



## Development of PARAPE (PKH people's market) Towards Prosperous Families in Cianjur District

<sup>a</sup>Hikmat Nurhidayat\*, <sup>a</sup>Franciskus Antonius Alijoyo

### Affiliation:

<sup>a</sup>School of Business and Information Technology, STMIK LIKMI Bandung, Indonesia

### Contact:

[hikmat.nurhidayat@gmail.com](mailto:hikmat.nurhidayat@gmail.com)

### DOI:

[10.32424/seej.v6i1.10773](https://doi.org/10.32424/seej.v6i1.10773)

### Article History:

Received: 05 December 2023

Revision: 13 December 2023

Accepted: 10 January 2024

Published: 15 April 2024

### Abstract:

This study has determined the economic growth rate of the Hope Family Program (PKH) Beneficiary Family (KPM) in Cianjur Regency, whose marketing is supported by PARAPE (PKH People's Market) in Cianjur Regency. SMEs can make a big difference in raising living standards, lowering unemployment, and promoting sustainable economic growth and this is what motivates the use of both qualitative and quantitative methodologies in scientific study. Enhancing the efficacy and productivity of micro, small, and medium enterprises (SMEs) is crucial for fostering social and economic well-being in the community. In many nations, including Indonesia, SMEs form the backbone of the economy and play a major role in employment creation and regional and national economic growth. A component of the Indonesian government's initiatives to lessen social inequality and poverty in the nation is the Hope Family Program. Prosperous families are the outcome of similar initiatives that are implemented under other names and strategies in numerous other nations. One of the primary drivers of beneficiary families' transition from impoverished and at-risk to successful households is SMEs. PARAPE has been successful in helping KPM use digitization to market KPM UMKM products. Additionally, it can motivate KPMs to graduate 10% of KPMs whose UMKM products are supported by PARAPE on their own.

**Keywords:** Beneficiary Families, SMEs, Prosperous Families, Family Hope Program.

## Introduction

Since rising economic growth indicates rising purchasing power, every nation is aware of economic growth. The aim of economic development is to raise a population's total product and employment opportunities according to Keuangan, K. (2023). All governmental and populace levels work to achieve economic growth through regional development programs and the use of resources, including SMEs, to create and grow regional economies. Micro, small, and medium enterprises (SMEs) are defined as business activities that have the ca-

-capacity to enhance government performance, better serve the community's economic needs, interact with economic processes, raise community income, maintain economic balance, and support national stability, in accordance with Republic Act of Indonesia Number 20 of 2008.

Micro, small, and medium-sized enterprises (SMEs) have grown to be the backbone of the Indonesian economy according to (Hanim, 2018). As a result, the government requests that numerous ministries and parties actively contribute to the balancing of SMEs. In order to encourage SMEs to be inventive, productive, and flexible, the government modified Bank Indonesia's guidelines. Maintaining cooperation and collaboration—which can be done by certain governments, institutions, or organizations—is crucial for the development of SMEs. Future SMEs will adopt a competitive, inventive, and technologically oriented policy. Increasing SMEs' capacities boosts their creativity and maximizes the digitalization of business processes, both of which increase their competitiveness according to (Rawlings, 2005). This makes it possible to use digital technology to increase management capacity, product quality, market conditions, financial capacity, and HR capacity. As students use digital technology to stay up-to-date, they advance in class more quickly and at a higher level.

The Indonesian Ministry of Social Affairs oversees the PKH government program, which is funded by the APBN and supported by social services in cities and provinces. There is a PKH assistant in each district or subdistrict. A "Prosperous Family Card," also known as a "KKS," is certain to be given to each Beneficiary Family (KPM). This card needs to be printed and utilized for transactions as directed by the Ministry of Social Affairs. The Family Hope Program (PKH) essentially enhances nutrition, education, pregnant women's welfare, and the social welfare of the elderly and disabled according to (Permensos, 2018). As a result, family has been a deciding factor since the founding of the country. The state heir is a member of an affluent family. This family was created by a valid marriage, is committed to God Almighty, capable of leading a morally and financially respectable life, and engages in harmonious and just interactions with other families in its community.

Perpu Number 7 of 2021 defines SMEs as: Microbusinesses can be started by individuals or individual business entities that satisfy specific conditions. Profitable companies that are owned and operated independently by people or corporate organizations are referred according to (Keuangan, 2023) as small enterprises. Small firms may, under some circumstances, establish subsidiaries or branches, or they may choose to directly or indirectly merge with medium-sized or big enterprises. A lucrative enterprise founded by an individual or corporate body that controls or oversees a division or subsidiary of a bigger corporation is known as a medium-sized business. These companies could have a direct or indirect

relationship with small or big companies that provide yearly value data or possess corporate assets. Based on an annual evaluation, UMKM business capital may be categorized into the following groups:

**Table 1.** Type of business

Type	Venture funding	Outcomes of the yearly assessment
Micro business	< 1 Billion	< 2 Billion
Small business	>1 Billion - 5 Billion	>2 Billion - 15 Billion
Medium business	>5 Billion - 10 Billion	>15 Billion - 50 Billion

A news statement on October 1, 2022, from the (Keputusan Menteri Keuangan nomor 396/KMK.01/2022, 2022) that SMEs contribute innovation to the Indonesian economy, which in turn strengthens it. The Ministry claims that this function is responsible for 99% of the country's economic prosperity. SMEs provide 60.5 percent, or 96.9 percent, of the country's GDP overall. Micro, small, and medium-sized enterprises (SMEs) are the backbone of the national economy in Indonesia. As a result, Bank Indonesia actively contributes to the growth of SMEs in order to enable them to be inventive, productive, and flexible in order to support the bank's goals. Cooperation and coordination between associations, industry, and ministries and institutions are constantly encouraged by (Keluarga, 2021).

The objective of future UMKM policy is to be technologically oriented, competitive, and inventive. Increasing SMEs' capabilities boosts their creativity and maximizes the digitization of business processes, both of which increase their competitiveness. Increasing managerial ability, product quality, market circumstances, financial ability, and human resource capacity are some of the ways this is accomplished. In order to counterbalance this, digital technology is used, which accelerates and improves class advancement according to (Rostiana, 2018). The following UMKM players will exist in 2022, per statistics from (Perekonomian, 2022) as below:

**Table 2.** Actors of UMKM

Level of education	Percentage
Did not complete their primary education	11%
Completed their primary education	36%
Completed their junior high education.	12%
Completed high education	36%
Attained a diploma or higher	5%

Furthermore, information gathered from the Ministry of Cooperatives, Small, and Medium Enterprises (KUKM) indicates that marketing initiatives executed by SMEs in 2022 will comprise:

**Table 3.** Techniques for marketing

Commercial Media	Percentage
Digital	16%
Non-Digital	60%
Communicator	8%
Other Markets	16%

According to the statistics on UMKM players in the table, 95% of them have completed elementary through high school, and 5% have only completed a diploma according to (Keluarga, 2021). Sixty percent of UMKM marketing strategies still rely on the market, compared to sixteen percent of digital strategies, or e-commerce. Consequently, support may be given to UMKM actors in order to improve their comprehension of the laws pertaining to SMEs as well as their usage of digital media. A social program called the Family Hope Program (PKH) is intended to assist low-income people who are part of extremely poor families (RTSM) according to (Rinehart, 2017). Children under five, children five to seven years old who have finished elementary school, children in elementary school and/or junior high school, and/or children fifteen to eighteen years old who have finished elementary school are all eligible for PKH. Additionally, those with mothers who are pregnant, postpartum, or nursing are also eligible.

Participants in the PKH will get support if they send their kids to school and maintain a certain attendance rate (known as education verification), as well as if they provide adequate nutrition and a healthy lifestyle for kids and expectant mothers (known as health verification) to the local *Posyandu* or *Puskesmas*. These kinds of initiatives are referred to as conditional cash transfer programs globally. Under the heading Latin America's experience with conditional cash transfer programs, this aid represents a departure from the conventional method of providing social assistance in the region according to (Attanasio, 2006). In keeping with the goals of the PKH program, the government is working to meet the following Millennium Development Goals (MDGs) targets: 1. Raise the welfare level of RTSM and KSM; 2. Enhance the quality of education for RTSM and KSM children; and 3. Enhance the quality and level of welfare and education services for RTSM and KSM children. Participants in PKH have rights that must always be upheld, such as:

**Table 4.** Claim beneficiaries of benefits

No	Description	Details
1	Get financial support	four times a year
2	Obtain medical care	Pregnant females, children
3	12-year recipient of educational services	similar

And here participants in PKH have obligations:

**Table 5.** Beneficiary Responsibilities

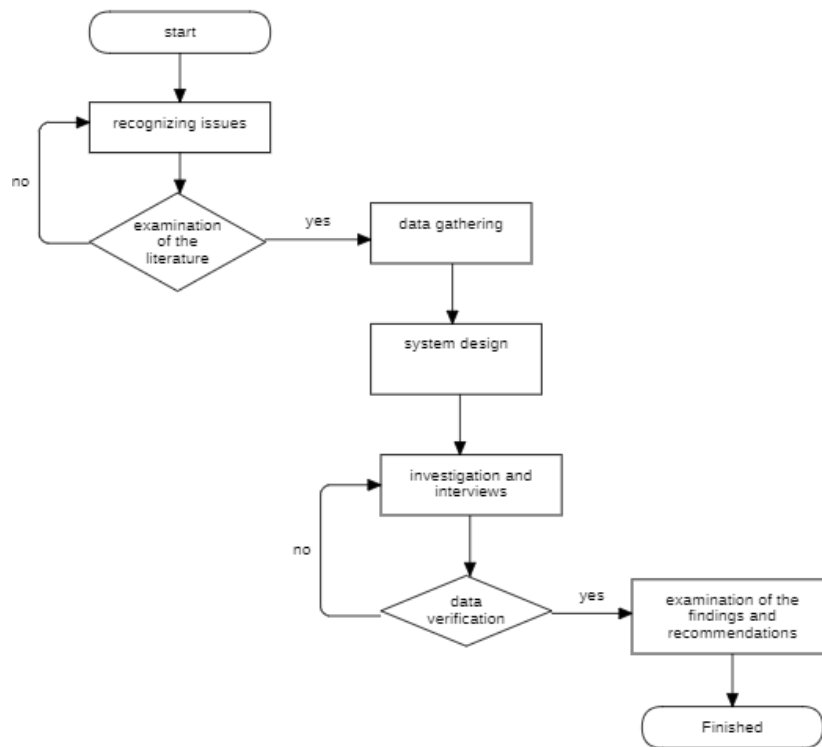
No	Description	Details
1	Youngsters under 28 days old	Verify three times.
2	Little ones (0–11 months old)	BCG, DPT, Polio, Measles, Heipatitis B
3	Little ones (6–11 months old)	Vitamin A at least twice
4	Kids between 12 and 59 months old	Four visits to the doctor are required for further vaccinations and weight
5	expecting mother	height throughout pregnancy.

With the following exceptions, according to (Permensos, 2018) that's PKH participants must attend an educational unit or halfway house for at least 85% of the days courses are held each month throughout the school year in order to meet educational requirements: a) Children aged 7 to 15 years must register with a basic education institution. b) Depending on their capacities, children with impairments can participate in regular or non-regular schooling. c) Children between the ages of 15 and 18 who have not finished their basic education must attend regular or non-regular education centers. d) Children of PKH participants who have missed a significant amount of time at school are mandated to enroll or get remedial instruction appropriate to their level of education. e) Participant duties in terms of health and education must be met in order for them to continue receiving help from PKH.

## Research Methodology

In order for the author to interpret and explain the data, a mixed research approach is employed, which combines quantitative research for numerical data with qualitative research in the form of source interviews according to (Sugiyono, 2019). This research methodology is thought to complete the author's research.

The first step in this research is to identify issues that company capital raises that are not related to using PKH social assistance funds. This indicates that in order for UMKM players to be able to maintain a steady operation, the government must provide them with specialized business financing. Subsequently, data analysis was done on 39 UMKM actors who were mediated to promote their products online and who were distributed around 11 subdistricts in Cianjur Regency and controlled by PARAPE. Following the phases of problem identification and analysis, the author sampled thirty percent of UMKM actors for research and interviews. The following is a flowchart of the procedure that the author used to test and validate the research's findings with the Cianjur Regency social assistance coordinator and HR division. The author presented data from analysis and interviews with UMKM actors to validate the research's findings.



**Figure 1.** Stage of the study methodology

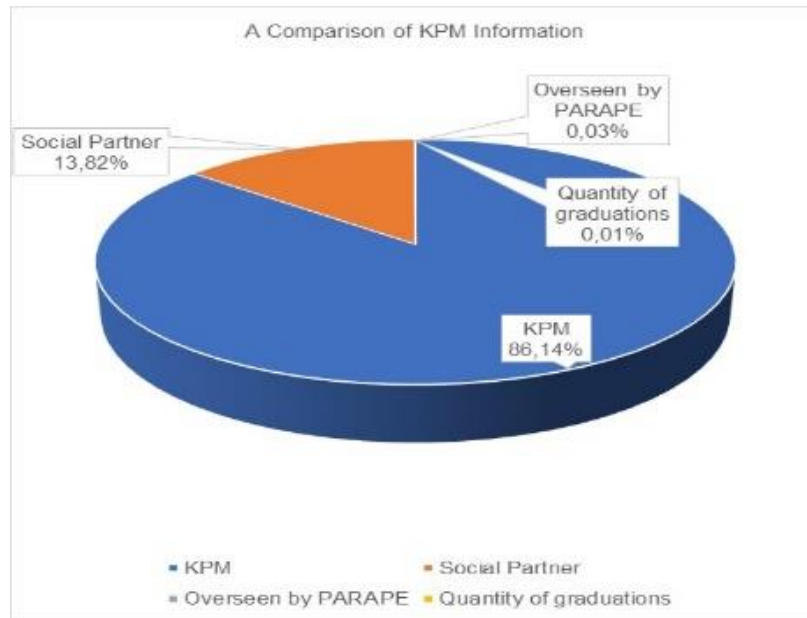
The author follows these principles in order to complete this journal: a. History of the company's founding; b. The business hour; c. Starting capital (assets of the firm divided by labor) Marketing; d. Sales outcomes.

## Results and Discussions

The study findings led to the discovery of PARAPE, a product marketing platform from KPM PKH Cianjur Regency. The Cianjur Regency PKH People's Market, known as PARAPE, was established in 2021 by the Head of the Cianjur Regency Social Service. Five district coordinators worked together to spearhead the initiative, which was inspired by PKH facilitators' desire to support beneficiary families with UMKM products so that they could be effectively marketed to the broader public. With the help of this PARAPE, it is intended to stimulate the economies of KPM PKH and the Cianjur Regency community at large, enabling them to be more creative and inventive in the creation of SMEs that will strengthen the local economy overall according to (Indonesia, 2020).

The author discovered, via additional study, that PARAPE is successful in helping beneficiary families achieve the outcomes of UMKM goods. Beneficiary households with MSME products who are assisted by PARAPE in marketing them would be able to eventually graduate successfully and become

affluent between 2021 and 2023. In contrast, 120,709 KPM in Cianjur Regency are managed by PARAPE and assisted by 441 social assistants. Of these, 39 KPM graduated at a rate of 12 KPM over three years, meeting the target of 10% of KPM managed by PARAPE. The data comparison diagram is as follows:



**Figure 2.** A comparison between KPM and social assistant numbers

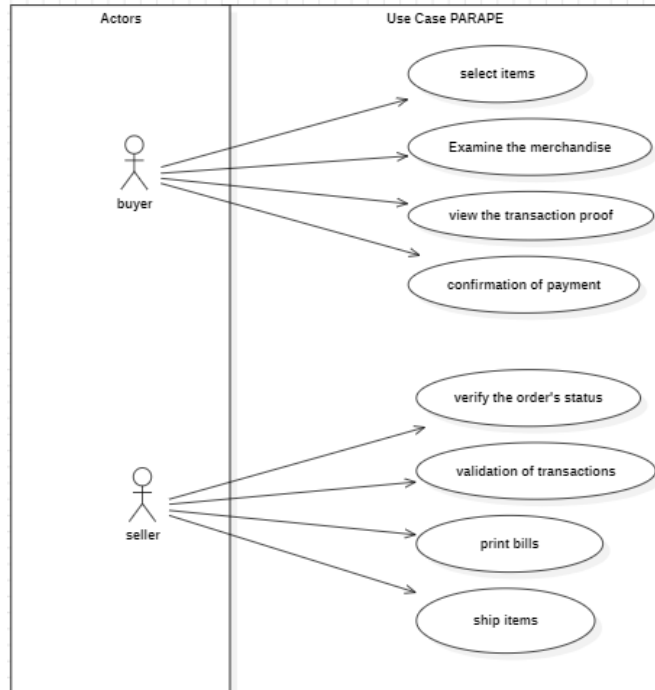
For UMKM players, it is difficult to market their products. Therefore, with the existence of PARAPE, KPM PKH Cianjur Regency is greatly helped by digital marketing methods managed by PKH assistants. Apart from helping to market UMKM products from KPM PKH, PARAPE is also a mediator to encourage KPM PKH to be prosperous and able to graduate independently from being a recipient of social assistance. In addition to PARAPE's facilitation factor for mediating UMKM items for beneficiary families, P2K2 is implemented monthly by social assistants and has 5 modules, which include:

**Table 6.** P2K2 module

No	Name of Module	Several sessions
1	Instruction and Daycare	4
2	Nutrition and Well-Being	3
3	Family budget	3
4	safeguarding of children	2
5	Social Services	2

Social assistants are still pushing KPMs to use business capital from capital assistance gained from PKH social assistance in cash for business planning and family financial management in Module 2 on family financial management. The primary effect is the constant provision of P2K2 modules—specifically, KPM,

innovating for entrepreneurship—by social assistants accordint to (Prencipe, 2021). The primary effect is the constant provision of P2K2 modules—specifically, KPM, innovating for entrepreneurship—by social assistants. Additionally, Cianjur Regency receives support from PARAPE as a digital product marketing tool, similar to what the State of Tanzania does with material from a journal. According to (Rinehart, 2017) the community's reliance on social assistance will only grow if this policy has no overall effect on Indonesia. The procedure for using PARAPE to promote items is as follows:



**Figure 3.** Use case in sales

The buyer-and-seller transaction processes for KPM items sold through PARAPE are depicted in the above image. The use of PARAPE as a marketing tool for KPM products is highly beneficial in expanding digitization and general information distribution that is accessible to all parties in Indonesia. And you may use the website <http://s.id/PARAPESHOP> to learn more about the PKH people’s market. Additionally, the KPM data for UMKM players handling product marketing using PARAPE mediation is shown below:

**Table 7.** UMKM actors

Description	Quantity of KPM
KPM	120709
Umkm actors	39
Categories of goods	84



The social assistance coordinator for Cianjur Regency expects that in the future, all KPM with UMKM items will be able to get support and become members of PARAPE, which would enable a larger dissemination of these products due to their digital nature.

## **Conclusion**

The author deduces the following conclusions from the study findings pertaining to the examination of the growth of SMEs from Cianjur Regency Beneficiary Families of the Family Hope Program: Government intervention is still not the best way to realize KPM PKH's goal of supporting SMEs. The Family Capacity Building Meetings provided by social facilitators were not executed to their full potential due to mental and cultural obstacles that prevented them from acting as quickly as they had hoped. Capital and marketing constraints hinder KPM's ability to operate as an UMKM. Digital marketing with PARAPE is a great way to spread the word and make it simpler to buy KPM PKH items. Achieving autonomous graduation for KPM PKH, whose UMKM goods are overseen by PARAPE in accordance with projections, namely 10% annually.

The Balance Scorecard (BSC) management system and the Enterprise Risk Management (ERM) system are used to implement suggestions from the company's entrepreneurial intuition research. The BSC is a tool that helps management make sure that company-specific strategies can be implemented effectively. BSC and ERM are intended to work together to mitigate corporate business risks in a proactive and strategic way according to (Antonius, 2011). ERM is an intuitive management solution that can do this. This is consistent with how the modern digital era is developing and how it needs to adjust to the circumstances of the present.

It is advised that scientific studies be conducted in relation to PARAPE for continuous yearly monitoring in order for it to keep playing a significant role. Additionally, PARAPE has to be evaluated in order to make any necessary improvements so that it can function in accordance with its goals. And as a writer, I'm prepared to accept an invitation to return and conduct more research.

## **References**

- Antonius, A. (2011). *Memadukan Balance Scorecard (BSC) dan Enterprise Risk Management (ERM)*. crmsindonesia.org.
- Attanasio, O. &. (2006). *The impact of a conditional cash transfer programme on consumption in Colombia*.
- De la Brière, B. &. (2006). *Examining conditional cash transfer programs: a role for increased social inclusion?*

- Indonesia, K. K. (2020). *UMKM Bangkit, Ekonomi Indonesia Terungkit*. Diambil kembali dari <https://www.djkn.kemenkeu.go.id/artikel/baca/13317/UMKM-Bangkit-Ekonomi-Indonesia-Terungkit.html>
- Keluarga, D. J. (2021). *Pedoman Pelaksanaan Program Keluarga Harapan*.
- Keputusan Menteri Keuangan nomor 396/KMK.01/2022. (2022). *Program Sinergi Pemberdayaan Usaha Mikro, Kecil, dan Menengah Kementerian Keuangan*.
- Keuangan, K. (2023). *Kebijakan Program UMKM Kementerian Satu*.
- Lathifah Hanim, M. N. (2018). *UMKM (Usaha Mikro, Kecil, & Menengah) & BENTUK-BENTUK USAHA*. UNISSULA PRESS.
- Norjanah. (2014). *Jenis-jenis Penelitian Beserta Contohnya*.
- Peraturan Pemerintah Nomor 7. (2021). *Kemudahan, Perlindungan, dan Pemberdayaan Bisnis Mikro, Kecil, dan Menengah*.
- Perekonomian, K. K. (2022). Diambil kembali dari publikasi/detail/4593/perkembangan-umkm-sebagai-critical-engine-perekonomian-nasional-terus-mendapatkan-dukungan-pemerintah: <https://www.ekon.go.id/>
- Permensos. (2018). *Program Keluarga Harapan*.
- Prencipe, L. H. (2021). Do conditional cash transfers improve mental health? Evidence from Tanzania's governmental social protection program. *Journal of Adolescent Health, 69(5), 797-805*.
- Rawlings, L. B. (2005). A new approach to social assistance: Latin America's experience with conditional cash transfer programmes. . *International Social Security Review, 58(2-3), 133-161*.
- Rinehart, C. S. (2017). Obstacles to takeup: Ecuador's conditional cash transfer program, The Bono de Desarrollo Humano. *World Development, 97, 165-177*.
- Rostiana, E. (2018). *Perencanaan dan Pengelolaan Keuangan Keluarga Sejahtera*.
- Badan Pusat Statistik (2021). <https://www.bps.go.id/pressrelease/2021/02/05/1811/ekonomi-indonesia-2020-turun-sebesar-2-07-persen--c-to-c.html>
- Sugiyo. (2019). *Metode Penelitian, Kualitatif (R&D)*. Alfabeta. Bandung.