recommendations received related to BUMDes. Academic texts prepared as a forerunner to the birth of legal mandatory policy formulation based on the recommendations that have been received. Therefore, there is a close relationship between the recommendations received by the district government and the resulting policy formulations.

## **CONCLUSION**

BUMDes is a relatively new village institution. BUMDes is the frontline expected by the government in order to improve the welfare of rural communities through empowering rural communities. Ironically, in general, BUMDes performance is still not as expected. Many parties caused the BUMDes performance to be poor. In strata, the parties involved either directly or indirectly in the management of BUMDes, the authors identify starting from the district level, village level, BUMDes management and BUMDes members. To make a BUMDes better, a comprehensive and integrated concept is needed and consider aspects of the distribution of power and welfare in engineering a BUMDes performance evaluation model. Based on the concept of performance appraisal, information will be obtained related to the results of BUMDes performance appraisal. The results of the BUMDes performance assessment are followed up by making a recommendation for the district government. Before formulating a policy specifically related to BUMDes, the district government prepared an academic paper whose main material was recommendations related to BUMDes performance. With a model like the one I made, a policy issued specifically related to BUMDes will be more effective.

## **SUGGESTION**

For the future, this research is important, especially regarding BUMDes performance evaluation. The approach used in this study can be applied to different industries besides BUMDes. This study will be better if it is focused on just one industry so that it becomes more in-depth, besides that each industry has different characteristics. In performance appraisal, as stated in this study, it is not only assessed from the financial aspect, but also from the non-financial aspect (Cumby and Conrod, 2001; Kannan and Aulbur, 2004). It is recommended for future research to be further developed with relevant aspects. Disclosure of aspects of power and welfare is more fairly expressed, especially relating to the regulator.

The phenomenon of BUMDes performance appraisal is a reality, this reality must be built socially and to understand social reality requires knowledge (Berger and Luckmann (1990: 28).

District governments as regulators, it is necessary to consider aspects of Leadership, Strategic Planning, Customer Focus, Measurement, analysis, and knowledge management, Workforce Focus, Operation Focus, and Results as well as aspects of power, welfare and hegemony of parties related to BUMDes in BUMDes performance assessment. The expectation of researchers, taking into account the above aspects, BUMDes performance evaluation becomes more comprehensive and fairer. Thus the recommendations made and the policies of the district government taken are of higher quality.

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# ROLE OF FINANCIAL LITERACY HUSBAND WIFE IN INCREASING THE FAMILY ASSETS OF THE CREDIT UNION ANGUDI LARAS PURWOREJO MEMBERS

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## ABSTRACT

This study aims to determine how the financial role of husband and wife literacy can increase family assets which ultimately creates the welfare of Credit Union members Angudi Laras Purworejo. This research is qualitative in nature and does not intend to generalize the final results of the study with deductive conclusions. This study will attempt to describe the conditions and the reality of increasing family assets after financial literacy training. Stages of research are preparation, conducting research, completing. Data analysis techniques used include interview transcripts, data reduction, analysis, data interpretation and triangulation.

The results showed that 86% of husband and wife members who had participated in financial literacy had an increase in assets in the form of additional savings, land ownership, vehicles, and an increase in investment owned by an average of 585%. Besides that, from the interview results it was found that there was an increase in the awareness of members to have emergency savings.

**Keywords** : Financial Literacy, Asset Improvement, financial utilization

## 1. Introduction

Family financial management is not only how much money is owned but how the pattern of regulation and use of money that can build assets in the future for welfare. The family financial management system is determined by the role of husband and wife as determining policy. In the context of family financial management, financial literacy is needed. Rodhiyah (2012) in his research stated that money functions as an instrument to accumulate wealth and assets to guarantee prosperity. While Noviyanti and Denziana (2010) said that there are several key concepts of family financial management that are important to know to manage family finances professionally. The study by Potrich et al (2015) shows that men who do not have dependent family members and who have higher education and personal income and their family income level are more likely to be members of groups with high levels of financial literacy.

The problem of financial literacy is related to significant aspects of identifying its relationship with socio-economic and demographic variables. Several studies have been sought to identify this relationship. The results shown by Lusardi and Mitchell (2011), Atkinson and Messy (2012), and Brown and Graf (2013) show that women have lower levels of financial literacy than men. Atkinson and Messy (2012) observed that financial literacy tends to be higher among adults in the middle of their life cycle, and is usually lower among young and elderly individuals. The results reported by Research (2003) show that singles are significantly more likely to have worse financial literacy compared to married people. Monticone (2010) and Atkinson and Messy (2012) found that low income levels were associated with low levels of financial literacy. In the Bank Indonesia management training module, it was stated that financial education was considered important because of several

factors including the lack of public knowledge about financial management and the low interest in saving people. An indicator that can be seen from the ability of financial management is the amount of savings they have. Rajiv Lamba research results (2014) note that; first, the Deep Pocket Group is able to save more than Rp. 2 million every month. Second, the Pragmatic group has the ability to save Rp. 1-2 million per month. Third, the On Edge group is only able to set aside income to save Rp. 0-1 million per month. In the fourth group, the fact is that this group belongs to the category Broke alias bankrupt. Credit Union, abbreviated as CU, is a cooperative institution engaged in the socio-economic development of the community. Credit Union does not only work related to finance but there is an effort to prepare members to be able to manage finances in a planned manner through financial education called financial literacy (FL). One form is the saving movement. In CU saving is one suggestion that someone prepares themselves in facing unexpected or planned needs so that everything related to finance can be planned.

This study aims to find out how the financial role of husband and wife literacy can increase family assets. The findings of this study are expected to provide urgency and the need to devise effective actions to minimize the problem of financial illiteracy in managing family finances. In particular it is recommended that major efforts be made to use debt wisely in the future.

## **2. LITERATURE REVIEW**

### **2.1 Definition of Financial Literacy**

Financial literacy is the ability of an individual to make decisions in terms of his personal financial arrangements. Financial literacy or financial knowledge is one important aspect of daily life with the aim that every individual can use financial instruments and products and be able to make the right decisions. Financial literacy is a series of understanding and understanding processes that are also needed for successful financial needs in managing investments, as well as donations from other parties to improve individual welfare Forge (2010), and (Xiao, 2008).

### **2.2 Aspects of Financial Literacy**

Knowledge and skills in managing personal finances are very important in everyday life. Financial literacy has grown rapidly over the past few years. According to (Kaetsner, 2008), the factors causing the development of financial literacy include low interest rates on savings, increasing bankruptcy and debt levels and increasing individual responsibility to make decisions that will affect their economies in the future. Financial literacy can help every individual to avoid financial problems (Ayu, 2010). Financial problems such as financial difficulties are not only caused by low individual income, but can also arise if there is an error in financial management (miss management) such as mistakes in the use of credit and lack of financial planning (Margaretha, 2015) Literature review of no more than 1000 words with state the state of the art in the field under study. Chart can be made in the form

of JPG / PNG which is then inserted in this field. Primary sources of literature / references that are relevant and prioritizing research results in the latest scientific journals and / or patents. It is recommended to use library resources in the last 10 years.

Financial literacy has 5 (five) domains, namely: 1) Knowledge of financial concepts 2) Ability to communicate about financial concepts 3) Ability to manage personal finances 4) Ability to make financial decisions 5) confidence to make future financial planning. (Remund, 2010).

According to Lusardi (2008) financial literacy includes 5 (five) financial concepts, namely:

1. Basic Knowledge Regarding Personal Finance (Basic Personal Finance) This concept includes a variety of a person's understanding of a financial system (calculation of simple interest rates, compound interest rates, inflation rates, time value of money, working capital and others).

2. Knowledge Regarding Money Management.

This concept covers how each individual can manage and analyze their personal finances. A good understanding of financial literacy provides good financial practices in the financial management of each individual.

3. Knowledge of Credit and Debt (Credit and Debt Management)

According to Law No 10 of 1998 concerning amendments to Law No 7 of 1992 concerning banking, credit is the provision of money or bills that can be compared, based on agreements or agreements between banks with other parties that require borrowers to repay their debts after a certain period of time with interest . Whereas debt management is a concept of a debt repayment process involving third parties to assist debt borrowers. This concept includes how each individual can take advantage of credit and debt when experiencing shortages of funds. With each individual's increasing needs resulting in an imbalance in expenditure and income, each individual can use credit and debt as a solution to the problem.

4. Savings and Investment Knowledge

Savings are part of community income that is not used for consumption activities, while investment is part of savings used for economic activities that are profitable in producing products in the form of goods and services.

5. Knowledge About Risk (Risk Management)

In general, the risks faced by each individual include: Risks due to death, accidents or illness (Personal Risk), responsibility for economic losses of others due to our negligence (Risk of Liability), and risk of damage or loss of assets owned (Asset Risk) .

### 2.3 Financial Literacy Categorization

In Chen's research, (1998), the level of financial literacy can be categorized into three groups. The following is a list of categorizations to measure the level of financial literacy: If financial literacy is at an average size  $\geq 80\%$  means the level of financial literacy is in the high category, then if financial literacy is at a size of  $60\% < 79\%$  means the level of financial literacy is in the category medium, while financial literacy is at an average size  $< 60\%$  means that the level of financial literacy is in the low category. This categorization is based on the percentage of respondents' answers that are correct from the number of statements used to measure financial literacy.



Chen (1998) also categorizes financial literacy based on a median to analyze financial behavior based on the level of financial literacy owned by respondents. Respondents who have a financial literacy level below the mean are included in the category of respondents with a relatively low level of financial literacy, while respondents who have a level of financial literacy above the mean are included in the category of respondents with a relatively high level of financial literacy.

#### 2.4 Definition of Fixed Assets

The assets used in this study are in the form of fixed assets. Fixed assets by definition from PSAK 16 are tangible assets that are owned for use in the production or supply of goods or services to be leased to other parties, or for administrative purposes and are expected to be used for more than one period. Another definition of fixed assets put forward by Warren, et al (2016) is long-term or relatively permanent assets such as equipment, machinery, buildings and land. The conclusion of the definition of fixed assets is assets in the form of assets such as land, machinery or buildings that can be owned by individuals or by governments / agencies, and companies and can provide benefits in the long run.

#### 2.5 Asset Enhancement

Assets are goods, which in the legal sense are called objects, consisting of immovable objects and movable objects, both tangible and intangible, which are included in the assets / assets or assets of an agency, organization, business entity or individual individual.

Healthy households in the economic perspective according to Wiyono (2014) can be divided based on conditions into 5 (five) levels from healthy conditions to the healthiest conditions, namely: 1) surplus income, 2) Having savings, 3) Following the Insurance Program, 4 ) Having an old age financial guarantee, and 5) Having investment.

### 3. METHODOLOGY

This research belongs to the category of qualitative descriptive research, considering that this study will attempt to describe the conditions and reality of increasing family assets after participating in FL training, based on facts and data as it is in the field. This research is observational research that relies on data sources based on situations that occur or social situation. Source of research data which is implemented in qualitative research. But in this research, it is limited to the source of data or information that is used as a source of research data. This research does not use population and sample because population and sample are used in quantitative research while this research is qualitative and does not intend to generalize the final results of the study with deductive conclusions. The study was conducted at CU Angudi Laras Purworejo. This research will attempt to describe the conditions and the reality of increasing family assets after attending FL training at CU Angudi Laras. The basic consideration of selecting the location of the study is because it has the potential to be investigated because CU Angudi Laras has a significant development of members and assets from year to year.

1. Data in this study were collected from two sources, namely:

1. Primary data were obtained from husband and wife of CU member Angudi Laras who had followed FL training through direct interviews using a list of prepared and structured questions.
2. Secondary data were obtained from related agencies and agencies as well as various literatures and information related to this research.

Data collection techniques used in this study include:

1. In-depth interviews are conducted using interview guidelines to informants who are chosen intentionally (purposive). The purpose of in-depth interviews is to obtain information about knowledge, understanding relating to improving the welfare of members and fostering management and members of cooperatives as well as economic and social changes as a result of FL training. The informants' answers are the findings of the research which are the source of the data traced, and in-depth interviews are as flexible as possible, so as to enable the process of dialogue individually or with several informants at once. Data recording and interviews are carried out manually with the help of a recorder. The steps - steps to be taken include: Preparing interview guidelines, determining informants who can provide information, contacting informants to be interviewed about the information needed, conducting interviews to capture information and research data using stationery, and recording equipment and documentation tools, confirm or check and recheck information sources, and recap the results of interviews and data for analysis and review. Based on these steps it is expected to explore in detail according to the focus of the study. The description of the data obtained is expected not only to cover all aspects studied, but also can reveal everything that has a close relationship and is relevant to the focus of the research.
2. Observation of participation is done through direct observation at the research location, at CU Angudi Laras. The results of observations are written in detail and systematically in the field notes. Data collection in the field with the steps: stay, get along and be part of the community research object, prepare observation guidelines, record observations systematically, classify field data, compile observational data, and make improvements to field data with data reduction, data organizing, and data interpretation.
3. Questionnaire / questionnaire
4. Data collection is also carried out by distributing questionnaire check list contents that contain indicators of increasing family assets including increased savings recorded from interviews and obtained from Angudi Laras CU data.
5. Data analysis techniques used include interview transcripts, data reduction, analysis, data interpretation and triangulation. The role of the Chairperson is responsible for coordinating the entire process and operational research, conducting a literature review, reviewing research instruments, analyzing data, preparing research reports, publicizing and preparing textbooks. Research members are responsible for data collection, monitoring and evaluation and reporting of research findings. The data collected is reduced together to produce research conclusions.

#### 4. RESULTS AND DISCUSSION

Credit Union Angudi Laras (CUAL) is a part of the credit union movement under the auspices of the BKCU Kalimantan Puskodit that mobilizes the potential, member resources that aim to make CUAL members more empowered through improving their socioeconomic standard of living through various productive businesses with a mentoring model. In previous research, Aditya and Wakhdan (2017) found that CUAL members had an increase both socially and economically as indicated by increased savings and improved quality of life as members of the community. Thus two true CUAL missions are achieved. The achievement of the two CUAL missions is inseparable from the educational role carried out by the members. The main focus of member education is on financial literacy. After CU's goal to enable its members to help themselves is achieved, then financial literacy education is conducted so that members can achieve independence in the financial sector.

Financial literacy education implemented at CU Angudi Laras includes material on credit union products and services, learning the language of wealth formation, the principles of personal financial management, ways to save money, emergency funds, financial planning in life and family budgeting. The material is delivered both by lecture method and practice. This research was conducted on husband and wife members who have attended financial literacy education.

Table 1. List of Assets of Wives After Participating in Financial Literacy in 2017

No	BA	ASSETS NOW PASCA FL	
		PRA FL	PASCA FL
	Tahun		2017
		Rp	Rp
1	15084.01.000.001	8.671.850	35.882.091
2	15084.01.000.024	27.729.519	44.231.269
3	15084.01.000.003	302.187	10.775.673
4	15084.01.000.004	35.656.700	53.672.475
5	15084.01.000.011	13.599.100	44.107.160
6	15084.01.000.002	6.100.300	28.272.616
7	15084.01.000.010	43.408.100	56.723.125
8	15084.01.000.969	576.600	1.689.200
9	15084.01.000.016	10.830.864	37.455.486
10	15084.01.000.017	9.350.583	14.694.883
11	15084.01.000.025	2.344.622	5.678.314
12	15084.01.000.026	10.543.861	12.018.952
13	15084.01.000.031	26.914.000	137.830.179
14	15084.01.000.032	15.422.900	91.659.680
15	15084.01.000.047	4.180.100	17.141.193
16	15084.01.000.200	3.792.000	8.741.409
17	15084.01.000.141	211.000	2.042.984
18	15084.01.000.142	3.304.500	3.952.668
19	15084.01.000.334	11.006.300	74.412.502
20	15084.01.000.660	2.240.000	20.715.749
21	15084.01.000.701	3.858.793	49.902.193
22	15084.01.001.082	240.000	2.629.100
23	15084.01.000.108	4.168.900	5.123.628
24	15084.01.000.627	2.234.700	2.924.300

25	15084.01.000.897	608.400	1.482.300
26	15084.01.001.009	480.000	767.100
27	15084.01.001.171	500.800	1.319.550
28	15084.01.001.308	562.000	562.000
29	15084.01.000.281	12.185.700	32.281.931
30	15084.01.000.397	16.623.900	5.145.193
31	15084.01.001.270	445.000	514.800
32	15084.01.001.282	445.000	497.400
33	15084.01.001.142	500.700	1.878.750
34	15084.01.001.207	500.000	604.400
35	15084.01.001.367	445.000	445.100
36	15084.01.001.463	615.800	-

Initial assets owned by members at the beginning become members and have not yet participated in financial literacy training the most varied. But from the total savings data which consists of Old Age Savings (Siharta) and Stock Deposits seen above, there appears to be a positive trend towards members who have participated in Financial Literacy training organized by CU Angudi Laras compared to when members had not yet attended training. The figures on the table are indeed uneven for the amount of savings in the form of old age savings and shares that they have in CU Angudi Laras. This happens because of various different work background factors for each member. Some members also started saving their money with a minimum limit recommended by CU Angudi Laras Purworejo.

Table 2. List of Assets of Wives After Participating in Financial Literacy in 2018

No	BA	ASSETS NOW PASCA FL		
		PRA FL	PASCA FL	
	Tahun		2017	2018
		Rp	Rp	
1	15084.01.000.001	8.671.850	35.882.091	2.072.391
2	15084.01.000.024	27.729.519	44.231.269	2.248.919
3	15084.01.000.003	302.187	10.775.673	12.825.223
4	15084.01.000.004	35.656.700	53.672.475	58.713.525
5	15084.01.000.011	13.599.100	44.107.160	52.374.810
6	15084.01.000.002	6.100.300	28.272.616	34.998.366
7	15084.01.000.010	43.408.100	56.723.125	60.379.725
8	15084.01.000.969	576.600	1.689.200	2.009.000
9	15084.01.000.016	10.830.864	37.455.486	43.062.336
10	15084.01.000.017	9.350.583	14.694.883	15.909.883
11	15084.01.000.025	2.344.622	5.678.314	6.394.114
12	15084.01.000.026	10.543.861	12.018.952	13.255.452
13	15084.01.000.031	26.914.000	137.830.179	150.118.479
14	15084.01.000.032	15.422.900	91.659.680	111.134.980
15	15084.01.000.047	4.180.100	17.141.193	21.060.693
16	15084.01.000.200	3.792.000	8.741.409	9.991.109
17	15084.01.000.141	211.000	2.042.984	2.702.584
18	15084.01.000.142	3.304.500	3.952.668	4.683.168
19	15084.01.000.334	11.006.300	74.412.502	98.490.502
20	15084.01.000.660	2.240.000	20.715.749	38.512.449
21	15084.01.000.701	3.858.793	49.902.193	60.322.593

22	15084.01.001.082	240.000	2.629.100	3.057.000
23	15084.01.000.108	4.168.900	5.123.628	5.988.328
24	15084.01.000.627	2.234.700	2.924.300	3.680.900
25	15084.01.000.897	608.400	1.482.300	2.033.850
26	15084.01.001.009	480.000	767.100	997.600
27	15084.01.001.171	500.800	1.319.550	1.573.350
28	15084.01.001.308	562.000	562.000	1.054.050
29	15084.01.000.281	12.185.700	32.281.931	11.094.581
30	15084.01.000.397	16.623.900	5.145.193	7.206.193
31	15084.01.001.270	445.000	514.800	602.600
32	15084.01.001.282	445.000	497.400	567.100
33	15084.01.001.142	500.700	1.878.750	1.401.700
34	15084.01.001.207	500.000	604.400	739.700
35	15084.01.001.367	445.000	445.100	643.300
36	15084.01.001.463	615.800	-	-

The data above shows the drastic changes of some members of husband and wife couples who follow financial literacy. This change does not indicate massive withdrawal of savings or so-called rush money. The change occurred because of a shift in financial patterns to ownership of assets in other forms. This arises because of the maturity of some members who have participated in financial literacy training. Maturity thinking of husband and wife that raises financial commitments and new decisions on how to raise assets. The field interviews showed that the reduction in savings and ownership of shares was changed in the form of land and building ownership assets, ownership of 2 and 4 wheeled vehicles to support the business. Even though there is a decrease in savings in the table above, but in terms of the financial patterns of the members indicate the success in running finances. Fertilizing the wealth from savings converted into other forms of assets is considered more beneficial in supporting the business and increasing the level of happiness. Happiness is one of the targets of CU Angudi Laras in organizing a financial literacy program for members. At this stage, it can be seen that there are already many members of husband and wife who have attended Financial Literacy training that can turn money into more than just savings. The pattern of financial proficiency is also seen where the drastic changes in assets in the table above are not used for the desire in order to realize consumptive activities but towards ownership of property assets and business support tools.

Changes in assets also occur because of shifting ideas to prepare education costs which are also facilitated by CU in the form of Gemi Nastiti storage. The addition of a business form also caused the data on the savings and shares of some members to look down dramatically. From interviews it was found that a CU member Angudi Laras Purworejo withdrew savings to open a food stall. The addition of business activity is also considered to be one of the bigger money-printing machines than just entering savings.

Table 3. List of Assets of Wives After Participating in Financial Literacy in 2019

No	BA	ASSETS NOW PASCA FL			
		PRA FL	PASCA FL		
	Tahun		2017	2018	2019
		Rp	Rp		

1	15084.01.000.001	8.671.850	35.882.091	2.072.391	2.237.791
2	15084.01.000.024	27.729.519	44.231.269	2.248.919	2.387.519
3	15084.01.000.003	302.187	10.775.673	12.825.223	12.406.300
4	15084.01.000.004	35.656.700	53.672.475	58.713.525	52.816.969
5	15084.01.000.011	13.599.100	44.107.160	52.374.810	56.461.271
6	15084.01.000.002	6.100.300	28.272.616	34.998.366	38.406.157
7	15084.01.000.010	43.408.100	56.723.125	60.379.725	61.773.325
8	15084.01.000.969	576.600	1.689.200	2.009.000	2.017.300
9	15084.01.000.016	10.830.864	37.455.486	43.062.336	46.283.539
10	15084.01.000.017	9.350.583	14.694.883	15.909.883	16.475.796
11	15084.01.000.025	2.344.622	5.678.314	6.394.114	6.657.114
12	15084.01.000.026	10.543.861	12.018.952	13.255.452	14.002.741
13	15084.01.000.031	26.914.000	137.830.179	150.118.479	153.676.680
14	15084.01.000.032	15.422.900	91.659.680	111.134.980	112.474.924
15	15084.01.000.047	4.180.100	17.141.193	21.060.693	22.029.402
16	15084.01.000.200	3.792.000	8.741.409	9.991.109	10.514.613
17	15084.01.000.141	211.000	2.042.984	2.702.584	3.023.184
18	15084.01.000.142	3.304.500	3.952.668	4.683.168	5.074.168
19	15084.01.000.334	11.006.300	74.412.502	98.490.502	111.874.132
20	15084.01.000.660	2.240.000	20.715.749	38.512.449	46.474.179
21	15084.01.000.701	3.858.793	49.902.193	60.322.593	65.611.053
22	15084.01.001.082	240.000	2.629.100	3.057.000	3.251.904
23	15084.01.000.108	4.168.900	5.123.628	5.988.328	6.623.435
24	15084.01.000.627	2.234.700	2.924.300	3.680.900	4.140.200
25	15084.01.000.897	608.400	1.482.300	2.033.850	2.181.115
26	15084.01.001.009	480.000	767.100	997.600	1.115.200
27	15084.01.001.171	500.800	1.319.550	1.573.350	1.049.944
28	15084.01.001.308	562.000	562.000	1.054.050	1.316.742
29	15084.01.000.281	12.185.700	32.281.931	11.094.581	1.805.065
30	15084.01.000.397	16.623.900	5.145.193	7.206.193	2.172.102
31	15084.01.001.270	445.000	514.800	602.600	615.700
32	15084.01.001.282	445.000	497.400	567.100	564.200
33	15084.01.001.142	500.700	1.878.750	1.401.700	1.392.548
34	15084.01.001.207	500.000	604.400	739.700	741.000
35	15084.01.001.367	445.000	445.100	643.300	1.260.682
36	15084.01.001.463	615.800	-	-	705.900

Data up to June 2019 above shows that the trend towards a positive direction is still seen in terms of assets in the form of savings. The decrease seen in 2018 has begun to change and increase in 2019. Members of husband and wife who have taken part in financial literacy will continue to foster assets in the form of savings and shares as a companion to other assets such as land, buildings, and motor vehicles both 2 wheels or 4. This is applied by members so that savings where assets that are easily disbursed can be a form of emergency funds that can be taken at any time for the survival of employees or employees and the initial capital of the business if there is a change in income in the financial circulation of members. As a financial organization, CU Angudi Laras is considered by members as a good vehicle and able to lift the economy through financial literacy training programs. Changes in financial mindset, management, and ways of working to double the money become the target of CU Angudi Laras, aligned with the goal of a happy life that has always been the goal.

Table 4. List of Assets Transfer of Wives to a Business and Property

No	BA	ASSETS NOW PASCA FL				Change in assets
		PRA FL	PASCA FL			
		Tahun	2017	2018	2019	
		Rp	Rp			
1	15084.01.000.001	8.671.850	35.882.091	2.072.391	2.237.791	71.000.000
2	15084.01.000.024	27.729.519	44.231.269	2.248.919	2.387.519	95.000.000
3	15084.01.000.003	302.187	10.775.673	12.825.223	12.406.300	
4	15084.01.000.004	35.656.700	53.672.475	58.713.525	52.816.969	
5	15084.01.000.011	13.599.100	44.107.160	52.374.810	56.461.271	
6	15084.01.000.002	6.100.300	28.272.616	34.998.366	38.406.157	
7	15084.01.000.010	43.408.100	56.723.125	60.379.725	61.773.325	
8	15084.01.000.969	576.600	1.689.200	2.009.000	2.017.300	
9	15084.01.000.016	10.830.864	37.455.486	43.062.336	46.283.539	
10	15084.01.000.017	9.350.583	14.694.883	15.909.883	16.475.796	
11	15084.01.000.025	2.344.622	5.678.314	6.394.114	6.657.114	
12	15084.01.000.026	10.543.861	12.018.952	13.255.452	14.002.741	
13	15084.01.000.031	26.914.000	137.830.179	150.118.479	153.676.680	
14	15084.01.000.032	15.422.900	91.659.680	111.134.980	112.474.924	
15	15084.01.000.047	4.180.100	17.141.193	21.060.693	22.029.402	
16	15084.01.000.200	3.792.000	8.741.409	9.991.109	10.514.613	
17	15084.01.000.141	211.000	2.042.984	2.702.584	3.023.184	
18	15084.01.000.142	3.304.500	3.952.668	4.683.168	5.074.168	
19	15084.01.000.334	11.006.300	74.412.502	98.490.502	111.874.132	
20	15084.01.000.660	2.240.000	20.715.749	38.512.449	46.474.179	
21	15084.01.000.701	3.858.793	49.902.193	60.322.593	65.611.053	
22	15084.01.001.082	240.000	2.629.100	3.057.000	3.251.904	
23	15084.01.000.108	4.168.900	5.123.628	5.988.328	6.623.435	
24	15084.01.000.627	2.234.700	2.924.300	3.680.900	4.140.200	
25	15084.01.000.897	608.400	1.482.300	2.033.850	2.181.115	
26	15084.01.001.009	480.000	767.100	997.600	1.115.200	
27	15084.01.001.171	500.800	1.319.550	1.573.350	1.049.944	
28	15084.01.001.308	562.000	562.000	1.054.050	1.316.742	
29	15084.01.000.281	12.185.700	32.281.931	11.094.581	1.805.065	110.000.000
30	15084.01.000.397	16.623.900	5.145.193	7.206.193	2.172.102	27.500.000
31	15084.01.001.270	445.000	514.800	602.600	615.700	
32	15084.01.001.282	445.000	497.400	567.100	564.200	
33	15084.01.001.142	500.700	1.878.750	1.401.700	1.392.548	
34	15084.01.001.207	500.000	604.400	739.700	741.000	
35	15084.01.001.367	445.000	445.100	643.300	1.260.682	
36	15084.01.001.463	615.800	-	-	705.900	

From the table above there are different colored data that show a shift in assets that are not only in the form of old age savings and stocks. Members shift by utilizing for business in increasing the amount of assets. The data also shows maturity in capable financial management. The members can already do activities related to finance and choose what is needed not just something that is desired.

Table 5. List of Asset Increase in Percent

No	BA	ASSETS NOW PASCA FL		Change in assets
		PRA FL	PASCA FL	

	Tahun		2017	2018	2019		
		Rp	Rp	Rp	Rp		
1	15084.01.000.001	8.671.850	35.882.091	2.072.391	2.237.791	71.000.000	719%
2	15084.01.000.024	27.729.519	44.231.269	2.248.919	2.387.519	95.000.000	243%
3	15084.01.000.003	302.187	10.775.673	12.825.223	12.406.300		4006%
4	15084.01.000.004	35.656.700	53.672.475	58.713.525	52.816.969		148%
5	15084.01.000.011	13.599.100	44.107.160	52.374.810	56.461.271		415%
6	15084.01.000.002	6.100.300	28.272.616	34.998.366	38.406.157		630%
7	15084.01.000.010	43.408.100	56.723.125	60.379.725	61.773.325		142%
8	15084.01.000.969	576.600	1.689.200	2.009.000	2.017.300		350%
9	15084.01.000.016	10.830.864	37.455.486	43.062.336	46.283.539		427%
10	15084.01.000.017	9.350.583	14.694.883	15.909.883	16.475.796		176%
11	15084.01.000.025	2.344.622	5.678.314	6.394.114	6.657.114		284%
12	15084.01.000.026	10.543.861	12.018.952	13.255.452	14.002.741		133%
13	15084.01.000.031	26.914.000	137.830.179	150.118.479	153.676.680		571%
14	15084.01.000.032	15.422.900	91.659.680	111.134.980	112.474.924		729%
15	15084.01.000.047	4.180.100	17.141.193	21.060.693	22.029.402		527%
16	15084.01.000.200	3.792.000	8.741.409	9.991.109	10.514.613		277%
17	15084.01.000.141	211.000	2.042.984	2.702.584	3.023.184		1433%
18	15084.01.000.142	3.304.500	3.952.668	4.683.168	5.074.168		154%
19	15084.01.000.334	11.006.300	74.412.502	98.490.502	111.874.132		1016%
20	15084.01.000.660	2.240.000	20.715.749	38.512.449	46.474.179		2075%
21	15084.01.000.701	3.858.793	49.902.193	60.322.593	65.611.053		1700%
22	15084.01.001.082	240.000	2.629.100	3.057.000	3.251.904		1355%
23	15084.01.000.108	4.168.900	5.123.628	5.988.328	6.623.435		159%
24	15084.01.000.627	2.234.700	2.924.300	3.680.900	4.140.200		185%
25	15084.01.000.897	608.400	1.482.300	2.033.850	2.181.115		359%
26	15084.01.001.009	480.000	767.100	997.600	1.115.200		232%
27	15084.01.001.171	500.800	1.319.550	1.573.350	1.049.944		210%
28	15084.01.001.308	562.000	562.000	1.054.050	1.316.742		234%
29	15084.01.000.281	12.185.700	32.281.931	11.094.581	1.805.065	110.000.000	903%
30	15084.01.000.397	16.623.900	5.145.193	7.206.193	2.172.102	27.500.000	165%
31	15084.01.001.270	445.000	514.800	602.600	615.700		138%
32	15084.01.001.282	445.000	497.400	567.100	564.200		127%
33	15084.01.001.142	500.700	1.878.750	1.401.700	1.392.548		278%
34	15084.01.001.207	500.000	604.400	739.700	741.000		148%
35	15084.01.001.367	445.000	445.100	643.300	1.260.682		283%
36	15084.01.001.463	615.800	-	-	705.900		115%

No	BA	ASSETS NOW PASCA FL				Change in assets	asset increase
		PRA FL	PASCA FL				
			Tahun	2017	2018		
		Rp	Rp	Rp	Rp		
<b>Amount</b>		<b>280.599.779</b>		<b>871.613.894</b>	<b>303.500.000</b>	<b>21046%</b>	
<b>Average</b>		<b>7.794.438</b>			<b>24.211.497</b>	<b>75.875.000</b>	<b>585%</b>



From the table above there is an increase in the assets of husband and wife members who have participated in financial literacy. Judging from the average, the 585% increase in assets is seen as both savings accounts and stocks or business assets and property.

#### The Role of Financial Literacy Education From the Side of CU Angudi Laras

The main problem raised in this study is the management of family finances not only how much money is owned but how the pattern of regulation and utilization of money can build assets in the future for welfare. The family financial management system is determined by the role of husband and wife as determining policy. From the results of in-depth interviews with husband and wife respondents who were members of CUAL and had attended Financial Literacy training, according to Lusardi's concept (2008) that there were five indicators of changes in Financial Literacy participants

##### 1. Basic Knowledge of Personal Finance (Basic Personal Finance)

Husband and wife members who jointly or separately take part in financial literacy revealed that there was an additional understanding of calculating the interest rate that simply applies at CUAL, has the ability to utilize the money they have for productive activities (venture capital) and there is an increase in managing existing finance for life in the future. This can be seen from the addition of savings in CUAL over the past three years. Average increase of 5.17% per member (both husband and wife)

##### 2. Knowledge Regarding Money Management.

This concept covers how each individual can manage and analyze their personal finances. A good understanding of financial literacy provides good financial practices in the financial management of each individual. This concept is demonstrated by the past three years increasing the number of husband and wife members who have savings for future preparation such as savings in Pesanggarahan, Emergency Funds, and Old Age Savings. An increase in the number of savings from husband and wife members in CUAL can prove that husband and wife members who have attended Financial Literacy training have improved understanding of financial management well, so the ability to increase savings increases.

##### 3. Knowledge of Credit and Debt (Credit and Debt Management)

One of the materials provided by CUAL during the Financial Literacy training was how to calculate net worth by calculating how much assets owned could cover liabilities / debts. Net worth can be said to be positive if the amount is greater than the amount of debt it has. From this concept, it is able to equip members to be wise in managing debt properly, namely for the purpose of building assets. With the increasing needs of each member, especially husband and wife members, resulting in an imbalance in expenditure and income, every family must be able to use credit and debt as a solution to the problem. The behavior that arises is the involvement of husband and wife together in managing debt from CUAL to build a business. Of the 36 husband and wife members 94.4% own a business and 77.8% utilize loans from CUAL for productive businesses.

##### 4. Savings and Investment Knowledge

After participating in FL the ability of husband and wife members to manage family finances related to savings and investment increases. 100% of husband and wife members claim to have increased awareness in saving and increasing productive assets, for example

by increasing ownership of assets such as land, vehicles and investing part of their assets for investment in other parties.

#### 5. Knowledge About Risk (Risk Management)

In general, the risks faced by each individual include: Risks due to death, accidents or illness (Personal Risk), responsibility for economic losses of others due to our negligence (Risk of Liability), and risk of damage or loss of assets owned (Asset Risk). Financial literacy training increases their understanding and awareness to allocate funds for savings in emergency fund products. 77% of CUAL members who have attended financial literacy education have an emergency fund at CUAL.

#### The Role of Financial Literacy Education on Husband and Wife Financial Behavior

Based on in-depth interviews with 36 husband and wife members of CUAL who have attended financial literacy education, it was found that:

Judging from the financial actions taken by members of a married couple are: 24% behave very frugally with an indicator that the family saves money anytime; 62% of husband and wife respondents claimed to behave rather sparingly so that the money they could be able to save; and 14% have no berorietansi on savings or expenses. In conducting financial actions, husband and wife members who have attended financial literacy education as much as 88.89% have the ability to cash out their ideas and skills. 83% of husband and wife members have done family financial planning, 72% of husband and wife members have recorded income and expenditure activities every day. The ability to plan for the future is shown by 100% of husband and wife members who have old age savings and emergency funds. 83% have confirmed funding for children's education from kindergarten to bachelor. Judging from the change in habits of husband and wife members who have attended financial literacy education, behavioral improvement has increased to 100% of members conducting financial discussions and problems in the family, husband and wife commitment in financial management is obtained after attending financial literacy education.

This study produces findings that husband and wife members who have attended Financial Literacy education have the ability to save both in the form of savings at CU Angudi Laras and in the form of purchasing productive assets such as the addition of land assets, vehicle assets and investments to ensure family life in the future. 94.4% of husband and wife members use loans from CU Angudi Laras for productive purposes / businesses including creating new businesses, developing businesses and used to add savings / savings.

This study supports the research of Rodhiyah (2012) which conveys that money functions as an instrument to accumulate wealth and assets to guarantee prosperity. Based on in-depth interviews with husband and wife respondents, it can be concluded that there is a change in husband and wife behavior in managing family finances. Husband and wife members have open communication both in spending money and income earning efforts. This is in line with research Noviyanti and Denziana (2010) said that there are several key

concepts of family financial management that are important to know to manage family finances professionally.

## 5. CONCLUSION

Family financial management requires communication and cooperation between husband and wife as a determinant of the success of financial management. Consistency is also an important part of managing finances with financial skills. The husband and wife of CU member Angudi Laras had a significant behavior change after attending financial literacy education. In married families CUAL members have the ability to manage household finances and are able to plan for the future. This means that the family has a measurable indicator associated with an increase in assets owned. During the last three years from 2017 to 2019, it was found that on average 86% of husband and wife members had an increase in assets both savings / savings and other assets by 585%.

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# HEALTH SERVICE INNOVATION THROUGH THE HEALTHY KUPANG BRIGADE PROGRAM IN KUPANG CITY

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## ABSTRACT

This study aimed to find out the implementation of healthy Kupang brigade innovation, the factors that influence the implementation of healthy Kupang brigade, as well as the health services received by the community. The type of research used was qualitative research with informant as many as 7 people. Data collection techniques used were observation, Interview, and documentation. The results of this study indicated that the implementation of healthy Kupang brigade innovation has been well implemented with various advantages. As for the level of difficulty although the implementation of the innovation of Kupang healthy brigade implemented and could be seen clearly by the community in the practice of innovation. The implementation of the Kupang health brigade innovation in Kupang city was influenced by the commitment of Kupang city government and the strong DPRD (legislative) in providing human resources, adequate, facilities and infrastructure which support the implementation of healthy Kupang brigade

**Keywords** : Innovation, health service, healthy kupang brigade

## 1. INTRODUCTION

Health is an important part of public welfare, health is also one of the basic needs besides clothing, food, and shelter. Health problems should have good management, especially health policies. Where health policy has a strategic role in the development and implementation of health programs. Health policy also acts as a guide for all elements of society in acting and contributing to health development through the design and implementation of sound health policies, expected to be able to control and strengthen the role of stakeholders to ensure maximum contribution.

Exploiting potential resources and removing barriers to the implementation of health development and in this case the government intervened under the Ministry of Health (MOH). Government has the role to carry out the functions of service and regulation of citizens. To implement these functions the government carries out service, regulatory, coaching, coordinating and development activities in various fields. the goal of health development towards healthy Indonesia is to increase awareness of kamauan, and the ability to live a healthy life for everyone in order to realize an optimal degree of public health.

This goal can be achieved if there is multi-sector support in an effort to support integrated health development among all stakeholders in the health sector. Departing from this awareness, the Indonesian government always strives to provide the best for the people of Indonesia.

Therefore the Kupang City government through the health department also continues to strive to improve the health status of the people of Kupang City because there are still many people who have not felt optimal health services due to inadequate health facilities,

it is still difficult for the poor in receive health services because medical costs are so expensive that the city of Kupang has issued one of the innovative programs, the Kupang Healthy Brigade, this program is expected to be able to help the community in health problems.

The Kupang Healthy Brigade program is a model of the ball pick-up service system so that if there is a sick community, all that remains is to call the Kupang Healthy Brigade team's call center and officers come directly to provide health services to people in need using the Kupang Healthy Brigade ambulance that has been equipped with emergency facilities. and emergency medicine. This healthy Kupang Brigade program serves the entire community of Kupang City, both rich and poor, and is free of charge or free to the entire community.

Ministerial Decree No.58 of 2002 grouping public services into three namely: administrative services, goods services and services. Service is defined as the type of service provided by the service unit in the form of infrastructure advice and its support. According Syafiie (2003) services consist of three main elements, namely, 1. Relatively lower costs, 2. Time to do relatively faster and 3. The quality provided is relatively good.

In terms of language, according to Oxford Learner's, (in Suharsaputra 2016) innovation is making changes or introducing new things. According to West and Far (Ancok, 2012) innovation is the introduction and application of all new ideas, processes, products and procedures to the units that implement them, which are designed to benefit individuals, groups, organizations and the wider community. According to Albury (Suwarno, 2008) more simply defines innovation as new ideas that work.

According to Halvorsen (in Suwarno, 2008) said that innovation itself can be categorized as follows: a) incremental innovations - radical innovations, innovation is related to the level of authenticity (novelty) of the innovation itself. In the industrial sector most innovations are incremental improvements. b) top-down innovations, bottom-up innovations, explaining who is leading the process of behavior change. c) need - led innovations and efficiency - led innovations, the process of innovation that was initiated has solved the problem in the context of increasing the efficiency of services, products and procedures.

According to Roger (Suharsaputra, 2016), said that there are five characteristics of innovation, namely:

Relative advantage, an innovation must have advantages and more value compared to previous innovations. there is always a new value inherent in innovation that characterizes and distinguishes it from previous innovations.

Conformity, the degree to which innovation is felt in accordance with existing values, previous experience and the needs of most people. Innovation can be compatible not only with cultural values but also ideas adopted previously.

Complexity, the degree to which innovation is considered something difficult to understand and use. With its new nature, innovation has a level of complexity that may be higher than the previous innovation.

Ease of observation, the degree to which the results of innovation can be seen by others, an innovation must also be observed in terms of how it works and produce something better. the easier it is for someone to see innovation, the more likely that person or group of people will adopt it

Mirnasari (2013) innovation in the public sector is one way or even a "breakthrough" to overcome congestion and deadlock in public sector organizations.

Pasolong (2007) service is defined as the type of service provided by the service unit in the form of infrastructure and its supporting facilities, the final product being services that bring benefits to the recipient directly and are used up within a certain period of time Menurut Moenir (2006) ada tiga macam bentuk pelayanan umum yaitu layanan dengan lisan, layanan melalui tulisan dan layanan melalui perbuatan.

According to Lavey and Loomba (Azwar, 1996) said that health services are any efforts carried out alone or together in an organization to maintain and improve health, prevent and cure diseases and restore the health of individuals, families, groups and or the community.

The quality of health services in the management practices for the health professional book quoted by Marjati (2013) says that there are many aspects used to assess the quality of health services can be assessed from the structure of the service itself and how the form of services provided includes the scope of services, levels education that provides services, or various other characteristics.

Health service standards according to Pohan (2004) explain the notion of health service standards which is an organizational tool to describe the quality of health services into operational terminology so that everyone involved in health services will be bound in one system, be it patients, health service providers, health service support , as well as the management of health service organizations and will be held accountable in carrying out their respective duties and roles.

According to Anggara (2012) said that there are several basic elements in the service, namely: a) Strategy, or plan used to achieve certain goals or objectives that have been determined. b) Structure, i.e. to achieve organizational goals, it is necessary to have an organizational structure that can be translated into functional tasks. c) System, the information system in the organization must be made in such a way so as to facilitate a fast and correct working relationship both the existing facilities and infrastructure and adapted to technological advances without reducing effectiveness and efficiency. d) Staff, here linked in the selection of staff to fill the organization sought to be supported by appropriate staff through good recruitment. e) Skill, in running an organization it is necessary to increase skills continuously to anticipate any changes in the organization. f) Style, which is the behavior in the manager or the style used in achieving the goals or objectives of the organization. g) Share value or super or goals that all others will focus on in superordinate goals.

According to Maxwel (Achmad 2010) revealed that there are several criteria for quality service, including the following: a) appropriate and relevant means that services must be able to meet the needs, expectations and needs of individuals or the community. b) available

and affordable, meaning that services must be accessible to every person or group that gets priority. c) can guarantee a sense of justice, meaning open in giving treatment to individuals, or groups of people in the same circumstances. d) acceptable, meaning that service has quality when seen from the technique or method, quality, convenience, comfort, fun, reliable, timely, fast, and responsive. e) economical and efficient, meaning that from the point of view of service users it can be reached through all levels of society. f) effective, meaning that it benefits the user and all levels of society

## 2. RESEARCH METHODS

This research was conducted and planned to last for one month. The location of the study was conducted at the Kupang City Health Office, and the Kupang Healthy Brigade team headquarters.

Accompanied by the consideration that conducting research on innovative health services through the Kupang Healthy Brigade program is to find out the implementation of the Kupang Healthy Brigade in Kupang City and to know the factors that influence the implementation of the Healthy Kupang Brigade in Kupang City.

This type of research used in this study is a qualitative study that seeks to explain as detailed as possible the objects and research problems based on the facts obtained in the field regarding the implementation of the Kupang Healthy Brigade innovation in Kupang City. This type of research used in research is phenomenology which is a form of research that aims to provide an overview of various types of data collected from the field objectively based on the phenomena that occur based on one's life experience

As for the data source used is divided into 2 namely primary data using interviews with a number of people relating to the implementation of the Kupang Healthy Brigade in Kupang City and secondary data by collecting documents or written reports relating to the implementation of the Kupang Healthy Brigade innovation in Kupang City.

The number of informants in this study were 7 informants consisting of the Head of Kupang City Health Office, Head of Disease Control and Eradication (P2P), Kupang Healthy Brigade team coordinator, health workers and three community members as users of the Healthy Kupang Brigade. through several techniques including in-depth interviews, observation, and documentation.

## 3. RESULTS AND DISCUSSION

Based on the results of research obtained about health service innovation through the Kupang Healthy Brigade program in Kupang City conducted using interviews, observation and supported by several documents where the questions used in the form of interviews and obtain positive question responses from the respondents.

In this study there are several indicators of the Kupang Kupang Healthy Brigade program that the Kupang City government wants to achieve, namely equity and improvement of the quality of health services, facilitating access to health services and bringing services closer quickly and foremost in the health services innovation of the



Healthy Kupang Brigade. To assess the extent of innovation in health services The Kupang Healthy Brigade was held in the city of Kupang.

Among them are the characteristics of health services innovation in the Kupang Healthy Brigade, namely: a) Relative Excellence. b) Conformity. c) complexity and d) observability. and to find out the factors that influence the implementation of health services innovation in the Kupang Healthy Brigade program in Kupang, among others, namely: The commitment of the City of Kupang in this case the Mayor of the City of Kupang and the DPRD are strong in providing good services to the community, infrastructure and resources human.

Based on the results of research and data from informants that have been collected by researchers, the next step taken is to analyze the data that has been collected. So that the data obtained at the time of the study can answer the problems that have been formulated.

Innovation in the health sector, especially in the city of Kupang is certainly very important because various phenomena that occur in health services that are uneven in terms of public services certainly requires an increase in the quality of health services through improving facilities and infrastructure as well as increasing access to health services to the community.

Kupang Healthy Brigade Service is one of the government's new ways of providing health services, especially for people whose conditions are emergency or conditions that are not possible to be able to come health care centers such as hospitals and health centers. So this service needs to be assessed whether it is a new way of providing health care and providing added value to previous services.

During this time there are still government programs that are complained of by the community because they are considered not to directly touch the interests of the community or do not provide benefits that are needed by the wider community in terms of the health sector, especially for the poor or the people who live far from access to health services.

In the implementation or practice of the Kupang Kupang Healthy innovation in the city of Kupang has shown good results where the government as a policy maker or program has answered the challenges that become the needs of the community in public services, especially in terms of innovation in health services where health is one of the important needs for the community.

The implementation of the Kupang Healthy Brigade Innovation in Kupang City as a whole has run according to expectations where the Kupang City Health Office in this case the field of disease control and eradication (P2P) and the whole Kupang Healthy Brigade team in Kupang City as the implementers of the Kupang Healthy Brigade program have worked as well as possible. This can be seen from the number of users in 2017 which amounted to 5,324 users of the Kupang Kupang Healthy Brigade. This shows that the implementation of the Kupang Healthy Brigade program has met the needs of the community in health services, which still needs improvement.

In practice or implementation of the Kupang Healthy Brigade program, the Kupang City Government has objectives to be achieved through the Kupang Healthy Brigade program, including the following:

Equitable distribution and improvement of the quality of health services through the Kupang Brigade program for the people of Kupang City. Because of increasingly intense competition and increasingly selective communities in receiving services and having extensive knowledge requires the Kupang City government in this case the health service providers to always improve the quality of their services. In the implementation of the Kupang Healthy Brigade program to date, the Indicators of equity and improvement in the quality of health services through the Kupang Healthy Brigade program have been carried out quite well because the quality of the Kupang Kupang Healthy service is easily accessible to the community even though health services are not yet received by the entire community. The City of Kupang is due to the lack of infrastructure and human resources available in the Kupang Healthy Brigade Team in the City of Kupang.

The second indicator of achievement:

Facilitate access to health services through the Kupang Healthy Brigade program. Limited accessibility is one of the main factors that health facilities are not yet optimal so that they have not touched people who live far from health service providers such as puskesmas and hospitals. Achievement indicators namely facilitating access to health services through the Kupang Kupang Healthy Brigade program have been well implemented as evidenced by the satisfaction obtained by people who live far from access to health services. It is now easier to access health services and the last indicator to be achieved is:

Bring health services fast and cutting edge through the Kupang Healthy Brigade program. The community has the right to get quality services in accordance with the wishes and objectives of the service itself. The existence of equal treatment of speed, ease and affordability of access to services provided is one of today's people's desires. The ultimate achievement indicator, which is to bring health services quickly and at the forefront through the Kupang Healthy Brigade program, has been well implemented as evidenced by the satisfaction received by the community due to the speed of service provided by the Kupang Healthy Brigade team to the community, namely in providing services to patients' homes, the time needed to be able to serve patients quickly, which only takes between 10-15 minutes, then the Kupang Sehat health officer can provide services to the community in their homes.

The excellence of an innovation is a very important aspect in implementing a program. An innovation must have more advantages when compared to previous innovations. There is always a new value inherent in innovation that characterizes it from the others. The greater the relative superiority felt by adopters, the faster the innovation is adopted. Based on the results of the informants, it can be concluded that the benefits of the Kupang Kupang Healthy Brigade innovation starting from the free cost, the implementation mechanism and the service will provide its own characteristics so that people can easily use the Kupang Healthy Brigade and these advantages can provide an outcome good so that the objectives of the Kupang Healthy Brigade program can be achieved.

Excellence Kupang Kupang Brigade Innovation Innovation that varied will certainly have an impact on the community as users of the program and is expected to further increase community interest, of course, which will continue to increase every year and better health services. The advantages of the Kupang Healthy Brigade innovation include the following:

This service uses a system of "Pick Up the Ball" to patients, the cost for access to the Kupang Healthy Brigade is free for the community and for all people regardless of social status and the Kupang Healthy Brigade service mechanism that is easy enough with a call center (0380) 827777 parties from the Kupang Healthy Brigade team will come to the house to serve and the Kupang Healthy Brigade team also takes a pre-referral triage action where the Healthy Kupang Brigade acts as a referral traffic to patients for example if the patient is categorized it is sufficiently observed at home whereas if the patient is categorized as moderate disease then it will be referred to the puskesmas and for patients categorized as serious illnesses they will be referred to the Regional General Hospital and the Kupang Healthy Brigade Service 24 hours.

Complexity, There are certain innovations which can easily be understood and used by adopters and those who are otherwise. However, because an innovation offers a newer and better way, this level of complexity is generally not an important issue. Based on the results of data analysis from informants, conclusions can be drawn in an innovation in this case. The Kupang Kupang Brigade is inseparable from a number of things and in general the complexity or difficulty of the Kupang Healthy Brigade program is more about the lack of coordination with patients in telling the location address and the lack of awareness of the public transport drivers who do not want to put the ambulance first.

Some of course there are innovations that can easily be understood or used there are also conversely the more difficult to understand and understand, the longer an innovation can be adopted.

Conformity is the level at which innovation is felt to be in accordance with existing values. innovation can be compatible not only with the cultural values held but also the ideas adopted previously. Old ideas are the main tools for evaluating new ideas. Innovation also has a compatible nature or compatibility with the innovation it replaces. The Kupang Healthy Brigade program is in accordance with the conditions of the people of Kupang City who do need to deal with emergency problems quickly but do not have the costs to go to a health center or hospital and greatly facilitate the people who live in the suburbs of Kupang City who are far from access to health services such as Hospitals and puskesmas.

The ability to be observed from an innovation is a very important part in assessing an innovation. An innovation must also be observable in terms of how it works and produce something better and can be accepted by society, the easier it is for someone to see innovation, the more likely a person or this group of people adopted the innovation. In creating an innovation, it is certainly expected to have a good impact and be accepted by society. Based on the results of data analysis from informants it can be concluded that with the Kupang Healthy Brigade program in terms of practice in the field or the results that can be felt by the community can be seen clearly, this shows that the role of the community in

the practice of innovation for the community as service users is part or determinant in assessing the Kupang Kupang Healthy innovation.

The Kupang Healthy Brigade innovation has certainly had such a large impact on the community, especially in health services. And the practice in the field can often be seen by the community and this shows that the Kupang Healthy Brigade innovation has been implemented. In this case the community certainly has a role in assessing whether the Kupang Healthy Brigade innovation is said to be successful or not because this innovation is of course the target is the community itself in accessing health services at home.

In an innovation or program in its implementation in the field, of course there is an influence during the implementation process takes place. Likewise, the innovation of the Kupang Healthy Brigade program which has been carried out since 2014 has run until now, of course there are factors that influence the implementation during the innovation process, including the following: The commitment of the City of Kupang in this case the strong Mayor of Kupang in providing good and quality services for the entire community of Kupang City is the most important factor that supports the implementation of the Kupang Healthy Brigade program and is supported by the DPRD as the budget giver who is always consistent in supporting the Kupang City government program this is so that the Kupang Healthy Brigade program that has been carried out from 2014 can run well. Other factors that influence the implementation of the Kupang Healthy Brigade innovation program are:

The facilities and infrastructure that have been provided by the city of Kupang in this case the Health Office of the City of Kupang through the Kupang Healthy Brigade team as the implementer of the Kupang Healthy Brigade program consists of 4 ambulance fleet units that have been equipped with complete facilities to handle emergency patients such as oxygen cylinders , infusion bottles, blood pressure monitors, heart detectors (ECGs), and emergency drugs.

The facilities and infrastructure provided in the health service sector are the responsibility of the government in this matter to improve health services to the community in line with the increasing needs of the community. community needs in the current era of globalization. The Kupang Healthy Brigade program innovation implemented by the Kupang City government through the Kupang City Health Office is one of the programs aimed at providing improvements to health services for the entire community of Kupang City which so far is still far from expectations.

Of course, to achieve the goals of the Kupang Kupang Healthy Brigade program innovation and the implementation goes according to expectations, it is necessary to have facilities and infrastructure to support the implementation of a program issued by the government.

Human Resources is the most important element in implementing a policy or an innovation program in this case the Kupang Kupang Healthy Brigade innovation program. So, no matter how good the Kupang Healthy Brigade's innovation is without the support of adequate human resources, it will affect its implementation in the field, so that the ability of the human resource itself must be considered through training.

To create adequate human resources, of course, the expectations of all public organizations and the community itself as users. In this Kupang Kupang Healthy Brigade program innovation certainly requires human resources as program implementers therefore the Kupang City government has formed a Kupang Healthy Brigade team consisting of 8 doctors, 26 nurses or midwives who have participated in GELS / PPGD training and have certified that makes it easy for them to deal with emergency patients who need treatment quickly and is also assisted by 8 driver staff who have been divided according to the work siff and 2 janitors of Human Resources as executors and assist in implementing innovation through the Kupang Healthy Brigade program in the City Kupang.

#### 4. CONCLUSION

Based on the results of the study the authors conclude that: In general, the implementation of the Kupang Healthy Brigade innovation in Kupang City, which began in 2014, which was carried out by the Kupang City Health Office through the Kupang Healthy Brigade team, has so far been carried out quite well.

Of course this is evidenced by the number of users of the Kupang Healthy Brigade, which to date amount to 5. 324 people. Of course, the number of users is free from the advantages of the Kupang Healthy Brigade innovation which uses the "pick up ball" system, which is if there are people who need emergency handling cases, then just call the call center (0380) 827777 which operates 24 hours and is free for all Kupang residents. The advantage of the Kupang Healthy Brigade is that the Kupang Kupang Healthy program operates 24 hours a day and is free for all Kupang residents without exception and makes it easy for people who live in the outskirts of the city of Kupang who are far from access to health services such as health centers and hospitals even though in its implementation There are some complications such as difficulty in accessing patient locations that cannot be traveled by ambulance due to the hilly conditions of Kupang City and the lack of awareness of public transport drivers who do not understand well the tasks of the ambulance that must be prioritized because there are patients who must given immediate help

In implementing the Kupang Healthy Brigade innovation, it is supported by the government with the availability of infrastructure such as 4 ambulances that have been equipped with emergency facilities such as oxygen cylinders, infusion bottles, blood pressure monitors, heart detectors (ECGs) and emergency medicines and are implemented by sources professional human power.

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# PRACTICAL CONSIDERATION FOR KNOWLEDGE ERA OF NETWORKING

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## ABSTRACT

A Transition period in era of knowledge is profound of new exchange principal. So many new principles are learned. People have worked using technology do help and provide understanding to supported the system. Knowledge era allow to inform overview of various abstraction using a computer. The concept of automatic routine can be use to operate on their own. Particularly, activities are faced with coverage of issues linked to computerization and networking. In this process raises implicit values. It forms attitudes, policies, awards and procedures. The integrative process involves developing ideas on technology, capability, and human growth and development. It's not only the storage but the connected devices on networking. The paper is presents practical consideration to support the conceptual principal of the early knowledge era in networking

**Keywords** : Era of Knowledge, A Transition Period, Automation, Practical Consideration

## 1. INTRODUCTION

The using of technology on teaching and learning was particular concerned. The gap between technology studied in schools, as well as activity of work, requires knowledge of digital learning and softskill skills in the 21st century. Educators try to improve these knowledge and skills so that students are not left behind in using technology. Almost people have worked using technology do help and provide understanding to supported the system.

The transition period between late agricultural to early industrial have accompanied profound of new exchange principal. it's informed by rise of scientific thingking, political exchange, technological innovation, and other factors.

Table 1.1 Source of wealth and types of organization

	Late Agricultural	Early Industrial	Late Industrial	Early Knowledge
Source of Wealth	Land	Labor	Capital	Knowledge
Type of organization	Feudal	Proprietorships	Steep Hierarchies	Knowledge Networking

## 2. DISCUSSION

### 1. Historical Era : Interrelating Generation of Knowledge

A transition period era of knowledge isn't simple or a cumulative process. So many new principles are learned, along with the old principles were not studied anymore. Gap between era will bring up weight of thinking about a fundamental view. Attitude have a tough barrier with the era because important part of life everyday. Because this shade is known, there is no alternative and it also accepts into a narrow definition of the work.

A valuable era of knowledge isn't from accumulated knowledge only but ability to realize new patterns. Constantly, people sort out ideas to impress, intuition, and understanding. This is a human being has ability of group or organize a significant pattern on a new occurrence. The fact known can be pervade, for process raises the dynamic phenomenon on knowledge. This indicates assistance to facilitating and seeing a significant pattern, then providing a more effective response.

## **2. Automation**

A full knowledge able to process of policy. On the knowledge era allow to inform overview of various abstraction using a computer. The concept of automatic routine can be use and has been long history. In Ancient Greek, trying to find equipment in changing routine work of a particular job routine. The word automatically comes from Greek "automatos" which means to act itself. The word "automatically" lead to equipment, processes or systems able to operate on their own without assistance.

Aristotle, as a politician, aware a coil and harp that work automatically with orders and anticipate events : there is a condition that can be imaginative. when the object can do with command or intelligent anticipation. such as the Daedalus statue or the three-wheeled carriage made by the Hephaestus can move on its own. This equipment can move the place of God of Olympus, the coil moves weave itself and the sound play itself on the harp. Today, Aristotle's vision has been reached. Engineers have given overview of transform, process of equipment with numerical control distribution systems to control centers of machine.

## **3. Integrating : An Evolving Concept**

There are two concepts of computer science that can help with activities, namely multiplex systems and virtual memory. Multiplex systems bring out parallel transmission more than one message on single line. A person can duplicate from a project to another project, that someone swap attention from one task to another on a short command. The concept of virtual memory has been created on computer system to run more memory of program than regular memory that provides a place for information. Particularly, activities are faced with coverage of issues linked to computerization and networking. In this process raises implicit values. It forms attitudes, policies, awards and procedures.

### **3.1 The Integrative Process**

The integrative process involves developing ideas on technology, capability, and human growth and development. It's not only the storage but the connected devices on networking. These integrative process person's ability to view, interpret, and determine attitudes to a significant pattern. On placing a new technology into the traditional hierarchy will affect to adaptation and capability or will be stuck on the complexity and inability to set various elements or variables. The toughest problems are not on technology, but on attitudes. When Someone still thinking around the boxes, collaboration between functions will continue into politization, climate distrust, and fragmentation always occur. Capacity of adding and generating value can be done through envision, consisting of elements, philosophy, values, objectives, and related factors. A real vision has a sense of consciousness



in design, product, process, and service. When someone participates in a group, they usually want to prove their intelligence to another. For this competitive obtained from schools where learners are competing with others, vying for the teacher's award, very rarely students are taught to learn with other peers.

One of simple way to change norm on being openness when someone participates in a group, tries to actively learn two or three new things with the other inside the room into learning mode. They feel listened to another and affirm from the others.

### **3.2 Practical Consideration**

Practical considerations help build knowledge of networking. Practical consideration has nothing to be a priority, the practices are interrelated. These practices help develop a networking,

- a. Developing visionary ability
- b. Developing function of center of Excellence (Center of Excellence)
- c. Developing technical network infrastructure
- d. Data integration strategies
- e. Develop capabilities various paths on internal team and between agencies.
- f. Develop learning, re-learning, and abilities that are not owned.
- g. Develop norms, values, awards, and measurements
- h. Develop the ability to support team and
- i. Cultivate knowledge base actual virtual planning

These designed to support the conceptual principle of knowledge, peer networks, integrative processes, work as conversation/ dialogue materials, time, and virtual teams that are focused.

### **4. Navigating The Transition**

Vision is a combination of elements, strategic dialogue, plan, objectives, mission, critical factoring, philosophy, value and judgment, which realism. As the agencies are implementing a dialogue strategy with the user's reseller. Reinforces direction translated to concrete plan, objectives, and mission. Subconsciously, relates directly the ability, philosophy and value develops on the path of the norm, ability to assess and aspirations.

Objectives can help coordinate efforts to reduce boundaries of tradition. Particularly, the range can be effective to developing focus on satisfaction measurements, timeliness, placement issues, cycle time reduction. Philosophy and values can be defined as spirit. It's simple, one or two direct statements can be used. Statement conduct to the satisfaction, the importance of the right relationship, and the values. Statements also united to differing values, and the need for honesty and integrity. The crisis bond that must be passed to succeed. Such quality cannot be recognized on piece. Another thing affair or task process. Commands task process can reduce constraints. In addition, development of materials and quality must be connected together to complement each other.

Elements ignored visualization are realism. Realism attempt see things without idealism, speculation, and idolisation. Behavior of realism actually behave. Shyness trap of

blind enthusiasm. Trait is awareness in harmony and time when crisis occurs. Trait must be resolved by oneself. Trait is just like drifting on success or moody in failure. Visualizations are available. Not only for highest positions. If leaders, professionals, and workers are not established, the vision will irrelevant. On the good vision, strong interwoven dialogue between visionaries and certain skills. Often the ethics of idea give a generalization of certain shadows of reality. Actualization should expected to be charged and enriched on visualizations, based on specific occupations. These will help maintain current of suffix, and renewal.

Center of excellence from sequential (sequel) to (parallel), knowledge and ability will be more and more demonstrated. Therefore, the function of tradition should choose the best individuals gained, giving time, and money. It is keep decline knowledge in field. Transition of sequels to parallel will give crisis for professionals. On functional office have two advantages, namely knowledge in the field and mastery in the procedures, standards, and exercise norms. Leaders need more thorough work alongside human resources in hiring, promoting, and developing careers. Support training, education, and learning programs keeping on individual area disciplines. Employers should know personnel, aspirations, thinking skills, and uncertainty. In fact, as employers need to build mentoring and coaching relationships with personnel. One way to do this is to visit individuals in getting a picture of the settings, interests, prowess, and databases that can be obtained. This reference can be facilitated place same task on team. This approach is as a consideration seeing individuals on new way. Instead, the beginning in describing the work is set. We can start by enriching definitions of personal interests and abilities. Through contact that employers can help nurture and develop professional resources. The center of Human Resource functional excellence is a resource center. There are no walls surrounding functional position, as employers, professionals and workers will participate to efforts made. It's improves networking process, encouraging professionals to create a balance.

Technical networking on infrastructure realizing actual team no attention to location or individual situation. Circumstances are less important when agencies are putting together a good and flexible network. E-mail, Internet, websites, telecommunications systems, are networks which grow and thrive. Network will increasing, moving, and deleting. Corporate network will connect between internal and external resources. Internal relationship will be formed between finances, work routines, and service. The digital work, products and processes will be designed simultaneously without original prototype. Eventually, material bills can be routes and delivered on the system plan, while information system on the product can be sent on device and other information will be sent on public. Externally, the agency extends electronic data to data exchange. Put this into business aerospace, automotive companies, banks, service companies are only involved the time. Someone can find on self work on the network or the related web, some of the existing data can be tricky and subtle. In order to delivery from within and between agencies, which pay more for products, processes, and services.

Integration of data in issue of "sense of interpretation (meaning)" involve the ambiguity of the language, that is faced with institutions. As they tried use computerization

on the hierarchy. Language used can be ambiguous. When the computer could be used, challenges on memory and cycle storage. Today, memory and CPU are not expensive overall. The challenge has shifted to "intent management".

Several functions are used elements. Tools and technical for data integration are available. Software, machines, data records, relational records, and purpose-oriented data. This helps to support for focusing towards developing data. Instead, upgrade locking the data to support system, many agencies are developing a division and upgrade process. These allows application differences to use the same data. We can standardize means, guidelines, and procedures.

Someone could identifying core data to data record and merged on the architecture data. All the time, expand architecture data developing consistency, and agree of meaning to underlying terms. This process can start by making a list on all existing applications and grouping by different functions. Then using Network Map Technology (local, national, international and so on), we identify existing patterns between this application and cue receiver. Then we develop a list of 20 required items, such as budgets, meetings, plans, projects, tolerances, locations, vendors, and so forth.

Someone choose keyword application and see terminology is defined, not only on the records official data, but importantly circumstances of application, including characteristics. This effort always reveals a different variety to the same or similar provisions. This is a sense of meaning to application, that can make a nightmare in translating a project or creating draft. People can be faced with the ambiguity of the language, but not on the computer. Institution understands the relationship between the application and the provisions of different tastes. We can start off on a simple data architecture. It can be a daunting endeavor, but at a decent price.

Management team is implementing various tasks from within and between. Someone will need a grant to members about visibility and support. But in the hierarchy, team tasks are often invisible especially with they are not involved. Professionals and superiors feel a sense of involvement in the team and work that is usually appreciated. This process needs to be reversed. By organizing on a single cycle, it can show clusters on grouping teams. With the appropriate software, will be able to see the team arrangement

Teams should be responsible for defining goals, objectives, and missions – along with project plans or designs that can be shared on databases. Teams can observe some diversity of activities asking for help or sharing insights. Task teams will be required periodically, so they can exchange progress records theme, focus on critical issues, and strive for a difficult problem. Teams will need harmony to arrangement meetings for focus of work and right track. They will align the effort, vision, and knowledge base.

Building impression and flexibility, using relation, sociotechnical system, participatory, and capabilities. When someone learns that they already have the visibility of participation in their activities, one will put himself in the effort, especially the award and the measuring system set up appropriately. The center of excellence with a variety of team-centered tasks use technical and human resources. Both are used more effectively and more

efficiently. This can be done on the control of a virtual environment, based on human knowledge and ability.

Learning, re-learning, and unlearning in traditional hierarchy focus on training and education. In order to keep generations and knowledge, we need good learners. As organize past experiences, assumptions, influences, and learning, and rebuild main things learned.

When someone participates in teamwork, want to prove with others. For competition, the students differ against the other, competing for the praise of the teacher. Rarely students are taught to learn each other. Even learning, sometimes hindered because worried that if we give a good idea, one might claim the idea. Many cultures are not studied, to do the capacity of learning in a society. Teams had to put the correct pattern at first by listening and learning, then responding very quickly. People depend on insight, and experience in reducing the obscurity and doubt that envelops the possibilities opportunities. Continuous response requires a learning group that is acquired and applied. Unfortunately, some team plans are unsuccessful in collecting go through plan of design. In the final stages of activity, they were dissolved, much of they had turn liquid into vapor.

Periodically, Someone will ask them to share about learning with other teams, thus contributing to the source of knowledge and giving vision. Some goals become highly idealistic, that will not work on the real world. People have learned in the care of sharing ideas.

Emotional scars warn abusive experience has been. This experience cannot be ignored. As long as someone are preoccupied with ownership or possessions, They will weak together. In addition, if someone can initiate understanding of origins of time on humans give vision and recall, people will gain about direction in a new perspective. Instead, given that in participating groups, people will gain appreciation for the development of human work. Simple changes to the rules can open up or possibilities occur.

Values, norms, awards, and measurement systems. It is difficult to form new values and norms, and it supports in recognition and worthy measurement systems. The industrial Era uses hands-on developing skills. It is necessary that builds up the dexterity of mind. The last industry era has been abandoned. In the knowledge era, an insight and knowledge has passed. Industrial era assumed that the distant future. In the era of knowledge find future contains about the present, through active aspirations and visualizations. Vision and knowledge are a minor interest in industrial era. It is everything in the era of knowledge.

Values are main components in visualization. values do not grow on through courses and trainings, but maintain and develop on personal interactions. Trust and openness reflects culmination of leadership as everyone. These values move slowly, can disappear in one night. Fact shows that digital officers can be expected to do the right thing, namely marking trust in employees and measuring integrity, honesty, and policy on management. It is a crisis that we are rapidly expanding on companies from the culture of hesitation or disbelief and devaluation (subtraction) into a valuable culture and believe it. As people perceive, they will reveal some talents and companies will enrich their assets.

There is no list, but norm. People are able to see anyone with integrity and anyone who abuses information. People know anyone who listens and anyone thinks it lasts. People

know anyone who thinks sharing knowledge and anyone hiding behind a position of power. People know anyone who able to share leadership and be able to hold leadership. In fact, good leadership will also show excellence in learning. Future leaders will be able to offer special issues or questions to road deepens and focuses other efforts.

Although this award will continue to be important, they will be equipped with another dimension of appreciation. It is a quality of human interaction. This situation can be very encouraging in the inclusion of group dynamics that encourages human development. Adapt awards, challenges to groups, and awards in achievement only. This helps to produce the best occurrences of ourselves. Community participation in co-creation is the strongest motivator and award, especially when we believe in a thorough effort. For this reason, the leadership principles centred on Steven Covey are highly appreciated.

When joining in an actual company or group dynamics. Someone will interact with peers rather than superior and subordinate. The pioneers supported the developments, the letters killed inspiration. Perhaps an excellence center leader will have a final expression in the awards process, but peer reviews will probably play a growing role. This process will be fairly subjective, but success will depend on the integrity of peers and leaders of the center of excellence . Many awards are given to team success and fewer for the remote firefighter individual. Incentive System (Booster) requires adjustment. The calculation system will adapt it around programs and projects rather than operating expenses. Lots of work to do in this area.

Teamwork in the rhythm of work, some products or services have been made, something else makes sense, and anything else is removed step by step. It is natural and beneficial. Instead, visualizing the organization as mutually exclusive Berkotak-kotak each other, we should think about overlapping team work and overlapping organizations, such as the Venn Diagram. Both things of this incident event Between the functions and between companies.

One time the company installed the network and started directly the network of other companies or through the Internet. This effort can attract teams together across geographic distances and time zones. People don't have the same office space division. The fact uses network expansion. In teams can contain key people from suppliers to clients. The project team includes technicians from automobile companies working alongside teams in design and building efforts.

Challenges in facilitating group cooperation on the team. Just as every task on the team has a rhythm or harmony. Like rhythm or harmony of work on the team. The team develops a harsh reduction process depending on the development of other teams development of concurrent and relevant disciplines, from the dynamic. The team is actually like the tones of jazz songs. It is very unique, both tempo, rhythm, and articulation can challenge and inspire other combinations or other teams.

Capabilities of networking more free in training. These teams were put together not rigid bureaucracy but common vision and familiar source of knowledge. It is valuable on head of people. Man has talent combining. Whatever learned finding a new way of problem

solving. As such, combine understanding of metallurgy, electrical flow, and test results in finding certain types. People can see the situation in a larger context.

Technology of database gain convenience memory based on a dynamic computer configuration. Some technologies have acted as great teachers in how to classify, describe code, and process. In time it has helped humans set up a basic relationship. People need large discipline to caring and maintaining knowledge. Humans should provide maintaining the system. An individual of the team have knowledge that justifies the technical, classification, use of code systems, operating systems, applications, data records, customer profiles, and priceless research developed. Whatever the team that puts the expertise on the surface of the technology can benefit the plans of other.

Even someone has difficulty in assessing the knowledge of how to present as knowledge base, it is a key source vision for the new unique expertise on providing differences. Therefore, the task Team should not only form tasks on hand. But it also contributes to knowledge base and enhances shared business vision. measurement and reward system should justify additional contribution.

### 3. CONCLUSION

Someone can be one of the prisoners in the boxes and lines scheme or experience the challenge of work and team groups, the dynamics of the team and through the scientific network. Can live the life of one's time, as a prisoner of the present, future inspiration, and put the human age as we imply visualization (future vision to the present) and knowledge (past flowing within). Someone can find out one of the superiors and descend on one of the subordinates and include peers in a dialogue about a significant theme on the company's challenge.

Someone can strive for sharing of thoughts and actions to involve process of continuous integration. Looking for capabilities and aspirations to another as an individual or team in order to get a place on job. Look back on the historical era and the changes that have been brought. The transition period into a networking company can't be avoided, until we get carried away and until we do. To choose transaction mode, look for need for satisfaction, redefine the existing reality, and learn how in togetherness or creation together.

On human capacity can react to the pattern of opportunity. This atmosphere provides continuous expertise and sharpens the tempo. As with a networking and teams with others. People can behave convincingly and fragmentation in industrial era. Through transition, humans gained a new sense of accountability towards other things, new feelings of overflowing, and new feelings of co-creation.

Naturally, humans will discover some fulfillment of satisfaction along the way. A person who has difficulties in listening or learning will have difficulty working on a cross-functional team or between companies.

Other challenges on management deal with accountability, attention focus, coordination, and learning. It should, obviously until now that accountability through visualization. Visualizations and knowledge also help some of the virtual teams focus on attention and coordination in their efforts. And when people will be able to open networks

on the principle of concept industry era. People will be able to build in daily life in a sustainable corporate learning practice.

A place of good work, including a whole person, thoughts, feelings and aspirations. This situation is a place of value to diversity, discover the uniqueness of a person on a new idea, and possibilities. People can learn in the use of education and knowledge on encouragement and inspiration from others, such as by the producers of clothing and services.

As humans learn about generating value through actively appreciating ability and aspirations, people will find their passion and flow in the right effort, dynamic cooperation, and knowledge of networking. Even people will know the right path, when language changes and people start with the word "together" rather than "by" and humans are not only talking about the meaning but also working on "the value" of each other. Learning is a continual process for all. Visualization can accelerate pace and man will learn from the experience both successful and unsuccessful. Both are important in learning together.

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# THE ROLE OF THE KELURAHAN GOVERNMENT IN THE COMMUNITY EMPOWERMENT EFFORTS

(Evaluation Study of Kelurahan Function in Community Empowerment, Based on Regional Regulation of Blitar Regency, Number: 8 of 2017, on the Description of Duties and Functions of the District, in Garum Village, Garum Sub-District, Blitar Regency)

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## ABSTRACT

The research objectives are; to describe and analyze the optimization of the function of the village in community empowerment, based on the Regional Regulation of Blitar Regency, Number: 8 of 2017, concerning the Translation of the Tasks and functions of the Village in Garum Village, Garum District, Blitar Regency. The approach used in this research is quantitative descriptive. The results showed the efforts of the Garum village government in efforts to develop community potential are still poor, which is indicated by the government's commitment in the development program that does not provide access to the community, the impact is the development program is more oriented to the interests of the local elite. The Garum village government program in strengthening community potential, power and resources are still relatively poor, as demonstrated by the government's efforts to place more emphasis on physical development programs rather than human development programs. The village government program in protecting the community is felt to be less than optimal, as shown by the government's lack of attention in fostering community members to have a concern for the social environment. Strengthening the capabilities and opportunities of citizens in the process of government administration can foster sensitivity in responding to changes and developments in their social environment.

**Keywords** : Policy Evaluation, Optimization, Community Empowerment

## 1. INTRODUCTION

Indonesia is a country that has a variety of paradoxes, one of which is: Fertile and has abundant natural resources, however, there are many people are categorized as poor. When the economic crisis of 1998-1999 reached its climax, the poor population in Indonesia recorded almost 24% of the total population (40 million people), then in 2002 poverty declined to 18%, but the problem of poverty is still a problem until now and become a serious concern for the government. In the midst of efforts to increase the degree of effectiveness of programs in efforts to reduce poverty, we need a formula for evaluating and monitoring as an instrument to measure the quality of implementation of poverty reduction programs, in order to increase the value of the program in the future.

Kelurahan government is a regional system that occupies the lowest level in the Indonesian government system. The function of the kelurahan has become very strategic in administration and development. The kelurahan government is a concrete manifestation of the central government that having the task of carrying out some of the affairs of the central government, one of which is the development program. Based on those duties and functions, the Kelurahan government becomes a vital factor in providing stimulation to the community to be able to live with a better level. Therefore, the active participation of the community in every stage of the development process is very needed, because the implementation of development policies at the kelurahan level is a manifestation of the wishes and hopes of the community at the kelurahan itself.

Through the Regional Regulation of Blitar Regency, Number: 8 of 2017, concerning the Explanation of Duties and Functions of Subdistricts and Sub-Districts, it is regulated that one of the functions of Kelurahan Government is community empowerment. Based on this function, the



Kelurahan government has a duty to raise public awareness to be involved in the development process. But in reality, the community involvement in the development process was minimal. Moreover, development policymakers are influenced by certain elites, so the impact is that it becomes a plurality of development programs that are not appropriate with the interests of the community. Therefore, the village government needs to grow the will of the community members to take an active role in development, with the aim that development can improve the standard of living of the community.

This study aims to describe and analyze the role of the village in the effort of community empowerment, based on the Regional Regulation of Blitar Regency, Number: 8 of 2017, concerning the Explanation of Tasks and Function of districts and Sub-Districts, in Garum Sub-District, Blitar District.

## **2. RESEARCH METHODS**

### **Research Approach**

This study uses an evaluation research approach because the orientation of this study emphasizes the effort of comparing an outcome/product activity/program with the standard of a predetermined program.

### **Variables and Indicators**

The variable in this study is the function of the village in community empowerment, with the research variable is the optimization of the function of the village in empowering the community, based on Blitar Regency Regional Regulation, Number: 12 of 2008, concerning Organization and Administration of Subdistricts and Villages, with the indicators evaluated are:

1. Creating the potential of a developing society
2. Strengthening the potential, power, community resources
3. Protect the community from the weakening of society

### **Scoring Analysis and Data Tabulation**

The data analysis method used in this research is descriptive qualitative, which is a method of analyzing data by describing data that has been collected as it is without intending to make general conclusions or generalizations. To carry out data analysis, the data of which are ordinal, a Likert scale is required. Sugiono (2002: 73), suggested that: Likert scale can be used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena.

## **3. DISCUSSION**

In the context of community empowerment, there is an aim that village government officials can carry out programs that are more precise about the target in strengthening the citizens of their communities. Village officials are expected to be more proactive in the problems being faced in the surrounding community and are always sensitive to the aspirations that come from the community. There are 3 (three) pillars in community empowerment, namely creating the potential of developing communities, strengthening the potential, power, resources of the community, and protecting the community from weakening forms of society.

### **1. Creating the potential of a developing society**

Community empowerment aims to serve the community (a spirit of public service) and become partners in cooperation with the community (co-production) to emphasize the success of development, and to lead to political maturity in development related to resources and institutional performance in an effort to enhance community access related to community policies towards the priorities of development programs and their management mechanisms. Community empowerment is a process of renewal that is intended to return the community into the main vortex of the life process of the nation and state, and foster community political participation in the achievement of development outcomes.

With the perspective of the above understanding, the effort of community empowerment through the creation of space and community opportunities in the development process, is very much expected in the implementation of the tasks and functions of the village administration as stipulated in the Regional Regulation of Blitar Regency, Number: 8 of 2017, concerning the Organization and Administration of districts and Sub-Districts .

## **2. Strengthening the potential, power, community resources**

Community Empowerment, as a process that builds people or communities through the development of community capabilities, changes in community behavior, and community organizing. So there are 3 main objectives in community empowerment, namely:

a. Develop community capacity.

The ability of the community that can be developed, such as the ability to try, the ability to search for information, the ability to manage activities, the ability in agriculture and many more that are in accordance with the needs or problems faced by the community.

b. Change people's behavior

Community behavior that needs to be changed is of course behavior that is detrimental to the community or that impedes the improvement of people's welfare. Examples that we meet in the community such as, children may not go to school, pregnant women should not eat eggs, people who deserve to talk about village development plans only men, and others.

c. Self-organizing society.

In order to strive for the community to compete in managing the activities or programs that the community develops. Here the community can form a working committee, do the distribution of tasks, supervise each other, plan activities, and so on. Existing adat institutions should be involved because by involving these established institutions, all they have to do is to improve their abilities.

Based on the data assessed from the researchers, it can be assessed that the efforts of the village government in strengthening the potential, power, community resources, in Garum Village, Garum District, Blitar District went poorly, identified from fostering the ability of the poor in developing potential, providing business stimulants for development community potential, providing business guidance in developing community potential, strengthening access to information through the dissemination of various village development projects, and strengthening access to information through the provision of information boards. However, community empowerment as a function of the village government has a strategic aspect in strengthening the

potential, power, and resources of the community, so that the community has independence in solving the social problems it faces.

### **3. Protect the community from forms of community weakening.**

To strengthen the ability of the community to protect themselves, it can be done by changing the behavior of the community. Community behavior that must be changed is of course behavior that can be detrimental to society or which can hinder the improvement of the welfare of the community. For this reason, the kelurahan government can encourage improvement through the values of professionalism within carrying out its activities. The inculcation of the value of professionalism in people's lives is still felt to be unfavorable, such as competitive values, competitiveness, tenacity, and struggle in facing various challenges in their activities.

Success in the implementation of development programs, can not be separated from the role of community self-help, the village government must strive to encourage the concern of citizens in their social environment. One of them is through mutual cooperation as a social glue for the community, so that any difficulties, problems in the social environment can be easily overcome, and encourage the creation of conducive situations in the community.

From the data obtained by researchers, the efforts of the village government in protecting the community from weakening forms, in Kelurahan Garum, Blitar District, went poorly, identified from the planting of professionalism, openness, responsibility, the culture of cooperation, and develop mutual cooperation culture. Through the inculcation of the values of professionalism in the community, the environment can strengthen the ability of the community to ward off / reject all forms of programs that weaken the position of society in general.

Thus efforts to protect the community from the forms of community weakening can be done through the inculcation of modern cultural values such as democracy, professionalism, openness, accountability, hard work, work motivation, and others. The form of the protective effort, as part of the function of the village administration as mandated in the Regional Regulation of Blitar Regency, Number: 8 of 2017.

## **4. CONCLUSIONS AND SUGGESTIONS**

### **Conclusion**

The function of the kelurahan in community empowerment is to increase the capacity and potential of the community so that the community can develop themselves independently in the economic, social, religious and cultural. From the research results of the function of the Kelurahan Garum government in community empowerment, the following conclusions are:

1. Creating the potential of a developing community.

The efforts of the Kelurahan Garum government in developing community potentials are still relatively poor, as indicated by the commitment of the kelurahan government in the development program to provide less access to the community, as a result, the development program is more oriented to the interests of local elites.

2. Strengthen the potential, power, and resources of the community.

The Garum village government program in strengthening the potential, power, and resources of the community, is still relatively poor, as indicated by the government's efforts to prioritize physical development programs rather than non-physical development programs. As a result, the government is less aspirational to the demands and interests of

the community in an effort to strengthen the potential of the community in exploiting the existing potential.

3. Protect the community from forms of community weakening  
the program of the kelurahan government in protecting the community in the form of weakening is still felt to be less than optimal, as indicated by the lack of attention of the village government in guiding community members so that they have concern in the social environment. Strengthening the capabilities and opportunities of citizens in the process of governance can foster citizens' sensitivity in responding to changes and developments in their social environment.

### **Suggestion**

From the findings in the study there are some weaknesses and lacks of optimizing the function of the Kelurahan government in community empowerment, therefore the researchers submit the following suggestions:

1. The kelurahan government committees need to be stepped up to develop community potential so that the community can have the ability to independently access the economic, social and cultural fields.
2. Non-physical development priorities need serious attention for the Kelurahan government, especially in strengthening the potential of citizens in utilizing existing potential sources.
3. Strengthening the ability of the community needs to be increased again so that the community has the ability to protect themselves from all forms of weakening their access to their social environment.

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# THE DECISION MAKING PROCESS FOR THE RECIPIENT OF A HOME RENOVATION PROGRAM

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## ABSTRACT

The problem of poverty in Indonesia is more and more important, a Presidential Regulation Number 15 of 2010 concerning Poverty Alleviation was issued. Bayem Village is one of the villages in the District of Kasembon Malang Regency which runs its own government. Based on Malang Regent Regulation Number 37 Year 2017 Concerning the Amounts and Priorities of the Use of Village Funds for 2017 Budget Year Appendix II CHAPTER II Letter C Number 2 concerning priorities in the village development sector is explained in part A Number 1 point A, namely the construction and / or improvement of healthy homes for the poor , the village government made a home renovation program in order to overcome poverty. The research method used is descriptive qualitative research location in Bayem Village, District of Kasembon Malang Regency with informants from head person, the implementation team of house renovation activities, village treasurer, village apparatus, recipient of house renovation. The results of this study are beneficiaries of the house renovation program selected through the results of the Village Deliberation (MUSDUS) exploration of ideas for the 2017 budget year which continues on the final results of the Village Deliberation (MUSDES) to explore the ideas of the 2017 fiscal year by all MUSDES participants with the results of 3 house recipients Family.

**Keywords** : Uninhabitable house, Condition of homeowner uninhabitable, Recipient of house renovation.

## 1. INTRODUCTION

Poverty Circle or poverty trap is a problem that often becomes a problem in various developing countries. Poverty problems that occur in Indonesia are the reason for the issuance of Presidential Regulation No. 15 of 2010 concerning the Acceleration of Poverty Reduction. The vast territory of the Unitary Republic of Indonesia means that the central government must make poverty reduction strategies more effective and efficient. So the right step in overcoming poverty is to start from the village.

The village as a legal community unit illustrates that the village is the subject of law. The village's position as a legal subject makes the village have rights and obligations towards the assets or resources that belong to the village. Bayem Village is one of the villages in the District of Kasembon Malang Regency which runs its own government. Based on Malang Regent Regulation Number 37 Year 2017 Concerning the Amounts and Priorities of the Use of Village Funds for 2017 Budget Year Appendix II CHAPTER II Letter C Number 2 concerning priorities in the village development sector is explained in part A Number 1 point A, namely the construction and / or improvement of healthy homes for the poor , the village government made a house renovation program in order to overcome poverty.

In accordance with the limited financial capacity of the village, during 2017 the house renovation is budgeted for 3 families with requirements according to village level planning. The problem now is that there are 21 uninhabitable houses in the village of Bayem. Then the right decision is needed in determining the recipient of home surgery to be right on target. Based on the description above, it is necessary to do a research with the title "Poverty Alleviation Program (Decision Making Process of Determination of Reconstruction of Houses in Bayem Village, Kasembon District, Malang Regency)".

In accordance with the above phenomenon, the problem formulation is how the decision process for determining the recipient of a house surgery. The research objectives is describing the decision making process of determining the recipient of a home surgery. Theoretical benefits that are expected to be able to increase knowledge for writers and readers about the government's efforts to overcome poverty. While the practical benefits of this research are expected to be a reference or input for the village government to be able to maximize poverty alleviation efforts.

## **2. LITERATURE REVIEW**

### **2.1. POVERTY**

Poor is defined as the inability to participate in society economically, socially, culturally, and politically. Therefore the form of poverty is not only unidimensional but also includes human poverty and dignity poverty (Lubis, 2004).

#### **Poverty Alleviation.**

Poverty reduction in the era of regional autonomy contains lessons about poverty reduction opportunities, both from the old form compiled in the central government, as well as a new pattern resulting from the composition of the regional government, perhaps also accompanied by the support of the central government or the private sector in the region.

### **2.2. COMMUNITY EMPOWERMENT**

Essentially empowerment is the creation of an atmosphere or climate that enables the potential of developing communities (enabling). This logic is based on the assumption that there is no society at all without power. Every society must have power, but sometimes they are not aware or the power is still not explicitly known. Therefore the power must be extracted and then developed. If this assumption develops, empowerment is an effort to build power, by encouraging, motivating and raising awareness of its potential and striving to develop it. In addition, empowerment should not trap people in the trap of dependency (charity), empowerment should instead lead to the process of independence. (Tri Winari, 1998: 76).

### **2.3. DECISION MAKING PROCESS**

According to James A.F Stoner (in Hasan, 2002: 10) decision making is a process used to choose an action as a way of solving problems.

### **2.4. HOME SURGERY**

Based on Article 13, Law Number 01 of 2011 concerning Housing and Settlement Areas, the Central Government has the role of implementing guidance, and has the task of facilitating the provision of housing and settlements for the community, especially for Low Income Communities (MBR).

## **3. RESEARCH METHODS**

The research method used is descriptive qualitative research location in the village of Bayem Kasembon District Malang Regency with the informant is head person, the team carrying out house renovation activities, village treasurer, village apparatus, recipient of house renovation.

#### 4. RESEARCH RESULTS & DISCUSSION

##### 4.1. Overview of the Research Location

Based on the results of the Village Government Administration in 2010, the number of Bayem Villages, Kasembon Subdistrict which is an area with a population of 6,049 people consisting of 3,103 inhabitants of the male population and 2,946 inhabitants of the female sex.

Of this amount, most of them are the productive age population who occupy the largest percentage. However, there are still many of these productive ages who do not currently have jobs or established businesses. The poverty level in Bayem Village can be seen from the following table:

Table 1. Number of Families

<b>Family Heads</b>	<b>1.818</b>
Pre-prosperous Families	683
Prosperous Family 1	679
Prosperous Family 2	370
Prosperous Family 3	74
Prosperous Plus Family	15

Source: Bayem Village Government, 2017

If a Pre-prosperous family and a class I family are classified as a poor family, then more than 75% of the Bayem Village Family is a poor family.

##### 4.2. Presentation of Results

###### Overview of the House Renovation Program

The House Renovation Program is a program aimed at the government for Low-Income Communities (MBR) which have limited purchasing power so they need government support to obtain a decent home.

Bayem Village is one of the villages in the District of Kasembon Malang Regency which runs its own government. Based on Malang Regent Regulation Number 37 Year 2017 Concerning the Amounts and Priorities of the Use of Village Funds for 2017 Budget Year Appendix II CHAPTER II Letter C Number 2 concerning priorities in the village development sector is explained in part A Number 1 point A, namely the construction and / or improvement of healthy homes for the poor , the village government made a house renovation program.

###### The decision making process of determining the recipient of a home surgery

Decision making is an important step used to solve a problem, as well as the determination of the recipient of a home surgery.



Source: Bayem Village Government, 2017

Figure 1. MUSDES Excavating Ideas for 2017 Budget Year

From the results obtained it can be seen that the decision-making process of determining the recipient of a house renovation involves the participation of various parties starting from the village government, BPD, as well as the community as decision makers who helped formulate the problem, gather facts and finally determine the decision together.

#### Identification of Non-Habitable Homes.

Recipients of house renovations are those who own uninhabitable houses. The number of uninhabitable houses shows that the number of homeowners is also getting higher. The number of recipients of home surgery can be known from the collection of precise and accurate data. The validity of the data will affect the accuracy of the program's objectives.

Table 2. The condition of the house is not livable

No	Name	Address				Home Condition				
		RT	RW	Dusun	Building size	Roof	Floor	Wall	MCK	Other
1	Sya'ir	34	12	Banturejo	50 m <sup>2</sup>	Crumblin g	Earth	Impermanent	Nothing	-
2	Mat Sholeh	36	12	Banturejo	15 m <sup>2</sup>	Leakingr	Earth	Impermanent	Nothing	-
3	Malikah	32	11	Banturejo	30 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
4	Slamet/Arwati	31	11	Banturejo	40 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
5	Puguh Santoso	31	11	Banturejo	30 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
6	Sriani	25	09	Bulung	30 m <sup>2</sup>	Leakingr	Earth	Impermanent	Nothing	-
7	Kamdani	16	06	Rukem	30 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
8	Tubi	20	07	Rukem	50 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
9	Asih Aliman	24	08	Rukem	60 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
10	Ismail	13	05	Rukem	15 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	Not private land



11	Padil	13	05	Rukem	18 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	Not private land
12	Wakijan	13	05	Rukem	18 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
13	Kasinah	18	06	Rukem	32 m <sup>2</sup>	Crumblin g	Earth	Impermanent	Nothing	-
14	Tiah	06	02	Bayem	30 m <sup>2</sup>	Leakingr	Earth	Impermanent	Nothing	-
15	Karimin	17	06	Rukem	50 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	Not private land
16	Murtiyem	17	06	Rukem	50 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
17	Murni	12	04	Giling	30 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
18	Patemi	10	04	Giling	30 m <sup>2</sup>	Leakingr	Earth	Impermanent	Nothing	Not private land
19	Didin	07	03	Giling	30 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
20	Nasib	07	03	Giling	30 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-
21	Rokani	13	05	Rukem	30 m <sup>2</sup>	Leaking	Earth	Impermanent	Nothing	-

Source: Bayem Village Government, 2017

Based on the above results, it can be seen that the decision maker of home surgery recipients is trying to collect accurate data starting from MUSDUS by MUSDUS participants who know exactly how the real conditions are so that the validity of the data can be justified. Criteria for uninhabitable houses included in the decision to make a decision to receive a house renovation cover the area of the building, floor, roof, walls and MCK. From the table above it is known that the most emergency condition of the house to be immediately opened up is the house of Mr. Sya'ir and Mbah Kasinah because the roofs of both houses have collapsed.

### Identification of prospective home surgery recipients

In addition to the criteria for the condition of the house unfit for habitation, the condition of the homeowner is also a factor that should be considered in determining the priority scale of home surgery.

Based on the above results it can be seen that prospective home recipients must meet the criteria that are worthy of consideration such as the number of occupants, whether there is elderly or disability and income that is below standard so that they need help from the house renovation program to be able to get a decent place to live, able to guarantee survival which is safe and comfortable. From the table above it can be seen that Mbah Kasinah lives alone with an age that is no longer young.

### Determination of home surgical recipients

The houses of Mr. Sya'ir and Mbah Kasinah were chosen because the roof collapsed, while the house of Mr. Slamet was chosen because the walls were not feasible.

For further information, Mr. Sya'ir was chosen because he lives with his two siblings who have mental retardation. The three of them are cared for by her brother who currently lives with them, while Mbah Kasinah was chosen because she lives alone. From the results of the MUSDES it was determined that the first house to be dissected was Mr Sya'ir's house.

Table 3  
Home surgery recipient

No	Name	Address		
		RT	RW	Dusun
1	Sya'ir	34	12	Banturejo
2	Kasinah	18	06	Rukem
3	Slamet/Arwati	31	11	Banturejo

Source: Bayem Village Government, 2017

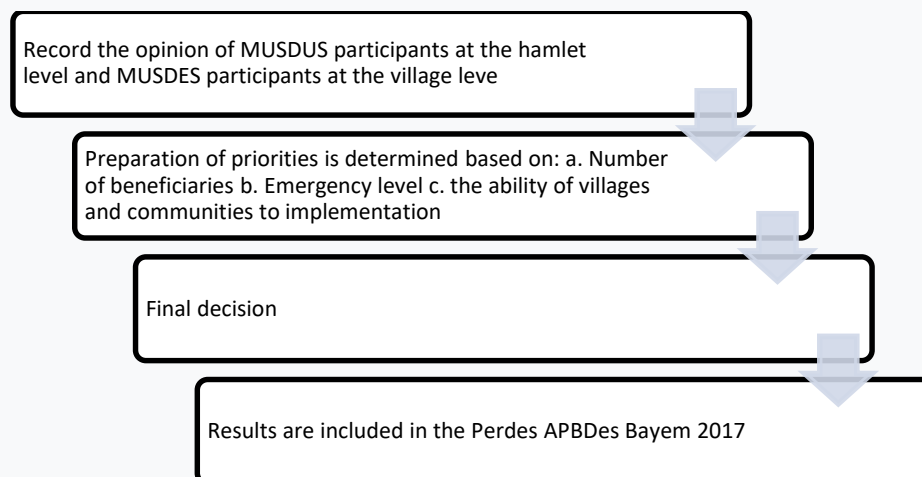
### 4.3. Discussion

#### Overview of the House Renovation Program

Home renovation is a government program aimed at Low-Income Communities (MBR) which has limited purchasing power so it needs government support to obtain a decent home.

#### The decision making process of determining the recipient of home surgery

In accordance with the results of interviews with the decision makers of house reconstruction recipients it was said that the decision making process was based on the results of deliberations that had been carried out, all decision processes that had been mutually agreed upon in accordance with the results of the deliberations.



Source: Primary data processed

Chart 1. Decision Making Process Determination of Recipients of Home Surgery

Based on the results of the interview, it can be seen that the decision makers have the basic criteria of unfit homes that should be included in the house renovation program,

judging by the standard of building feasibility which ensures the safety and health of residents.

## 5. CONCLUSION

Based on the results of research that has been done with several informants related to the house renovation program in the village of Bayem can be drawn as follows. Recipients of the house renovation program are selected through the results of the Dusun Deliberation (MUSDUS) to explore the ideas of the 2017 budget year which continues on the final outcome of the Village Deliberation (MUSDES) to explore the ideas of the 2017 budget year by all MUSDES participants with the results of the house reconstruction recipients 3 Family Heads.

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# PUBLIC POLICY ABOUT LOCAL GOVERNMENT (LOCAL GOVERNMENT LAW REGULATION IN REFORMATION ERA)

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## ABSTRACT

Local Government Act is one public and or political policies designed to establish the format of a regular government provide support to the robustness of the existence of The Republic of Indonesia one of the efforts to maintain the integrity of the Republic, a centralized governance structure should be designed . The idea that revision departing from unity, while the plurality of local communities merely accommodated so that it always appears insistence improvements so that local government legislation actually real tangible side with the people, where most of the population are in the area . In the reform era , at least three times the replacement of the legislation establishing government area. The legislation would always changing with the times.This is because not all the article of the law fit or suitable to be applied throughout the times.Likewise. legislation on local government. First law used is Law No.5 Of 1974, then over time changed into law No.22 in 1999 and later replaced Law No.32 of 2004, the last used today is Law No.23, 2014. Prior to Law No.5 of 1974 is used, firstly three is Law No.18 of 1965. Actually there is no principal difference in local government management policy that is in Act 32 of 2004 by Act 22 in 1999, even with Act No.23 of 2014. Or in other words the overall legislation discount similarities, yet there are some chapters are undergoing changes. However, there are general or roughly Law No. 23 of 2014 which is a combination of Law No.5 of 1974 and Law No.32 of 2004, in which the function of the Governor not only as head of the region but also as head of the region. Thus the Law of local government is always interesting to analyze why these laws are always experiencing any disassembly of a regime in power.

**Keywords** : Public policy of local government reform area

## 1. INTRODUCTION

In the long journey of the history of regional government in Indonesia as part of national development, it turns out that the national development of the regional government rolled out since 1968 must be stopped in 1998, which politically mentions the end of the New Order government and the beginning of the Reformation era. The local government system also needs to be reviewed, which has been regulated by Law Number 5 of 1974, which is notoriously centralistic. If judging from the basic reasons, none other than the pressure that is too strong from the central government in the region which then the central government is not able to handle various problems in the region so that various regions feel the need to break away from the central government, said the Special Region of Aceh (now Aceh Darussalam), Irian Jaya (now Papua). The reason is simple, the government is not transparent, not democratic, especially in the economic, political and governance fields, because there may be certain factors that are unknown.

It has been 16 years of reformation in our beloved island earth, and how are the results? Many comment that many argue and ask more questions. Whether reform is currently underway, has progressed or is still there. What is our obsession with the holding of elections in various regions of the archipelago? Is that the democratization of the region which is expected to improve the lives of people in the region?

We should be grateful because Law Number 5 of 1974 which is considered too centralized and contains creativity in autonomy has passed. We deserve a thumbs up and salute President BJHabibi, because during his leadership, in 1999, he strongly and forcefully initiated the birth of the widest possible autonomy law, which we know as Law Number 22

of 1999 concerning Regional Government . A very fantastic decision in the political field, causing the grip of the center in the area slowly began to break loose.

Then the law is considered to be very ideal and needs improvement in the broadest possible autonomy framework, so that its successor, known as Law No.32 of 2004, is considered more rational and is expected to grow regional development potential. 10 years later, Law No.32 of 2004 was deemed necessary to be revised or replaced because several articles in it were deemed incompatible with changing times, so the replacement was known as Law No. 23 of 2014. The basic question is the extent of regional readiness to implement the law as a public policy. Whether the law can be realized as a regional demand in favor of the people.

## 2. DISCUSSION

In a number of writings or sources the author has concluded a number of things regarding public policy towards local government (in the reform era). The author considers it very useful when in this paper raises several important points for our study material on the development of local government which has been quite influential in the development of development in all fields of national life.

Since the reform until now, there have been some changes to the Regional Government Law. The first Regional Government Law after reform was Law No. 22 of 1999 as a substitute for Law No.5 of 1974, later changed to Law No. 32 of 2004, this Act was amended related to the implementation of the election of Regional Head. but the substance of local government management policies has not changed. The last one is Law 23 of 2014. This regulation only revokes 2 articles, namely the article governing the election of regional heads by the DPRD. Various dynamics of regional government policy changes ranging from centralistic to decentralized. as a unitary state, Indonesia, of course, carries out the division of central and regional affairs while still referring to the ultra vires doctrine (detailing one by one the government affairs given to the regions) and the power of risk or open end regulation (original concept or residual) power). The ultra vire doctrine is more felt in a centralized pattern while the residual power is more directed at decentralization. Some even consider that residual power is actually a pattern of relations between the central and regional governments that is commonly applied in the concept of a federal state. While in the unitary state the remaining power should ideally be in the hands of the center. The pattern of central and regional relations since the enactment of Law Number 5 of 1974 to Law Number 23 of 2014 has experienced dynamic changes. UU no. 5/1974 is more accurately described as an ultra vires doctrine pattern because the authority given is residual or open power and regulation or general competence. Because all authority is given to the regions except for matters handled by the central government, namely national monetary and fiscal, defense and security, foreign affairs, justice and religion.

In addition the decentralized power sharing system to regions in Indonesia also implements symmetric decentralization and symmetrical decentralization. Symmetrical decentralization was felt in Law No.22 of 1999, where there was special autonomy granted to several regions (Aceh, Jogja and Papua). Whereas in Law No. 5 of 1974 only symmetrical

(ordinary) decentralization. The conclusion is that there are various articles that have experienced very significant changes in the implementation of local government due to changes in local government laws from time to time and lead to various perspectives.

Policy changes in central and regional relations cannot be separated from the political context, format and ideology of the authorities. When the authorities had just emerged and formed a force, a rather open policy was developed. But when power has managed to consolidate itself, then the policy can be changed with closed, authoritarianism or even totalitarianism. Changes in local government law cannot be separated from the post-New Order reform agenda. For the demands of the community and the conditions of each region, the government then changed the policy of managing central and regional relations that gave birth to Law no. 22 of 1999 which came into force in 2001. The spirit of change is more towards the desire to give broader authority to the regions.

Changes in central and regional relations policies in Law No. 5 of 1974 is more inclined towards centralization. Some characteristics that stand out from the principle of legal administration, namely: First, the territory of the country is divided into large and small regions that are autonomous or administrative. Second, the regional government is held in stages, namely Level I Regions, Level II Regions as Autonomous Regions, and then administrative regions in the form of provinces, districts / cities and regencies. Third, the DPRD Tingkat I and Tier II and the municipality are part of the local government. Fourth, the role of the Minister of the Interior in the implementation of regional government can be said to be very excessive or excessive which is realized by directing the regions. Fifth, this Act (Law No.5 of 1974) provides a very respectable and very strong place for the Regional Head rather than the Regional Head. Sixth, Regional Finance as generally with the previous law, is only regulated in general. The regions also receive assistance from the central government in the form of "Government Grants", a term that signifies the generosity of the Government in Jakarta.

Although it must be recognized that Law No. 5/1974 is a political commitment, in practice what happens is the dominant centralization in Indonesia's development planning and implementation. One of the most prominent phenomena of the relationship between the LG system and development is the high dependence of LG on the central government.

In lieu of Law No. 5 of 1974 is Law No.22 of 1999. According to this law, autonomous regions not only adopt a multilevel system and only recognize 2 (two) autonomous regions, namely provinces and districts / cities, which can be formulated as follows: First, The territory of the Republic of Indonesia is divided into autonomous provinces, districts and cities. Second, each region is now independent and does not have a hierarchy (article 4 of Law Number 22 1999). Third, this province is also an administrative region. There are several prominent features in this law (Syaukani, 2009), namely First, Democracy and Democracy. Second, bring the government closer to the people. The focus of regional autonomy is focused on districts and cities, not on provincial areas. Third, wide and real autonomy system. Fourth, do not use a multilevel economic system. In this system, higher level local government officials are also superiors of officials in lower autonomous regions. Fifth, No. Mandate Without Funding. The implementation of government tasks in the

regions must be financed from budget funds and state revenues (article 78 paragraph 2), and "Transfer of Authority or Delegation of the Central Government to the governor or the transfer of authority or assignment of the central government to regents / mayors followed by financing" ( article 2 paragraph 4 of PK Law Number 25 of 1999). This law contains the opposite principle, which is Money Follow Function. This means that the Region is given the broadest possible authority and with that authority, the regions will use it to multiply their resources and finances to the maximum extent that they are legitimate and accepted by the community. Sixth, Strengthening the people through the DPRD. From this law there is a strong impression that the center gives authority to the regions under these conditions. It can be read that the center began to accommodate the demands of the region that gave regional authority in the regional autonomy scheme, it could be read as a consequence of the reduced capacity of the central capacity to control the region, so there was no other choice but to give authority to the regions to regulate themselves. In other contacts the emergence of various conflicts in the region gave the impression that the center seemed to want to move the problem to each region.

Changes in the management of Local Government were also seen in the post-decentralization era. This change was seen significantly in front of the DPRD. UU no. 22/1999, DPRD is given the dominant role of regional heads in democratic regional government in various regions through, among others, Empowerment of DPRD as representatives of local communities and as institutions that have the authority to hold regional heads accountable for their performance.

In some regions, there has been a strengthening of the function of the DPRD and even legislative legislation is seen where regional heads are "overwhelmed" by the DPRD, even if the regional head comes from a different party from the majority party in the DPRD. It is even as if a divided government has occurred, as a result of the regional head being locked up by the DPRD.

Not long ago, Law No.22 of 1999, was replaced again, to adjust the development of community demands. Although some thinkers call Law No.22 of 1999 quite ideal. The next law on Regional Government is Law No. 32/2004, namely that there are no major differences in Regional Government management policies. In a decentralized perspective, the principle of residual power or open end arrangements still applies because the center still manages 6 concurrent affairs. Local Governments have the right to regulate and manage their own government affairs in accordance with the principle of the task of autonomy and assistance. Broad autonomy, real and responsible.

However, what is clear is that in Law No. 32 of 2004 regulates matters concerning; the formation of regional and special zones, the division of governmental affairs, regional staffing, regional and regional head regulations, regional development planning, regional finance, cooperation and dispute resolution, urban, rural areas and guidance and supervision, consideration in regional autonomy policy. According to Law No.32 of 2004, the state recognizes and respects special and special local government units. In connection with this special and special area, we know that there are several other forms of government, such as DKI Jakarta, DI Aceh, DI Yogyakarta and provinces in Papua for this region in

principle remain the same as other regions. However, with certain considerations, this field can be given special authority regulated by law. So, for special and special regions, in general Law No. 32 out of 20 apply and can also be regulated by separate laws.

There is a significant change to realize the position as the same point between the regional head and the DPRD, that is, the regional head and deputy head of the region are directly elected by the people and the DPRD is only authorized to request accountability statements from the regional head.

In urban areas, the lowest form of government is called "kelurahan". Villages in the Regency / City can be gradually changed or adjusted to the status of the village in accordance with the proposals and initiatives of the village government, together with the Village Consultation Board established by the Regional Regulation. Villages become villages do not change immediately with the formation of cities, but also villages in urban areas in the district government.

Nearly 10 years later, the government issued a new Law on Regional Government, namely Law No.23 of 2014. With this development Law No.32 of 2004 no longer corresponds to the development of conditions, state administration, and regional administration demands of the government so it needs to be replaced. New matters regulated in Law Number 23 Year 2014 include article 9 which states that government affairs consist of absolute government affairs, concurrent government affairs, and general government affairs. As for absolute government affairs, government affairs are the full authority of the Central Government. While concurrent government affairs are government affairs that are divided between the Central Government and the Provincial and Regency / City Governments.

Law 23 of 2014 still applies the rest of the power or open regulation pattern, even government affairs are divided into absolute government affairs, concurrent government affairs and general government affairs (article 9) absolute government affairs are government affairs which are fully the authority of the government. central government (external policy of the state, defense, security, justice, monetary, fiscal, and religious) together with government affairs is a government affair divided between the central and provincial governments and district / city governments. General government affairs are government affairs which become the authority of the President as head of government. In addition, in Law 23 of 2014 the DPRD is still in the same position as Law No.23 of 2004 as part of the organizer of the Regional Government.

In addition to philosophical issues in central and regional government affairs as mentioned above regulated in Law 23 of 2014 there are also legal differences in the form of articles that regulate matters not regulated in the previous Act. Juridical difference is very evident in the absence of articles regulating the implementation of regional head elections that have been regulated in Law No.22 of 2014 which has been canceled with Perpu No. 1 of 2014 concerning Regional Head Elections. The separation of the Pilkada Law is intended so that the two Laws can run optimally in accordance with their respective central issues. In addition, the separation of local government and regional head elections are intended to emphasize the position and differences of the Governor and Mayor / Regent. This is because



the Governor was chosen through a direct election mechanism. However, it was partly co-opted by placing the Governor as the representative of the central government in an academic perspective. The position of Governor can be categorized as an "intermediary unit". A distinctive feature of the "Antara" unit in government administration is that it is related to deconcentration rather than decentralization. Thus, a Governor who is directly elected by the people, has the authority to be "castrated" because of his dual status as a representative of the central government. Unlike the Mayor and Regent who are both elected by the people but their status as an autonomous region that puts forward the principles or principles of decentralization. This is where the urgency of separating local government and elections into two different laws.

From this brief description it is emphasized that change must indeed occur, but change must continue to side with the people. And because of that, a neutral path was chosen, namely local government reform. This change also occurs in various parts of the world local governments in developing countries in accordance with the dynamics of their respective governments.

Each country experiences dynamics in policy changes, and of course the change factors differ from country to country. However, there is no harm in seeing the dynamics of change in local government. We refer to the dynamics of policy change on several opinions that have conducted studies and analyzes in a country in looking at the dynamics of policy change. By him to see the dynamics of change in local government management in Indonesia, as Hall said as quoted by Geoffry Duedly and Jeremy Ricadson that third order changes may be elements that reflect different processes, marked by radical changes in the scope of policy discourse provisions related to shifts paradigm. If the first and second order changes maintain the broad continuity that is commonly found in policy patterns, then 'third order changes' is often a process that is more related to periodic discontinuities in policy. Still quoting from Hall that the application of this analysis is that changes in first and second order in policy do not automatically bring changes in third. In other words, it should not be trapped by the assumption that paradigmatic shifts only involve a stronger version of normal policy making that is dominated by society and the policy network.

Changes in the 'third order' policy will probably include more three-dimensional and spatial dynamics, which involve a series of variables. These dynamics can be complicated, but certain elements, and the relationships between them, look important. The main determinant variables of 'third order' policy changes are: ideas, interests (institutions) and individuals (individuals).

If we see changes in the Law on regional governance, we can see in terms of ideas, ideological aspects, changes in Law 5 of 1974 to Law Number 22 of 1999 due to changes in the paradigm of managing central and regional relations. This change is a change in the direction of centralization towards decentralization. While Law 32 of 2004 and Law 22 of 2014 apply the ultra vire doctrine or residual power pattern, it can be seen how many functions are given to the regions.

In addition to the aspect of ideas, the dynamics of local government policy changes are also influenced by institutional aspects. Institutions, especially state institutions, are

restructured by local governments so that they can carry out their duties and functions optimally. However, the most concern is the issue of interests, changes in local government policies are aspects of elite interests and regional interests. The elites, especially the campus intellectuals, argued that to achieve the objectives of the unitary state of the Republic of Indonesia, it must be managed by giving regions the freedom to manage and manage their regions in accordance with the potentials and abilities of the region through granting broad and responsible autonomy.

In addition, another aspect of the dynamics of policy change is the individual, with the reforms that occur and changes in the five packages of political law in Indonesia also affect changes in behavior in Indonesian society. The fifth amendment to the package of political law has also increased the level of political education of citizens towards state management. However, there is one further key element in determining the dynamics of the 'third order' policy change which is about time. Despite its broad influence, time is often forgotten as a vital variable, and in longitudinal studies, its importance is clear. Changes in local governance in Indonesia when referring to the time dimension, are actually relatively short, especially if you look at changes in local governance after reform, only about a decade or more from changes in local government management that have undergone various changes.

### **3. CONCLUSION**

The dynamics of changes in local government policy in Indonesia after the reforms experienced from Law 5 of 1975 to Law 22 of 1999 and Law 32 of 2004 and Law 23 of 2014 from juridical and philosophical aspects underwent a shift and ultra vires doctrine (detailing one by one the functions submitted to the regions ) becomes open and arrangement or residual power (the concept of original or residual power).

In the reform era, there have been at least three changes to the laws of the regional government. The laws will always change with the times. This is because not all articles in the law are appropriate or appropriate to be applied throughout the ages. Likewise with the law on Regional Government. Previously the law used was Law No.5 of 1974, then over time it was changed to Law No.22 of 1999. And what was later replaced by Law No.32 of 2004, the last used now is Law No.23 of 2014. Before Law No.5 of 1974 was used, first there was Law No.18 of 1965. Actually there was no principal difference in the management of local government policies in Act 32 of 2004 with Act No.22 of 1999, even with law No.23 of 2014. Or in other words overall these laws have in common, but what exists is that there are several articles that have changed.

However, there is a general or broad outline of Law No.23 of 2014 which is a combination of Law No.5 of 1974 and Law No.32 of 2004, in which the Governor's function is not only as regional head but also as regional head. Thus the laws of local government are always interesting to analyze, why these laws always have to be dismantled every pair of the ruling regime

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# AN ANALYSIS ON B2C E-COMMERCE B2C THROUGH POSITIONING APPROACH

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## ABSTRACT

E-commerce is one way to conduct sale/purchase transactions which are carried out directly without intermediaries and carried out online. B2C e-commerce is a concept that is currently gaining attention especially for SMEs engaged in retail that use the Business to Consumer (B2C) concept. Positioning is important for companies to know the image of SME products on consumers. The purpose of this study is to determine the effect of ease of use and information quality on the positioning of B2C e-commerce of Lazada. There are 145 respondents in SME of Malang Raya who use B2C e-commerce. Data analysis techniques use SEM and data are collected by survey methods with questionnaires. The results of the study are the influence of ease of use on positioning through information quality. Moreover, information quality is able to mediate ease of use to get the best positioning value.

**Keywords** : e-commerce, B2C, ease of use, information quality, positioning

## 1. INTRODUCTION

E-commerce is a marketplace that offers convenience in shopping online using smartphone media with the advantage of making it easier for consumers to buy products sold online (Rachman and Ariyanti, 2018). Besides, e-commerce has multiple payment facilities and COD payment types through the process of buying, selling, exchanging goods, services, and information (Turban et al., 2012). E-commerce allows transactions whenever and wherever they want (Saniya, 2014). The concept of B2C (business to consumer) is e-commerce in which the sale and purchase of products/services is carried out directly without an intermediary. B2C is general so that it can be used by many people who use the system. So the B2C concept is much in demand by interested business people. According to Schmitz and Latzer (2002) B2C e-commerce is interpreted as heterogeneous composite goods. Lazada is one of e-commerce that is in demand and is trusted by the community because it carries B2C (Supriyanto, 2016). Based on B2C e-commerce map presented in Figure 1 about the order of big e-commerce players on April 2019, Lazada gets rank 4 on the AppStore and PlayStore.

**Telusuri Persaingan Toko Online di Indonesia**

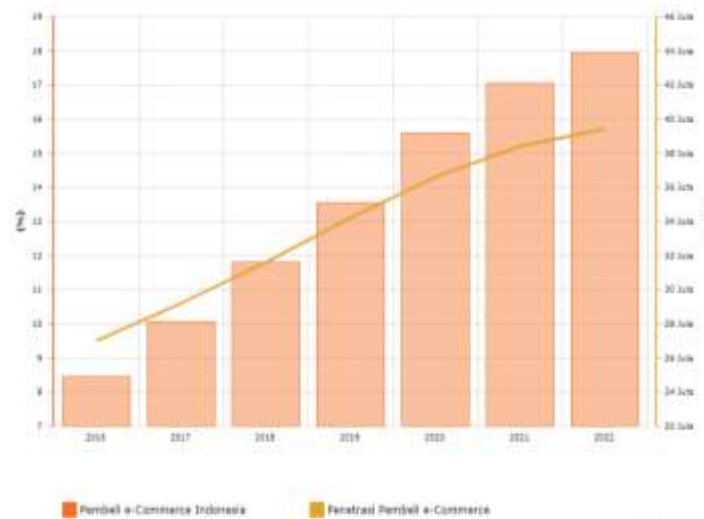
Filter berdasarkan Business to Consumer Top Site Asal Toko Periode Data per Kuartal Q1-2019

Toko Online	Pengunjung Web Bulanan	Penjualan	Ranking	Produk	Keuntungan	Feedback	Jumlah Karyawan
1. Lazada	52,004,300	#4	#2	365,800	1,173,200	28,241,000	2,212
2. Blibli	52,597,200	#7	#6	483,200	627,400	9,244,800	1,217
3. JD.ID	10,656,900	#5	#5	22,800	48,300	778,300	1,021
4. Qoo10	8,380,600	#3	#3	6,200	72,900	257,800	106
5. Sociolla	4,838,300	#14	#14	700	62,800	4,900	157
6. Zalora	4,343,000	#1	#8	38,800	37,500	7,718,000	406
7. Bhinneka	3,446,500	#25	#18	7,400	40,200	1,029,400	347

Source: iprice.co.id (2019)

**Figure 1. Data of Top B2C E-commerce Sites in Indonesia**

Figure 2 presents the projected buyers and penetration of Indonesian digital buyers data from katadata.co.id and Indonesia's e-commerce is the largest in the Southeast Asian. Indonesia's digital retail sales reached US \$ 5.29 billion (the highest achievement compared to the e-commerce retail sales of ASEAN countries).



Source: katadata.co.id (2016-021)

**Figure 2. Projected Digital Buyer Penetration in Indonesia.**

Product positioning is one of SME companies' decisions that try to achieve a brand image for customers and to compete with other e-commerce competitors. Positioning has a strong influence on the success of the brand image in the long period because it is used to minimize the failure of the company and know its position (Rachman and Arianti, 2018).

The problems faced are (1) how is the effect of Ease of use to positioning on B2C Lazada e-commerce?, (2) How is the effect of information quality to positioning on B2C Lazada e-commerce?. (3) How is the effect of Ease of use and information quality to positioning on B2C Lazada e-commerce ?. The research objectives are (1) to determine the effect of Ease of use to positioning on B2C Lazada e-commerce, (2) to determine the effect of information quality to positioning on B2C Lazada e-commerce. (3) to determine the effect of ease of use and information quality to positioning on B2C Lazada e-commerce.

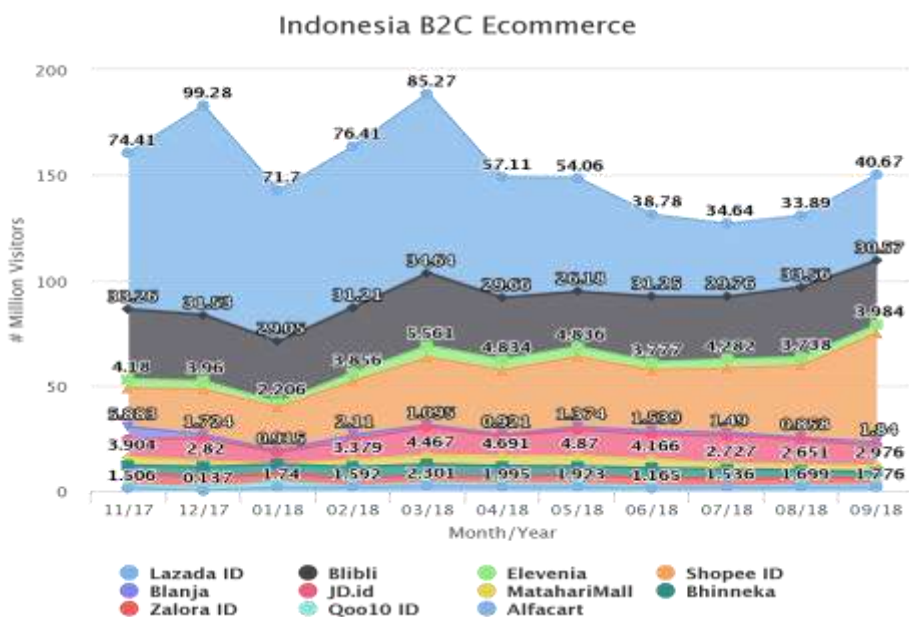
## 2. LITERATURE REVIEW

E-Commerce is a business activity that involves consumers, manufactures, service providers, and intermediaries using internet network (Loudon and Loudon, 1998). Exchange of business information electronically is part of e-commerce. According to Turban and King (2002), the classifications of e-commerce based on the nature of transactions are

B2B, B2C, B2B2C, C2B, C2C, m-Commerce, intrabusiness e-commerce, B2E, collaborative commerce, non-business e-commerce, e-government .

Positioning is a STP marketing strategy process that is carried out on mental conditions and activities to place the product image in the minds of consumers (Rangkuti, 2004). There are four criteria to determine positioning based on a 4Cs diamond study with a sustainable marketing enterprise model including customers, companies, competitors, and change (Hermawan et al., 2004 in Razak, 2014). Companies implementing positioning will be able to differentiate the products they have with other competitors.

B2C e-Commerce has characters such as information open to the public; services are general; services are presented according to consumers wishes; and the client/server approach is often used. Lazada is a company which buying and selling process on online services and as an e-commerce retail company. Lazada meets people needs of online shopping in various categories and was established on March 15, 2012 (Lazada.co.id). Lazada is the most popular e-commerce website because based on October 2018 data on average B2C website visitors in each quarter and application rankings collected by e-commerce Asia, Lazada get the top ranking (e-commerceiq.asia). In addition, according to Akbar and Djatmiko (2016) Lazada is the largest online shop in Indonesia.



Source: E-commerceiq.asia

The information quality uses indicators; relevant, accurate, timely, and trustworthy. Meanwhile the ease of use uses indicators; understandable, effortless, simplicity of system, appropriateness with user want.

Previous studies supporting this research are Rahman and Ariyanti (2018), Wijutami and Octavia (2017), Pangaribuan and Sharif (2017), Pavlou, P. A. and Geffen, D. (2002), Stehling and Moorman (2002).

### 3. RESEARCH METHODS

The population of this study is SMEs who use Lazada's B2C e-Commerce to sell their products and have been running for 3 years minimum. Besides, the sampling technique uses purposive sampling method. The respondents are 145 SMEs and the numbers are in accordance with Structural Equation Modeling (SEM) and the measurement scale uses an interval scale, namely the Likert scale with a weight numbers 1 - 5. Furthermore, dependent variable of the study is the information quality (Y1) and positioning (Y2) whereas the independent variable is ease of use (X1). Data collection of the study is used to determine the use of positioning for SMEs in Malang.

### 4. RESULTS AND DISCUSSION

#### 1. Test Result of SEM (Structural Equation Modelling)

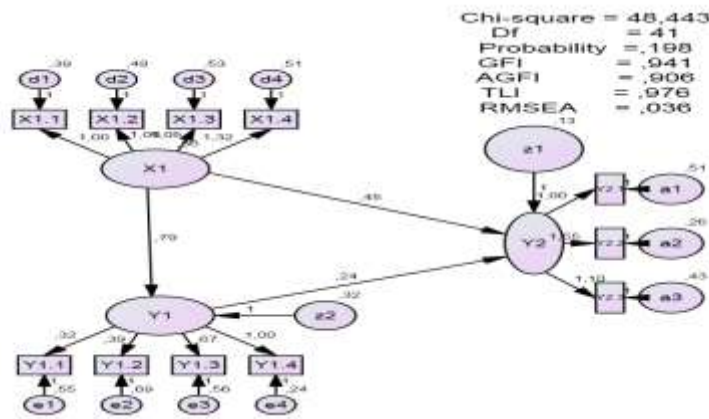


Figure 3. SEM Result

H1: the influence of ease of use (X<sub>1</sub>) to information quality (Y<sub>1</sub>)

H2 : the influence of ease of use (X<sub>1</sub>) to positioning (Y<sub>2</sub>)

H3: the influence of information quality (Y<sub>1</sub>) to positioning (Y<sub>2</sub>)

H4 : the influence of ease of use (X<sub>1</sub>) to positioning (Y<sub>2</sub>) through information quality (Y<sub>1</sub>)

#### 2. Goodness of-fit Index (GFI)

From the results analysis of Structural Equation Modeling carried out using AMOS 16 computer program. For Windows, it is known that all the criteria for goodness of-fit Index fulfill the requirements as shown in Table 1. The t-test (CR) to show the effect of user convenience to positioning through information quality.

**Table 1. Goodness of-fit Index and cut off SEM**

Criteria	Cut-of Value	Hasil Uji Model	Keterangan
Chi square	Diharapkan kecil	48,443	Good
Probability Significance probability	$\geq 0.05$	0.198	Good
CMIN/DF	$\leq 2.00$	1.182	Good
RMSEA	$\leq 0.08$	0.036	Good
GFI	$\geq 0.90$	.941	Good
TLI	$\geq 0.90$	.976	Good

Primary data source processed 2019

**Table 2. Hypothesis Testing**

	Variabel	langsung	tidak langsung	Total	Prob
ease	→ information quality	0.641			0.000
ease	→ positioning	0.496			0.000
information quality	→ positioning	0.330			0.024
ease	→ Positioning through information quality	0.641	0.330	0.971	

Statistical Significance in alpha level 5%

### 3. Discussion

**The effect of ease of use to information quality.** Ease of use which is reflected in the suitable desired can improve the information quality reflected in reliable information. The ease of use exists when existence of what is needed by the user in the information so that it becomes easy to use Lazada's B2C e-commerce. Among them is the need for product identification and the price and the physical condition of the product which is provided in Lazada. In addition, there is a lot of convenience given on the contents of the Lazada application, thus increasing Lazada's rating. This supports the research of this study that ease of use makes it uncomplicated to use because users feel confident that the market place system will minimize the difficulty in ordering SME products needed for Lazada e-commerce users.

**The effect of ease of use on positioning.** Ease of use that is reflected in the suitable desired can improve positioning which is reflected in the acquisition of the best value. This happens because Lazada users are able to adjust their wants and needs that already exist in the Lazada service and the user's trust in the use of Lazada application. Among them is delivery



process of the product purchased and the product quality sold on Lazada in accordance with information given on the product identification.

**The effect of information quality on positioning.** The information quality reflected in reliable information can improve positioning which is reflected in the acquisition of the best value. This is reflected in comments by Lazada e-commerce visitors who will make a decision whether to buy or not. Especially negative comments that lack relevance for Lazada users give low value and will greatly influence product purchasing decisions on Lazada.

**The effect of ease of use on positioning through information quality.** Reliable quality information can mediate the ease of use of the system so that it gets the best positioning value. This means that Lazada users by using positioning that is done effectively produces ease in using B2C e-commerce Lazada and will strengthen the positioning position if the information relating to Lazada products matches the needs of Lazada users. High positioning makes ease of users to operate Lazada and enhance Lazada's position if it is able to produce positive comment content through traded product information media

## 5. CONCLUSION

B2C e-commerce of Lazada users needs to create a positioning approach using the ease of use of Lazada marketplace and providing an online guide for Lazada e-commerce users. The level of positioning will be strengthened if the information presented in Lazada marketplace is more informative and reliable. The information about the product being traded includes the type of product, product condition, product quality, and attributes of the product as well as information from consumers who have used Lazada through star signs and comments. The popularity of products that are sold online by Malang Raya SMEs will be useless if positioning is ignored.

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# STRATEGIC ROLE OF VILLAGE-OWNED LEGAL ENTITY (BUMDES) IN VILLAGE PERSPECTIVE BUILDING AND BUILD VILLAGE

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## ABSTRACT

Innovative thinking required from both the village government, social institutions and elements of society to be able to utilize various economic potentials of the village, through institutions initiated by villagers in collaboration with government in the form of a Village-Owned legal entity (BUMDES). The role of the government is socializing and awareness on local (village) government and village community organizations through political subdivisions and local authorities (provinces, districts / cities) by the meaning and function of BUMDES as villagers economic empowerment. This type of research is qualitative research. In this research, the population are decision makers and utilization of units at BUMDes such as in the village of Sanankerto, Turen sub-District, Malang District. By the results of this study the authors recommend to the government as a regulator to create policies that stimulate domestic economic growth, especially at the village level. The reform of BUMDes management system improvement is needed, in which the academics and the government collaboration can search the best role. Strategies of BUMdes solving problems are always discussed by the village ( local) government and the villagers together .

**Keywords** : BUMDESA, Community Empowerment Innovation

## 1. INTRODUCTION

The government program for society economic empowerment has often been implemented, but a little can be implemented continuously, or the program has finished and the activity stops even . Many factors of that is caused by the institution or community ( society) group is formed only to fulfill the administrative requirements of the the Government program, thus making the economic institutional systems of the village ineffective. By this reason, the establishment of a micro-economic institution in the village is the Village -Owned Enterprises (*BUMDes*) be expected to be able to encourage economic dynamics in the rural areas.

BUMDes provides capital for the community of micro and community entrepreneurs by a simple credit system or requirements that can be reached by the community to increase business or fulfill basic needs, in a reach or the amount of credit.

The implementation of credit provided by BUMDes is very beneficial for the community. The existence of a good function and purpose for the community, BUMDes as a credit provider provides various types of credit that are differentiated by the purpose, usefulness, time period, types, withdrawal and repayment. The one of the economic credit typhes are implemented to improve their lives or businesses, whether small or medium.

The credit for small or medium the community are to be a productive credit . However, the implementation of credit still has the method of implementation and problems. Because, this service is executed by a very simple system and a monitoring system optimal not yet. The fact of implementation is diverse, the ability of the resources management to learning while the a business doing. The managers who have a high level of responsibility and willingness to carry out public in order to participate in adhering to or agreed upon edits will determine the distribution system of *BUMDes*.

Law of the Republic of Indonesia number 6/2014 concerning the Villages gives a new enthusiasm for villages to initiate themselves by giving the spirit of "villages building and developing villages", the meaning that villages must be able to innovate in exploring and building villages by referring to their potential.

Innovative thinking is needed both from the village government, social institutions and elements of society in order to be able to utilize various economic potentials of the village, economic institutions and the potential of Natural Resources and also Human Resources with the aim of increasing the level of welfare of the village community. The institution was initiated by the community in collaboration with the village government or Village-Owned Enterprises (*BUMDES*) through a family spirit and mutual cooperation both in the form of running community businesses and public services. But it also has an orientation to improve welfare for rural communities.

Establishment of *BUMDES* is based on legislation that has been set, and in line with the agreement initiated by the village community through village deliberations. Because with the village deliberations the proposal about the village community meetings can be discussed together between the Village Consultative Body, the Village Government and the Village Community. Thus, the form of Village-Owned Enterprises can diverse to each village in Indonesia.

This variety is formed in harmony with local characteristics, potential, and resources owned in each village. Further regulation regarding the Village-Owned Enterprises will be regulated by a Regional Regulation (*Perda*) even though the establishment of the village community will be followed up with a Village Regulation (*Perdes*). Based on Law No. 6/2014, every village government is allowed to establish a village-owned enterprise (*BUMDes*). Therefore, the role and task of the government is to conduct awareness raising and village government and village social institutions through the local and regional government (provinces, districts / cities) by the meaning and function of the village community office as the economic empowerment of the community in order to improve community welfare. Community participation and leadership of the village head in the implementation of community economic empowerment through *BUMDes* is expected to be able to encourage the dynamics of economic life in rural areas.

While the leadership role of the village government is also very influential on the dynamics of the *bumdes* for its development, by the issuance of Law No. 6/2014 on Villages, the central government tries to create an independent village life in managing the government and society, in the meantime Government Regulation No. 43/2014 has been amended through Government Regulation No. 47/2015 imply that villages now have the authority to manage resources as well as the direction of development.

The existence and strengthening of the role of *BUMDes* in developing businesses and the economy of rural communities requires comprehensive treatment, so that the expected growth of the national economy can be sustained by the village economy. However, it is often found that the handling done by the village government becomes ineffective, so many *BUMDES* that have been formed then become a burden for the village government itself.

Based on the description upon, the author is interested in raising the theme: "The Strategic Role of Village-Owned Enterprises (*BUMDES*) in Village Perspectives Building and Build Villages". The Village Theory Study is the smallest unit of the state, closest to the community and actually directly touches the needs of the community to welfare. Based on the Village Law (Law No. 6/2014) as a state representative, the village has the function of carrying out development.

## 2. LITERATURE REVIEW

The intended development is physical as well as human resource development, in an effort to improve the quality of life for the maximum welfare of rural communities. One effort that can be implemented is by encouraging the pace of the village economy through village entrepreneurship, in which village entrepreneurship is a strategy for developing and growing prosperity (*Ansari, 2016*).

The village entrepreneurship can be accommodated through the establishment of Village Owned Enterprises (*BUMD*) by the government and village community (*Prabowo, 2013*). *BUMDes* are business entities whose entire or most of their capital is owned by the village through direct participation from village assets. The manage assets, services, and other business fields for the maximum welfare of the village community.

Village-Owned Entity (*BUMdes*) are village business institutions managed by the community and village government with the aim of strengthening the village economy and building social closeness of the community which was established based on the needs and potentials of the village of Maryunani (2008: 35). Based on Law Number 6 Year 2014 concerning Villages it is explained that *BUMDes* is a business entity whose entire or most of its capital is owned by the Village through direct participation from village assets that are separated to manage assets, services, and other businesses to improve the welfare of the community Village. The purpose of establishing *BUMDes* is as a locomotive of local economic development at the village level.

The development is based on the demand, potential, capacity of the village, and capital participation from the village government in the form of village funding and wealth. Development is often found in English grammar, meaning development means development. As an activity, Development is a process, method, deed of developing something. Village-Owned Enterprises (*BUMDes*) are village business institutions managed by the community and village government in an effort to strengthen the village economy and are formed based on the demand and potential of the village. *BUMDes* is a pillar of economic activity in the village that functions as a social institution and a commercial institution.

*BUMDes* as a social institution favors the interests of the community through its contribution in the provision of social services. Whereas as a commercial institution aims to find. profits through offering local resources (goods and services) to the market. The Development of Village-Owned Enterprises (*BUMDes*) is a manifestation of efforts to optimize the role of village productive economic management, which has a purpose and purpose in development, such as:

1. Improve, expand and grow the village economy;
2. Increase, expand and diversify the sources of Village Original Income (*PADes*).
3. Improve, expand and diversify public services in the form provision of services for the purpose of livelihoods of rural communities;
4. Strengthening the pioneering into a professional business for business activities in the village to capture domestic and global market opportunities.

### 3. RESEARCH METHODS

This type of research is qualitative research. Qualitative research according to Strauss and Corbin (1997: 11-13) is a type of research that produces findings that can not be achieved (obtained) using statistical procedures or other methods of quantification (measurement).

The population in this study are decision makers and beneficiaries of the existing units at BUMDes, Sanankerto Village, Turen sub-District, Malang District. Samples are used by using Proposional Random Sampling. by Sugiyono (2008), random Sampling is a sampling technique where all individuals in the population either individually or with equal are given the same opportunity to be chosen as sample members.

### 4. RESULT AND DISCUSSION

Village-Owned Entity (*Bumdes*) are economic institutions formed by the village government together with the community aimed at increasing the village's original income and empowering the community's economy. For that the village-owned entity must be creative and innovative in managing the assets that exist in the village. Increasing the village's original income indeed it is very important, but community empowerment is also a part that must be done considering the establishment of village community meetings to reduce community disparity so that urbanization does not occur and reduce poverty and unemployment in the village.

All the efforts of creativity and innovation of existing rural communities should be the basis for the formation and development of *BUMDes*. This is the core of energy for the growth of institutions / companies in the village (*kelurahan*), while to further develop it needs to be supported by the following conditions: (1) The existence of *BUMDes* development programs should be at the initiative of the *Pemdes* and or proposals of the majority of villagers / The villages that were deliberated in a deliberation were agreed upon. (2) The existing Village Economic Business Potential is ready to be managed to accelerate poverty alleviation towards self-sufficiency and prosperity of the community (3) The existence of *BUMDes* / Other Village Economy Business Unit units should be developed at least based on meeting the needs of the village community, which in turn can support the fulfillment of the needs around the village, regional and national. (4) Availability of Village Resources that have not been optimally utilized by rural economic actors (*BUMDes* was established, village economic actors, and other productive villages). (5) The existence of *BUMDes* source of man (*SDM*) / Professional employment contract who are able to professionally manage and develop *BUMDes* as an asset for village economic empowerment. (6) There are *BUMDes* business units / community economics that are still

not optimally developed / rural economic business embryos (*POKMAS, GAKPOTAN, LKM, BMT*, etc.) that manage the production, distribution and marketing network together with BUMDes HOLDING. (7) The existence of a vision and mission that aims to increase the income of the community and *PADes*

This not mean BUMDes to be large but does not have an impact on the community. Establishment with village government and the community means that openness and community participation are needed in its role.

### ***BUMDes* Development Strategy**

In achieving vision and run mission as well goals of *BUMDes* development, the main strategies exercised are:

1. The implementation of development planning that is timely, efficient, effective, and participatory in accordance with Government Regulation Number 43 of 2014 concerning Regulations for Implementing Law No. 6 of 2014 concerning villages. The intended planning is divided into 3 stages; short , medium and long-term Development Planning which are arranged based on priority scale, local specific, market / opportunity, institutional capacity and actors..
2. Development of quality human resources.
3. Optimally increasing and developing the institutional capacity of *BUMDes* in terms of legality, *SOP* / Corporate / Business Unit Governance / Management Mechanism, corporate leadership, Capital / Investment, professional culture / performance and real partnership / institution trust.
4. Developing a system of supervision / audit, monitoring and evaluation in a professional, transparent and responsible manner.
5. Building a network of production, distribution and marketing and effective coordination systems in order to improve the efficiency and effectiveness of the Development of Village-Owned Enterprises.
6. Building partnerships and building an environment based on a management system based on a people's economy in order to improve competitiveness in the domestic and global markets. As a form of optimization and preservation of rural resources and environment which is supported by rural social networks and regional and national networks.
7. Manage and have all the potential of natural resources

Rural Natural Resources, whose use is based on laws and constitutions for maximum prosperity for the community in order to strengthen regional and national economic systems in controlling the negative effects of the global economy. The implementation is carried out independently, in cooperation with professional skills, providing shering with a share of at least 51% of the Village Government by prioritizing ownership of 49% open shares to the local community and also as a whole capital from village, district and national governments.

## **5. CONCLUSION**

Based on the above analysis, the authors recommend to various parties for the government as a regulator to create policies that stimulate domestic economic growth, especially at the village level, with the development of potential local resources, expected to be able to provide a spirit of readiness with the presence of free trade such as the presence of a loaded ASEAN Economic Community about liberalization.

The reform the BUMDes management system is needed in which the academics and the government can collaborate in finding the best model. The existence of village-owned enterprises in the village of Sanankerto as a strengthening of the village economy requires the establishment of village-owned enterprises, which in the village of Sanankerto can increase the income of the people around them and the village of Sanankerto as a whole.

Then, the strategy in solving problems related to the *BUMDes* is always discussed and discussed together between the village government and the community both through the official forum of village deliberations and discussed together at a certain time. Furthermore, the implementation of development related to the potential of natural resources for development continues to be carried out so that more can be benefits for rural communities. Efforts to develop *BUMDes* should also be able to overcome the problems of the human resources, management, technology and marketing, the steps to develop *BUMDes*, which is that of other through:

#### 1. The Human Resources Aspect

- ✓ Continuous human resource capacity building through training, mentoring, consulting and apprenticeship programs so that human resources has an understanding and skills in managing the business.
- ✓ Carry out assistance in strengthening institutional capacity and business management covering the operating system, the willingness and skills of human resources, product and service innovation, market access, services and business networks.
- ✓ Quality consists of several factors including:
  - a. Individual skills (individual skills) to sustain work productivity or competitiveness in the field of work occupied by it.
  - b. Emotional maturity (emotional intelligence) so it is easy to garner cooperation with other parties.
  - c. The ability to work in teams (team work) in achieving organizational goals.
  - d. The ability to respect the values and needs of the community and be sensitive to changes and trends that occur (empathy).

#### 2. Natural Resources Aspect

- Identifying the potentials, opportunities, obstacles and challenges of natural resource management starting from:
  1. Finding ideas, namely finding ideas of business opportunities both through yourself, customers, markets or products that fail.
  2. Identifying business opportunities through problem analysis, why the product idea will succeed or bring profit.



3. Conduct a situation analysis, i.e gathering information to establish business opportunities based on field realities.
  4. Formulate the 'unknown' factor as a form of anticipation of business failure.
  5. Conduct customer test surveys to ensure whether a business proposal can be done.
3. Technology, Management, And Information Aspects
- Identifying, classifying and adopting technology, business management applications and information according to needs and abilities.
  - Developing local innovation either independently or modification.
  - Development of HR of business actors / BUMDes so that they are able to manage BUMDes professionally both at the managerial level and field operational techniques.
  - Technical, Management, and Information Assistance by Consultants.
  - Facilitating the provision of technology application facilities according to their abilities and needs.
4. Capitalization And Investment
1. Identification and Grouping of capital and investment facilities for BUMDes development.
  2. Assistance with the banking process / investment and business capital withdrawal.
  3. Promotion of capital / investment to investors.
  4. Management and Assistance for the use of funds and optimization of investment and working capital for the development of *BUMDes*.
  5. Strengthening investment / credit guarantee facilities to increase company trust.
  6. Transparency of financial governance in the context of supporting trust to investors and owners of shares / securities owned by *BUMDes* as regulated in the Regional Regulation or at least the Regent's Decree.
  7. Optimization and legalization of *BUMDes* Capital as a Village Company comes from:
    - a. The assets or assets of the village which are kept separate. Every capital participation from village assets is taken from the Village Budget (*APBDes*), the amount of which is determined based on the *APBDes* Village Regulation (*Perdes*).
    - b. Savings of public funds.
    - c. Relief capital from regencies, provinces and government, in this case includes capital transferred as village assets.
    - d. Loan capital from various financial institutions, venture capital and other institutions.
    - e. Investment capital from various parties in the framework of profit sharing based on mutual benefit.
  8. Development of *BUMDes* is necessary to first agree on the capital owned as village assets. In this case two ideas can be developed, namely:

- First, all of the assets owned are recorded as village assets, and recorded as equity participation from the village when the *BUMDes* was established.
- Second, assets owned by the current Village Government and some others are allocated as shares held. However, it is necessary to agree on proportions and their management in accordance with the applicable laws and regulations. Village Owned Enterprises with Village Company legal entities are formed based on Village Regulations (*Perdes*) that refer to Regional Regulations (*Perda*) concerning Establishment of *BUMDes*. *Perdes* in this case are stipulated by the Village Government together with the consultation Village (*BPD*).
- As mandated by *Permendes* No. 4 of 2015 that *BUMDes* business units can be incorporated, it is up to the limited liability company or cooperative, In the case of *BUMDes* the business unit is a limited liability company, then the orientation is more on profit seeking. Its founding capital is in the form of shares which are traded to each party who is interested in investing capital. The voting rights and the amount of profit received by each party depend on the value of the shares. The establishment of the Private Company (*PT*) by Notary Deed and the Minister of Justice. The development of *UPK* in the form of *BUMDes* Limited Liability Companies will usually be constrained by the large cost of establishment that must be borne. Therefore, it is hoped that the *BUMDes* network in the regencies / cities will form *BUMDes* Association, and this institution will develop *PT* which will be a patron for all *BUMDes* business activities. *BUMDes* is domiciled in the village as the shareholder of *PT*. *BUMDes* hierarchy the status is a Unit of *PT* that is domiciled in the district / city. If *BUMDes* business unit is a *PT*, then the village government should:
  - Has the largest share (minimum 51 percent), in order to direct the *BUMDes* vision and mission in line with the interests and responsibilities of the village government public.
  - Mobilization of funds by selling shares to individuals, institutions or groups in order to realize the achievement of objectives (public propose), ownership (public ownership) and public control (public control) of *BUMDes*.
  - Ownership of shares by the village government must be institutionalized, not individual.
  - The Board of Directors should be elected from the professional community and not from the village apparatus (as stated in PP 43 of 2014 it is said that the *bumdes* have directors who have an entrepreneurial spirit and are not permitted directors to come from the village apparatus, this is said that may not hold concurrent positions ). In this case the existing management has fulfilled the qualifications as the Board of Directors which are not from the elements of the village government. While the involvement of the village government should be in the position of the Board of Commissioners. The board of directors has full authority in managing business operations. While the board of commissioners as the owner

of the company has the authority to set strategic policies as well as to propose directors.

#### 5. Marketing Aspect

1. Sharpens the intelligent market process, survey / market observations and mapping of regional characteristics, market behavior, supporting aspects in order to strengthen information systems and planning, operational stages, monitoring and evaluation and follow-up recommendations based on the results of market studies and evaluations.
2. Arranged strategy marketing integral and comprehensive.
3. Increasing the efficiency, effectiveness and competitiveness of the marketing process.
4. Improve all aspects and facilitation of marketing operations with the concept, "win win solution", Customers are the King.
5. Strengthening the basic functions and core management in order to strengthen the local-based agribusiness / agro-industry marketing management system with global competitiveness.

A necessary thing to do so by the Village Government to organize business units in *BUMDes* are better organized, maintain continuous communication and coordination to minimize conflicts between business units by the village administration and *BUMDes* institutions, and explore the potential Village assets that continue to be carried out by the village government must maintain environmental balance including plastic waste.

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# ANALYSIS OF FACTORS AFFECTING FINANCIAL LITERACY AND INCLUSION LEVELS AT MSMEs IN BLITAR CITY

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## ABSTRACT

Government policies that require lending to MSMEs for Commercial Banks in Indonesia do not have a positive impact on increasing credit growth to MSMEs, in the other side Banks having difficulty reaching the target of lending to MSMEs, because MSMEs have not fulfilled bank requirements to obtain credit. Increasing financial literacy and inclusion are believed to be able to develop MSMEs because MSMEs can better understand the basic concepts of financial products, make better financial planning and management, and protect from fraud and unhealthy businesses in financial markets, it is also expected that MSMEs have the ability to survive in state of financial crisis (Financial Well Being). The purpose of this study is to rank (sequence of factors that affect the level of literacy and financial inclusion) MSMEs in the city of Blitar. With the known sequence of factors that influence the level of financial literacy and inclusion MSMEs in the city of Blitar, stakeholders can determine the priority scale of the program for increasing financial literacy and inclusion for MSMEs. This research is a descriptive study, the unit of analysis is MSMEs in Blitar City. The sampling technique is based on purposive sampling, namely traders who sell food and vegetables in 5 traditional markets in the City of Blitar. There are 4 indicators used, namely age, education, income and gender. The results showed that the sequence of factors affecting the level of financial literacy and inclusion of MSMEs in Blitar City was age, then education, income and the last order was gender.

**Keywords** : MSMEs, Financial Literacy and Financial Inclusion

## 1. INTRODUCTION

Micro Small and Medium Enterprises (MSMEs) are an important sector and have a large contribution in realizing national economic development goals, such as economic growth, employment opportunities and regional economic development. MSMEs problems can be seen from two sides, namely internal and external (Susilo, 2010). From the internal side that are limited capital, weak business networks, and the ability to penetrate the market. While from the external side there are the business climate that is not yet conducive, the limited facilities and infrastructure, the implications of regional autonomy, the nature of products with short life time, and limited market access. MSME capital is a problem that always exists even though the government has issued various policies to help overcome these problems. The results of research from Nisa (2016) revealed that government policies that require lending to MSMEs for Commercial Banks in Indonesia do not have a positive impact on increasing credit growth to MSMEs. On the other side, Banks having difficulty reaching the target of lending to MSMEs, because MSMEs have not fulfilled bank requirements to obtain credit.

Increasing financial literacy and inclusion are believed to be able to develop MSMEs because MSME can better understand the basic concepts of financial products, make better financial planning and management, and protect from fraud and unhealthy businesses in financial markets, it is also expected that MSMEs have the ability to survive in state of financial crisis (Financial Well Being). Increasing financial literacy and inclusion for MSMEs development

also requires optimizing the use of financial technology to facilitate access and expand outreach. The purpose of this study is to rank (sequence of factors that affect the level of financial literacy and inclusion) of MSMEs in the Blitar city. With the known sequence of factors that influence the level of financial literacy and inclusion of MSMEs in the Blitar city, stakeholders can determine the priority scale of the program for increasing financial literacy and inclusion for MSMEs.

In Blitar City there are approximately 21,291 MSMEs that are spread in 3 Subdistricts. Of this amount of 12,898 is a micro business, the number always increases every year because micro businesses are still unstable. The large number of micro businesses is due to ability, the majority do not have enough capital and often change the products sold. Based on the background above, researchers are interested in conducting research with the title "Analysis of Factors Affecting Financial Literacy and Inclusion Levels at MSMEs in Blitar City.

## **2. LITERATURE REVIEW**

### **2.1. Financial Literacy**

Various studies on financial literacy have been carried out in several countries. Wachira and Kihiu (2012) have conducted a study on the effect of financial literacy on access to financial services in Kenya in 2009, apparently access to financial services is not only influenced by the level of financial literacy but is more influenced by income levels, distance from banks, age, status marriage, gender, household size, and education level. Van der Werff et al. (2013), in his study in 31 OECD countries in 2011, showed that factors affecting the proportion of the population accessing banking were income inequality, the number of ATMs and banks per 100,000 population, the level of public trust in institutions proxied by the corruption index and GNI per capita.

### **2.2. Inklusi Keuangan (*Financial Inclusion*)**

The Consultative Group to Assist the Poor (CGAP-GPFI) defines financial inclusion as a condition where all working-age people are able to get effective access to credit, savings, payment systems and insurance from all financial service providers. Sarma (2012) defines financial inclusion as a process that guarantees ease of access, availability, and benefits of the formal financial system for all economic actors. Financial inclusion is also influenced by technological developments. Andrianaivo and Kpodar (2012) analyzed 44 countries in the African by using 1988-2007 data related to cell phone relations, financial inclusion and economic growth. The results of the study explain that the development of cell phones contributes to economic growth in Africa.

Bank of Indonesia (2013) defines financial inclusion as all efforts aimed at eliminating all forms of price and non-price barriers to public access in utilizing financial services. Bank of Indonesia also made a policy to increase financial inclusion called: inclusive financial policy. The policy took the form of financial service deepening targeting the lower middle class people. So financial services in Indonesia are not only for the upper middle class, but also the lower middle class. Based on the National Financial Literacy Survey of Indonesia

(SNLKI) conducted by OJK in 2013, the MSMEs financial literacy rate reached 15.7 percent while the MSMEs financial inclusion rate was only 53.3 percent. This number is lower than the national average of 21.8 percent (literacy) and 59.7 percent (financial inclusion). MSMEs in Indonesia are growing rapidly, even the OJK assesses that there is potential in the MSME sector to develop further in financial management. Access to financial services can be measured by the number of banking offices and the number of ATMs scattered in a region, the use of financial services is measured by the number of deposits and loans thrown / distributed (World Bank 2008). Sarma (2012) summarizes it all in one concept namely the Financial Inclusion Index (Index of Financial Inclusion).

### **2.3. Factors affecting the Level of Financial Literacy and Inclusion of MSMEs.**

The results of research from Amaliyah and Rini (2015) show that gender and education level influence the level of MSME literacy, while the level of income does not affect the level of MSME literacy in Tegal City. Suryani and Ramadhan (2017) revealed that the factors of gender differences, age, level of education, and level of income, the influence of MSMEs financial literacy are education level and income level. While the results of research from Suryanto and Rasmini (2018) show that the level of formal education and business income affects the level of financial literacy of MSMEs while age does not affect the level of financial literacy of MSMEs. Research on the factors that influence financial inclusion was conducted by Rahman and Widyarti (2017), where the level of income and education level had a significant effect on total MSME credit, but demographic and geographical penetration of banks did not affect the total MSME credit.

## **3. RESEARCH METHODS**

This research is a descriptive study, the unit of analysis is MSME in Blitar City. The sampling technique is based on purposive sampling, namely traders who sell vegetables, food and food ingredients in traditional markets in Blitar City, namely the Pon Market, Wage Market, Legi Market, Pahing Market and Templek Market. Research instruments using questionnaires and interviews. The data analysis technique uses descriptive analysis to describe the findings, so that the ranking of factors that influence the level of financial literacy and inclusion of MSMEs in Blitar is known. There are 4 indicators used in this study, namely age, gender, education, income. With the known sequence of factors that influence the level of literacy and financial inclusion of MSMEs in the city of Blitar, stake holders can determine the priority scale of the program for increasing financial literacy and inclusion for MSMEs, which ultimately capital is no longer a major problem for MSMEs.

## **4. RESEARCH RESULT**

### **4.1. Profile of Respondent**

There are 5 traditional markets in Blitar City where vegetables, food and food ingredients are sold, namely Legi Market on Jl. Mawar, Pon Market on Jl. RA. Kartini, Wage Market on Jl. Mastrip, Templek Market on Jl. Kacapiring and Pahing Market on Jl. Mahakam. Profile of respondents based on research indicators is as follows.

The age of MSMEs businessman in Blitar City who were respondents was classified into 3, namely age under 30 years, 30 to 60 years and above 60 years. The percentage of MSMEs under the age of 30 years is 8%, ages between 30 to 60 years are 63% and ages over 60 years are 29%. From these data, it can be seen that vegetables, food and food ingredients traders in traditional markets in Blitar City are dominated by traders aged over 30 to 60 years.

Traders under the age of 30 more sell food ingredients / food products such as tempeh, tofu, sprouts and cakes. Traders aged 30 to 60 years usually occupy permanent stall and traders aged over 60 years sell vegetables, not much kinds of vegetables and does not occupy the stall.

Judging from the level of formal education of elementary school graduates at 31%, junior high school 47% and high school 22%. Elementary school graduates are dominated by traders aged 60 years and over, junior high school graduates are dominated by 30-60 years old, and high school graduates are under 30 years of age.

The average sales turnover per day from respondents, sales below Rp. 200,000 at 11%, sales between Rp. 200,000 to Rp. 500,000 by 35% and sales above Rp. 500,000 by 54%. Sales under Rp. 200,000 is dominated by sellers over 60 years old with merchandise in the form of vegetables and not occupying the stall, while those whose turnover is above Rp. 500,000 are traders of food, fish, chicken and vegetables that occupy stalls with various types of merchandise. The average trader income is between 25% to 30% of sales turnover.

Traders who become respondents in terms of gender are dominated by women with a percentage of 96%, while men are only 4%. Male traders have occupied stalls with merchandise in the form of fish, shallots, garlic and chillies.

## **4.2. Discussion**

The results showed that the age factor ranks first that affects the level of literacy and financial inclusion of traders who are respondents. Respondents aged 55 years and over tend not to understand much about financial institutions and the products of these financial institutions and have never used the services of these financial institutions. Traders aged 60 years and over who make up 29% of the total respondents, all of them have never used the services of financial institutions. The profile of these respondents is that they still use kebaya and long cloth (jarit) and are already grandmothers, and this is still commonly found in traditional markets in the city of Blitar. The next sequence is the level of education, the higher the level of education the better the level of literacy and financial inclusion. Traders over the age of 60 can only be ascertained of elementary school graduates or even not attending school or not completing elementary school. For high school graduates the level of literacy and financial inclusion is good, but 50% of junior high school graduates have knowledge of financial institutions and also utilize the services of these financial institutions. The level of income does not have much effect on the level of literacy and financial inclusion, because respondents are still preoccupied with meeting short-term needs to be able to continue buying merchandise and resale. While gender does not affect the level of literacy and financial inclusion in vegetable, food / food ingredients traders.



## 5. CONCLUSIONS AND SUGGESTIONS

### 5.1. Conclusions

The order of factors affecting the level of literacy and financial inclusion of vegetable, food and food ingredients traders in the traditional markets of Blitar City is age, education, income and gender.

### 5.2. Suggestions

The increasing in financial literacy and inclusion of MSMEs is inseparable from technological development, therefore because age is ranked first, then if it relates to financial institutions, traders need assistance from the younger generation.

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# "ONLINE GAME", A GIFT OR DISASTER

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## ABSTRACT

Online Games have developed very rapidly lately and are widely played by various age groups. The most users are school – age children and teenagers. Without realizing it, the hobby of playing this online game resulted changes in attitudes and behavior of children and teenagers. Online games are a vehicle for play that is very popular with teenagers, It has several attractiveness that can make the teenagers choose to play it than having a study, proved by the numbers of teenagers whose prefer to skip the school and spending time in front of the computer lot more than reading books, which is may make the lesson disturbed. The purpose of this research are to explain,describing the factors that have causing the passion of the teenagers for the Online Games, or in some circumstances, we can call the addiction of Online Games and also identifying the effect of Online Games to the Teenager's achievement in school, is it brings more increasing or decreasing in their achievement, or perhaps, the needs they have were already in high demand that have causing the destruction of their achievement. This research also having goals how to solving the problems of the addiction of the Online Games. Research conducted will use qualitative methods. Selected informants will be choose by accordance with the background and objectivity of the study, including in this category are the players,their parents, the school environment and availability of Online Games facilities. By this research, researchers will look for a link between behavioral change and the fondness of playing online games. From the results of the research found the factors that cause online games are preferred and more interesting than school lessons, the effect on teenager achievement is decreased their learning achievement, and how to overcome addiction to online games that are parents' education is needed especially in learning problems, teenager are more emphasized to learn than to play online games, providing motivation to learn for teens is very important but apart from that, the role of both parents is also very important.

**Keywords** : Online Game, Behaviour,Teenager.

## 1. INTRODUCTION

The development of technology in this time is very rapid. Various technological advances can be obtained easily. Along with the times and the rapid development of technology, communication between humans can be done with a variety of tools or means, one of which means for refreshment, such as playing online games. Online games are growing rapidly lately, the longer, the more fun the game. Starting from the display, play style, game graphics, image resolution and so on. No less varied also types of games such as war games, adventure, fights and other types of online games that make it even more interesting. The more interesting a game, the more people who play the online game. The use of online games is dominated by students, ranging from kindergarten, elementary, middle, and high school. This can be seen from the many internet cafes (internet cafes) and game centers in big cities and small cities where many of us meet students who are busy playing online games. This activity has even begun to change from just "Like to play" to "Addicted to play". Addiction to playing online games will impact students / teens, especially in terms of academics because they are still in school age.

Online game, a word that is often used to represent a digital game that is rife in this modern era. This online game is often found in everyday life. Although some people think that online games are synonymous with computers, games don't only operate on computers. Games can be in the form of consoles, handled, even games also exist on mobile phones. Online games are useful for refreshing or eliminate the players' boredom

from daily activities (work, study, and other factors) or just fill in spare time. In essence, a study was conducted to find something that did not exist before (reveal the truth as a manifestation of human curiosity / desire), test the truth of an existing science to be tested once again because the data or conclusions are doubtful or develop, expand, and dig deeper into a theory or scientific problem deeper.

As we know, the progress of information and communication technology has a tremendous impact on life. Foresight to choose which is good and absolute bad, necessary so as not to carry over the negative currents. Unfortunately, as we're all realize that teens are known to be vulnerable to various technological challenges. Stability of way of thinking for the sake of satisfaction often drags adolescents into pleasure which if left unchecked will lead to addiction.

Nowadays it can be said that there has been a cultural shift from the fondness of playing online games, if previously playing online games was only done when there was free time, but lately it began to change, teenagers / students actually tried to always have free time to play online games, even some to play truant just to have time to play online games.

Playing online games on teens has positive and negative impacts. Positive effects from playing online games that can activate the motor system, with proper coordination between information received by the eye and then forwarded to the brain for processing and ordered to the hand to press certain buttons. Online games can encourage adolescents to be smart, because online game players require strong analytical power and proper strategic planning in order to finish the game well. The advantages that can be obtained by teens in playing online games is to increase concentration.

## **2. INFLUENCES THAT COME FROM ONLINE GAMES FOR TEENS**

Playing online games can indeed have a positive impact, but if it is allowed to drag on to lead to addiction it will certainly have a negative impact, including teenagers becoming less prioritized in their daily activities. Encouraging adolescents to act asocial, because the activity of playing online games is quite time consuming communication, both communicating with family and peers. Cause laziness to learn, caused by fatigue caused after playing online games, so that it can trigger acts of violence, because adolescents imitate characters excessively, thus imitating all the behaviors displayed by the characters in the game, without considering whether it is dangerous or not. This excessive imitation behavior can also trigger a criminal act, without the knowledge of teenagers, that physically harming others is a criminal act.

One of the deviations made by teenagers due to addiction to online games include lying. This lying habit is caused by teenagers who incidentally are still students getting money from their parents. If they say frankly asking for money to play online games, of course parents are difficult to give. For this reason, many teenagers choose to lie.

Playing the online games also brings affect for the teens behavior, including laziness. In addition, various online games often require money to buy game weapons,

so it is possible that the majority of users are still students lying to parents for various reasons in order to fulfill their hobbies playing online games.

Changes in behavior in teens who are addicted to online games may not be felt by teens themselves, but can be felt by others in their environment, especially parents.

Prof. Dr. Utami Munandar, a psychologist, reminded that the adverse effects that can be caused by addiction to this game are physical and psychological weakening, unnoticed by children. The next sequence, causing the child to lack energy and weakening concentration. According to Paul Wilson, hardcore gamers can spend 16-20 hours per day playing games. Others have documented a similar negative relationship between the amount of time playing games and school performance (Anderson & Dill, 2000; Paschke, Green, & Gentile, 2001). So playing online games has a profound effect on the development of children's intelligence from positive and negative aspects.

Problems with changes in adolescent behavior nowadays are increasingly complex, including online game opium which develops in the dynamics of our society, especially Indonesia. We often encounter several events / cases ranging from simple ones, for example the tendency of decreased interest in learning among adolescents, to crime cases which are not infrequently triggered as a result of 'Addiction / Addiction to Online Games', one example of cases of crime / criminality of teens due to game addiction online we can easily find it as can be seen on the website <https://metro.sindonews.com>, October 25, 2018, which reported about 3 teenagers who robbed a minimarket in Tangerang, the results of robbery were to pay rent for playing online games on cafe.

By far the most online game played by male students in the age range of compulsory education and the rest are the general public from all ages and professions. Reasons for students who like online games are quite diverse. Among them is the online game is a means of entertainment for them after a day of having to struggle with textbooks. besides that interest in technology is also the reason they choose online games as a medium of play.

Online games are played by students as well as free time, as well as a place to gather with friends and the media to get more new acquaintances both from cyberspace through online games and from internet cafes to play. As students who have the main obligation to learn to achieve academic achievement, a lot of their playing time is taken up. Therefore students anticipate these time limitations by taking time to play after school hours and on weekends. Earn money to play online games students do by leaving their allowance. There are also those who deliberately look for additional allowance, and some are asking for more money from parents.

## **Types of Online Games**

a. Massively Multiplayer Online First-person shooter games.

This game takes a first-person view so that it is as if the player is in the game in the point of view of the characters being played, where each character has different abilities in the level of accuracy, reflexes, and others. This game can involve many people and this game

usually takes the setting of warfare with military weapons. Examples of this type of game include Counter Strike, Call of Duty, Point Blank.

b. Massively Multiplayer Online Real-time strategy games.

This type of game emphasizes the greatness of the player's strategy. This game has a characteristic where the player must manage a virtual world and set the strategy at any time. The theme of the game can be history (for example the Age of Empires series), fantasy (such as Warcraft), and fiction scientific (such as Star Wars).

c. Massively Multiplayer Online Role-playing games.

A game where the players play the role of imaginary characters and collaborate to knit a story together. This game usually leads to social collaboration rather than competition. In general, in this game the players are joined in one group. Examples of this game genre are Ragnarok Online, The Lord of the Rings Online, Shadow of Angmar, Final Fantasy.

d. Cross-platform online play.

Types of games that can be played online with different devices. Currently console game machines (console games) are starting to develop into computers that are equipped with open source networks (open source networks), such as Dreamcast, PlayStation 2, and Xbox which have online functions. for example, Need for Speed Underground, which can be played online from a PC or Xbox 360.

e. Massively Multiplayer Online Browser Game

Games that are played in browsers such as Mozilla Firefox, Opera, or Internet Explorer. A simple online game with a single player can be played with the browser via HTML and HTML scripting technology (Javascript, ASP, MySQL) Simple games like Pacman are even remade using plugins on a web page. New browser games use web technologies such as Ajax that allow multiplayer interaction.

f. Simulation games

This type of game aims to provide experience through simulation. There are several types of simulation games, including life-simulation games, construction and management simulation games, and vehicle simulation. In life-simulation games, the player is responsible for a character or character and meets the needs of the character like in real life, but in the virtual realm. Character has human needs and life, such as work activities, socializing, eating, shopping, and so on. Typically, these characters live in a virtual world filled with characters played by other players. An example of the game is Second Life.

g. Massively multiplayer online games (MMOG)

Players play in a large scale world (> 100 players), where each player can interact directly like the real world. MMOG emerged along with the development of broadband internet access in developed countries, thus allowing hundreds, even thousands of players to play together.

### **3. CHANGES ON TEENS BEHAVIOUR**

Seeing the many types of online games that are very popular with teenagers, whether we realize it or not, slowly there is a trend of behavior change in adolescents at this time.

According to Antonius Felix Tjiia (2008,2) behavior is an individual's response to a stimulus or an action that can be observed and has a specific frequency, duration and purpose both consciously or not. Behavior is a collection of various factors that interact with each other. It is often not realized that the interaction is so complex that sometimes we don't have time to think about why someone is behaving in a certain way. Because it is very important to be able to examine the reasons behind individual behavior, before he is able to change the behavior.

Drs. Leonard F. Polhaupessy, Psi. describe behavior is a movement that can be observed from the outside, such as people walking, riding a bicycle, and riding a motorcycle or car. For this activity they must do something, for example one foot must be placed on the other foot. Obviously, this is a form of behavior. This story is in one way. If someone sits still with a book in his hand, he is said to be behaving. He is reading. Even though external observations are very minimal, the actual behavior is behind the curtain of the body, inside the human body. The behavior is described as an activity or activity of the organism or living thing concerned.

Therefore, from a biological point of view all living things ranging from plants, animals to humans behave, because they have their respective activities.

If judged more closely, the emergence of changes in adolescent behavior today that is triggered by craze or arguably addicted to playing online games is inseparable from the lack of government control over the entry of information, in this case online games that contain a lot of material violence that can trigger anarchist attitudes in among children or adolescents, whereas it has been regulated in Law No.35 of 2014 concerning Child Protection article 45B paragraph 1 which reads "The Government, Regional Governments, Communities, and Parents are obliged to protect Children from acts that interfere with children's health and development".

So it can be said, in addition to the participation of parents and educators, of course it is also necessary to control and supervise the flow of information that contains material violence and pornography that can be found in the online game, which should be done by the government through the relevant government agencies.

Seeing the magnitude of the impact arising from the fondness of playing online games on teenagers, it is hoped that the government can become one of the supervisors in filtering online game content that contains many elements of pornography and violence both verbally and visually, by issuing additional regulations such as sub-articles to support and complete existing regulations and laws.

So that through the completeness of the law, it is expected to reduce the negative impact of the development of adolescent behavior that is changing a lot at this time.

It is undeniable, that playing online games does have a very big negative impact, if we as a society in this case parents, schools, and the environment around teenagers are not able to provide true information on the influence of online games for teens.

But if, the online game is played by our children at the right time and in accordance with the age category, it can further hone the ability to think for teens. So in essence, back again to the supervisory function of each of us, as a society, in this case parents, schools,

the environment and government, which can determine whether online gaming is detrimental or actually bring benefits to the development of our young generation to become more both in this time and in the future.

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# ANALYSIS OF PUBLIC SERVICES PROVISION, EVALUATION STUDY OF MINISTRY OF EMPOWERMENT APPARATUS AND BUREAUCRATIC REFORM REGULATION NUMBER 15 OF 2014 CONCERNING STANDARD PUBLIC SERVICES IN LOWOKWARU DISTRICT, MALANG CITY

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## ABSTRACT

Evaluation Study of Regulation of Empowerment Aparaturs and Bureaucracy Reform Number 15 of 2014 concerning Standart of Services Guideline at the Lowokwaru Subdistrict, Malang Regency, against the background of a positive response from the community to the desire for good governance. While the problems in this study are: 1) The extent of public service delivery, based on the Regulation of Empowerment Aparaturs and Bureaucracy Reform Number 15 of 2014 concerning the Standart of Services Guideline in the Lowokwaru Subdistrict of Malang Regency. The purpose of this study is: to describe and analyze the implementation of public services, based on the Regulation of Empowerment Aparaturs and Bureaucracy Reform Number: 15 of 2014 concerning the Standart of Services Guideline in the Lowokwaru Subdistrict of Malang Regency. This study uses a quantitative descriptive approach, with the intention of obtaining an in-depth picture of the achievement of public service delivery, based on the Regulation of Empowerment Aparaturs and Bureaucracy Reform Number 15 of 2014 concerning Standart of Services Guideline in the Lowokwaru Subdistrict of Malang Regency. Data collection is done using questionnaire techniques, and documentation. Whereas in data analysis performed using the Likert scale calculation, namely assessing a frequency distribution into 5 (five) classification of values, namely: very good, good, not good, not good, and not very good. The results of the study show that (1) Transparency in public services is running well, where people can easily access the provisions of public services. (2) Accountability in public services has been going well, especially the support of service personnel who already have commitment and integrity in carrying out service tasks. (3) Accommodation (response) Public complaints in public services are not good because of the use of media or means to submit suggestions and criticisms in community service. and (4) The similarity of rights in public services is not going well, meaning that there is still an attitude of officers who discriminate in service to the community.

**Keywords** : Policy Evaluation, Public Services

## 1. INTRODUCTION

In the context of public services that are very culturally nuanced, they can encourage such deviations as corruption, collusion, and nepotism. Public Service is often a strategic moment for all bureaucrats to intervene with the public, people who wish to immediately resolve their questions inevitably have to obey and follow what the bureaucracy officials want. Delays in public service are often triggered by people who do not follow the will of the birokrasi and consequently will add to the long timeframe in completing the question.

Hopes and desires of the community to get fast-paced services, easy procedures, and low costs, are considered by bureaucratic apparatus to be irrational because in public services it does not only involve one part but involves several parts. Perhaps the desire of the community is based on the experience of past practices in which the bureaucracy identifies itself as the ruler who must be served by the community. Bureaucratic officials are like kings and the people are obliged to provide good services. But now the people are demanding an improvement in the performance of the bureaucracy by placing the community as a king and must be well served by the bureaucratic apparatus. People feel that they are no longer the object of service that accepts all forms of government



bureaucracy, but also determines the form of service that should and should be treated humanely.

Malang City Government now has a real commitment to encourage the realization of good governance (good governance) at every level of government. One part of the efforts of the city government of Malang is the implementation of Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services in Malang City, not least in the Lowokwaru District. This regulation covers government efforts to realize good governance in every scope of the Malang City government ranks. With this regulation, the bureaucratic apparatus as a whole must commit to efforts to implement good governance, clean and improve the quality of public services and improve the professionalism of the performance of the apparatus. This strategic step is meaningless without the support of all elements of society. The involvement of the community as the affected party should play a role in its implementation, as an effort to carry out the supervisory function to encourage the realization of the expected goals.

Lowokwaru Subdistrict Malang City is a sub-district not far from the center of government so that the level of public awareness, in general, is relatively high to be involved in the administration of government and public services. With the Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services, it can become the basis for the government apparatus of the Lowokwaru District in developing better services to citizens and at the same time as a benchmark for citizens in carrying out supervision in the administration of public services.

## **2. RESEARCH METHODS**

### **2.1. Research Approach**

Qualitative research methods are easier to adjust to field conditions, so they are more sensitive to changes in patterns / values and even data in the field (Moleong, 2002: 5).

### **2.2. Research Variables and Indicators**

In this study, the variable is the evaluation of the the Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services, in Lowokwaru District, Malang City, with research indicators including:

1. Transparency in the administration of public services,
2. Accountability in public services,
3. Accommodation (Response) complaints from the public towards public services
4. Equal rights to get public services.

### **2.3. Data Analysis Technique**

Data analysis uses descriptive qualitative methods, namely analyzing data by describing or describing the data collected as it is without intending to make conclusions that apply to the public or generalization. To carry out data analysis, the data of which are ordinal, a Likert scale is required. Sugiono (2002: 73), explains that: Likert scale is used to

measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena.

### **3. DISCUSSION**

#### **3.1. Principle of Transparency**

Transparency is a very important concept and becomes increasingly important in line with the growing desire to develop good governance practices. Good governance practices require transparency in the process of providing public services. The government is demanded to be open and guarantee stakeholder access to various information regarding its policies.

Related to transparency in public services in Lowokwaru Subdistrict, Malang City, it is based on the the Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services. Transparency in the regulation is intended that the implementation of public services must be open and accessible to all parties. Information regarding government actions must be available to citizens and stakeholders. By having access to various types of information, citizens can judge whether the government has truly served the interests of the community or the interests of other parties. The public can assess the extent to which the government is aligned with the interests of the community and determine the right attitude in responding to government policy.

#### **3.2. Principle of Accountability**

Public accountability as an obligation for government officials to always be responsible for the work carried out because everything that is done comes from and for the people. Therefore the people must openly know what is being done and want to be implemented. This concerns how the work is carried out, how to do it and how much it costs, and what the consequences for the work done. Transparent and transparent accountability is intended so that the public can know and understand the results obtained for the work done. With this responsibility, the community can supervise or control the implementation of public services.

Based on research it can be assessed that accountability in the administration of public services in Lowokwaru District, Malang City has been going well, identified from the commitment of employees in providing community services, employee orientation in providing community services, courage of service officers in taking discretionary actions, conformity of target time in service completion community, the suitability of service officers with authority, and speed of service officers in serving the community. However, what is still lacking concerns the commitment of employees in providing community services, employee orientation in providing community services, and courage of service officers in taking discretionary measures. Service officers often carry out services based solely on formal regulations, lack of courage or the prevalence of discretion. In the academic level, discretionary actions are deviant actions or are not in accordance with applicable regulations, but the intended action can be justified in the interests of the public can actually

be justified. Obstacles in the implementation of community services, usually caused by officers always dogmatic or obedient to the formal rules, if this is given the opportunity to service officers then it can speed up service to the community.

### **3.3. Accommodation of Community complaints in public services**

Based on the results of the study it can be judged that public complaints in the administration of public services in the Lowokwaru District of Malang went poorly, identified from the provision of a complaint channeling at the sub-district office, the provision of the aspirations of the citizens through social media, accommodating the complaints of the citizens through official meeting forums, and evaluating improvements to complaints from citizens. Submitting the aspirations of the community for the delivery of public services, it is very necessary for the village government to be an input and evaluation of the performance of public services so far. Means/media to deliver suggestions and criticisms must be provided, so that the community can easily if they want to submit their complaints, without feeling worried. One of the main principles in public service responsiveness means that a good government must have the ability to respond to developments and demands from the public. If these conditions continue then it can become an obstacle in the implementation of the the Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services.

### **3.4. Equal rights**

Equality of rights is meant the provision of services is not discriminatory or does not discriminate against ethnicity/race, class, religion, gender, and economic status. The attitude of differentiation in public services must be abandoned, because it is not in accordance with the principles of the implementation of public services, based on the the Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services. From the results of the study showed that service officers in Lowokwaru District did not differentiate their services in terms of class and status of the community, all residents were served as they should.

## **4. CONCLUSIONS AND SUGGESTIONS**

### **4.1. Conclusion**

From the results of research on the evaluation of the Regulation of the the Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services in Lowokwaru District, Malang, the following conclusions can be drawn:

#### **1. Principle of Transparency.**

Transparency in the administration of public services in Malang Lowokwaru Subdistrict Has been running well, identified from the ease of accessing the provision of community services, clarity of service officers, clarity of time in service, clarity of service officers' responsibilities, and clarity of authority of service officers. However, what is still lacking regarding the clarity of completion time in public services, this is very important

because the community always expects that the management of services can be done quickly or there is a certainty in the time of completion. Under these conditions, it can hamper the implementation of the the Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services.

## **2. Principle of Accountability.**

Accountability in the administration of public services in Malang Lowokwaru Subdistrict has been going well, identified from the commitment of employees in providing community services, employee orientation in providing community services, service personnel courage in taking discretionary actions, suitability of the target time in completion of community services, suitability of service officers with authority and speed of service personnel in serving the community. However, what is still lacking concerns the commitment of employees in providing community services, employee orientation in providing community services, and courage of service officers in taking discretionary measures.

## **3. Community complaints in public services.**

Public complaints in the delivery of public services in the Lowokwaru District of Malang went poorly, identified from the not yet optimal channeling of complaints at the sub-district office, provision of community aspirations through social media in the form of socialization leaflets, suggestion boxes, accommodating complaints from citizens through official meeting forums, and evaluating improvements to community complaints.

## **4. Equal rights.**

The equality of rights in the delivery of public services in the Lowokwaru Subdistrict of Malang went poorly, identified from the lack of courtesy and friendliness of service officers, and an attitude of respect for the people served. But the attitude of not discriminating between the groups of people served has gone well.

In the perspective of Reinventing Government theory that governmental governance is intended so that the mentality of the work of the government apparatus must always be customer-oriented, and the public users of public services are government customers who must or are obliged to provide the best service. If service personnel lack hospitality, politeness can worsen the image of service officers and can be an obstacle in the implementation of the Ministry of Empowerment Apparatus and Bureaucratic Reform Regulation No.15 of 2014 concerning Standar Public Services.

## **4.2. Suggestions**

From the research findings, there are several weaknesses or shortcomings in the delivery of public services in the Lowokwaru District of Malang, therefore the researchers submit the following suggestions:

1. Transparency in community services needs to be improved by taking firm action against service officers who do not comply with the provisions of carrying out their service duties.

2. Accountability needs to be improved, especially for service officers to have high commitment and integrity in carrying out service duties, based on the interests of the community.
3. Community complaints need to be facilitated in community service so that the community and all stakeholders can provide advice and criticism in order to improve the quality of service.

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# THE EFFECT OF ORIGINAL REGIONAL INCOME, BALANCE FUND AND DEMOGRAPHY ON FLYPAPER EFFECT THROUGH SHOP THE REGIONAL GOVERNMENT

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## ABSTRACT

The purpose of this study is to find out the pure regional income, balancing funds and demographic against Flypaper Effect. This type of research is explanatory use a saturated sampling method in 38 cities or cities in East Java Province. Analysis techniques for use path analysis. The results of the study show that pure regional income, balancing funds, and demographics influence government expenditure. Pure regional income and balancing funds affect the flypaper effect. Demographics have no effect on the flypaper effect. The government expenditure has an effect on the flypaper effect. Pure regional income and balancing funds affect the flypaper effect through government expenditure. Demographics has no effect on the flypaper effect through government expenditure.

**Keywords** : Pure Regional Income, Balancing Fund, Demographic, Flypaper Effect, Government Expenditures

## 1. INTRODUCTION

Regional autonomy is a challenge that is not easy, because of regional autonomy it must be based on the awareness that regional autonomy is an opportunity for area to prove its independence. This means that regional autonomy cannot seen as a failure. The implementation of regional autonomy must be directed to accelerate the realization of community welfare through empowering roles and a larger community and increased regional competitiveness. Transfer funds or also called balancing funds consisting of profit sharing funds, general allocation funds, and special allocation fund. In addition to the balance funds, the regional government also has its own funding source in the form of local revenue. Policy funding of all these funds is submitted to the regional government. Third fund these balances have different goals from each other. In addition to funds the balance, the regional government also has its own funding source in the form of local revenue. The funding policy for all the funds is submitted to the regional government. All balance funds are channeled into regional income and expenditure budget. Therefore, in management The regional government must account to the House of Representatives Area. Based on Minister of Home Affairs Regulation Number 13 of 2006. Shopping regions classified in direct and indirect shopping. Besides The central government also provides loans and assistance to the Government Area. The purpose of fund transfers, is the direction of the Central Government fiscal policy in the framework of implementing regional autonomy, among others, to reduce fiscal gap between the Center and the Region, as well as between the Regions themselves, and reduce regional disparity in public services.

Regional revenue is all regional government revenues originating from regional economic sources. Optimization of receipt of genuine income regions should be supported by local government efforts to improve quality public service (Mardiasmo, 2009). Regional Government Financing is conducted on top burden of regional income and expenditure budget. In the framework of organization Local governments and services to local

communities are given the authority to levy taxes or levies and manage natural resources. Original ability most of the Region reflected in Regional Revenue is only capable collect no more than 15% of the value of the Regional Revenue and Expenditure Budget. Therefore, the shortcomings must be assisted by the Central Government through balance fund mechanism consisting of profit sharing funds, general allocation funds, and special allocation funds that complement each other and complement each other (Usman *et al.* , 2008).

The low financial capacity of the Region will often cause a cycle negative, namely the low level of community service that will invite interference the hands of the central Government, so that it can cause the transfer of some functions -the functions of the regional government to the central government level (Isdijoso and Brahmantio, 2002). Receipt of Local Government originating from central Government transfers in the form of balancing funds is a stimulation for regional governments on spending regions, from the transfer funds creates a difference in regional income especially Regional taxes. The results of evaluating the use of fiscal balance funds in Indonesia shows that the Regional Government is very dependent on transfers Central government to finance limited regional income inequality with the level of government spending in effect (Hofman *et al.* 2006).

Regional government fiscal dependence on central Government transfer funds, call it a *flypaper effect* (Aragon 2009), which is the condition where shopping Local governments are more likely to respond to the transfer funds income from Central government rather than local revenue. If the Government is dependent The area for transfer funds is greater than dependence on income original area, then this indicates a *flypaper effect* has occurred . *Flypaper the effect* can also lead to asymmetry when fiscal changes occur. When general allocation funds increase, local governments spend extra income, but when the amount of general allocation funds decreases regional spending does not reduced (Junaidi, 2012). Fiscal behavior of local governments in responding to transfers from the central government is a major concern in supporting the effectiveness of transfers. In practice, transfers from the Central Government are the main funding source Regional government to finance its main daily operations, which by Regional government is reported to be calculated in the regional income and expenditure budget.

The purpose of this transfer is to reduce fiscal disparity between Governments and guarantee the achievement of minimum public service standards throughout the country (Sidiket *al* , 2002). Empirical evidence shows that the high dependence on transfers turned out to be negatively related to the results of government (Mello and Barenstein, 2001).

In fact, some regions in Indonesia have not been able to maximize the potential of the region so that it still relies heavily on balancing funds, especially DAU. According to data from the Ministry of Finance of the Directorate General of Balance Finance, the balance fund reaches 73% where most of the balance funds (amounting to 67%) is a general allocation fund. It is seen that the regional government is still very much dependent on transfer funds. This phenomenon is called *flypaper effect* . According to Melo (2002) in Rokhaniyah and Nugroho (2011) *flypaper effect* is a condition where the response of regional expenditure is greater for transfers.

The phenomenon of *flypaper effect* brings wider implications that the transfer will increase regional government spending which is greater than revenue Local government itself. A *flypaper effect* is not only found on Regional governments with low regional original income but also to the government areas with high regional Original Income and *flypaper effects* also occur in Regency / city areas that are agrarian or non-agricultural. *Flypaper effects* in various the area produces conclusions that are contractive with indications that *flypaper the effect* does not only occur in the research area. Gorodnichenko (2001) states that the *flypaper effect* phenomenon can occur in two versions. First refer to increased regional taxes and excessive government budgets. Second leads to higher expenditure elasticity of transfers than expenditure elasticity for local tax revenues.

Effect of local revenue, balance funds and demographics on *flypaper effect* through regional shopping produces various conclusions different. Mentayani *et al.* (2012) stated that the results of the study were not can be generalized to other regions, because each region has characteristics itself both in terms of geography, people's lives and economic conditions. With the allocation of transfer funds that are different in each local government raises difference (*gap*) between the implementation of decentralization and regional autonomy expected by the fact that happened, this is what later became an attraction to conduct this research.

Based on the above description, the purpose of this study is to analyze Effects of Regional Revenue, Balancing Funds and Demographics on Expenditures Regions, analyze the Effect of Regional Original Income, Balancing Funds and Demographics of *Flypaper Effect* , analyze the Effect of Regional Expenditures on *Flypaper Effect* , and analyze the influence of Regional Original Income, Dana Balance, and Demography of *Flypaper Effect* through Regional Expenditures District / City in East Java Province.

## 2. LITERATURE REVIEW

### *Flypaper Effect*

According to Vegh and Vuletin (2015), *effect flypaper* is widely documented as a regulation in public finance that holds the Government's tendency the area to spend funds is higher than spending income of the region itself. Hamilton (1983) also defines a *flypaper effect* as the tendency of local governments to rely more on transfer funds rather than using local revenue. *Flypaper effect* is considered as a strangeness in behavior that is difficult to rationalize, where the Regional Government use transfers received from the Central Government to improve

Regional expenditures that are inconsistent with economic theory (Hines and Thaler,1995).

Sagbas and Saruc (2008) state that there are two main theories from several studies about the source of the emergence of the *flypaper effect* that is often used is *fiscal illusion* and *the bureaucratic* model. The *fiscal illusion* theory suggests that the *flypaper effect* occurs due to ignorance or ignorance of the local community regarding financing and spending and decisions taken as a result of mistakes that perception. Schwallie (2008) states the essence of *flypaper effect* in the model the *fiscal illusion* effect on Government transfers actually produces output requested by the community, but community demand for public



goods is based on misperceptions about how to finance public goods and distribution costs borne by the community. In other words, the local community is indeed see the actual output of Government expenditure on public goods and the benefits obtained but have the wrong perception about the source of the expenditure financing comes from the transfer of the Central Government These costs should also be borne by the regional government such as through Regional taxes to increase the existing regional income as well.

### **Locally-generated revenue**

According to Halim (2002) states that regional original income is all regional revenues from regional economic sources. Income native region is one component of revenue in the area beside

balance funds and other legitimate regional income. As for types of income that can be classified as regency / city regional income are as follows: regional taxes, regional levies, the results of wealth management Areas that are separated, and others that are legitimate local revenues.

### **Balance Funds (*Grants*)**

Reality shows that not all regions are able to escape from the government center, because the level of needs of each region is different, which in the end the government transfers funds. This fund transfer is in the form of a Balancing Fund. In accordance with the provisions of Law No. 32 of 2004 concerning Government regions, then in the context of funding the implementation of decentralization the distribution is regulated finance as a balance fund (*grants*) between the government and the government the regions are fair, proportional, transparent and responsible. Balancing fund consists of: (1) general allocation funds aimed at equitable financial capacity between regions that are intended to reduce inequality in financial capacity between regions through the application of formulas that consider needs and regional potential. The total number of general allocation funds is set at least 26% (twenty six percent) of Net Domestic Revenues determined in the state expenditure budget. General allocation fund for a region determined on the size of the fiscal gap ( *fiscal gap* ) of a region, which is difference between regional needs and regional potential ( *fiscal capacity* ); (2) Allocation funds specifically intended to help finance special activities in certain areas which is regional affairs and in accordance with national priorities, especially for finance the needs of basic community service facilities and infrastructure that have not achieve certain standards or to accelerate regional development; (3) Revenue-sharing funds are funds sourced from revenue from income state expenditures that are divided into regions based on percentage numbers certain. Profit sharing funds originating from taxes and natural resources.

### **General Allocation Fund**

General allocation funds are *grants* that are authorized its use is fully handed over to the recipient local government. UU no. 33 2004 concerning financial balance between the central and regional governments gives the understanding that general allocation funds are

funds sourced from revenue from state revenues and expenditure allocated for purpose for equitable financial capacity among regions, to fund needs regions in the context of implementing decentralization. General allocation funds are means for even distribution of financial capabilities between regions intended for reduce inequality in financial capacity between regions through implementation formula that considers the needs and potential of the area. Funding general allocations are prioritized in regions that have low fiscal capacity where the area has not been able to maximize the local revenue because of something. For regions that have high fiscal capacity precisely will get a smaller amount of general allocation funds, so it is expected to be able to reduce fiscal imbalances between regions in undergoing the autonomy era at this time. General allocation funds prioritize their use to fund salaries and employee benefits, employee welfare, operations and maintenance activities as well physical construction of facilities and infrastructure in order to improve basic services and public services needed by the community. Budgets occur at the executive level and the legislature.

## **Demographics**

Demography is a term derived from two Greek words, namely *demos* which means people or residents and *graphein* which means drawing or writing. Bogue (1973) defines demography is the study of statistics and mathematics about the size, composition and distribution of population and changes changes over time through the work of 5 demographic components, namely fertility, mortality (mortality), marriage, migration and social mobility. Demography can be interpreted as or a description of the population, especially about birth, marriage, death and migration. Demography also includes scientific studies about the number, geographical distribution, composition of the population, and how the factors this factor changes from time to time. This term was first put forward by Archille Guillard in 1855 in his work entitled "*elements de statistique humaine, ou demographie comparee*" or *elements of human statistics or comparative demography* . Demographics are also expressed as "formal demographics" who pay attention to size or population, distribution or distribution population, population structure or composition, and population dynamics or changes. The size of the population states the number of people in a region at a time certain, both based on geography and concentration of residential areas. The population structure states the composition of the population by sex or age group. Demographics also pay attention to various individual characteristics and groups that cover social, cultural and economic levels. Characteristics social can include family status, place of birth, level of education and so on. Economic characteristics include economic activity, type of work and income.

## **Regional Expenditures**

According to UU No. 33 of 2004 article 1 paragraph 14, regional expenditure is all regional obligations recognized as a deduction from net worth in the period related fiscal year. Expenditure expenditure differs from expenditure financing. The difference lies in whether or not there is a refund which has been issued. Local governments will not get

payment returns to expenditure incurred, both in the current fiscal year and in the next fiscal year. While financing expenses is the expenditure that will be repaid in year current budget or in the next fiscal year. According to Government Regulations number 71 of 2010 concerning Government Accounting Standards, regional expenditure structures used in regional income and expenditure budgets are classified according to economic classification, namely: operating expenses; capital expenditure, and shopping is not unexpected. Operational expenditure is the expenditure of the budget for daily activities local governments that provide short-term benefits. Shopping operations consist from: employee expenditure, goods shopping, interest shopping, subsidy spending, grant spending, and social assistance spending. Capital expenditure is budgeted expenditure for purchase or procure fixed assets and other assets for use in activities Governments that have the following criteria: the useful life of more than 12 month, is an object of maintenance, the amount of the rupiah value of the material is in accordance with accounting policy. Capital expenditure consists of land expenditure, equipment expenditure and machinery, shopping for buildings and buildings; road shopping, irrigation and networks, asset shopping fixed and other, and other asset expenditure. Unexpected shopping is expenditure the budget for activities that are unusual and unexpected is repeated like disaster management, social disasters and other unexpected expenses very much needed in the context of implementing the authority of the central government or local government. Unexpected expenditure includes handling expenses disasters and spending on implementation of authority.

## **Hypothesis**

The research hypothesis is as follows:

- H<sub>1</sub> : Regional Original Income (PAD), Balancing Fund, Demogarf, has an effect significant for Regional Expenditures.
- H<sub>2</sub> : Local Revenue (PAD), Balancing Funds, Influential Demographics significant to *Flypaper Effect*
- H<sub>3</sub> : Shopping area has a significant effect on *Flypaper Effect* .
- H<sub>4</sub> : Regional Original Income (PAD), Balancing Fund, Demogarf, has an effect significant to *Flypaper Effect* through Regional Expenditures.

## **3. RESEARCH METHODS**

### **Research design**

According with the subject matter and objectives of the study, this study included explanatory research (*explanatory research*) is the research intending explain the relationship or influence between two or more variables. The influence of that revealed in this study is the influence of Regional Original Income, Balance Funds and Demographics Against *Effect Flypaper* and Regional Expenditures .

### **Research Population and Samples**

The population of this study is all regencies / cities that are in scope East Java Province which consists of 29 Regencies and 9 Cities. Retrieval method The sample used in

this study uses a census, namely technique sampling if all members of the population are used as samples, with thus the samples taken in this study amounted to 38 Regencies / Cities in East Java Province.

### **Operational Definition of Variables**

Based on conceptual definitions and empirical studies, operational definitions of variables The research is as follows:

a. Regional Original Income (PAD)

Regional original income is the realization of regional revenues sourced from regional taxes, regional levies, the results of separated regional wealth management and other other receipts of legitimate Regional Revenue. Locally-generated revenue in this study using the following formulations:

$$PAD = PD + RD + HPKD + LPAD$$

Information :

PAD : Regional Tax

RD : Regional Retribution

HPKD : Results of Regional Wealth Management

LPAD : Others Legitimate Local Revenue

b. Balancing Fund (DP)

Balancing Fund is a source of regional income originating from the APBN to support the implementation of regional government authority in achieving the purpose of giving autonomy to the regions, especially to improve services and community welfare is getting better.

In this study, balancing funds are sourced from funds general allocation constitutes total transfers from the central government in the general form, Special allocation funds are also total transfers from the central government in the form specifically, as well as revenue sharing funds from the central government in the form of profit sharing tax and non-tax collection. Balancing funds in this study were measured using the following formulations:

$$DP = DAU + DAK + DBH$$

Information :

DP : Balancing funds

DAU : General allocation funds

DAK : Special allocation funds

DBH : Fund for profit sharing

c. Demography (DM)

Demographics are the population of East Java Province.

d. Regional Expenditure (BD)

Regional expenditures are all regional cash expenditures that are directly direct or indirectly related to the program or activity carried out Local government. Regional expenditure in this study uses formulations as follows :

$$BD = BL + BTL$$

Information :

BD : Regional Expenditures

BL : Shop directly

BTL: Indirect shopping

e. *Flypaper Effect*

*Flypaper effect* is a condition that occurs when the regional government respond (shopping) more or wasteful by using transfer funds ( *grants* ) proxied by the General Allocation Fund, Special Allocation Funds, Funds Profit Sharing rather than using one's own abilities, proxied by Locally-generated revenue. *The flypaper effect* in this study is proxied fiscal autonomy (DOF) with the following formulations:

$$\text{DOF} = \frac{\text{Regional Original Income}}{\text{Total Income}}$$

### Data analysis technique

Path analysis ( *path analysis* ) is used in research to find out direct dependency relationship between a set of variables. *Path analysis* is models similar to multiple regression models. In the path analysis ( *Path Analysis* ) at the beta value that forms the structure. Regression equation models and analysis images pathway to analyze the influence of PAD, balance funds, demographics on *flypaper effects* and regional shopping, with the following formulations:

1) Structure of model 1

$$\text{BD} = \rho_{\text{BD.PAD}} \text{PAD} + \rho_{\text{BD.DP}} \text{DP} + \rho_{\text{BD.DM}} \text{DM} + \varepsilon_1$$

2) Structure of model 2

$$\text{FE} = \rho_{\text{FE.PAD}} \text{PAD} + \rho_{\text{FE.BD}} \text{BD} + \rho_{\text{FE.DM}} \text{DM} + \rho_{\text{FE.BL}} \text{BL} + \varepsilon_2$$

Where :

Z = *Flypaper Effect*

Y = Regional Expenditures

PAD = Regional Original Income

DP = Balancing Funds

DM = Demography

$\rho_{\text{BD.PAD}}$  = contribution coefficient of Regional Original Income to *Flypaper Effect*

$\rho_{\text{BD.DP}}$  = coefficient of contribution of the Balancing Fund to *Flypaper Effect*

$\rho_{\text{BD.DM}}$  = Demographic contribution coefficient on *Flypaper Effect*

$\rho_{\text{FE.PAD}}$  = coefficient of contribution of Local Revenue to Expenditures Area

$\rho_{\text{FE.DP}}$  = coefficient of contribution of the Balancing Fund to Regional Expenditures

$\rho_{\text{FE.DM}}$  = Demographic contribution coefficient for Regional Expenditures

$\rho_{\text{FE.BL}}$  = Regional Expenditure contribution coefficient on *Flypaper Effect*

$\varepsilon_1$  = the remaining value of model 1

$\varepsilon_2$  = the remaining value of model 2

## 4. RESULTS AND DISCUSSION

## Descriptive Analysis

The data used in this study are secondary data in the form of reports APBD District / City Government in East Java Province, namely data Regional revenue, regional expenditure and balance funds in the form of allocation funds general, special allocation funds, revenue sharing funds originating from the APBD realization report, submitted by the Regional Government to the Directorate General of Balance Finance of the Ministry of Finance, as well as demographic data obtained from the central agency statistics of all Regencies / Cities in East Java Province during the period 2015-2017. The following are presented descriptive statistics regarding local revenue, funds balance, demographics, regional shopping and *flypaper*.

Table 1. Descriptive statistics

Variabel	Minimum	Maximum	Mean	Std. Deviation
PAD	104.233.584.925	4.212.569.176.921	382.073.247.702	641.961.093.386
Balancing Fund	457.456.088.791	2.750.148.976.272	1.302.187.289.270	467.773.164.595
Demographics	120.623	2.848.583	1.008.978	636.160
Regional Expenditures	706.783.751.689	8.561.848.147.400	2.166.778.629.761	1.159.018.091.120
<i>Flypaper Effect</i>	1,61	14,97	8,29	2,91

Source: Secondary data processed.

In table 1 it is known that PAD ranges from Rp. 104,233,584,925 to Rp. 4,212,569,176,921 with an average of Rp. 382,073,247,702 indicates that the Regional Government under study has local revenue which varies. Regional revenue is the realization of regional revenues sourced from regional taxes, regional levies, the results of regional wealth management separated and other other receipts of legitimate local revenue. Original income the area in this study was assessed using an indicator namely original tax Regency / city area in East Java Province that has been realized.

Balancing funds range from Rp. 457,456,088,791 to Rp.2,750,148,976,272 with an average of Rp 1,302,187,289,270 which shows that the company under study has varying balance funds. Research using balance funds sourced from general allocation funds represents total transfers from the central government in the general form, allocation funds specifically which is also the total transfer from the central Government in a special form, and profit sharing funds from the central government in the form of revenue sharing tax and non-tax. The indicator of balance funds in this study is realization Regency / city general allocation funds in East Java Province, realization of allocation funds specifically regencies / cities in East Java Province and realization of revenue sharing funds Regency / city in East Java Province for three consecutive years namely year 205-2017.

Demographics ranged from 120,623 to 2,848,583 with an average amounting to 1,008,978 people indicating that the company studied had population varies. The population structure states the composition of the population by sex or age group. Implicit population changes declare a population increase or a partial decline in population or overall as a result of changing the three main components of change population: birth, death and migration.

Regional expenditure ranges from Rp. 706,783,751,689 to Rp. 8,561,848,147,400 with an average of Rp 2,166,778,629.76 which shows that the companies studied have varied regional expenditures. Regional shopping it is very important to evaluate whether the local government has using APBD economically, efficiently, and effectively (*value for money*). So far where Regency / City governments in East Java Province have made efficiency budget, avoid unnecessary expenses and improper spending target. Regional expenditure is

important because with shopping harmony, this is related to the function of the budget as a means of distribution, allocation and stabilization.

*Flypaper effects* range from 1.61 to 14.97 with an average of 8.29 which suggests local governments studied had variation of *flypaper effects*. This shows that there is a *Flypaper Effect* in the regions which is the object of research, which means that the area becomes an object research has not been optimal in exploring potential income to finance the area so that it is still dependent on the Central Government.

### Path Chart Model ( *Path Diagram* )

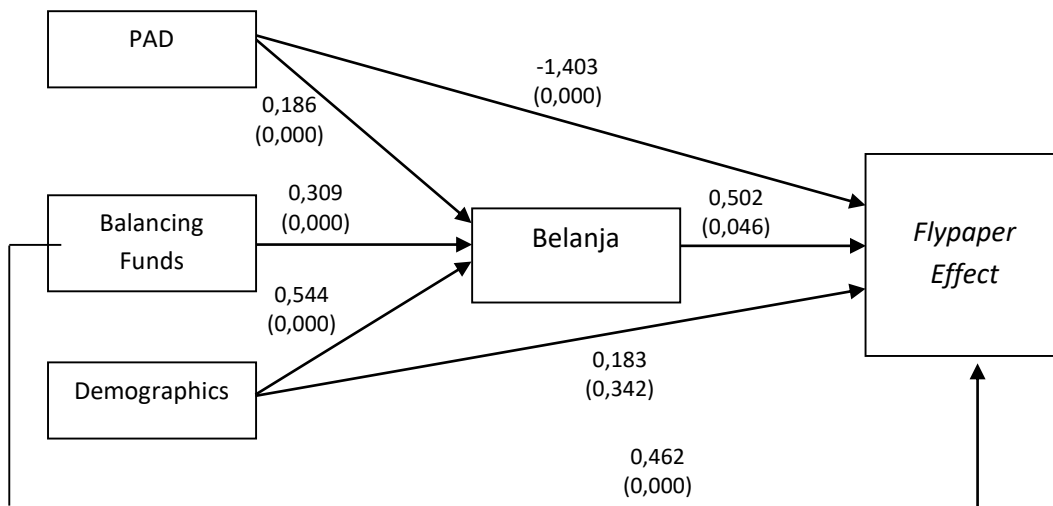
In order to complete path analysis, it is necessary to know the path coefficient ( *path coefficients* ) and path diagram ( *path diagram* ) . Path coefficients and parameters the model is presented in Table 2 below:

Table 2. Summary of Model Parameter Results

Model	Coefficient Lane	T	P Value	R	Adjusted R <sup>2</sup>
<b>Sub Structural 1</b>					
PAD	0,186	4,459	0,000		
Balancing Funds	0,309	8,539	0,000	0,975	0,949
Demographics	0,544	10,401	0,000		
<b>Sub Structural 2</b>					
PAD	-1,403	11,906	0,000		
Balancing Funds	0,462	3,798	0,000	0,814	0,650
Demographics	0,183	0,954	0,342		
<i>Flypaper Effect</i>	0,502	2,018	0,046		

Source: SPSS Report , 2019.

Furthermore, based on the data in Table 2 a diagram can be constructed path based on a predetermined model. Empirical path diagram presented as follows:



Source: Data processed, 2019

Figure 1  
Empirical Path Chart Study of *Flypaper Effect*

Based on Table 2 and Figure 1 above, direct effects can be described as follows:

- 1) PAD has a positive direct effect on regional expenditure indicated by path coefficient of 0.186 and a significant level of  $0.000 < 0.05$ .
- 2) Balance funds have a significant positive direct effect on spending the area is indicated by the path coefficient of 0.309 and a significant level of  $0,000 < 0.05$ .
- 3) Demographics have a direct positive effect on regional expenditure indicated with a path coefficient of 0.544 and a significant level of  $0.00 < 0.05$ .
- 4) PAD has a significant negative direct effect on the *flypaper effect* indicated with a path coefficient of -1.403 and a significant level of  $0.000 < 0.05$ .
- 5) Balance funds have a significant positive direct effect on the *flypaper effect* indicated by the path coefficient of 0.462 and a significant level of  $0.000 < 0.05$ .
- 6) Demographics do not have a direct positive *effect* on the *flypaper effect* shown with a path coefficient of 0.183 and a significant level of  $0.342 > 0.05$ .
- 7) Regional expenditure has a significant positive direct effect on the *flypaper effect* indicated by the path coefficient of 0.502 and a significant level of  $0.0406 < 0.05$ .

Table 3. Inter Variable Path Coefficients

Influence	Direct Influence	p-value	UnDirect Influence	Total Influence	Information
PAD → Regional Expenditure	0,186	0,000	-	-	Significant
Balancing Funds → Regional Expenditure	0,309	0,000	-	-	Significant
Demographic → Regional Expenditure	0,544	0,000	-	-	Significant
PAD → <i>flypaper effect</i>	-1,403	0,000	-	-	Significant
Balancing Funds → <i>flypaper effect</i>	0,462	0,000	-	-	Significant
Demographic → <i>flypaper effect</i>	0,183	0,342	-	-	UnSignificant
Regional Expenditure → <i>flypaper effect</i>	0,502	0,046	-	-	Significant
PAD → Regional Expenditure → <i>flypaper effect</i>	-1,403	-	0,093	-1,310	-



Balancing Funds → Regional Expenditure → <i>flypaper effect</i>	0,462	-	0,155	0,617	-
Demographic → Regional Expenditure → <i>flypaper effect</i>	0,183	-	0,273	0,456	-

Source: Data Table 2 and analysis of Figure 1.

Indirect effects are explained as follows:

- 1) PAD directly affects the *flypaper effect* through regional spending significant is indicated by the path coefficient of the multiplication of the PAD coefficient against *flypaper effect* with regional shopping coefficient value on *flypaper effect*, namely:  $0.186 \times 0.502 = 0.093$  smaller than the direct effect of PAD on *flypaper effect* = -1.403 and a significant level  $<0.05$ .
- 2) Balancing funds have a direct effect on the *flypaper effect* through shopping significant area is indicated by the path coefficient of the multiplication of values coefficient of balance funds towards regional expenditure with the value of the shopping coefficient the area of the *flypaper effect* is:  $0.309 \times 0.502 = 0.155$  smaller than the direct effect of balancing funds on *flypaper effect* = 0.462 and level significant  $<0.05$ .
- 3) Demographics have an indirect effect on the *flypaper effect* through shopping significant area is indicated by the path coefficient of the multiplication of values demographic coefficient on *flypaper effect* with regional shopping coefficient values the *flypaper effect*, namely:  $0.544 \times 0.502 = 0.273$ , and the total value is greater than the direct effect of balancing funds on *flypaper effect* = 0.183 and level significant  $> 0.05$ .

## Hypothesis Results

Hypothesis testing is done by testing the significance of individual parameters each path to ensure the influence of independent variables on variables bound.

### a. Testing the First Hypothesis

The first hypothesis which states that Regional Original Income (PAD), Balancing Fund, Demogarf, has an effect on Regional Expenditures. Analysis results shows that directly PAD has a significant effect on spending area. The amount of direct influence of PAD on regional expenditure is equal to 0.186 with a significance value of 0,000 less than 0.05. That is, PAD has a significant influence on regional expenditure.

Balancing funds have a significant effect on regional expenditure. Magnitude the direct effect of the balance fund on regional expenditure is 0.309 with a significance value of 0,000 less than 0.05. That is, funds balancing has a significant effect on regional expenditure.

Demographics have a significant effect on regional expenditure. Magnitude of influence direct demographics of regional expenditure are 0.544 with values significance of 0,000 less than 0.05. That is, demographics have significant influence on regional expenditure. Thus the hypothesis the first is statistically tested.

### b. Testing of the Second Hypothesis

The second hypothesis which states that Regional Original Income (PAD), Balancing Funds, Demographics affect the *Flypaper Effect*. Analysis results shows that directly PAD has a significant effect on *flypaper effect*. The magnitude of the direct effect of PAD on the *flypaper effect* is as big as - 0.403 with a significance value of 0,000 less than 0.05. That is, PAD has a significant effect on the *flypaper effect*.

Balancing funds have a significant effect on the *flypaper effect*. Magnitude the direct effect of the balance fund on the *flypaper effect* is 0.462 with a significance value of 0,000 less than 0.05. That is, funds balancing has a significant effect on the *flypaper effect*.

Demographics have no effect on the *flypaper effect*. Magnitude of influence the direct demographic of the *flypaper effect* is 0.183 with a value significance of 0,000 less than 0.05. That is, high and low demographics no effect on the *flypaper effect*. Thus the second hypothesis not tested.

#### c. Testing of the Third Hypothesis

The third hypothesis states that regional expenditure has an effect on *Flypaper Effect*. The results of the analysis show that regional spending is directly significant effect on *Flypaper Effect*. The magnitude of the direct influence of shopping the area of the *Flypaper Effects* is 0.502 with a significant value of 0.046 smaller than 0.05. That is, regional expenditure has an influence on *Flypaper Effect*. Thus the third hypothesis is statistically untested.

#### d. Testing of the Fourth Hypothesis

The fourth hypothesis which states that Regional Original Income (PAD), Balancing Funds, Demogarfi, affects the *Flypaper Effect* through Regional Expenditures. Analysis of the effect of PAD through regional expenditure on *flypaper effect*, it is known the direct effect of PAD on the *flypaper effect* amounting to -1.403 with a significance value of 0,000 less than 0.05, while the effect of regional expenditure on the *flypaper effect* is 0.502 with significance value of 0.046 smaller than 0.05. These results show that Regional Original Income (PAD) affects the *Flypaper Effect* through Regional Expenditures.

Analysis of the effect of PAD through regional spending on *flypaper effects*, it is known that the direct effect given by the balance fund on *flypaper effect* is 0.463, while the total effect is 0.617, so the effect is total is greater than direct influence. These results indicate that Balancing Funds affects the *Flypaper Effect* through Regional Expenditures.

Analysis of the influence of demographics through regional spending on *flypaper effects*, it is known that the direct effect of the demographics on the *flypaper effect* amounting to 1.183 with a significance value of 0.342 greater than 0.05, while the effect of regional expenditure on the *flypaper effect* is 0.502 with significance value of 0.046 smaller than 0.05. These results show that Demogarfi has no effect on *Flypaper Effect* through Shopping area. Thus the fourth hypothesis is statistically untested.

### Effect of Regional Original Income, Balancing Funds and Demography on District / City Expenditures in East Java Province

Regional Original Income has an effect on regional expenditure, this show that local revenue is an important source of income for a region in fulfilling shopping. Regional Original Income can also be obtained shows the level of independence of a region. More and more PAD is obtained can allow the area to meet its own shopping needs without must depend on the Central Government, which means this shows that local governments have been able to be independent, and vice versa. Income Regional origin originating from Regional Taxes, Regional Management Results and others Legitimate Local Revenue in the Regency / City in East Java Province. Purpose from the government to optimize all revenues / revenues that originate from local economic sources aiming to provide flexibility to regions in digging up funding in the implementation of regional autonomy as the realization of the principle of decentralization. Based on the data examined throughout 2015-2017 PAD in regencies / cities in East Java Province experienced dynamics, namely

rising and down, however the results of this study have an influence on Regional Expenditures are positive, meaning that Regional Original Income increases, then Regional Expenditures in Districts / Cities in East Java Province also experienced enhancement. The results of the Regional Original Revenue have an effect on spending regions, for regional governments is a source of funding in carrying out it's authority, while the lack of funding is expected to be explored through own funding source, namely Regional Original Income. PAD is expected to get creating better utilization to help fund activities that are regional affairs and in accordance with national priorities.

Regional Original Income revenue shows the ability of an area through the system his government in collecting sources of funds to finance activities development of the area. So that local revenue is income routine received by the regional government from efforts to utilize the potential financial resources to finance tasks in each region, with thus PAD is needed to support Regional Expenditures. Increased spending regions to accelerate the pace of development and economic growth regions, local governments can seek to increase PAD, each element in it are elements that need to be improved. In line with (Mardiasmo, 2002), that the optimization of regional income revenue should be supported by local government efforts to improve the quality of public services. The government can identify local sources of income in a way research, determine and determine which source actually is local revenue by researching and managing and managing resources the income is large so as to provide maximum results. Role government in development is a catalyst and facilitator of course requires various supporting facilities and facilities, including the budget in the framework of implementing sustainable development, PAD in each region different. Regions that have advances in industry and own abundant natural wealth tends to have much better PAD compared to other regions, and vice versa. The results of this study are consistent with Masdjojo and Sukartono (2009) which state regional original income to regional shopping.

The results of the study indicate that there is an influence of the Balancing Fund towards Regional Expenditures in Districts / Cities in East Java Province. Fund Balancing can encourage regional spending for priority activities National development. This indicates that the local government still has great dependence on the central government in financing expenses and regional expenditure. However, in the long run, this kind of dependency this must be smaller.

Various investments made by the regional government are expected to provide positive results, so that more independent local governments can exploit their potential and resources in the area to be able to fulfill regional expenditure and not depend on the central government in terms of financing spending and spending local government. Alfian (2009). Wahyuni and Pryo, (2009) mention that "Revenue Sharing Funds (DBH) are a potential source of regional income and is one of the basic capital of the local government in obtaining funds development and fulfill regional expenditures other than those originating from Original Income Regions, General Allocation Funds and Special Allocation Funds. Research conducted by Indra (2010), states that the results made show that Regional Original Income, Profit Sharing Funds and General Allocation Funds simultaneously and partial positive effect on regional expenditure.

Balancing Funds are funds originating from the state budget revenues allocated to regions by taking into account the potential of producing regions based on certain percentage numbers to fund regional needs in order implementation of decentralization (Deddi, 2007). Balance Funds are intended for overcome vertical imbalances between levels of government (revenue sharing and funds) general allocation) equates the fiscal capacity

of regional governments to encourage spending regions for national development priority activities, encouraging achievement of services and minimum standards, and stimulate income mobilization. Balancing funds, one of which is profit sharing funds is a source regional income which is quite potential and is one of the basic capital local government in obtaining development funds and fulfilling spending area. Carol (2005), with a positive influence, this is in line with Iskandar (2012) that these conditions indicate *flypaper* for with the stimulus of regional expenditures caused by changes in the amount of transfers from the Central Government greater than that caused by changes in Regional income. Likewise, Masdjojo and Sukartono (2009), analyze the effect of Regional Original Income and Balancing Funds on Regional Expenditures, and analyze the *effect of Regency / City flypaper* in Central Java. Balancing Funds used are General Allocation Funds, Special Allocation Funds, and Revenue Sharing Funds. This research was conducted in the period 2006 to 2008, with the object of research as many as 35 districts / cities in Central Java that have been submit financial statements. The results of this study are supported by studies empirical that has been proposed so that there is an influence of the Balancing Fund towards Regional Expenditures in Districts / Cities in East Java Province.

The results showed that there was a demographic influence on Regional Expenditures in Districts / Cities in East Java Province. Projection demographics with the population showing a positive effect which means if the demographics increased, regional spending also increased. Total the population plays an important role because it provides labor, experts, company leaders and business people needed to create economic activity. In addition, population growth has resulted increasing and increasingly complex needs, on the one hand as suppliers on the side others are also users of both goods and services themselves. Home sector the ladder and the production sector do have to be mutually beneficial in various ways combination of the flow of goods and services. Development activities carried out by the region is a demand from the community, this will affect both increased or reduced number of activities and budgets for regional expenditures, expenditure on the implementation of compulsory affairs can be prioritized to protect and improve the quality of life of the community in an effort to fulfill regional obligations manifested in the form of improving basic services, education, health, decent social facilities and public facilities and develop a guarantee social system.

The relationship between the two variables is positive due to along with increasing government demographic factors also increase spending The area. Distribution that has not been evenly distributed and is not on target, Regional Expenditures it only focuses on urban areas while in remote areas / not yet development is still minimal, resulting in infrastructure, facilities and infrastructure, the level of education and health has not been evenly distributed. GRDP that every year experiences increase during the 2015-2017 period, thus per capita income as well increase every year. In general this shows success efforts to increase the number of gross regional domestic products and controlling population. One measure of economic growth according to Todaro (2004: 92) is the process of increasing output per capita which is proxied by Gross Regional Domestic Product (GRDP) per Capita which is defined as the amount added value generated by all business units in a region, or is the sum of all final goods and services produced by all units economy in an area. Capital accumulation used for implementation development can be influenced by a balance fund which is one development capital, from here comes the *flypaper effect* , GDP as one indicators of demographics show a good influence so with the increase in indicators in demographics, regional spending also experiences enhancement.

## **Effects of Regional Original Income, Balancing Funds and Demographics Against Regency / City *Flypaper* Effect in East Java Province**

The results of the study show that there is an influence of local revenue against *flypaper effects* in regencies / cities in East Java Province. In other words the discovery of *flypaper effects* on expenditure allocation, it is expected that the government can decreased possible excessive response to regional spending. This matter in line with Wulansari (2015) shows that there is a *flypaper effect* on Government expenditure in East Java, Central Java and West Java provinces, this happened because the influence of DAU on Regional Expenditures is higher than that of the influence of PAD on Regional Expenditures. Tresch (2002: 920), further stated that *Flypaper Effect* itself is a response that is not symmetrical or asymmetrical towards increasing and decreasing use of transfer funds from the central government, transfer funds are given for a certain period of time with an indication of existence parties that benefit from inclined transfers ( *grants* ) increase. Along with the increase in Regional Expenditures this will also be raises *Flypaper Effect*. This is consistent with the opinion of Hines and Thaler (1995) that *flypaper effects* are considered an oddity in difficult behavior rationalized, where the Regional Government uses the transfers received from Central Government to increase Regional expenditures that are inconsistent with economic theory.

Increased Regional Expenditure signifies an increase in quality of life society is realized through work performance in achieving service standards at a minimum based on obligatory functions of regional government in accordance with regulations legislation. The policies stipulated in accompanying financing regional expenditure that can be taken is the optimization of sources of revenue the most likely funding can be done quickly, besides that too used to meet the needs of financing expenses arising from capital participation and payment of principal debt due. Development source of regional revenue will have an impact on the amount of transfer funds received by the region, this is very much needed by regions to develop according to own ability. Implications of increased ability the region in financing its shopping needs is the fiscal area able to meet their expenditure needs so that the fiscal gap between regions can be overcome.

Demographics have no effect on *flypaper effects*, which means that it is high the low demographics that are proxied by the population do not have an impact on *flypaper effect*. *Wallpaper effect* as a result of more flexible bureaucrat behavior spending transfers rather than raising taxes.

## **Regional Expenditure Influence on Regency / City *Flypaper* Effect in Province East Java**

The results of the study indicate that there is an influence of regional expenditure on *Flypaper Effect* in Regency / City in East Java Province. The occurrence of a *flypaper effect* influenced by the tendency to increase regional spending or in other words that the Regional Government determines regional expenditure policies in the year runs more determined by the DAU that has been received in the previous year period than PAD received in the previous year period. The results of this study are consistent with Baskaran (2012) also in line with other studies conducted in America Unions (Clark and Whilford, 2011), Argentina (Vegh and Vuletin, 2015), China (Liu and Zhao, 2011), Denmark (Kjaergaard, 2015), Italy (Bracco *et al.* 2015), Japan (Kakamu *et al.* , 2014), Canada (Mehiriz and Marceau, 2014), Slovenia (Pevcin, 2014) and Sweden (Dahl-berg *et al.*, 2008).

Regional Expenditures include all expenses from the regional general cash account reduce the equity of funds, is a regional obligation in one fiscal year and the payment will not be obtained by the region. Shopping the area used in the framework of funding the implementation of government affairs that become the authority of the province or district / city which consists of obligatory affairs, matters of choice and affairs that handle it in certain parts or fields that can carried out jointly between the government and regional government or between governments regions stipulated by statutory provisions. Shopping the implementation of business must be prioritized to protect and improve the quality of life of the community in an effort to fulfill regional obligations manifested in the form of improving basic services, education, health, facilities social and public facilities that are feasible and develop social security systems. *Flypaper effects* occur because of the superiority of bureaucrat knowledge about transfers. More information that is owned by bureaucrats allows it to provide expenses the excess.

### **Effect of Regional Original Income, Balancing Funds and Demography on *Flypaper Effect* through Regency / City Regional Expenditures in East Java Province**

The results of the study indicate that there is an influence of Regional Original Income and balance funds for the *Flypaper Effect* through Regional Expenditures, however Demography does not affect the *Flypaper Effect* through Regional Expenditures District / City in East Java Province. Direct and indirect effects of PAD For *Flypaper Effect* , PAD has a very strong direct effect but with the value of indirect influence is also very strong, meaning more PAD increases, regional spending also increases and both are increasingly raises the existence of *Flypaper Effect*. PAD which consists of Regional Tax, Retribution Regions, Regional Wealth Management Results and other Regional Original Income Legitimate will cause *Flypaper Effect*. Regional Original Government is an indicator regional independence as mandated by Law Number 32 of 2004 about Regional Autonomy. Regional taxes and regional levies are sources regional revenues that are significant enough to be able to finance regional expenditures.

This result leads to Chang and Ho (2002), that income relations and extensive regional spending since the late 1950s. Aziz (2000) and Doi (1998) explain that various hypotheses about the relationship have been tested empirical. Some studies state that income affects spending and others state that spending affects income. Holtz-Eakin et al (1985) states that there is a very close relationship between transfers from the government with regional expenditure. Legrensi and Milas Studies (2001) in Prakosa (2004), using a *sample of municipalities* in Italy, found empirical evidence that in the long run the transfer from the government affects regional spending.

Generally, the annual increase in the absorption of Regional Expenditures shows acceleration of development in the area, but if the growth of this expenditure moving up every year can indicate a *flypaper effect* , because most of the regional revenue sources come from transfer funds. Response that excessive use of transfer funds will result in the area tend to depend on the central government, for that the central government should make the performance of monitoring and evaluation on local government in order monitor, control and evaluate. Specifically they assert that policy variables, this indicates a *flypaper effect*, this study also in line with Maimunah (2006), *flypaper effect* is a condition that occurs when the local government responds to spending more / wastefully with use transfer funds ( *grants* ) that are proxied by DAU (Allocation Funds) General) rather than using one's own abilities, proxied by (PAD) Locally-generated revenue. The phenomenon of *flypaper effect* has broader

implications that transfers will increase regional government spending which is greater than on receipt of the transfer itself.

The results of this study also sharpen that the *flypaper effect* increases regional government expenditure is greater than the receipt of the transfer itself (Turnbull, 1998: 18) and the tendency to wait for help from the center rather than manage the area's own resources. Implicitly there are several implications from the occurrence of a *flypaper effect* on district / city expenditure such as: cause the fiscal gap ( *Fiscal gap* ) will remain. *Fiscal gap* is a framework central government policies in providing DAU to the regions, then if they occur *flypaper effect* means that the achievement of transfer funds is not optimal. This is visible in analyzing DAU development and regional expenditure. Excessive response in the use of transfer funds where the central government should make a performance monitoring and evaluation of local governments in order to monitor, control and evaluating the use of DAU funds, this is needed to prevent the response excessive disclosure of DAU revenues in the resulting area lack of regional financial independence in districts / cities concerned (Walidi, 2008: 35).

## 5. CONCLUSION AND SUGGEST

### Conclusion

This study aims to analyze local revenue, funds balance and demographics of the *flypaper effect* through regional spending at Regency / City of East Java Province. The results of the study show:

1. Local revenue originates from regional taxes, regional levies, yields management of separated regional wealth and other income receipts legitimate native area. The biggest regional income is taxable area. Balancing funds come from general allocation funds, special allocation funds, and revenue sharing funds from the central government. General allocation funds provide the biggest contribution to the balance fund. Demographics that are proxied by the total population in the Regency / City in East Java Province can generally be said to increase slowly.
2. Regional Original Income, Balancing Funds and Demographics affect Regional Expenditures in Districts / Cities in East Java Province. Positive influence where if Regional Original Income, Balancing Funds and Demography increase, it will increase the Expenditure of Regency / City Region in the Province East Java or otherwise.
3. Regional Original Income and Balancing Funds affect *flypaper effect* in Regency / City in East Java Province, while Demography is not affect the *flypaper effect* in regencies / cities in East Java Province. Regional Original Income lower than balance funds can increase Regency / City *flypaper effect* in East Java Province or otherwise.
4. Regional Expenditures affect the *flypaper effect* in the Regency / City in the Province East Java. Positive influence where if Regional Expenditure increases, it will increase the *effect* of Regency / City *flypaper* in East Java Province and vice versa.
5. Regional Original Income and Balancing Funds have an effect on *Flypaper Effect* through Regional Expenditures in Districts / Cities in East Java Province, while Demography does not affect *Flypaper Effect* through Shopping Regions in Regencies / Cities in East Java Province. If Regional Original Income and balanced funds increase, can increase Regional Expenditures, this too will increase the Regency / City *Effect Flypaper* in East Java Province or otherwise.

### Suggest

Based on the results of the study, and some conclusions that have been stated the suggestions submitted in this study are as follows:

#### 1. Practically

- a. From the results of this study can be used as a source of information to The Central Government and the Regional Government recognize the effect of Revenue Original Region, Balancing Funds, and Demography on Flypaper Effect Through Regional Expenditures and can encourage the independence of the Region within the implementation of regional autonomy, especially at the Regency / City Government in East Java Province.
- b. Demography is a change in population dynamics caused by fertility (birth), mortality (death), and migration (displacement). The public does not understand the decrease in costs that occur is at cost average or marginal cost. The community only believes in the price of public goods will decrease. If the demand for public goods is not elastic, then the transfer resulting in a tax increase for the community. This means a *flypaper effect* is a result of ignorance of the public on the government budget area.
- c. In an effort to increase regional original income, the Central Government should be better and the Regional Government conducts related policy making with planning, control and evaluation of the Revenue Budget State Expenditures and Regional Expenditure Budget, as well as Accompanying Government Laws and Regulations.
- d. The results of this study were also used as a basis for increasing original income Regions so that Local Governments Don't Always Hang Funds transfer from the Central Government.

#### 2. Theoretically

- a. In the study of Regional Revenue, Balancing Funds and demographics as well Regional Expenditures, in order to include other components of regional revenues which are valid as a research variable because it is a component of regional income.
- b. In the study of regional spending and analysis of the *flypaper effect*, we can find out more detailed, so that the next researcher provides clearer indicators, so that clearer in taking data and more valid.

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# PRICE IDENTIFICATION MODEL "RUPO NGGOWO REGO" IN "CANDAK KULAK" MARKET PANGGUNGDUWET VILLAGE BLITAR REGENCY

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## ABSTRACT

The purpose of this study is to describe the pattern of determining the price of vegetables by the method of "Rupo Nggowo Rego" in the market "Candak Kulak" in the Panggungduwet Village of Blitar Regency by sellers and buyers as well as an understanding of social accounting methods in pricing products owned by the Indonesian people, especially in traditional Javanese markets (Blitar). The method of this research was carried out using in-depth interviews with participant, observation and documentation studies. The steps start from determining the location or individual, then building access to the informant, choosing purposive sampling, carrying out the data collection itself in the field, recording information, solving field issues, storing data and returning to the initial step. The subjects in this study were sellers and buyers in the market of Candak Kulak Panggungduwet Village in the Blitar Regency. Analysis of qualitative data by making data reduction, presenting data and drawing conclusions continuously as a circle. The output in this study is a description of the "Rupo Nggowo Rego" Pricing Model in the "Candak Kulak" Market in Panggungduwet Village of Blitar so that it can improve the quality of the positive methods for the Blitar community.

**Keywords** : Price Identification (Pricing), *Rupo Nggowo Rego*

## 1. INTRODUCTION

The ways in the sales process must have a sales pricing model that have an effect on increasing the selling. The sales model that is done in a unique and creative way will make buyers more interested in the goods to be sold. Actually, sales activities can be done wherever and whenever one place of sale is a market. The market is a place that can bring together sellers and buyers in buying and selling transactions. This is in accordance with the situation in the market of *Candak Kulak* as the results of research conducted by researchers today. At the market of the *Candak Kulak* buyers can choose goods according to their desired taste at affordable prices and balanced with good quality.

Basically, every trade activity carried out at *Candak Kulak* market in Panggungduwet Village of Blitar Regency, traders aim to get the maximum profit in order to maintain their business presence amidst competition. Traders must make every effort to learn, understand the needs and desires of buyers to make a profit. In addition to pay attention to the quality of the merchandise, buyers will also consider the prices offered by traders. Price is one of the important aspects in conducting trade activities. The pricing model is very important to note, considering the price is one of the cause of merchandises that has been offered sold out or not. If it is wrong to determine the price it will have bad effect to the goods which offered and it can't be sold. This is related to the term pricing by the method of "Rupo Nggowo Rego". "Rupo Nggowo Rego" is a term related to the quality of goods which is sold, if the quality of the goods is high, it will be followed by an expensive selling price. Many vegetable traders at the *Candak Kulak* market use the term "Rupo Nggowo Rego" to interact interactively with buyers. Actually, it does not mean that the merchandise which sold in the market is poor in quality or bad, but this depends on the buyer, whether the buyer can

recognize, understand, and choose which items are good quality and which items are poor quality. In the study (Fitria Putri Rahayu, 2018) the sales strategy with pricing through "Rupo Nggowo Rego" in Nlenggok Blitar Market, which has the term good goods said in the Java term "Rupo Nggowo Rego" means good quality of goods means the price is also expensive it can be the price of the packaging be high. From the statement, it can be concluded that when good goods are based on the quality of the goods, the higher the quality of the goods that will affect the increase in goods traded.

Buyers who have been able to recognize which items are in good quality, and then they can calculate the price. The advantage of buying in the traditional market is the buyers can bargain the price or negotiate the selling price of merchandise and choose the goods according to the taste. Thus, if the buyer has been able to determine the item that has been liked, then the buyer just has to offer the selling price of the item.

Before determining the selling price, the traders at *Candak Kulak* market will ascertain whether the goods to be sold include items that are already known by the buyer or not, if the goods to be sold are already widely known, traders in the *Candak Kulak* market can determine the high price. It means that, the goods which sold have high demand. Based on these problems, the researchers are interested in conducting research under the title "Pricing Model for 'Rupo Nggowo Rego' in 'Candak Kulak' market of Panggungduwet Village of Blitar Regency".

## 2. RESEARCH METHODS

The research methodology used to produce data will be presented as a result of research conducted on the business of vegetable sellers'. This study uses a type of qualitative research or qualitative research methods (Bungi n, 2008). Qualitative methods, namely research methods by collecting data in the form of a description of the explanation of the place of research which will then be described by the researcher in depth through speech, writing, and behavior that has been observed from an individual, group, society, or certain organization in a certain place or the place where the research was conducted. This method produces descriptive data in the form of written or oral words from people and behaviors observed when conducting research (Sugiyono, 2015).

This research can be accurate if the information is selected. This selection is needed because the informant who will provide data that can present to the researcher is looking for in the problems to be raised in this study. The technique of selecting informants used in this study is purposive, in which informants are chosen by means of certain considerations based on the objectives of the study. Furthermore, the number of informants and individuals who were the subjects of the study selected according to the research objectives and needs. People who can be used as informants are people who have experience in accordance with research, people with certain roles, and of course who are easily accessible. Then the method of data analysis is done in the first way, which is studying the data, making themes, discussing the themes found, and the last organizing the first step to the last.

The location of this study took place in *Candak Kulak* traditional market, Panggungduwet village, the reason choosing the location of the study was not so far from

the residence of the researcher, so that researchers could facilitate writing and saving costs, time and effort, both in agreements and data collection processes. This research uses phenomenology research. Phenomenology research is in-depth interviews or interviews conducted by taking information to the root and meaning of individuals in response to the phenomenon that appears in front of him. The phenomenological approach is known as a method of thinking that studies human phenomena (human phenomena). The phenomenological approach relates to the true meaning of the place of research (Bun gin, 2008). Qualitative research is always related to data. Data is all information related to everything to the purpose of the research. Data in qualitative research is obtained from what is observed, heard, felt and thought by researchers (Idrus, 2007: 83). From there, the researcher can draw a problem that will be solved in the results that have been obtained by the researcher.

### 3. RESULTS AND DISCUSSION

The pricing model is one of the methods used to sell merchandise to buyers in order to increase the sales process to get benefit from goods that have been sold. The sales model is very much needed in trading activities, because with the model of pricing, the goods which sold will sell. The good selling price model at the level of sales will be able to increase when viewed from the evaluation process. As well as the pricing model, it can be done uniquely so that it can attract buyers to be more interested compared to the methods that are commonly used by other traders. These trading activities can be carried out so as to get maximum profit in order to maintain the competition that has been faced by traders. Related to pricing, aspects of understanding regarding marketing are also needed. For example, if a buyer is very dependent on the price and its relation to the quality indicators of an item to be purchased by the buyer, then a buyer must have complete information. If the buyer does not have incomplete information, the buyer's perception of the quality of the goods will change according to the changes that occur in the market. Buyers have perceptions like this because buyers do not have other clues to the quality of goods other than prices (William, 1989: 307).

There are two roles of price, namely the main role of the buyers' decision making process which is the role of allocation and the role of information. The role of the allocation of a price has the function of helping buyers to decide on easy ways to get benefits. With this price the buyer decides how to allocate purchasing power to various types of goods. So a buyer has an alternative that is comparing prices and then deciding on the desired allocation of funds. While the role of the information of price is to educate buyers related to the factors of goods, for example related to the quality of the items. The benefits for buyers where they have difficulty assessing the factors of goods, so the perception of buyers is high prices reflected high quality of goods.

One of the models for pricing in Panggungduwet Village is prioritizing the quality of goods. The better the quality of the goods is higher for the selling price or vice versa. One of the purposes of trading activities is to get maximum profit and to maintain competition. This is consistent with what Ms. Surem explained,

*"Lombok tampar niku lo. Lek lombok pedes niku lo biasane dipangan petek. Gampang bosok. Kebanyakan lek dari pasar Ngemplak kan ayu-ayu. Banyak bakul-bakul dari Ngemplak. Lombok pedes niku, Ngemplak kan bagus. Lek teng mriki kan kepetek en. Toko-toko besar lebih pilih yang punyanya Ngemplak. Mahalan Ngemplak daripada sini. Sini dihargai murah. Kualitase mungkin nggeh. Yo kuwi jelek. Cabai teng mriki sering dimakan menyeng."* (Surem 2019)

*Lombok tampar*, if the spicy is hot, eaten by a virus. It is easy to rot. Most of chili which come from Ngemplak market are good. Many sellers come from Ngemplak. The spicy of chili from Ngemplak is better. If there is disease in here, the big stores are prefer the ones owned by Ngemplak. Instead of choosing here, the price is cheap in here. Quality may be sought. Yes, bad. Chili here is often eaten by pests or can be said to be sick. (Surem, 2019)

Traders themselves also understand the needs and desires of buyers to make a profit. One of the models for determining prices in the Panggungduwet Market is to prioritize the quality of goods. So, better qualities of goods are in accordance with the high selling price, which is in accordance with the term "Rupo Nggowo Rego". "Rupo Nggowo Rego" Panggungduwet Village is called the Java language term, the quality of goods which sold is good, the selling price will be even more expensive or higher (Fandy, 1997: 152). The research method here relates to the quality of the goods and the selling price of the item. The quality of goods is needed by traders, because the quality of good goods will produce good profits. Good quality of goods can be characterized by an understanding of the buyers if the goods offered by the merchant to the buyer have obtained a more selling value where the goods are not owned by other traders, it will show and prove that the quality of the goods is good. Example, Mboten wonten rupo nggowo rego. Apik elek podo ae. Biasane gabah nggowo rego. Ada yang 5.000 ada yang 4.500. lihat-lihat gabahnya. (Surem, 2019)

From the example above it can be concluded that every trader must have an agreement with the term "Rupo Nggowo Rego". Because the example above has been explained that the sales are still seen from the quality of the goods, if the quality is good then the price is also good. From the example above there is a difference in price with good and bad quality. Trading activities can not be separated from a major problem that is related to price. Price is the value of money that the consumer must pay to the seller for the goods he bought or the services he bought. Prices are generally used for the sale and purchase of a product, so that the price is used as a means of exchange for receipt of goods that have been of interest to a buyer. Because that price is very influence the level of goods quality which has sold.

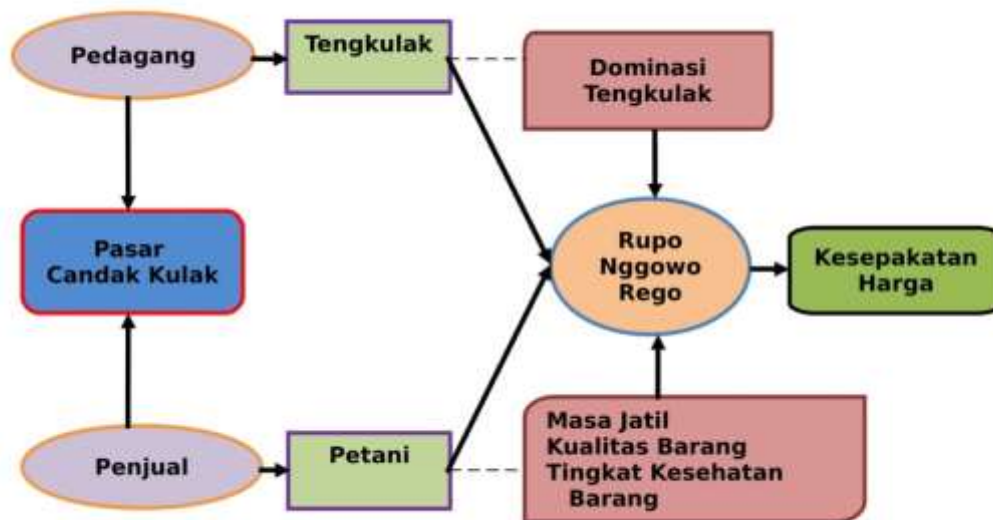


Figure 1  
Price Identification Model "Rupo Nggowo Rego"  
Source: Researcher, 2019

In Panggungduwet Village, there is no market, but only middlemen who enter to sell in Panggungduwet Village, they come only in certain days to sell in Panggungduwet Village. The middlemen sell with various kinds of vegetables, because if there are not many kinds to sell, there is no one wants to buy it. The middleman sells only in the morning and it doesn't last long, only about 2 hours to buy and sell transactions. Activities in a trade certainly cannot be separated from a problem, namely pricing (price identification). The price is the value that has been paid by a buyer in order to get an item that he bought, so that value can be said as a means of exchanging goods for goods that have been attracted by a buyer. Prices have a very important role in the process of buying and selling agreements carried out by a trader and buyer. This is because prices will affect the level of quality of goods sold.

Related to price, it has two main roles in the decision making process of buyers, namely the allocation and role of information. The first is related to the role of price allocation, as the function of price can help buyers to decide how to obtain the expected benefits based on purchasing power. With this price, it can help buyers to decide how to allocate purchasing power in various types of goods. Because a buyer compares the price of a unit where the seller is and then has the choice to decide on the allocation of funds he chooses or what he wants. The second is the role of information from respect, which has a function to educate buyers regarding the quality of an item. The situations where buyers have difficulty for assessing factor of goods, because the perception that often applies are that expensive prices reflect high quality (Fandy, 1997: 152). Price identification is an effort to earn a profit where if the price is set for an item that is low, it will make the goods sold more and vice versa even if the price determined will be a high, then the goods sold will be small. So you must find the optimal price to maximize a profit. Price identification in an

activity a trade is carried out before the selling price is set. The selling price is the amount of price that has been charged by the consumer which is obtained from the production cost plus the expected non-production costs and profits (Mulyadi, 2004).

From the statement above it can be concluded that the selling price is the price received by the buyer for the purchase of goods calculated by the trader based on the cost when producing the item and added to the costs outside the production with the aim of obtaining a profit. When a seller sells a sale to the middleman in order to get a rather high price it must be with a new middleman. If they sell with middleman who usually sells the market, the price cannot high. So besides selling goods with the buyer, there is no other alternative. Farmers can slam the price if they sell it to buyers who are new or can be said to be buyers who don't usually buy. And when the selling price has been agreed between the two parties, both by the merchant and the buyer, then the trader lives to determine how much money must be paid by the buyer for the purchase. The amount of money paid must be in accordance with the agreement between the two parties.

#### 4. CONCLUSION

The majority of the residents of Panggungduwet village in Blitar Regency work as farmers, because the land in the village is dry. From the results of research conducted on the pricing model "Rupo Nggowo Rego" in "Candak Kulak" market in the Panggungduwet Village of Blitar Regency, it can be concluded that the one of the methods in sales which done in 'Candak Kulak' market in Panggungduwet Village are using goods quality. Related to the research on pricing model "Rupo Nggowo Rego" in "Candak Candak" market in Panggungduwet Village, Blitar Regency is included in Javanese language, it means that if the quality of goods is good then the selling price will follow the expensive selling price.

Taking too much profit or can be said too high in trading when the goods sold have poor quality will make the buyer switch to another trader or move to another trader who has a cheaper price. The quality of goods also needs to be considered by a trader, because good quality goods will get good results. When a buyer has switched to another trader, it will reduce the seller's income, because most of the buyers in the market will compare in terms of quality of goods and prices.

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# TOURISM OBJECT OF RANA TONJONG (LOTUS LAKE): IMPLEMENTATION OF POLICY IN MANAGING THE TOURISM SITE

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## ABSTRACT

The aim of this research is to know about how the government in East Manggarai regency manages the tourism destination like Rana Tonjong lake, by implementing the policy of tourism. East Manggarai Regency has a rule about the policy in managing the Rana Tonjong Lake, in form of local regulation number 7 of 2016. In this research, the researcher used qualitative method in analyzing the data and to find out about managing of tourism destination, like Rana Tonjong by the government of East Manggarai regency. The main source of this research was the government of East Manggarai regency especially tourism office of the government. Besides, the researcher got the data from the location by using interview and observation. Meanwhile, in analyzing the data, the researcher used three methods, like data reduction, data display, and conclusion drawing. Result of this research showed that the government of East Manggarai regency was managing the tourism destination well, by making an irrigation to water the flower in dry season and making the road around the lake, to make the tourist was easy to visit the lake. Besides, government also works together with society or people around the tourism destination, to take a chance or opportunity to participate in managing the Rana Tonjong Lake. In this case, not only government who is handling in managing the tourism destination. However, in managing the tourism destination, both of the people around the location of tourism destination or government like Culture and Tourism office of East Manggarai also found lot of obstacle. Internal and external factors were kind of obstacle that found by the government and also the people around there.

**Keywords** : Tourism, Tourism Managing, Tourism Object, Rana Tonjong Lake

## 1. INTRODUCTION

Growth of tourism industry on the present day, cannot deny that it is running progress, impressive, and also growth very fast. It can be seen from the progress of one region through tourism industry and the number of tourist who visits certain tourism destination.

In Indonesian country, almost have tourism object, particularly in certain region. Either nature tourism, culture, or religious tourism are kind of tourism destination. If one of those types of tourism destination is developed well, so it can be given positive thing for the region or society around the tourism destination.

On the present day, in the region of Indonesian country, developing of tourism destination is continued. One of the regency is East Manggarai. In East manggarai regency, East Nusa Tenggara province, there are so many tourism objects which is really interesting to be visited. Besides making the tourist visits the place as tourism destination, one thing is expected is economic advantage to the East Manggarai regency itself. One tourism place in that regency is Rana Tonjong Lake (Lotus Lake). This lake is one of the biggest lotus lake in Indonesia, and second of the biggest in the world. This thesis is agreed by some online media like Kompas.com and also travel.detik.com. Furthermore, this lake is biggest after one in India.

The higher of those lotus in the lake approximately one meter and there are more than one meter, almost two. Besides, those lotuses also have a beautiful flower and have seed inside the flower and it can be eaten. That lotus blossom between March until June in one

year. Although the management not yet had done well, but the visitor or tourist who visits the place is increasing day by day. People around the place said that there is lot of people who visits that place, especially on the blossom season.

This is the unique that tourism destination, and makes this nature tourism is really interesting. But one thing that is necessary to do here is about developing and managing this tourism in other to keep the conservation and give benefits for the people around there and also for the regency itself. Hence, the policy which is making by the policy maker (government) should be implemented. This is has aim to support about developing and managing on the tourism field.

On the applying or implementing that policy, the government should work together with people, especially people around the location of tourism object as a partner in managing the tourism object, Rana Tonjong. Work together with the people or society around the lake in managing the tourism object, either to develop or manage the tourism object or participate in keeping the conservation of the tourism object. The purpose of those is to make the tourist interest to visit the place, both of local and international visitors.

Some important points are written on the regulation of East Manggarai Regency Number 7, 2016 about managing of tourism destination Rana Tonjong and Watu Pajung beach in East Manggarai Regency, should be implemented to guarantee the existence of that tourism object. Besides, guarantee means that managing of Rana Tonjong Lake can be made the tourist is interesting to visit.

Furthermore, collaboration with the society is written in the regency regulation about managing Rana Tonjong lake. It means that, as a support of managing and developing the tourism object, society or people around there should be involved. In the other hand, participation of the people or society is to create model managing of tourism destination based on the local wisdom of the society around.

Moreover, both of government and society or people who is managing and developing the tourism object, like Rana Tonjong Lake, have a lot of obstacle. Those obstacles like economic, human resources quality, especially bureaucracy staff in tourism government duty, even politic system in East Manggarai regency. On the area survey which is done, the writer found that the government yet prepares some supporting aspects, such as restaurant, homestay, etc. to lift up in managing the tourism destination. But it means the government and people do not pay attention for managing and developing that lake.

That is why this article is talking about how Rana Tonjong as one of tourism destination which is really interesting is managed by implementing the policy that had been made. That policy is written officially on the regency regulation number 7, 2016 about managing of tourism destination Rana Tonjong and Watu Pajung beach in East Manggarai Regency.

## **2. REVIEW OF LITERATURE**

### **2.1. Implementing of Policy**

In the policy theory or talking about policy, one thing is really important is implementing. It is about policy implementation. Implementation is always has a relation

with the program executing. The program which is executing is a program which is agreed or approved by the policy maker or government. By implementing of policy, it will be seen real of the program and result or achievement will be evaluated.

According to Meter and Home (1975) in (Wahab, 2017:135) implementation is “those actions by public or private individuals (or groups) that are directed at the achievement or objective set fort in prior policy decision”. It means that the action that done by people in individual or group, both of government or private is directed to achieve a goal in decision policy.

Meanwhile, Wahab (2017:126) said that “it is not incorrect if it said implementation is one of important aspect from whole process of policy”. It means that implementation is considered as one of important aspect because of its related to the real action from concept in policy which is formed in regulation.

Tourism is an interconnected system between tourists and services that is related to provide and to use all needs such as facilities, transportation, accommodation, and even attractions in supporting activities Travelers (Fenne, 1994:4) in (Pitana and Diarta, 2009:45). In this case, a travel activity is certainly supported by other things, such as accommodation, transportation, etc. to facilitate traveling process.

In addition, Musanef (1996:8) said that tourism is a journey which is made repeatedly for tourist purposes. Tourism is related to the people who are traveling, then the destination for traveling, and the perfect time to travel. The location or place to travel is usually a very interesting place.

In the world of tourism, it is not only human as a subject that travels as a main point. Three important elements in tourism as presented by Professor Salah Wahab in Musanef (1996:10) are human, space and time. People are the ones who are traveling, the space is the place to travel or tourism destination, while the time is time to travel and how long stay in the tourism destination

Meanwhile, Mathieson and Wall (1982) in Pitana and Diarta, (2009:46) mention that tourism covers three key points: first, a dynamic element, which is a journey to a tourism destination. Second, a static element, which is stopover in the destination, and the third, is a consequential element that is the consequence of the two things above to local society especially related to the economy, physical, and also social life including in relation to its impact on the existence of natural resources as a tourism asset.

### **3. RESEARCH METHOD**

#### **3.1. Research Design**

This research design is an attempt to study the issue using the appropriate approach. The research design used by researchers was a qualitative approach. It means that, this research was not using a calculating approach such as using calculation on describing the data. Bogdan and Taylor (1975) in (Moleong, 2016:4) explain that a qualitative method is a research procedure which is produced descriptive data in form of written words or word of tongue from people or the observed behavior

So, qualitative research is a research method which is in analyzing the data by describing through words, both of written or word of tongue, until picture and scheme.

### **3.2. Research Location**

Location of research taken by researchers is the tourism office of the East Manggarai Regency and the location of Rana Tonjong which is located in the village of Nanga Mbaling, Sambu Rampas District East Manggarai regency, province of East Nusa Tenggara.

### **3.3. Research Focus**

In this case the focus of this study is how to manage the tourism destination of Rana Tonjong through the implementation or applying of policies and factors that support and obstruct the policy.

### **3.4. Collecting the data and source of the data**

The technique of collecting the data conducted by researchers through observed the tourist sites and also through interview techniques.

In addition, the data source also consists of two parts, namely primary data and secondary data. Primary data is the data is got by researchers directly. In this case, the primary data is got through observation directly and in-depth, and also through interviews to some of the informant related to this research.

Secondary data is not obtained by researchers. Archives and documents related to tourism especially the tourist sites of the Lotus Lake Rana Tonjong are part of the instrument of secondary data

### **3.5. Technique of Analyzing Data**

In analyzing the data, the researcher uses three steps as the procedures. Three steps that are used by the researcher based on the models of Miles and Huberman (1994:10). Miles and Huberman (1994:10) explain that there are three types in analyzing data in qualitative model. Those models are: data reduction, data display, and conclusion drawing.

*First, data reduction.* This refers to the process of selecting and classifying the data. In this case, the researcher cut out of the irrelevant data. *Second, data display.* In this step, the researcher displays the data in form of sentences or paragraphs, table etc.

*Third, conclusion drawing.* After displaying the data, the researcher will start to develop the conclusion. It means the researcher will make conclusion after reduction and display the data.

## **4. RESULT AND DISCUSSION**

### **4.1. Brief Overview of The Lake "Rana Tonjong"**

Rana Tonjong Lake or Lotus Lake is one of the largest Lotus lakes in Indonesia and the second in the world as the largest Lotus lake (according to some online media studies). Tonjong is a local or regional name for Lotus flowers. Because the whole of the lake is grown

by the lotus flower, then the lake is called the Rana Tonjong. Height of the lotus flower is an average of 1 (one) meter even more. The Lotus blossoms around March to June. It is perfect time with the rainy season.

The lake is located in the northern part of East Manggarai Regency, exactly in Pota, Sambu Rampas Sub-district, in Nanga Mbaling village. The distance from the center of the district capital to the tourism destination or tourist site is quite far. Nevertheless, nowadays access of the transportation to the tourism destination is quite good and has begun organize again. The condition of the tourism objects Rana Tonjong still very natural and the government is also trying to maintain its flexibility. Various restrictions are made to preserve the sustainability of the lake including keeping the wildlife that live in that lake.

#### **4.2. Implementation of Policies to Manage Travel Destinations of Rana Tojong**

The Government of East Manggarai regency through the Department of Culture and Tourism is produced a policy to support the management of the tourism destination Rana Tonjong. The policy is listed or written in Perda No. 7 of 2016 about the management of the m destination Rana Tonjong and Watu Pajung beach. This policy covers so many important points regarding the management of the Rana Tonjong as tourism destination.

On managing the Rana Tonjong Lake, the government of East Manggarai is in the process of managing the location. The government made a boundary around the lake in the form of road by cement. Aim of this in order to make tourist can take a closer to look at the flower. In addition, the Government also makes irrigation channels useful to protect the flower condition if the dry season is coming. Because the water in the lake will dry out if the dry season is too long, and will result with the condition of the Tonjong flower. So to prevent the occurrence of wilting even die of Tonjong flower conditions, the government seeks to create irrigation channels. This effort is one of the processes of conservation Tonjong flower.

In addition, the improvement of infrastructure also began to run again. It aims to facilitate tourists to access the tourism sites. Based on data from the tourism office, that tourist that visit the tourism sites in Manggarai Timur, per year 2019 namely 5,100 (domestic tourists) and 100 (foreign tourists). This means the tourist site of Rana Tonjong is visited by many tourists. Based on the information from the local people, many people visited Rana Tonjong to see directly a lotus flowers that height of one meter more.

The Tourism office tries and still effort to make an improvement. Collaboration in bureaucratic organizational is well done and also try to make better. This has been proved through maing of boundaries and roads around the lake and also irrigation channels made. In addition, the real thing made by the tourism agency is to provide a sign of prohibition to not damage the Tonjong flower and not hunt the wildlife that live in the lake and around the lake.

In another position, the government is also working with the local society or people to manage the tourism site. It is also welcomed by the people who lived there. This is proved by none of actions that damage the tourism area, and also society or people are agreed with the prohibition that is made by the Government through the tourism agency. Cooperation with this community is also written in the policy is made by the policy maker (Regulation

No 7 of 2016). This is will explain that the government embraces the community as a stakeholder and the community also supports fully in the management of the tourism sites.

However, governments and people or society are often prevented by challenges in management. Until now, if viewed from economical advantage, tourism site of Rana Tonjong is not organized, so that tourists or visitors are free to enter or visit without a ticket. Supporting accommodation, such as hotels, restaurant, etc. has not been maximized. This happens because the government has not yet maximized the level of introduction of the tourism destination. The society around there has not yet maximized their capability in tourism business, because the government has not provided socialization related to tourism business that supports the community economy. Society trusts on own business. Another obstacle in management is the source of modal is lack and competence in handling tourism issues.

## 5. CONCLUSIONS AND SUGGESTIONS

Implementation or applying of tourism area management policy of Rana Tonjong has been and is being further applied by the Government, through the East Manggarai tourism office. The management, such as the bureaucratic staff of tourism office, tries to improve its management. The thing that has been seen is by making irrigation channels to protect the flowers during the dry season and also make roads and borders on the lakeside. In addition, various restrictions as an effort to prevent wildlife destruction and the care of the flowers are made by the government. In addition, the society also supports the management of this tourism site by participating actively in keeping and preserving the beauty of the lake.

But on the other hand, there are so many policies that have not been actualized by the Government, related to tourism management. Many things that have not achieved are caused by various factors that inhibit. Nevertheless, the government is trying to keep looking for alternative solutions for the management of this tourist area.

With the existence of the industry and the world of tourism increasingly known by the wider community today, is expected to encourage the local government to increase the efforts of management, begin from the improvement of resources, especially human resources that are control in tourism management. In addition, the Government needs to cooperate with other organization or private whose tourism management is growing, to increase knowledge about managing of tourism destination. It is also useful so that all policies are made, especially related to tourism, not only displayed or written in a document, but have to has an evidence in the form of work and good results

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Peraturan Daerah Kabupaten Manggarai Timur Nomor 7 Tahun 2016 Tentang Pengelolaan Kawasan Pariwisata Pantai Watu Pajung dan Rana Tonjong

# IMPLEMENTATION OF COMPLAINTS SERVICE THROUGH SAMBAT ONLINE APPLICATIONS IN MALANG CITY (Study at the Communication and Information Department of Malang City)

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## ABSTRACT

Government policies that require lending to MSMEs for Commercial Banks in Indonesia do not have a positive impact on increasing credit growth to MSMEs, in the other side Banks having difficulty reaching the target of lending to MSMEs, because MSMEs have not fulfilled bank requirements to obtain credit. Increasing financial literacy and inclusion are believed to be able to develop MSMEs because MSMEs can better understand the basic concepts of financial products, make better financial planning and management, and protect from fraud and unhealthy businesses in financial markets, it is also expected that MSMEs have the ability to survive in state of financial crisis (Financial Well Being). The purpose of this study is to rank (sequence of factors that affect the level of literacy and financial inclusion) MSMEs in the city of Blitar. With the known sequence of factors that influence the level of financial literacy and inclusion MSMEs in the city of Blitar, stakeholders can determine the priority scale of the program for increasing financial literacy and inclusion for MSMEs. This research is a descriptive study, the unit of analysis is MSMEs in Blitar City. The sampling technique is based on purposive sampling, namely traders who sell food and vegetables in 5 traditional markets in the City of Blitar. There are 4 indicators used, namely age, education, income and gender. The results showed that the sequence of factors affecting the level of financial literacy and inclusion of MSMEs in Blitar City was age, then education, income and the last order was gender.

**Keywords** : MSMEs, Financial Literacy and Financial Inclusion

## 1. INTRODUCTION

Management Information Systems are now no longer developing in the business sector, but have been used in various fields, ranging from education, services, industry, and many more. This indicates that accurate and fast information is needed in various fields. The system is a unit of connected components with clear boundaries working together to achieve a set of goals.

Information systems are a combination of people, hardware, software, communication networks, data sources, procedures and policies that are well organized that can store, hold, store, and disseminate information in an organization. Along with the development of information and communication technology, information systems provide a very important role in the field of public services, so that public services use the benefits of information systems as a key service management strategy. Management of public services can run well to achieve the goal requires the existence of a Management Information System (SIM) that helps or becomes a consideration in making decisions for leaders in the management of public services. The development of Management Information Systems has also caused changes in the role of leaders (managers) in decision making, they are required to always be able to obtain the most accurate and current information that can be used in the decision making process. With the ongoing development of technology all public services can be done using technology that facilitates service. Public services that use electronic media such



as public complaint services in the city of Malang. The complaints of the people of Malang City that are often complained about are damage to roads, traffic, education, health, population administration, land disputes and many more. With so many complaints, the public does not yet know the central government agency that receives and follows up on complaints. As if the community is confused about where to complain about the poor public services, because there is no clear mechanism for complaints from the public.

Public services according to Law Number 25 of 2009 concerning Public Services are activities in the framework of meeting service needs in accordance with statutory regulations for every citizen and resident of goods, services, and / or administrative services provided by public service providers. According to Sinambela, et al (2008) there is a quality of public services to achieve satisfaction among other things transparency that is open and easily accessible, accountability that is service can be accounted for in accordance with statutory provisions, conditional that is in accordance with the conditions of recipients and service providers adhering to the principle of efficiency and participatory effectiveness means encouraging community participation, equal rights means not discriminating, and a balance of rights and obligations means that there is an aspect of justice between the giver and recipient of public services.

Complaints services have been implemented in Indonesia at the national and regional level 3. At the national level there is the Online People's Aspirations and Complaints Service (LAPOR!) Developed by the president's staff office. The purpose of developing REPORT! by the Office of the President's Staff is to increase public participation in the supervision of development, government programs, and the implementation of public services.

Whereas Malang City already has a complaint service through a web-based application and an SMS gateway, the SAMBAT Online Application (Sistem Aplikasi Masyarakat Bertanya Terpadu Online), can be accessed via the website <https://sambat.malangkota.go.id> and sms gateway through the number 0813- 3347-1111, the Sambat Online Application has also been integrated with the Online People's Aspirations and Complaints Service (LAPOR!). With the application "Sambat Online" became a means of connecting between the community and the government.

This study aims to analyze the policy of Sambat Online application services as a complaint service in Malang City, the impact of its utilization by the community, and identify recommendations for the development needs of the "Sambat Online" application.

## **2. LITERATURE STUDY**

### **2.1. The purpose of e-Government**

The purpose of developing e-Government based on Presidential Instruction No.3 of 2003 (Main, 2010):

1. To develop electronic-based governance in order to improve the quality of public services effectively and efficiently.
2. Establishment of management systems and work processes that are transparent and efficient and facilitate transactions and services between government agencies.

### **2.2. Actor and e-Government Support Infrastructure facilities**

The success of e-Government development cannot be separated from 5 basic components namely (Koswara, 2008):

1. Hardware which includes computer equipment, network systems and telecommunications systems.
2. Software includes the operating system, programming language and computer applications used.
3. Data includes textual data, sound, images, video and spatial data. Data processing, storage and dissemination requirements for e-Government vary, this is determined by the type of data and the amount of data processed.
4. Procedures include how to install software that is built means that there must be supporting documents to assist users in carrying out their work.
5. Human resources include "System analysts" who have expertise in analyzing systems.

### **2.3. Typology of e-Government Services**

- a. Publish, which is one-way communication, where the government publishes its various data and information to be directly and freely accessed by the public through the internet.
- b. Interact, namely two-way communication between the government and those with an interest there is a searching and discussion facility.
- c. Transact, which is a two-way interaction only happens that a transaction is related to the movement of money from one party to another

## **3. RESEARCH METHODS**

This study uses a qualitative research method with descriptive research type. The focus of this research is the Implementation of Complaints Services through "Sambat Online" in Malang City. Where this research highlights crucial things, namely:

1. Supporting facilities and infrastructure
2. Readiness of implementing human resources
3. The process of implementing programs and infrastructure
4. Obstacles in the implementation of the program and its typology

The location of this research was carried out in the place where the Sambat Online application was managed, namely in the Office of Communication and Information of Malang

Analysis of the data used in this study is an interactive model analysis (Miles and Vubberman, 1992).

## **4. RESULTS AND DISCUSSION**

Online Sambat Implementation in Public Complaints Service in Malang City:

### **4.1. Application Profile "Sambat Online"**

The background of the formation of the Sambat Online complaint service application (Online Integrated Community Asking Application System) Is indirectly related to Law Number 25 of 2009 which is written the implementation of public services including the

implementation of services, management of public complaints, information management, internal supervision, counseling to community, and consulting services. Complaints service becomes the oversight of the implementation of public services external. In addition, the background of the formation of the Sambat Online application is to keep abreast of the times of technology. Nowadays media websites are a media tool that is often used by many people and besides that people use their cellphones on a daily basis, so the "Sambat Online" complaint service is created in the form of Web-based applications, namely through the website <https://sambat.malangkota.go>. ID and SMS gateway through the number 0813-3347-1111. The purpose of developing the complaint channel application "Sambat Online" is to facilitate the public in providing complaints. "Sambat Online" which was developed can be accessed through the website or sms gateway can be used anywhere and anytime. This facilitates the delivery of information and complaints from the public to the city government of Malang. The development of the "Sambat Online" application has become more effective and efficient, namely all reports are directly connected to the relevant agencies.

#### **4.2. Readiness of Implementing Resources**

Koswara (2008, pp. 50-53) revealed that, human resources include "system analysts" who have expertise in analyzing systems, it is necessary if you will create a new information system, before you have to analyze the current system, then determine what improvements must be done, programmers who have the expertise to create and develop computer programs, especially those based on OS so that it will be easy and fast in making the necessary software. This is applied by placing people who understand in the field of information technology in the operation of the Sambat Online application update. "Sambat Online" Application Executors consist of the Main Operator (Super Admin), namely the Public Information Sector in the Malang City Communication and Information Office, and the Operator (Admin), the Regional Organization Organization (OPD) representative.

#### **4.3. "Sambat Online" Implementation Process and Infrastructure**

Complaint service flow to see the course of public complaints to be followed up with the application "Sambat Online" that is the community reports through the "Sambat Online" application by logging in or registering to fill in their personal data via the website or just by sms if via sms gateway. Then the complaints are received by the main operator (super admin), which is the public information department of the Communication and Information Department of Malang. Reports that can be answered will be answered directly by the operator (Super Admin). But if the report is the authority of another OPD, the complaint will be forwarded to the OPD admin that has been formed by the Malang Office of Communication and Information. Complaints received by the operator (admin), the complaint will be forwarded to the handling field. Then the response from the public will be notified to the complainant / community and provide a copy automatically through the application to the main operator (Super Admin).

The "Sambat Online" application is also integrated with the People's Online Aspirations and Complaints Service (LAPOR!) from the President's Staff Office. REPORT! is one of the means of aspirations and complaints based on social media or online that is easily accessible and integrated with ministries / institutions, local governments, and BUMN in Indonesia. If complaints from "Sambat Online" require national scale handling, they will be forwarded / disposition to LAPOR !. If it's REPORT! there is a complaint related to Malang City, then the complaint will be distributed to the "Sambat Online" Application. Vice versa all complaints in "Sambat Online" will be sent and recorded in the LAPOR! Application.

#### **4.4. Sambat Online Service Typology**

According to Indrajit (2002, pp.41-45) Government to Citizens is an e-Government application in which the government builds and implements information technology with the aim of improving the relationship of interaction with the public. With the existence of "Sambat Online" Complaints services using technology, information, and communication (ICT) makes it easy for the public to submit complaints. "Sambat Online" application based on website and sms gateway application can be accessed anywhere and anytime. Utilization of ICT changes the pattern of work such as communication between teachers and students do not have to deal directly but can be via e-mail (Rachmawati et al, 2010).

Similar to the use of the application "Sambat Online", complainants or users of the application "Sambat Online" do not have to originate and be in the city of Malang.

The impact of the "Sambat Online" application is felt by the government is to facilitate the handling of public complaints because they go directly to the relevant agencies, because of the transparent nature of the "Sambat Online" application, the handling of complaints is faster because it becomes motivation and so that the agency's name is better. And besides that the reduced hoaks report, complaint handling is more effective because there is a status of complaints that can be monitored because complaints can be accessed by all users.

#### **4.5. Obstacles in Implementing "Sambat Online" Application**

Some obstacles from the "Sambat Online" application are the lack of feedback or feedback from the community if the complaint has been responded by the admin or super admin, so that if the community making a complaint is not satisfied with the complaint handling, they have to make a new complaint or complaint. Besides that, the "Sambat Online" application development in the form of an android application has not yet been completed and is not yet supported by the IOS application system, because through the android and IOS applications, it is now widely used by the general public. Another obstacle is that there is no GPS feature, so people still manually write the address or location related to the complaint. If written manually sometimes the address that is included is incomplete or inaccurate, confusing officials in locating the location at the

time of complaint handling. Many OPDs need locations to be able to go into the field directly such as the Public Works and Housing Agency, the Transportation Agency, and other agencies.

## 5. CONCLUSIONS AND SUGGESTIONS

### 5.1. Conclusions

1. "Sambat Online" application service is managed and developed by the Malang Office of Communication and Information, assisted by operators or administrators from representatives of all OPDs in Malang. application and report integrated with REPORT! (Online People's Aspirations and Complaints Service).
2. The impact of using the Sambat Online application is that the complaint service becomes transparent, effective and efficient. The community can do anywhere and anytime and participate in the development and improvement of public services in the city of Malang.
3. There are several barriers to the "Sambat Online" Application: there is no Complaint Feedback feature, GPS feature or location point to facilitate searching for details of the complaint location, and there is no access to the Application system in the form of Android and iOS.

### 5.2. Suggestions

In the research findings, there are some weaknesses or weaknesses in the implementation of the "Sambat Online" complaint service policy in Malang, so the researchers conveyed the following suggestions:

1. Develop an application by making a feature to reply to complaints or feedback from the community if the complaint has been responded by the admin or super admin, so that the public can interact or respond to complaints related to complaint handling without having to make a new complaint or complaint.
2. Add GPS feature or location point marker, so that the location of public complaints can be easily tracked and handled quickly.
3. Developing applications into Android and IOS-based application systems so that the "Sambat Online" application is more accessible to all members of the public.

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# THE ROLE OF INFORMATION AND DOCUMENTATION MANAGEMENT OFFICERS (PPID) IN IMPROVING PUBLIC INFORMATION SERVICES IN THE GENERAL ELECTION COMMISSION (KPU) OFFICE OF MALANG CITY

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## ABSTRACT

This study discusses the role of Information Management and Documentation Officer abbreviated by PPID in Improving Public Information Services in the Office of the General Election Commission of Malang City along with the obstacles encountered and efforts to overcome these obstacles. In improving public information services at General Election Commission office in Malang City, besides referring to Law Number 14 of 2008, it is also guided by Regulation of General Election Commissions Number 1 of 2015 concerning Management and Public Information Services within the Environment of General Election Commission. The method used is a qualitative approach. The location of the study was carried out at Office of General Election Commissions in Malang City, Bantaran Street No. 6 Malang. Data collection techniques used are interviews. The results of this study can be concluded that the General Election Commissions in Malang City has implemented the Regulation of General Election Commission Number 1 of 2015 concerning Management and Public Information Services in the Environment of General Election Commission, especially regarding the Role of Information Management and Documentation Officers, abbreviated by PPID. Constraints faced are limited personnel or human resources (HR) that specifically deal with the provision and service of information in the environment of General Election Commission in Malang city, including knowledge in the field of information technology, understanding of the duties and functions regarding the provision and information service in accordance with the enactment of the Law Number 14 of 2008 also refers to the Regulation of General Election Commission Number 1 of 2015 concerning Management and Public Information Services within the Environment of General Election Commission. The conclusion that can be drawn from this study is the need for additional staff / human resources to further improve quality, especially in the Information Management and Documentation Officer. An increase in the capacity of knowledge, insight, and skills for officers who have been appointed and given the mandate in terms of providing and public information services in carrying out the task of implementing the Regulation of General Election Commission Number 1 of 2015 concerning Management and Public Information Service in the Environment of General Election Commission.

**Keywords** : PPID, Public Information.

## 1. INTRODUCTION

The era of globalization that is coming faster than expected has made issues such as democratization, human rights, law, transparency, corruption or fraudulence, civil society, good governance, open market, free trade, and other matters to be considered important by every country so as not to be exiled and excluded from world association. Before this globalization era, the biggest power in a country was held by and or centered more around its government, but now that power is visibly shifting towards the people and citizens of the country, which is increasing the people's demands of the government 's resulting work.

Open government is one of the foundations for democratic accountability. In an open government, the openness of public information is necessary because with said openness, the government can continue to work transparently and public participation will occur optimally in the whole process of government management.

Information is everyone's main necessity for personal and social development, and is also an important part of national defense. Openness of public information is one of the

important characteristics of a democratic country that upholds the people's sovereignty to realize a good state administration. The right to obtain information is one of the human rights, public information is a medium which optimizes public supervision of the state administration and other public institution as well as everything that affects the public interest. The management of public information is one of the efforts to develop a better understanding of information in the society.

Thus, in order to improve public information services in the office of General Election Commission (KPU) of Malang City (KPU Malang Kota), it is necessary to form a division called Information and Documentation Management Officers (PPID) to be responsible for the storage, documentation, provision and other services regarding all the information obtained by the General Election Commission (KPU) of Malang City.

Information and Documentation Service Officers (PPID) are officials who are responsible for the storage, documentation, provision, and or other services regarding all the information obtained by public bodies including the General Election Commission (KPU) of Malang City. PPID of Malang City KPU has an important role in terms of service and management of public information in Malang City, which can be a benchmark in terms of whether or not a concept of good governance itself has been achieved. Malang City is a city of education, where the public and stakeholders consider the latest and open information as a necessity with a variety of good objectives, namely for the purposes of education, research, and general information. The public has utilized public services from PPID of Malang City KPU. This can be seen by the large number of individuals and various agencies requesting public information from PPID of Malang City KPU.

In improving public information services in the Election Commission office of Malang City, other than Law No.14 of 2008, it's also referring to the Election Commission Regulation No. 1 of 2015 regarding the Management and Services of Public Information within the General Election Commission (KPU) Environment.

With the Election Commission Regulation No. 1 of 2015 concerning the Management and Services of Public Information within the General Election Commission (KPU) Environment, it is hoped that it will be able to improve the role and function of the Information Management and Documentation Officers (PPID) in the General Election Commission (KPU) of Malang City. The information provided is certainly related to the Election activities, namely information generated in each stage of the implementation of the Election of Members of the DPR (People's Representative Council), DPD (Regional Representative Council), DPRD (Regional People's Representative Council), and the President/Vice President as well as the Election of Governors, Regents and Mayors as determined by the Election organizer based on statutory regulations.

On the basis of the concept said, the researcher is interested in conducting research on PPID in the General Election Commission (KPU) of Malang City, which has started to implement information openness and said information has begun to be published on the official website of General Election Commission (KPU) of Malang City. Other than a website, the commission also has some social media accounts, such as Facebook, Twitter, and Instagram which provide updates on current activities at the commission's office. Based



on the explanation, the researcher is interested in conducting a study about the role of Information and Documentation Management Officers (PPID) in General Election Commission (KPU) of Malang City in improving public information services.

### **Problem of the Study**

1. What is the role and function of the Information Management and Documentation Officers (PPID) in the implementation of improving public information services in the General Election Commission (KPU) office of Malang City;
2. What factors encourage and hinder the implementation of improving public information services in General Election Commission (KPU) of Malang City;

### **Objective of the Study**

Based on the problems mentioned, the research objectives are as follows:

1. To find out and describe the role and function of the Information Management and Documentation Officers (PPID) which is implemented by the Election Commission Regulation No. 1 of 2015 concerning Management and Services of Public Information in the General Election Commission (KPU) Environment in the context of improving public information services at the General Election Commission (KPU) office of Malang City;
2. To describe and analyze the constraints and efforts made in the implementation of improving public information services at the General Election Commission (KPU) office of Malang City.

## **2. DISCUSSION**

### **2.1. Role and Function of the Information Management and Documentation Officers (PPID) in Improving Public Information Services.**

Based on the General Election Commission (KPU) Regulation No. 1 of 2015 concerning Management and Services of Public Information in the General Election Commission (KPU) Environment, PPID has the following duties and authorities:

- a. To plan, organize, implement, supervise, and evaluate the implementation of the management and services of public information within the General Secretariat of KPU, the Secretary of the Provincial KPU/KIP Aceh, and the Secretary of the Regency's/ City's KPU/KIP;
- b. To collect Public Information from all work units within the General Secretariat of KPU, the Secretary of the Provincial KPU/KIP Aceh, and the Secretary of the Regency's/ City's KPU/KIP;
- c. To organize and store Public Information obtained from the General Secretariat of KPU, the Secretary of the Provincial KPU/KIP Aceh, and the Secretary of the Regency's/ City's KPU/KIP;
- d. To select and test Public Information that falls into the category of Exempted Information;

- e. To settle disputes concerning information services with the law division/legal division/legal subdivision;
- f. To conduct a Consequence Testing by involving the leader of each unit.

In its implementation, the public information service by the PPID of KPU of Malang City is pretty good considering the availability of services, both through direct services and services through social media (website, instagram, etc.). Meanwhile, based on the time of public information services, PPID serves requests for public information to the public in accordance with the hours and working days of Civil Servants (PNS), which starts at 08.00 to 16.00 WIB (8 AM to 4 PM) with a settlement period in accordance with what has been stipulated in the Law No. 14 of 2008 and General Election Commission Regulation No. 1 of 2015.

## **2.2. Public Information Service Mechanism in the KPU Office of Malang City**

The process for requesting public information is carried out through the following mechanisms:

- a. Information requesters come to KPU Office of Malang City on Jalan Bantaran No. 6 Malang, fill out the information request form then fill in the data correctly and attach a photocopy of the applicant's identity or KTP.
- b. An officer will provide proof of receipt of request for public information to the requester of public information.
- c. The officer will process the request for public information in accordance with the public information request form that has been signed by the requester of public information.
- d. The officer will give/submit the information to the requester as requested by the applicant/requester of the information oneself, and if the information requested is included in the PPID category of Exempted Information, then the reasons of the request must be in accordance with the applicable laws and regulations.
- e. The officer will provide proof of submission of public information to the requester.
- f. The officer will enter this transaction to the entry book of public information requests.

## **2.3. Obstacles and Efforts Made in the Implementation of Improvement of Public Information Services**

There are several obstacles and obstacles in providing information services, these obstacles and obstacles are:

- a. The information requester does not know exactly that there is excluded information which cannot be given to the public.
- b. Provision of internal information which is very dependent on the supply of data from PPID per subdivision or division.
- c. Socialization about public information has not been maximized, so that there are still many people who do not know about the laws and regulations regarding public information services.

Efforts made in improving public information services are:

- a. KPU of Malang City created a website-based application service, through the website [kpud-malangkota.go.id](http://kpud-malangkota.go.id), where information requesters can immediately see a list of what information is available on the website. With this website, information requesters are expected to be getting the desired information quicker and easier.
- b. Strengthening the performance of existing human resources and rearranging special places for public information services.
- c. Improving the quality of public services especially in public complaints aspect. Can be done by intensifying socialization to the public regarding the disclosure of public information.

### 3. CONCLUSION AND SUGGESTION

#### 3.1. Conclusion

Based on the results of the study, the conclusions obtained are:

1. Concerning the role and duties of the Information Management and Documentation Officers (PPID) at KPU of Malang City, the division has basically been running in accordance with the provisions of Law No. 14 of 2008 and General Election Commission Regulation No. 1 of 2015.
2. In the case of Provision and Service of public information, the role of the Information Management and Documentation Officers (PPID) in KPU of Malang City has had guidelines, so that standardization of services can be carried out where related to this PPID already has a reference to the Public Information Service Guidelines set forth in the Regulation Election Commission Number 1 of 2015.
3. One of the advantages of the role of PPID in the KPU Office of Malang City regarding this information service is the use of Information Technology online through a website that is adequate and considered good as a service facility to facilitate and accelerate access to information according to the information requester's necessity.

From all of the conclusions above, although there are still some obstacles in the implementation of the service, in general, the aspects of public interest remain the main priority in improving public information services at the Office of KPU of Malang City.

#### 3.2. Suggestion

The suggestion that might be recommended is PPID in KPU of Malang City is expected to always improve the quality of information services to the public in various ways, such as optimizing the use of information technology facilities to reach the public quicker and easier. This is certainly in accordance with the term held by Malang City as a 'City of Students' where a lot of students are utilizing public information services in the Office of KPU of Malang City both for research purposes and for public information only.

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# DIGITALIZATION OF STRATEGIC PRICING OF FASHION PRODUCT TO INCREASE COMPETITIVENESS

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## ABSTRACT

This research is an applied research on the application of strategic pricing models for fashion products, especially those managed by Small and Medium Enterprises (SMEs). The results of previous studies concluded, according to the SMEs the fashion sector, strategic pricing model helps and makes it easier for them in setting the selling price, helping to care about competition and considering it in determining the selling price of their products. This research was conducted to find a simple software design that can be used to help SME owners in setting price based on the strategic price. The design of a computer program consists of 5 steps. The first set determines the selling price based on the base price. The second step is analyzing the product position in the product lifecycle. The third step is to determine the amount of margin for each stage. The fourth step is to find information on the prices of similar products in online stores. The fifth step, based on the predetermined selling price, consideration of margins and prices from competitors, then the strategic selling price is determined. The software design will be tested and continued to be improved. The improved software design is called MERSYPRICE or "Merdeka Easy Pricing".

**Keywords** : pricing models, creative industry , SMEs

## INTRODUCTION.

The creative economy industry in Indonesia has experienced exponential growth in the last three years. Based on national scale data, the creative industry sector has absorbed 15.9 million workers and contributed 7.3 percent to Indonesian Gross Domestic Product (GDP). On a global scale, the economic value of creative industry surpasses even the petroleum industry.

The scope of creative industry includes: clothing design, footwear, fashion accessories, clothing production and accessories, fashion product line consultation and fashion product distribution (Indonesian Ministry of Trade, 2008). To respond to the wider scope of the creative sector globally, the Indonesian government issued a regulation governing 16 creative economic sectors, namely: game, architecture, interior design, visual communication design, product design, fashion, film, animation and video, photography, craft, culinary, music, publishing, advertising, performing arts, fine arts, and also television and radio (Government Regulation, 2015). One of the main sectors is the fashion sector, with Small and Medium Enterprises (SMEs) as the most influencing actors.

In order to improve competitiveness, many solutions have been taken. Those were generally related to: promotion, brand development, mentoring or coaching through cluster approach (Muslikah, 2014), management coaching to gain easy access to banks, quality improvement, and improvement of design motives (Central Bank Malang, 2013, 2014). In addition, on a macro scale, action plans have also been activated by the government, including facilitations for SMEs to acquire Intellectual Property Rights. However, these solutions still need to be

supported by other alternatives. Considered very important is the strategic pricing model as one of the offered alternatives.

In tight competition, the determination of the selling price should consider the determinants of competition, including the competitor's product selling price, product life cycle, and cost life cycle (Blocher et al., 2010: 545-564). Strategic Pricing Model based on Product Life and Cost Cycle is considered more appropriate to be used in this particular kind of business environment. This study aims to produce a software design or computer program application that can be used to assist SME owners in setting prices based on a strategic pricing model.

### The Design of Computer Program.

This software or computer program application can be used to assist SME owners in setting prices based on strategic selling prices. The computer program design consists of 5 steps. The first step is to determine the selling price based on the cost. This software or computer program application can be used to assist SME owners in setting prices based on strategic selling prices. The computer program design consists of 5 stages. The first stage is to determine the selling price based on the cost of the product. The cost of the product considers two factors, namely cost lifecycle and product cycle. Cost lifecycle is a series of activities in an organization that starts from research and development, design, production, marketing / distribution and consumer service activities, as shown in Figure 1 below:

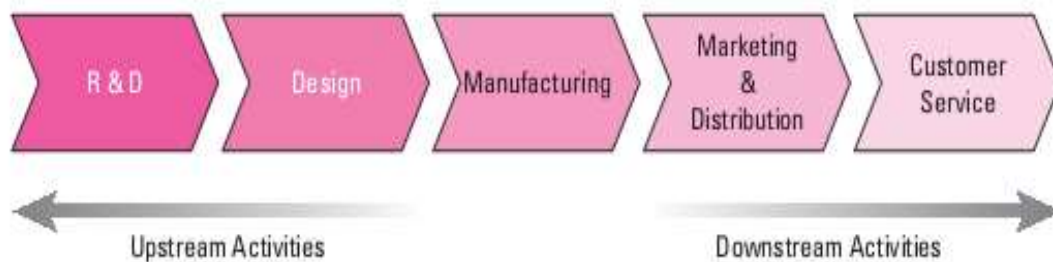


Figure 1

The second step is analyzing the product's position in the product lifecycle as shown in the following figure:

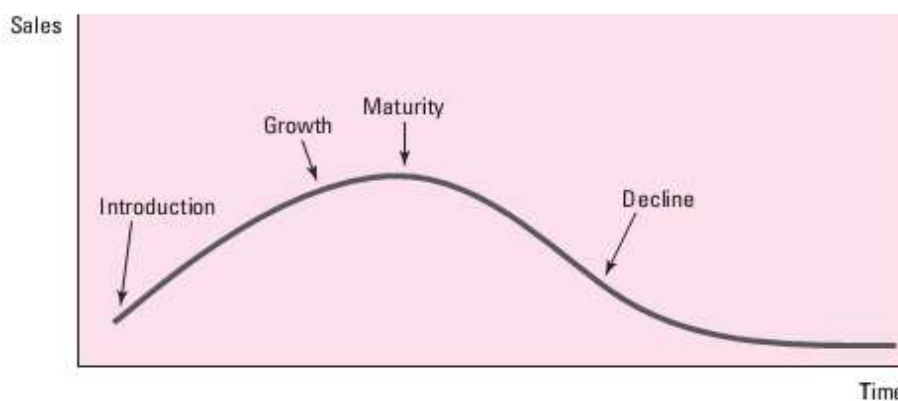


Figure 2

The third step is to determine the margin in accordance with the consideration or decision of the SME owner in accordance with its position in the product lifecycle. In determining margins, the owner or manager of the SME estimates at which position the product is being priced. At the introduction stage, margin can be set higher, as well as at the growth stage. Furthermore, in the step maturity and decline, the margin can be set lower. The fourth step is to find information on the prices of similar products in online stores. Then the program will be directly connected to two online stores; Tokopedia and Bukalapak. The owner can choose products in online stores based on certain considerations, for example: the most expensive price, the cheapest, and the medium or the middle between the most expensive and cheapest. In the fifth step, the program will then provide information about recommended selling prices. The price information is a strategic selling price, namely the price set by the owner based on the cost of the product and also consideration of the competitor's selling price.

The Flowchart software application is presented in the following figure:

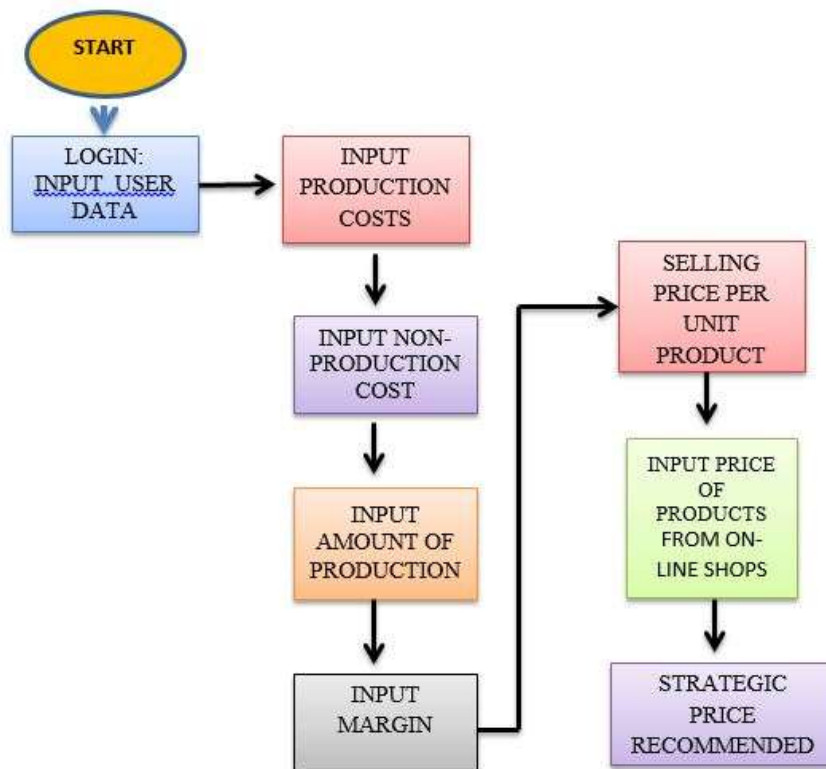


Figure 3  
The Flowchart Software Application  
Guidelines of Software Usage

*Mersyprice* application is a website based application. To use this application the user must access it via a browser, using the Firefox browser or Google Chrome. In order that the application can run properly it is recommended to use the latest browser. The first step in

using the program is to open the browser and enter the url address, the display will appear as follows:

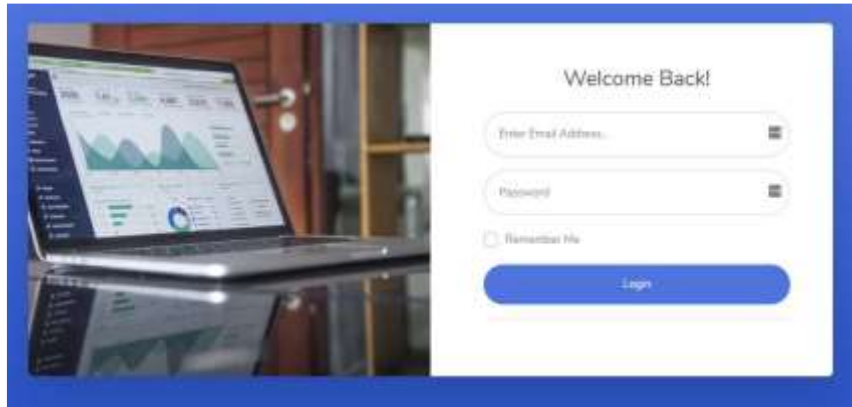


Figure 4

Next is to fill in your username and password in the fields provided. After completing the username and password then proceed by clicking the Login button. The data entered in this step are the username, password, company name and other data. The next step is to enter data on the cost of production, both production and non-production costs. The screen that appears as in the following figure:

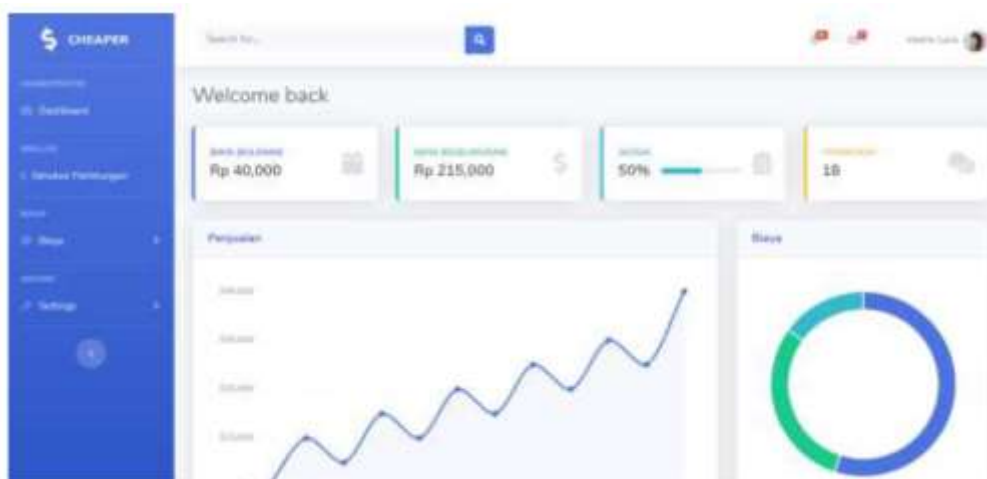


Figure 5

After the data is entered, the display on the screen appears in the following figure:

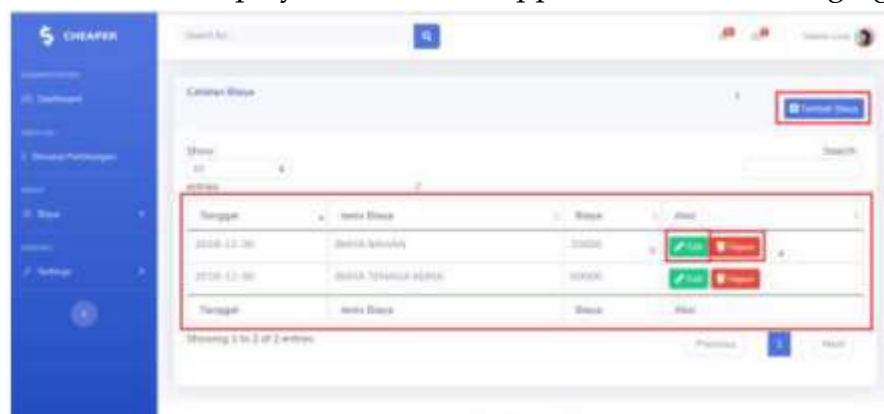


Figure 6



On this page there are 4 facilities that can be used, namely:

1. Adding monthly data costs
2. Table or List of Monthly Cost Data
3. Edit Monthly Cost
4. Remove Monthly Cost.

The results of the above processes are obtained data about the selling price of products per unit based on the product cost data, with the screen display as follows:



Figure 7

The next step is to find the price of similar products in the online shop. The following screen displays an example of a shoe product for children. If the product is deemed to have been selected, then click "price" on that product.

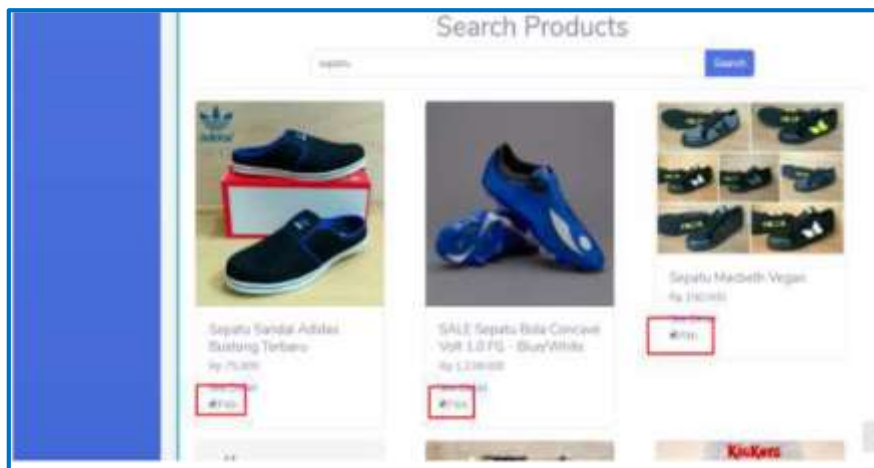


Figure 7

After checking the selected product it will automatically appears the recommended price. Finally, we obtain the strategic price recommended by the system. The display on the screen is as follows:

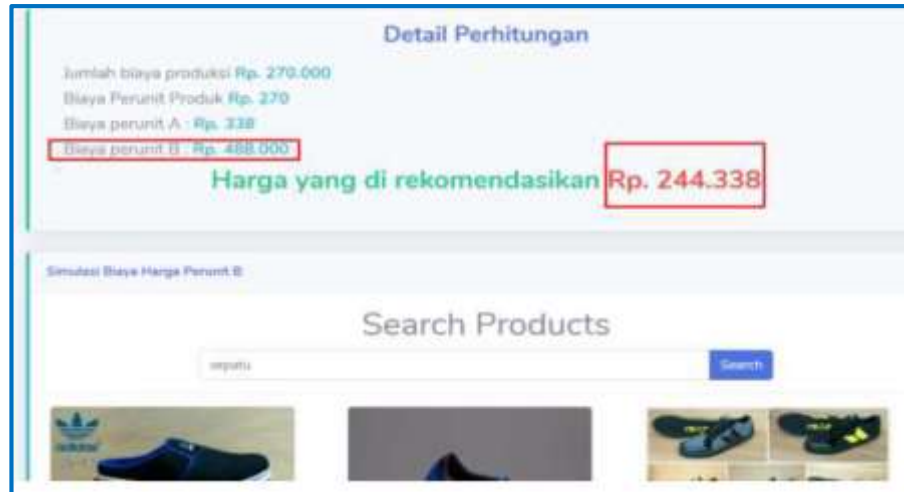


Figure 8

Thus, based on the above process, a price of Rp. 244,338 is assumed as competitive prices. This means that if the price is actually applied, then the price does not differ significantly from the prices of similar products in online stores so that SME products can still compete and be profitable. One aspect that must be considered in using this model is the amount of margin determined must be adjusted to the product's position in the product lifecycle. As an illustration of the determination of the margin is: if a new product is launched or introduced, that means, in the product lifecycle the product is in the introduction position. At this stage, if the owner sure that there are no similar products on the market, which also means that there are no competitors, then the margin can be determined high, for example 35%. When the product position shifts to growth, margins can be set higher, for example 45%. But if the product is already in a position of maturity, usually there are many competing products. In such conditions, the margin starts to be reduced, for example 25%, and if it has been in a position of decline, it means that it has begun to be abandoned by consumers. In this position, the margin should be even lower, for example 12%.

## CONCLUSION

The strategic pricing model is considered as a model that helps SME owners in making decisions, especially selling price decisions. This model is also applicable and is suitable for SMEs who are generally unfamiliar with accounting. This model also accommodates the owner's subjectivity, especially in determining the amount of margins. This factor is very important because often it actually determines or dominates in deciding the selling price, especially business actors who are very experienced and understand the market well. However, for business owners who are just entering business or still inexperienced, this model is also very useful in guiding the determination of selling prices, one of the most difficult but important decisions in business management.

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## **The Inflatable Roof Stage Structure with Independent Photovoltaic Energy Hery Budiyanto<sup>1)</sup>, Aries Boedi Setiawan<sup>2)</sup>, Erna Winansih<sup>3)</sup>, Muhammad Iqbal<sup>4)</sup>**

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### **ABSTRACT**

The Applied Research of inflatable roof stage structure using Tarpaulin PVC coated fabric. This facility can be built, dismantled and moved to other locations easily, safely, quickly and lightly with an independent energy source (photovoltaic solar energy system). The aim of the research is to develop a stage rooftop facility as a means of exhibiting SME products that meet the aesthetic, strength, speed, effectiveness, comfort and use of independent energy. The research method uses the Experimentation and Action Research Method, beginning with the design, manufacture and testing of the pneumatic inflatable Energy Self-contained stage roof, including: (1) speed test in the manufacture, transportation, assembly, installation, dismantling of the roof of pneumatic inflatable structures and solar energy modules, (2) material strength test (3) thermal comfort test under the inflatable structure roof stage, (4) effectiveness test of the use of solar photovoltaic energy to drive the blowers of the inflatable stage roof. Material testing conducted at the Textile Laboratory of the Islamic University of Indonesia (UII), University of Merdeka Malang Science Lab and Field Tests in the City and Regency of Malang, has proven to provide reliable and satisfying results, including: a) the speed of installation and dismantling installation (6 minute stage roof, solar panel installation 15 minutes), b) the air pressure needed is only 0.9 psi to erect an inflatable roof, c) the tensile strength of PVC tarpaulin material reaches 55,619 kg / cm, d) 4 solar panels each with a capacity of 100 wp with storage energy in the form of a 100 AH 12 V battery and 1000 WH converter in sunny conditions produces a minimum of 13.6 Amp, 18.8 V can meet the energy requirements to drive blowers and stage sound blowers, and f) comfort under the inflatable roof temperature a maximum of 35 degrees Celsius. The practical and quick-wake stage of the independent energy inflatable stage is expected to be a prototype stage facility for the SME Exhibition on a national scale.

Keywords: stage roof, inflatable, solar energy, exhibition.

## 1. INTRODUCTION

Small and Medium Enterprises (SMEs) have a very important role in national economic development. That is because in addition to having a role in the growth and absorption of labor, it also plays a role in the distribution of development results. Small companies can absorb 51% of the national workforce (Manurung, 2006). In terms of marketing, the SME product exhibition is an effective marketing method for creative economy SMEs that needs to be supported by the role of Higher Education (Budiyanto, Hery & Rofieq, Mochammad. 2018). One of the most important parts of the UKM product exhibition is the entertainment stage which attracts visitors to come and be in the exhibition area. This research focuses on the design and manufacture of an inflatable roof stage structure with independent energy as a means of exhibiting SME products, using tarpaulin fabric coated with PVC so that it is lighter and more concise and quick to install and dismantle.

There are 4 main aspects that become a problem in this study, namely: 1) Design and manufacture of the inflatable roof stage structure with independent energy; 2) Speed and effectiveness in the process of transporting, assembling, installing and dismantling the inflatable roof stage structure with independent energy; 3) The level of thermal comfort under the inflatable roof stage structure; 4) The efficiency of solar photovoltaic energy in providing energy for the inflatable roof stage structure.

The research was carried out in the Material Laboratory and in the field. The testing of membrane material in the form of pararsit PVC tarpaulin fabric strength testing was carried out at the Textile Laboratory of the Islamic University of Indonesia Yogyakarta, while testing the use of the inflatable stage roof was carried out in several places, namely: 1) Handicraft Parade in Skodam Yard Malang City (July 2019); 2) The Stage of Closing Student Community Service Program and the Stage of Movement to Build a Village in Kampung Bunga Grangsil, Jambangan Village, Dampit, Malang Regency (August 2019); 3) Stage of Anti-Narcotics Movement at National Institute of Technology Malang City (September 2019)



**Figure 1: Handicraft Parade, July 2019**



**Figure 2: Student Community Service Program, August 2019**

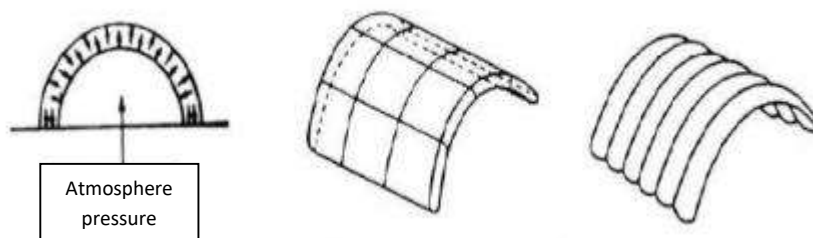


**Figure 3: Anti-Narcotics Movement at National Institute of Technology, September 2019**

## II. LITERATURE REVIEW

### 2.1. Inflatable Pneumatic Structure

Pneumatic membrane structure is a soft shell structure system, where the structure can stand due to the difference in air pressure inside the pneumatic structure with the air pressure outside the structure (Sukawi, 2011). The pneumatic structure is divided into 2 major groups namely air supported structure and air inflated structure (Schodek, 1980). a) air supported structure is called a single membrane structure because it only requires one layer of membrane and requires low air pressure (about 2-20 pounds per feet above atmospheric pressure). b) air inflated structure (figure 5) is also called a double membrane structure.



**Figure 4: Air Inflated Pneumatic Structures**  
(Source: Schodek, 1980)

Air-inflated fabric structures are included in the category of tensioned structures and have unique advantages over their use compared to traditional structures. These advantages include a lightweight design, fast and easy to install, fast transport and small packing volume. Most of the research and development of inflated structures are carried out in aerospace, military, commercial, marine and recreational functions, for example: airship, weather balloon, inflatable antenna and radom, temporary shelter, inflatable boat, emergency bridge, and automotive airbags (Avallone, 2006).

## 2.2 Photovoltaic Solar Energy System

The main components of a Photovoltaic Solar Energy System are photovoltaic cells that convert solar radiation into direct conversion captured by Solar Array, which requires Balance of System (BOS) to include charge controllers and inverters, battery storage units and other supporting equipment (Widayana, 2012). This energy system will support the electricity needs of the blower as an air source on the pneumatic structure of the air inflated roof stage.

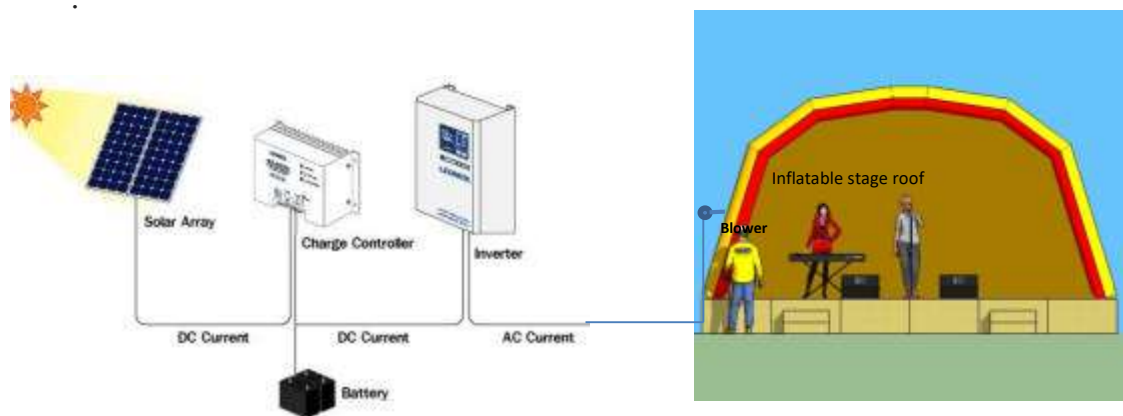


Figure 5: Schematic Design of Portable Stage Prototype and Inflatable Stage Roof

## III. RESEARCH METHODS

This study uses experimental methods and action research in the form of making prototypes, conducting laboratory trials and field trials on various variables (Chassagnoux, Alain, et.al. 2002.). In this study various tests were carried out, namely: a) inflatable membrane material, c) pressure testing in inflatable membrane tubes, d) thermal comfort test under the roof of the inflatable stage, e). material testing and f) the effectiveness of solar photovoltaic power supply systems.

Variables in this study are: a) The speed of the process of making, assembling, installing, dismantling, b) Efficiency of Systems and Structural Components, c) Air pressure in the inflatable membrane tube, d) The thermal condition of the building, e) Strength of membrane material, f) Photovoltaic Solar Energy.

Tensile and stretch strength test and water permeability test are carried out in the Textiles Laboratory in Islamic University of Indonesia Yogyakarta use tenso laboratory



tools. This tool can determine the maximum tensile strength of tarpaulin-PVC cloth and parasitic cloth. In addition, water permeability was tested.



**Figure 6: Tensile Strength and Translucent Strength Test Equipment**

#### IV. RESEARCH RESULT

##### 1. Making a portable stage

The stage is made from 18 mm multiplex material, designed to be portable mounted. Consisting of 30 modules, each measuring 120x120x60 cm.



**Figure 7: Making a Portable Stage (2 weeks)**

##### 2. Portable stage assembly



**Figure 8: Portable stage assembly (50 minutes)**

##### 3. Manufacture and assembly of the inflatable stage roof

The order of manufacture is as follows: a) preparation of PVC tarpaulin fabric, b) cutting, c, dipping, d) inflatable tube assembly, e) roofing installation.



**Figure 9: Making Inflatable Stage Roof Prototypes (2 weeks)**

##### 4. Installation of the inflatable stage roof



**Figure 10: Installation of Inflatable Stage Roof Prototypes (6 minutes)**

## 5. Installation of Portable Bracket and Photovoltaic Energy Solar Panels

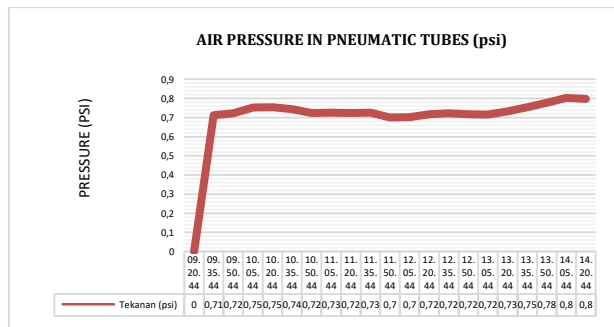


**Figure 11: Installation of Portable Bracket and Solar Photovoltaic Energy Panels (20 min)**

## 6. Utilization of Portable Stage Prototypes and Inflatable Stage Roofs

Portable Stage and Inflatable Stage Roof have been designed and utilized in activities: Handicraft Parade (July 2019 - Figure 1); Closing of Student Service Community Service (August 2019 - Figure 2; Village Building Movement (August 2019 - Figure 3); ITN Anti-Narcotics Movement (September 2019 - Figure 3).

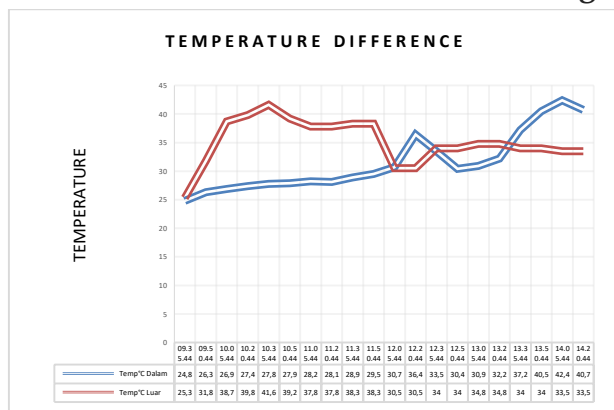
## 7. Test the air pressure in the inflatable membrane tube



**Figure 12: Pressure Graph in a Inflatable Stage Roof Membrane Tube**

The minimum air pressure required for the erection of the inflatable membrane tube is 0.7 psi, this pressure is achieved within 6 minutes of the initial markup.

## 8. Thermal conditions inside and outside of the inflatable stage roof



**Figure 13: Graph of Thermal Conditions in and Outside of the Inflatable Stage Roof**

In the morning of 09.05 am to 12.05 am the temperature of the air inside the stage is lower than outside the stage. There are differences in air temperature inside and outside the stage between -4.9°C to 13.8°C.

### 9. Strength and elongation of the inflatable tube roof membrane stage

Testing the strength of the inflatable membrane roofing stage is carried out in the Lab. Yogyakarta Indonesian Islamic University Textile with the following results:

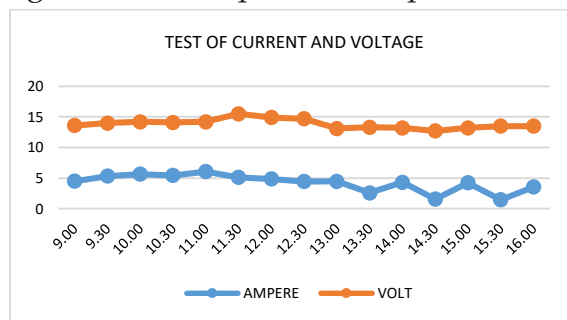


**Figure 14: Load Test Graph of PVC Tarpaulin Fabric**

Maximum strength of 0.5 mm thick PVC coated tarpaulin fabric membrane is achieved at a load of 55,619 kg, elongation value of 21,453% for a surface width of 1 cm.

### 10. Photovoltaic solar energy testing

The results of testing of each solar panel 100 wp are as follows:



**Figure 15: Solar Panel Current and Voltage Graph**

In sunny weather, a 100 WP solar panel can produce an average of 4.2 Ampere 13.8 Volts, whereas when the weather is cloudy the current drops to 1.4 Amper 6.07 Volts. The electrical energy stored in the battery can already be used to drive a blower with a power of 550 Watt, 220 Volt voltage, this blower works to blow the roof of the inflatable stage for 6 minutes and clear the wind for 12 minutes.

## V. CONCLUSIONS AND SUGGESTIONS

### 5.1. Conclusions

Portable stage and independent energy inflatable stage roof are very suitable for the needs of SME product marketing exhibitions, this is due to the speed, ease and comfort of the building structure. Proven in Laboratory Tests and Field Tests obtained reliable results include the tensile strength of the PVC tarpaulin stage roofing stage material able to withstand up to 55,619 kg / cm<sup>2</sup>, portable stage installation 50 minutes installation of the inflatable roof 6 minutes and dismantling 10 minutes and able to

reduce the average temperature under the roof 2,20C. Electrical energy requirements for blowers and portable sound systems can be met by 4 photovoltaic solar cell panels, in sunny weather it produces 13.2 Amperes of electricity, 19.2 Volts voltage, so it does not require electricity generators or electricity. This portable stage building and the rooftop of the independent energy stage can be a widespread prototype as a stage building that quickly builds independent energy. The use of tarpaulin and PVC is very flexible and strong so that it facilitates the process of transportation, installation and dismantling, in a simple and easy to use packaging.

## 5.2. Suggestions

- a. Portable stage and inflatable stage roofs can be made on a large scale making it easier for SME creative product exhibitors to increase the frequency of exhibitions.
- b. An automation system is needed in the regulation of air pressure on the inflatable roof of the stage on the air-fill blower. Also needed a sun tracker to adjust the angle of the solar panel automatically.

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# ROLE OF THE ONLINE SINGLE SUBMISSION (OSS) TO INCREASE THE CITY INVESTMENT ATTRACTION

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## ABSTRACT

This study aims to find out: 1) how the influence of image interactive technology, perceived usefulness, perceived easy of use and behavioral intention to the performance of the online licensing system (Online Single Submission); 2) how the influence of Online Single Submission (OSS) performance on investment attraction in Batu City. This research was conducted in Batu City with a sample of 65 investors. The data analysis technique of this study uses PLS. The result shows: 1) perceived easy of use and behavioral intention have a positive and significant effect on Online Single Submission (OSS) performance; 2) The performance of Online Single Submission (OSS) has a positive and significant effect on investment attraction in Batu City

**Keywords** : behavioral intention, image interactive technology, investment attraction, online single submission, perceived usefulness, perceived easy of use

## INTRODUCTION.

The Law No. 32/2004 (UU, 2004) on Regional Government which is a revision of the Law No. 22/1999 on Regional Autonomy shows that regional autonomy gives the region the right to regulate its own households. Regional autonomy is widely believed to be the best way to encourage regional development (Osborne and Plastrik, 2000). The implementation of regional autonomy is expected to improve services in various sectors, especially the public sector, to be able to attract investors to invest in the regions. If a region has adequate infrastructure, investors will invest and the community can carry out their daily activities comfortably so that the level of productivity will increase. The increasing productivity of the community and the number of investors will increase the investments. It is expected that this situation will increase Local Own-Source Revenue which in turn will have an impact on increasing regional spending (Abimanyu, 2005). One of the important things to encourage the achievement of quality development is investment. This is partly because investment has an influence on aggregate growth by its ability to drive the level of output and employment opportunities, thus affecting the formation of capital which in the long run will increase output potential and maintain the growth.

Regional investment is an investment in a region carried out by components of government, society and the private sector (business world). Increased regional investment can be realized if a region has "potentials" to sell. The ability of a region to sell must also be supported by a conducive climate such as security guarantees and legal certainty. The Regional Government must produce regulations to trigger economic growth to attract investors (KPPOD, 2013). In addition, the governmental system must be improved to be more effective and efficient, such as long-winded procedures must be abandoned. Some local governments have taken steps to attract investors, but not yet thoroughly. Kuncoro states that several initiatives have been carried out including reforming the investment service bureaucracy, building information systems on investment potential and enhancing and provisioning physical infrastructure (Kuncoro 1965, 2004).

Local governments will have the convenience to increase regional development with investment support. Therefore, we need a way to increase investor interest in investing in a region. One that must get important attention is the ease of the investment licensing system. The study was conducted in Batu City, where the Batu City Government has used an online licensing system known as the Online Single Submission (OSS). This online licensing system is expected to make it easier for investors to invest in Batu City because Batu City is a city that has great potential in tourism (one of the cities with the highest number of tourists in East Java) and many agriculture (famous for apple farming) ogled by investors. Based on this, this study aims to find out: 1) how the influence of image interactive technology, perceived usefulness, perceived easy of use and behavioral intention to the performance of the online licensing system (Online Single Submission); 2) how the influence of Online Single Submission (OSS) performance on investment attraction in Batu City

## **LITERATURE REVIEW AND HYPOTHESES**

### **Technology Acceptance Model (TAM) and Theory of Planned Behavior (TPB)**

The purpose of the Technology Acceptance Model is to evaluate existing information systems and diagnose design problems based on important user experience utilizing a system. Davis (1989) has developed considerations for measuring the perceived benefits and ease of use towards attitudes of use, and attitudes to use information technology.

Theory of Planned Behavior (TPB) adds the construct of perceived behavioral control. In TPB, perceived behavioral control is theorized to be an additional determinant of intention and behavior. Ajzen (1991) presented a review of several studies that successfully used TPB to predict intention and behavior in a wide variety of settings. TPB has been successfully applied to the understanding of individual acceptance and usage of many different technologies (Harrison et al. 1997; Mathieson 1991; Taylor and Todd 1995).

In 2011, Hidayatullah used TAM and found that the Local Government Information System showed that improving the quality of services and efforts to grow the level of trust through the development and strategy of using appropriate information technology in accordance with the needs of the community was one of the efforts to provide maximum satisfaction for the community (Hidayatullah, 2011). The results of the study also showed the importance of reliable information technology. Basically, people accept the presence of IT after knowing the benefits and ease of using it.

### **The Effect of Licensing System To Investment Attraction**

Kuncoro states that several initiatives have been carried out including reforming the investment service bureaucracy, building information systems on investment potential and enhancing and provisioning physical infrastructure (Kuncoro, 2004). Licensing system is a part of investment service bureaucracy, so the government should build a good information systems of licensing to attract investors.

Suhendra's research results show that the pro investment policy in Boyolali Regency can help achieve investment targets. The ease of the licensing process includes the use of one of the requirements to take care of several licenses at the same time as well as the

socialization and licensing process carried out by establishing integrated administrative services at the sub-district level (Suhendra, 2017). Widhayanti's research also shows that the highest score in determining regional investment attractiveness is the apparatus and services in business licensing (Widhayanti, 2012)

## **Hypotheses**

Hypotheses of this research are:

- H1: image interactive technology has a positive and significant effect on Online Single Submission (OSS) performance
- H2: perceived usefulness has a positive and significant effect on Online Single Submission (OSS) performance
- H3: perceived easy of use has a positive and significant effect on Online Single Submission (OSS) performance
- H4: behavioral intention has a positive and significant effect on Online Single Submission (OSS) performance
- H5: performance of Online Single Submission (OSS) has a positive and significant effect on investment attraction in Batu City

## **METHODS**

This research used a case study in Batu City, Jawa Timur, Indonesia. This research was conducted with a sample of 65 investors. The data analysis technique of this study uses PLS: 1) analyze how the influence of image interactive technology, perceived usefulness, perceived easy of use and behavioral intention to performance of Online Single Submission (OSS); 2) analyze how the influence of Online Single Submission (OSS) performance to investment attraction. Online Single Submission (OSS) performance and investment attraction is measured by rating assessment conducted by investors.

## **RESULT AND DISCUSSION**

Batu City is one of the cities in the East Java Province of Indonesia which is one of the tourist cities with a high number of tourists. In 2017, the number of tourists reached a total of 4,188,910 tourists, 4,622 of which were foreign tourists. Batu City has a big target in 2025, i.e. the achievement of the Tri Asa as a competitive education center, an organic agriculture center and an internationally competitive tourism center. Therefore, to help achieve these targets, investors need to help the development process in Batu City.

Table 1 shows the investment value in Batu City in 2017 reached Rp1,755,000 million with an average growth of 23%/year, while the Local Own-Source Revenues reached Rp149,424 million with an average growth of 32%/year.



**Table 1**  
**Regional Investment Value and Local Own-Source Revenue of Baru City**  
**(in million Rupiahs)**

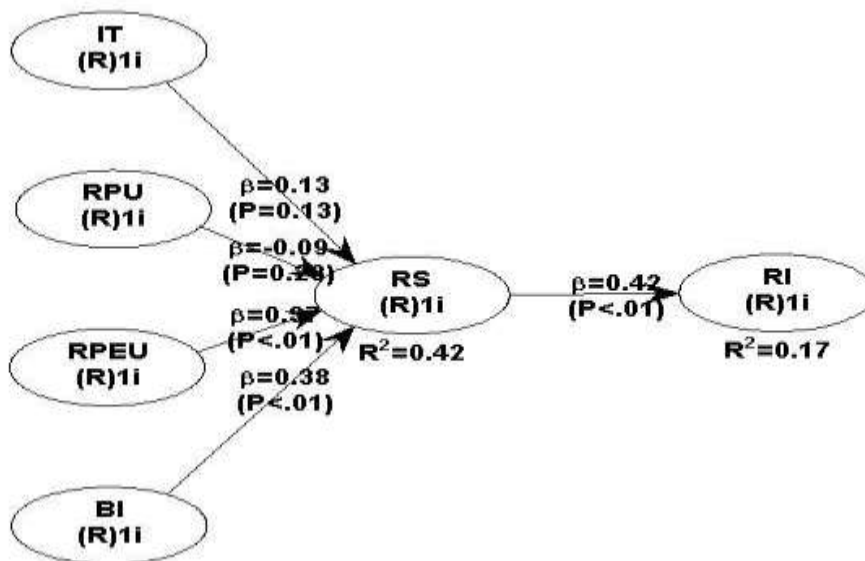
Year	Investment Value	Local Own-Source Revenue
2012	676.281	38.794
2013	791.507	58.670
2014	915.072	78.189
2015	1.402.072	104.234
2016	1.915.000	109.533
2017	1.755.000	149.424

Source: Batu City in Figures

**Table 2**  
**Hypotheses Testing**

	Path Coefficient	P Value	Effect Size	Hypotheses Testing
IT → RS	0.135	0.130	0.045	Not accepted
RPU → RS	-0.089	0.232	0.034	Not accepted
RPEU → RS	0.373	0.001	0.201	Accepted
BI → RS	0.384	0.001	0.204	Accepted
RS → RI	0.417	0.001	0.174	Accepted

Source: data analyzed



**Figure 1. Path Analysis**

The result (table 2 and figure 1) shows that perceived easy of use and behavioral intention (p value < 0.05) have a significant effect on Online Single Submission (OSS) performance. The significant influence of the perceive of easy of use to Online Single Submission (OSS) performance shows that if the licensing system arranged systematically, not complicate the user (investors) and speed up the process, it will increase investor appreciation of the licensing system. While the significant influence of behavioral intention

to Online Single Submission (OSS) performance shows that investors give a greater appreciation of the new licensing system that is done with the online system.

The result (table 2 and figure 1) also shows that the performance of Online Single Submission (OSS) has a positive and significant ( $p$  value  $< 0.05$ ) effect on investment attraction in Batu City. It means that the government should increase the performance of licensing system to increase investment.. The result of this study is in line with the results of Suhendra's research which shows that pro-investment policies, including those conducted in the licensing process, can help achieve investment targets (Suhendra, 2017). In addition this study is also in accordance with the results of Widhayanti's research which shows that the highest scores in determining the attractiveness of regional investment are apparatus and services in business licensing (Widhayanti, 2012 ). The result of Online Single Submission (OSS) rating assessment is very good at 4.5 in the range of scales 1 to 5. As well as the result of investment attraction rating assessment is also very good at 4.16 in the range of scales 1 to 5.

## CONCLUTIONS

The result shows: 1) perceived easy of use and behavioral intention have a positive and significant effect on Online Single Submission (OSS) performance; 2) The performance of Online Single Submission (OSS) has a positive and significant effect on investment attraction in Batu City

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