

## **Effectiveness of Organizational Performance on Social Assistance**

**By**

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### **Abstract**

Covid-19 pandemic has reduced the economy in Indonesia. In West Java economic growth based on data from the Central Statistics Agency (BPS) in 2020 contracted to minus 2.44 percent or decreased compared to 2019 which reached 5.07 percent. One of the sectors that contributed most to the contraction in West Java's economic growth was the corporate services sector with a growth rate of -18.38 percent. There was a moratorium on Umrah activities and pilgrimage as well as restrictions on the activities of managing tourist objects during the pandemic, are one of the reasons for the suppression of economic growth in this sector. The aims of this study are (1) How effective is the organization in distributing social assistance? (2) How is the implementation of the distribution of social assistance in West Java? The method used is descriptive analysis. The findings show that the regional government of West Java Province has carried out poverty alleviation and reduction as a strategy to increase people's welfare, which consists of (1) meeting basic needs, (2) increasing awareness and social solidarity, (3) strengthening socio-economic safety nets, (4) community empowerment, (5) growth and equity for poverty reduction (6) law enforcement.

**Keywords:** Organizational Effectiveness, Social Assistance, West Java

### **Introduction**

The COVID-19 pandemic has disrupted social order throughout the world. Records from the United Nations (UN) show that there has been a significant decline in the achievement of SDG throughout 2020. World economic growth throughout 2020 has experienced a very drastic decline. Based on data from the Ministry of Finance that throughout 2020, Indonesia's economic growth fell -2.07 percent. This condition indicates a worse economic condition than in previous years. For example, during the 2008 crisis, commodity prices were still profitable, so the Indonesian economy was still able to grow 4.6%. While in 2012 the effects of the global crisis led to a trade deficit, the impact on Indonesia's overall economic condition was not significant.

Various data on the impact of the Covid-19 pandemic were found, one of which was the 2020 Policy Research Working Paper of the World Bank Group which published data Envisage Simulations show that the projected GDP implications of various scenarios - the lowest cumulative impact (% deviation from the benchmark) is Cambodia with -6.57% (Maliszewska, Mattoo, and van der Mensbrugge 2020). Global GDP losses totaled 3.9% in the most extreme global pandemic scenario, while China's GDP decreased by 4.3%. The locations with the highest trade integration and/or where trade tourism contributes significantly to the local economy experience the largest GDP losses. Cambodia and Thailand saw GDP declines of over 6%, while “Singapore, Hong Kong, China; Taiwan, China; Republic of Korea; Malaysia; and the Philippines” saw GDP declines of over 4.5%, which was also a significant increase over China. High-income nations can also suffer considerable GDP losses; losses are estimated to have exceeded “3.4% in the European Union”, to “4.6% in Japan”, to “3.4% in the United States”, and to “3.2% in Canada”. Under the worldwide and expanded global pandemic scenario, the expected GDP loss is estimated at roughly 3%, with countries in “Sub-Saharan Africa (SSA)”, the Middle East, and North Africa projected to be the least affected (Maliszewska et al. 2020)

In addition, Vietnam is one of the countries affected by the Covid-19 pandemic but still has high performance. This is evidenced by CNN Indonesia's data which states that Vietnam's exports grew 11 percent in the third quarter of 2020 to US\$80 billion with the dominance of computer products and other personal electronic goods. The portion of the increase in commodity exports increased by more than 20 percent from the previous quarter due to Vietnam's strong industry. Apart from that, Vietnam's economy is supported by the investment sector or state spending which has jumped 33.3 percent over the last 9 months or US\$12.9 billion. State spending is focused on creating jobs, and carrying out labor-intensive developments such as repairing roads, railroads and other infrastructure.

Vietnam's public investment since January is at its highest level in five years. This is partly due to the responsive steps taken by the Vietnamese government in dealing with the coronavirus pandemic. For example, at the start of the Covid-19 outbreak, the Vietnamese government disbursed US\$ 10.8 billion in funds in the form of a corona stimulus package. Apart from that, Vietnam also moved quickly to close international gates and place a regional lockdown. These policies are a strong foundation for Vietnam to survive in this covid condition.

The impact of the pandemic has also been experienced in Indonesia, especially in the economic and social sectors. According to Saiful (2021), there are three impacts of the Covid pandemic on the national economic sector. First, weakening household consumption or weakening purchasing power. The economy increases when absorption or purchasing power is high. Markets that are successful in creating regulation are markets that are able to create high purchasing power. Because the Purchasing Power Regulation has an effect of around 60% on the rise of an economy.

Second, the final date of the Covid-19 epidemic is uncertain. As a result, it becomes weaker in the investment industry and may result in a company ceasing to operate. The third is a faltering economy that lowers commodity prices. The government reacted quickly in response to this impact, implementing a vaccination programme, a national economic recovery programme, BLT, and business capital aid for SMEs/UMKM. (Saiful (2021)

This also has an impact, one of which is on West Java which shows economic growth based on data from the Central Statistics Agency (BPS) in 2020 contracted to minus 2.44

percent or decreased compared to 2019 which reached 5.07 percent. This is because the covid-19 pandemic which reduced the economy in Indonesia. Eleven economic sectors contributed to this negative economic growth. One of the sectors that contributed most to the contraction in West Java's economic growth was the corporate services sector with a growth rate of -18.38 percent. There was a moratorium on Umrah activities and pilgrimage as well as restrictions on the activities of managing tourist objects during the pandemic, are one of the reasons for the suppression of economic growth in this sector.

Apart from the service sector, and the corporate services sector, the three other sectors most affected by the pandemic are the trade sector, the electricity and gas procurement sector, and the government administration sector. The decline in the purchasing power of Berk people contributed to the decline in the rate of economic growth in the trade sector was -7.94 percent. Restrictions on office and industrial activities during the pandemic affected the amount of electricity and gas consumption, thereby depressing the economic growth rate in the electricity and gas procurement sector by -7.62 percent. The existence of a presidential instruction regarding the refocusing of the regional government budget to accelerate the handling of Covid-19, has had an impact on the cessation of several physical and non-physical project activities for the Government of West Java. This is one of the causes of the depressed economic growth rate in the government administration sector of -6.92 percent.

## Research Objectives

The objective of the research is

1. How Effective is the Organization in distributing social assistance?
2. How is the implementation of the distribution of social assistance in West Java?

## Methodology

The methodology used is a literature study using secondary data from various sources.

## Discussion of

### ***RQ1: What is the Organizational Effectiveness in distributing social assistance?***

The West Java Industry and Trade Service as one of the local government organizations that assist in the field of Industry and trade needs to carry out new processes to take a role in facilitating policies, accelerating and carrying out various excellent services to present a new ecosystem of industry and trade that is able to compete in The digital era is especially related to dealing with the Covid-19 pandemic.

CNBC Indonesia data from various sources shows the scheme and amount of social assistance provided by various countries in the world as follows:

- (1) India has budgeted US\$ 22.5 billion to provide food assistance and Direct Cash Assistance to hundreds of millions of people affected by the Covid-19 pandemic.
- (2) Malaysia provides social assistance in the form of compensation worth US\$ 140 per worker for up to three months for employees who are laid off. Apart from that, the government of the neighboring country also provided social assistance worth US\$ 375 for the poor in their country.

- (3) Thailand also provides social assistance worth US\$ 159 for 15 million workers in the informal sector who are not covered by the national social assistance program in general.
- (4) Singapore provides social assistance worth 80% of the total salary of its workers or the equivalent of US\$ 2,477 per month for 10 months.
- (5) Italy provides assistance worth US\$ 900/month or the equivalent of 80% of an employee's salary. This program has a duration of 9 weeks.
- (6) Spain provides allowances worth US \$ 1,150 per month allocated to 850 thousand of low-income families in the country.
- (7) In the US, there were 159 million BLT checks, each worth US\$ 1,200, issued by the government to boost people's purchasing power. This program is now expired. However, the discussion of the follow-up program is still ongoing in the US Congress.

Implementation of West Java Government Social Assistance (Bansos) refers to “Minister of Finance Regulation Number 43/PMK.05/2020” concerning Mechanisms for Implementation of the “State Budget in Handling the 2019 Corona Virus Disease Pandemic (PMK 43/2020)”. Further specific policies in West Java refer to West Java Governor Regulation Number 26 of 2020 concerning Social Safety Nets for Economically Affected Communities Due to the Coronavirus Disease-19 (Covid-19) Pandemic in West Java.

The West Java Province Industry and Trade Office is part of West Java's Covid-19 Handling Task Force. This is stated in the Regulations of the Governor of West Java Numbers 23 and 44 of 2020 concerning Guidelines for Allocating, Administration, Accountability, and Reporting of Funds for Anticipation and Management of the Impact of Coronavirus Disease-19 (Covid-19) , as well as the Preparation of Expenditure Needs Plans through Unexpected Expenditures of Provincial Governments West Java. The choice of the Office of Industry and Trade of West Java Province is related to the main tasks and functions of the department responsible for the Division of Non-Health Logistics and Social Safety Net (foodstuff). The role of the Office of Industry and Trade of West Java Province is also inseparable from the economic recovery of people in West Java. In its implementation, the service also involves various parties related to the success of this activity.

Social Assistance has become a priority program for the West Java government since the Covid-19 pandemic. According to Suharto (2015), social assistance is a public service provided to very poor residents and households, especially by using the principle of vertical solidarity because it does not consider contributions or premiums from beneficiaries.

Based on the direction of the President of the Republic of Indonesia to the provincial and regency/city regional governments, West Java has carried out three focus activities for handling the Covid-19 pandemic. The priorities of these activities are:

- (a) Maximizing public health to prevent the spread of Covid-19.
- (b) Maximizing the social safety net (social safety net) in the form of social assistance.
- (c) Ensuring the readiness of food stocks in the region.

Thus the distribution of social assistance is a priority activity in the framework of economic recovery in West Java. In addition, suggestions and input from residents receiving social assistance were conveyed to the West Java Covid-19 Handling and Economic Recovery Task Force through various communication channels opened by the Logistics Division with the West Java Indag person in charge. One of the dominant aspirations conveyed by residents is the hope of continuing the Social Assistance (Bansos) program in 2021 in West Java.

***RQ2: How is the distribution of social assistance in West Java?***

The implementation of Social Assistance in West Java has its own dynamics. Throughout 2020, four periods of distribution of social assistance to the community have been carried out. Invalid beneficiary data, the number of recipients of social assistance who are not entitled to receive it, is a condition experienced in the implementation of Social Assistance in West Java.

The concept of Distribution of Social Assistance according to Samsudin et.al (2014) can be in the form of Indirect Expenditure which is divided into 4 (four) types of Expenditures, namely:

1. Subsidy Expenditure Subsidies are assistance provided to government agencies/companies/institutions with the aim of increasing the budget needed for the operations agency/company/institution concerned. Examples of Subsidized Assistance: Subsidies to PDAM, RASKIN Subsidies and JAMKESDA Subsidies
2. Budget for Grants The provision of funds, goods, or services by the local government to the federal government, other regional governments, regional businesses, communities, and social organisations is known as a grant. Grants are not obligatory, non-binding, or continuously aimed at supporting the implementation of regional government affairs.
3. Costs associated with social assistance In order to defend against potential social dangers, the local government provides social support, which is help in the form of money or goods that is not continuous and selected in character, to individuals, families, groups, and/or communities.
4. Unexpected Expenditure Provision of Social Assistance in the form of unexpected spending must meet the minimum criteria, namely being selective, meeting the requirements of recipients of social assistance, being temporary and not continuous, except in certain circumstances it can be sustainable, and according to the user's goals.

One of the most effective measurement tools for organizational performance is carried out by the Malcolm Baldrige Criteria for Performance Excellence (MBCfPE). This method is one method to improve organizational performance and is sustainable in the future. The Malcolm Baldrige Criteria for Performance Excellence has 7 (seven) criteria, namely:

- 1) Leadership
- 2) Strategic Planning
- 3) Focus on Customers and Market
- 4) Size, Analysis, and Knowledge Management
- 5) Focus on Workforce
- 6) Focus on
- 7) Business Process Results.

According to Gaspersz (2011), “The Malcolm Baldrige Criteria for Performance Excellence (MBCfPE) is a tool that can be used to identify and evaluate the performance of organizations or work units. MBCfPE is able to identify strengths and opportunities for improvement from various areas within the organization related to leadership; strategic planning; customer focus; measurement, analysis and knowledge management; workforce focus; focus on operations and results.”

In this regard, the Department of Industry and Trade has 4 (four) fields related to Industry and Trade in West Java. Field of ILMATE, AKTA, Domestic Trade, and Foreign Trade.

In practice, the distribution of social assistance experiences several dilemmas related to the form of social assistance, such as cash or non-cash. Apart from that, there are also constraints on the government's readiness and the suitability of the criteria for receiving social assistance or KPM. Then, non-regular social assistance related to handling Covid-19, namely basic food assistance for the Jabodetabek area and cash social assistance of IDR 600 thousand per head of family per month for outside Jabodetabek.

However, according to economic observers, it is necessary to pay attention to the effectiveness of policies for handling Covid-19 in encouraging household consumption. This is because household consumption will determine Indonesia's recession. Currently, household consumption contributes close to 60 percent to the Gross Domestic Product (GDP).

### ***Weakening Purchasing Power and Economic Growth***

The economic downturn due to the spread of COVID-19 occurred after the previous economic slowdown. Indonesia's weakening economic performance has been increasingly felt by lower-middle-income families, which have started to slow down since 2018. Especially with the COVID-19 storm which has worsened conditions from household consumption to the trade sector. The household consumption component is a very serious concern in Indonesia as the 2008 economic and financial crisis showed that the household consumption sector minimized the impact of economic turmoil which contributed so that Indonesia was able to growth at around 4 percent in 2009. This was due to the structure of the Gross Domestic Product (GDP). ) Indonesia where expenditure is mostly contributed by the household consumption sector (55-60 percent), followed by the formation of gross fixed capital formation or investment in the range of 30 percent. Meanwhile, the current spread of COVID-19 has had a very significant impact on Indonesian household consumption. The implementation of PSBB (Large-Scale Social Restrictions) in several regions, especially in big cities which are the lifeblood of the Indonesian economy such as Jakarta and Surabaya, has directly reduced the performance of the Indonesian economy as a whole.

### ***The Social Assistance Program to Support Purchasing Power***

“The Government of Indonesia has responded to mitigate the deteriorating economy by issuing Presidential Regulation (Perpres) No. 54/2020 as a derivative of Legislation (Perppu) No. 1/2020, which has been passed into Law no. This 1/2020. May 2020. A fiscal stimulus of IDR 405.1 trillion has been allocated to encourage improvements in several sectors, including health (IDR 75 trillion), industrial support (IDR 70.1 trillion), social safety net (IDR 10 trillion), and programs economic recovery (Rp 150 trillion)”.

This social safety net is needed to maintain people's purchasing power in the midst of a pandemic. The Fiscal Policy Agency (BKF) projects an increase in the number of poor people in Indonesia in the range of 1.16 to 3.78 million people. Meanwhile, the World Bank and the SMERU Research Institute estimate an increase in the number of poor people in the range of 5.6-9.6 million and 1.3-8.4 million people respectively. The poverty rate in Indonesia may be able to return to the double-digit level. (Hirawan, 2020)

The social assistance programme is thus the best tool for preventing and minimising a worse contraction in Indonesia's economic growth performance. Out of the IDR 110 trillion set aside for social safety nets, IDR 65 trillion were set aside for extra safety nets (Family Hope

Program), basic food packages, pre-employment cards (Kartu Pre-Employment), lower power rates and discounts, and housing incentives for those with money. low: IDR 19 trillion for changes to the education budget to handle COVID-19; IDR 25 trillion for reserves to cover basic necessities and market activities; and IDR 25 trillion for reserves. For the social assistance programme specifically, the government has additionally allotted IDR 16.2 trillion for cash assistance (Direct Cash Assistance (BLT)) and IDR 3.42 trillion for basic food assistance (Gentilini, Almenfi, Dale, Demarco, & Santos, 2020).

## Conclusion

The regional government of West Java Province has carried out poverty alleviation and reduction as a strategy to increase people's welfare, which consists of (1) Fulfilling basic needs, (2) increasing awareness and social solidarity, (3) strengthening socio-economic safety nets, (4) community empowerment, (5) growth and equity for poverty reduction (6) law enforcement.

The number of social assistance recipients in West Java reached 1,907,274 Targeted Household Families (KRTS), of which 45.1 percent were in the Bodebek and Greater Bandung areas. The mechanism for distributing social assistance is carried out in collaboration with the Regional Government of West Java Province with Regional V West Java and Banten PT Pos Indonesia Offices, to then be sent to recipient addresses via online (ojol) and base motorcycle taxis (opang) which have been registered with PT Pos. The Social Assistance Scheme carried out by the West Java Provincial Government is carried out through 7 (seven) doors including seven doors of assistance to residents affected by the COVID-19 pandemic, Family Hope Program Cards (PKH), Staple Food Cards, Pre-Employment Cards, Village Funds (for districts), social assistance (bansos) from the president, provincial social assistance, and social assistance from districts/cities.

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