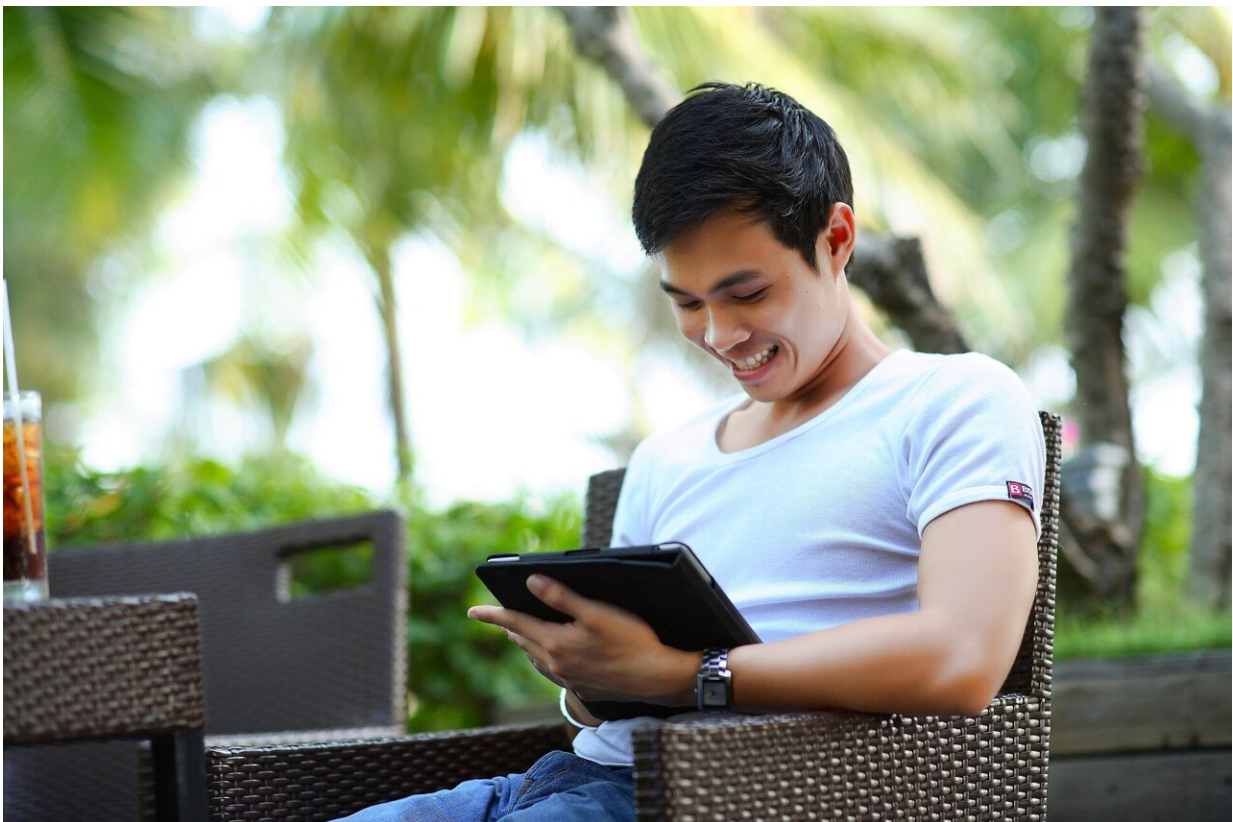


Requiring recipients to use mobile apps might hamper efforts to distribute much-needed subsidised goods

July 6 2022, by Rizky Deco Praha and Ramada Febrian



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App-based monitoring of subsidised cooking oil and fuel distribution may deny access to intended recipients coming from low-income

families.

The Indonesian government's move in using two existing [mobile applications](#) as a tool to monitor accurate distribution may eventually deny the [poor access](#) to these subsidised commodities.

This is because they have relatively low access to smartphones and the internet, and lower technological literacy. Instead, the government should identify recipients according to data provided by the Social Affairs Ministry.

Digitalising subsidies

Recently, the government has moved forward with its plan to use the [PeduliLindungi](#) and [MyPertamina](#) applications for the public to buy subsidised cooking oil and fuel.

The price of cooking oil has skyrocketed over the past couple of months. Meanwhile, Peralite, with an octane number of 90, is currently the cheapest type of subsidised motor fuel after the government increased the price of Pertamina in early April.

In response to the public outcry about unaffordable cooking oil, the government [issued a regulation in May](#) that mandates the distribution of cheap bulk cooking oil to the public coming from lower-income bracket ([25% of the population with the lowest income](#)), as well as micro and small businesses. It comes with a [predetermined maximum retail price](#) of Rp 14,000 per litre or Rp 15,500 per kilogram, the price of which is below the current market price.

Meanwhile, the government has also ordered state oil company Pertamina to [limit the distribution of Peralite](#) by banning "luxurious" personal vehicles—identified as those [with engine capacity of 2000 cc](#)

[and above](#)—from using the product.

The government claims these apps can serve as a monitoring tool to mitigate leakage, prevent misappropriation of supply and ensure targeted distribution of subsidised goods.

[Experts](#) from [various backgrounds](#), netizens, to [recipients](#)—commentators from a range of groups have [opposed](#) this claim.

Using apps may harm the distribution of subsidised goods

In our view, the government's plan is not what these apps were designed for.

[PeduliLindungi](#) was created as a platform to monitor the COVID-19 pandemic. Meanwhile, [MyPertamina](#) is intended for non-cash transactions of fuel purchases in gas stations.

Further, and more importantly, this system will undoubtedly become very burdensome to the community.

Since the plan came to light, people in the lower-income bracket—who should be the primary user of these subsidised products—[have been complaining about the idea](#), citing [probable distribution ineffectiveness and inefficiency](#). Some also raise concerns about [data security](#).

Their concerns are valid.

[The National Socio-Economic Survey \(SUSENAS\)](#) database from the National Statistics Agency (BPS) shows [many Indonesians still lack](#)

[access to digital services](#). The survey showed that [as many as 34% of adult citizens do not use a mobile phone](#). The survey also indicates that [52.3% of the population still do not access the internet today](#).

This distribution mechanism does not fit the "Java-centric" type of policy that, in many instances, the government issues in favour of most Indonesian citizens living on the island. Data show that adult citizens with no mobile phones and internet access in Java—the most developed island in Indonesia—account for [34.27%](#) and [56.7%](#).

Based on 2021 SUSENAS, one in four low-middle income people do not possess a [mobile phone](#) or a smartphone and do not access the internet.

The government's solution to those without mobile phones and internet access is to allow offline purchases using an ID card number (NIK). Unfortunately, SUSENAS also indicates that 9.3 million adult citizens do not have this number.

This shows that the government's plan to use PeduliLindungi and MyPertamina is a miscalculation that ignores these facts.

In addition, while downloaded by more than 98 million users, PeduliLindungi only has [60 million active users](#) despite being a mandatory app during the pandemic, according to the Health Ministry at the end of May. As for MyPertamina, the application has only been downloaded [6 million times](#).

The government will need to ensure which of the 60 million active PeduliLindungi users and the 6 million MyPertamina users are the intended recipients of the subsidised cooking oil and fuel.

What's more, the figure does not even capture the whole number of citizens that have the right to these subsidised commodities. Indonesia

has [26.5 million](#) of the population living under the poverty line. This figure does not include the population in the lower-middle bracket that is also eligible as recipients of the subsidised goods.

We view that the government is making complex matters that should have been simple. Its move may have instead created the perception that it cannot manage the domestic trade and distribution of basic needs.

Instead of facilitating the people in need access to cheap cooking oil and fuel, this policy may actually limit it.

Back to basics

We believe the [Prosperous Family Card \(Kartu Keluarga Sejahtera/KKS\)](#) and the [Family Hope Program \(Program Keluarga Harapan/PKH\)](#) are better databases that the government can use to ensure proper distribution.

The Social Affairs Ministry programs the KKS and PKH to disburse conditional social assistance to [low-income families](#). The databases from these two cards are superior to PeduliLindungi, especially when identifying subsidised cooking oil and fuel recipients.

Beneficiary families of these programs are recorded in [the Integrated Social Welfare Data \(Data Terpadu Kesejahteraan Sosial/DTKS\)](#). This electronic database contains social, economic and demographic information of around 99 million Indonesians with the lowest welfare status.

What's more, DTKS contains not only data of the poor but also of the lower-middle-income people and micro, small and medium enterprises, which are regular buyers of cheap cooking oil and fuel.

Therefore, with the KKS and PKH programs' data, their use would be more suitable to ensure proper cooking oil and fuel distribution rather than using PeduliLindungi and MyPertamina.

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