

What do they do after? Digital Literacy Program for SME and Beneficiary Participant

Rachmad Utomo*

Doctoral Student at Department of Administration Science Brawijaya University

Address: Jl. Mayjen Haryono 169, Lowokwaru, Malang 65145, Jawa Timur Indonesia

*(corresponding author) rachmad.utomo@gmail.com; Orcid id: 0000-0001-7586-0425

Sumartono

Professor at Department of Administration Science Brawijaya University

Address: Jl. Mayjen Haryono 169, Lowokwaru, Malang 65145, Jawa Timur Indonesia

Bambang S. Haryono

Associate Professor at Department of Administration Science Brawijaya University

Address: Jl. Mayjen Haryono 169, Lowokwaru, Malang 65145, Jawa Timur Indonesia

Irwan Noor

Associate Professor at Department of Administration Science Brawijaya University

Address: Jl. Mayjen Haryono 169, Lowokwaru, Malang 65145, Jawa Timur Indonesia

ABSTRACT:

The Indonesian government implements a business development service program to improve skills of SMEs in taking digital market opportunities through optimizing the use of smartphones. This study aims to describe the digital literacy awareness and social media skills of SMEs after they receive a training program provided by the government. Data was collected from three different sites: Pondok Aren Banten, Pangkalan Bun Central of Kalimantan and Wates Yogyakarta. The results of this study indicate that the participation of SMEs in the benefits can be divided into three groups, namely those who become smarter and wiser, those who give up easily and are full of doubts, and finally those who only go in streams because other people do it (free-riders). The government needs to develop a system of disseminating the value of civic responsibility by involving successful SMEs to become role models for the community. Tracing of beneficiary participant data to explore commitments is also highly recommended.

Keywords

SMEs, digital literacy, social media skills, civic responsibility, beneficiary participant

Article Received: 18 October 2020, Revised: 3 November 2020, Accepted: 24 December 2020

Introduction and Relevant Literature

Social Media and SME

According to data from the Ministry of Cooperatives, Small and Medium Enterprises of the Republic of Indonesia in 2018, the number of SMEs reached 64.2 million or 99.99% of the total number of Indonesian entrepreneurs. SMEs absorb up to 117 million workers or 97% of the workforce of all business sectors. Meanwhile, the contribution of SMEs to the national economy (GDP) reached 61.1%, and the remaining 38.9% was contributed by large corporations, which amounted to only 5,550 or 0.01% of the total number of entrepreneurs (DJKN,

2020). From this data, the national economic base is strong because the number of SMEs and the absorption of labor is very large. The Indonesian government is doing co-production with the private sector trying to upgrade the 'class' of SMEs through the skills to gain digital market share. Suyanto (2020) said that the level of success of Indonesian SMEs in selling their products through digital platforms is still very low, only around 4% -10%, the government needs to take a policy to increase the digital literacy capacity of SMEs. In comparison, Bennet et al., (2012) stated that approximately 73% of small

businesses located in the USA have used social media.

Rachmawati's research results (2020) show that the percentage of Indonesians who do not have bank accounts reaches 66% and (Jelita, 2020) only around 30% of SMEs are bankable. When entering the online trading scheme, it is impossible to rely on cash anymore. Ready to be online is also a cashless basis, these two things are the government's concern in designing social programs for SMEs so that they become confident, smart, and have a wise habit of using digital platforms. This process requires several stages starting from mapping capacity building needs, introduction of practical knowledge in accordance with the daily business life of SMEs.

How to reach SME

The number of massive SMEs has encouraged the government to use social media to reach and accelerate data on mapping their needs. Using social media also opens up wide opportunities for the government to attract the private sector to engage and for the private sector to develop networks with the government to share in creating added value for the public interest (Choi et al, 2014; Jung et al, 2013). Broad dissemination of government service information to SMEs who use social media also helps strengthen citizen trust in the government "the country exists for us" and the framing of participation is more guided, implementation is more effective, democratic principles remain involved, reaching equal opportunity for trained citizens (Appleby et al, 2019; Bertot et al. al, 2012), also that citizens are easily attracted to social ties from routine online interactions with the government (Kavanaugh and Patterson, 2001). Citizens can more easily participate in conversations on social media about their needs which will result in interactive transparency values between citizens and government (Abu-Shanab and Khasawneh, 2013; Khan, 2017; Song and Lee, 2016). Mu and Wang (2020) emphasize that strict instructions are still needed by the government to the

community, including in a coercive way, this happens when the relationship is based on the compliance of the parties and the suitability of social justice between citizens, face-to-face contact is still very much needed, especially in terms of the value of the responsibility of citizens.

Development Participation and Beneficiaries

The government's digital literacy program in building the capacity of citizens cannot be separated from development participation. The participation of SMEs in future competition is believed to increase economic potential, including the impact of increasing tax payments (Beck and Levin, 2005; Katua, 2014). Citizen participation in development as introduced by Cohen and Uphoff (1980) is divided into decision-making, implementation, benefit and evaluation frameworks. The government involves citizens, citizens are asked to actively propose what content is the essential need of SMEs so that the quality of training using thematic social media materials including what applications can be given to them based on smartphones will have an impact on them.

From here the government can find out about the social changes of citizens in the participation of beneficiaries, whether they propose to be useful or just want to know the digital platform of the service facilities provided by the government. The scope of this research focuses on the participation of beneficiaries in terms of post-training digital literacy of SMEs. Often it is not examined clearly the extent to which social change has taken place. Participation requires a comprehensive responsibility more than just participating in exploiting the dialogue space provided by the government, consumption of public goods and services, further participation includes changing the conscious independence of citizens to help themselves in the future.

Research question is: do citizens become smarter and wiser in usage social media in order to increase their income, after being facilitated by the government?

Methodology

This qualitative research uses the strategy of "ethnographic focus" (Knoblauch, 2005), the time intensity is used to find the meaning that permeates the actor's culture to answer the research objectives (Hammersley and Atkinson, 2007). Field observations between April - December 2019 at the locations of government agencies providing training services in Pondok Aren (Banten Province), Pangkalan Bun (Central Kalimantan Province) and Wates (Yogyakarta Special Region Province). Informants through purposive: twelve government agencies providing services (Head of Office, Head of the Extension Section and his staff), thirteen SMEs who received training in using smartphones for business development. We also compare the performance of SMEs with documents, recordings of training events, archives on YouTube, Instagram, Facebook, Whatsapp conversations between tax offices and SMEs. Interviews were conducted in person (previously there was no pandemic outbreak) one-on-one interviews. Observations of the wise behavior of SMEs using smartphones, responding to comments and their choice of habits to implement or respond to changes have been made.

Results and Findings

National Interest

In Indonesia, according to Law Number 20 of 2008 concerning SMEs, all government units both at the central and regional levels have the obligation to foster and develop SMEs in order to achieve well-being in entrepreneurship. The Directorate General of Taxes (DGT) is involved in implementing training programs for SMEs. The three Tax Offices in Pondok Aren (Banten Province), Pangkalan Bun (Central Kalimantan Province), and Wates (Yogyakarta Special Region Province) have made efforts to increase the capacity of local SMEs. Furthermore, the three tax offices in this section of the discussion are summarized in the word "government". The government has effectively used social media to disseminate information about training offerings for

SMEs. The targets that were first contacted were the local SME community, local government agencies in the SME affairs sector and local banks that supply small business loans. The training materials were held as co-production between government professionals and the private sector.

SME through their community channels actively participates in sending material suggestions needed in training. The government also provides opportunities in direct dialogue through face-to-face or social media to seek mutual consensus, adjust into account local customs, internet networks and socio-demographic deliberations. The final decision remains in the hands of the government, this is more due to the current situation where national priorities have been determined from normative rules that are encouraged to apply nationally. Various requests are submitted, sorted and selected taking into account the availability of expert resources (trainers) who can meet the government's invitation. There is high enthusiasm from SMEs to find out how to use digital platforms such as market places, online shops, to social media, Facebook and Instagram, to increase their income. From table 1 we summarize the thematic or training content that has been provided to SMEs, and all of that is quite an attitude of willingness to maximize smartphone functions.

Table 1 Thematic or Training Content

Theme / Content	Your success is in your hand
How to make an online shop How to sell via Facebook and Instagram How to make an online shop How to join marketplace How to use a free accounting (book keeping) application How to use e-banking How to use e-wallets, e-cash How to post products on Whatsapp or other social media	You only need to maximize your smartphone

The government has used four of the six types of social media applications classified by Kaplan and Haenlein (2010). The official website of the DGT which reports various SME development activities, twitter, video content on YouTube and Instagram, as well as the latest information sharing media such as WhatsApp and Facebook. This application is used to stimulate the interest (knowledge transfer, Choi et al, 2014) of SME actors to participate in using it in developing their business. SMEs are trained by professionals, successful online entrepreneurs, practitioners and marketplace providers so that the use of various applications on social media will increase the income of SMEs in the training. They just only need to bring the smartphone they have.

Discussion and Implication

We visited SME in the post-training period and looked closely at their situation, and found interesting facts about beneficiary participation. There are three groups in our opinion from the emerging digital literacy culture.

Smart and Wise

First, the group of SME who are smart and wise. They have the character of failure experience, strong intention, persistence from fall to wake up again, discipline, including intelligence processing the information they receive. One of them is Mrs. Jannah. "I was born into a poor family, I started a catering business with borrowing a cooking pot from my neighbor. I walked around the village (*keliling kampung*) and to the boarding house for laborers. I currently use WA to speed up marketing, cooking for special orders, also increase my customer loyalty". Currently, her culinary business has increased to selling lunchboxes to government offices, including trying to participate in the auction for catering services at government offices. In contrast to Mrs. Jannah is another woman who previously just waited for her small shop in a traditional market, after using Facebook her sales increased. "I tested my guts, just try it, if I try then it fails, that's fine. Alhamdulillah,

customers and sales turnover have increased. I can manage the inventory of selling clothes more efficiently".

Mr. Yuniarto was also shown perseverance and courage to try and then fail again and then wake up again, "I went back to selling (*kelling kampung*) in and out of the village where the students and teachers live. I have offered school and office bags in the marketplace. Instead, a competitor appeared to be selling cheaper, my merchandise were not in demand, and I began to lose my customers. I know they prefer to hold the bag and try it on before buying, that's how it is here". Not always in the marketplace guarantees certainty to benefit SMEs. Intelligence in processing information and experiences makes SMEs more proficient and less easily sedated by digital channels used by others. Adaptation seems to combine offline and online commerce in line with the consumer environment. Their concrete attitude, striving to move forward without giving up is one of the determination or enthusiasm of this kind of UKM. They are also diligent in looking for learning opportunities from the YouTube channel which contains stories of sharing experiences and stories created by successful entrepreneurs or practitioners. From a formal legal perspective, this first group of SMEs obey the rules by having a business license, certification, separate business bank accounts with personal accounts, having a clear address and contact number. They are always positively proactive about environmental change and believe that the government is the owner of the data and expertise.

Giving up easily and lack of trust

In the second group, SME also tried digital channels but they felt it was not working as they thought. Their efforts also include entering marketplace, setting up online store or being active on social media. Unlike the first group, they try to get there but the results are ineffective and they are not diligent enough, impatient and do not know how to find the root

causes of failure, easily succumbing to surprising circumstances outside of them.

These SME tend to want quick and instant results for all their efforts. While they use smartphone, they have not been maximized enough, such as actively looking for other entrepreneurial success stories (in YouTube, Facebook or Instagram), how to attract potential customers (Eid and El-Gohary, 2013), product development methods or other free lessons in the internet as part of the root answers why they don't succeed. The attitude as a learner who is ready to fail and also ready for self-evaluation has not yet emerged.

Doubts also often arise, "I quit first, I returned to being an employee again. If there is a change here (market environment) I will try to be a SME again". There is also an answer, "The number of incoming messages is huge, I am tired of replying every message that comes to my social media". The condition of local consumers who are still conventional (coming to store, face-to-face, buying) is also considered by this SME group as an obstacle, not as a challenge to change conditions to spread new directions, and there is no willingness to maintain relationships with consumer through social media. There is a tendency for situations in the external environment to be blamed rather than trying to cultivate to adapt as internal unpreparedness. The second group does not yet have separate bank accounts, and is fluctuating in response to changes in government regulations and hesitant to consistently continue what they had started previously.

Free-Riders

In the third group, SME actively proposes various needs to the community to be conveyed to the government. Whether it's a need or just a want, it's still difficult to separate. "I just want to know about marketplaces and online store, but if ask me to be diligent. I can't. I see many friends come into event, the important thing is free training facilities for me". The free rider character appears firm in their daily culture in responding to free learning opportunities.

They tend to be satisfied with their choices, although they sometimes complain about the government's lack of attention. "This is the government's obligation". They are still unable to become noble citizens who hold commitments and responsibilities as beneficial participation. SMEs in the third group tend to be indifferent and apathetic towards compliance and a lot of ignoring government regulations, often hiding from formal relationships such as business permits, certification and permanent locations.

Social Media and Civic Responsibility

Even though the social interaction activities during the training run smoothly, empirically the quality of beneficiary participation really depends on the attitude of each individual during post-training. Responding to this, the Head of the Tax Office emphasized that the training program for SMEs is a social program. According to the rules that are used as standard operating procedures, there is no intervention to participants after the event, including there is no monitoring and evaluation process. The form of benefit or what SMEs will do, the government functions is only to facilitate, SMEs must take action in further process it according to their daily environment. As much as possible SME accepts social programs as the main target, while the impact depends on their commitment.

The price of smartphones, pulses, data packages has been increasingly affordable, including in cloud storage warehouses. Various free applications from each operating system add more choices for every smartphone user (Cesaroni and Consoli, 2015; Jones et al, 2015). Citizenship values through intelligence and wise attitudes have not been formed from beneficial participation, (Bertot et al, 2012; Martens and Hobbs, 2015) reminding social media can be used as dissemination feedback that questions citizens to what extent the benefits they use from government services.

The government needs to pay attention to the behavior of citizens who still prioritize their rights

interests that are not in accordance with their commitments or the erosion of social justice, it is necessary to separate these groups so as not to spread bad influence on their environment (Dubow et al, 2017; Sandoval and Kavanaugh, 2018). The government needs to implement a monitoring program emphasizing tracing to SMEs, not just a survey of the satisfaction of event organizer. Tracing aims to ask the community whether they have used it and what obstacles they actually face. A wise attitude of citizens needs to be instilled considering that free training opportunities are limited by the availability of government resources.

Social media can be used as an input channel between agencies and citizens to share responsibility, not only from the government to citizens but also as a means for citizens to demonstrate the achievement of socio-economic values to their neighbors from the various noble values of life. If this pattern is operationalized, there will be major changes in the form of concrete impacts as reciprocal of every government facility that has been received by the citizens. Social media can be a tool to mobilize communities to separate which groups are committed to collective development or simply take personal benefits such as social sanctions against neighbors (Coelho et al, 2017; Homero and Hsuan, 2019). The development of human capacity always includes aspects of performance and morals, social control has not been sufficiently guarded by the government when inviting them to interact on social media.

Conclusion

The government's efforts to alleviate poverty through developing the capacity of SMEs in digital literacy are an inevitable need. Inviting SMEs as the target group for the digital literacy program has been adequately achieved starting from the problem mapping stage by finding their needs, and involving them as a training needs analysis. However, in reality their behavior can be divided into three groups of cultural themes: the smarter and wiser, the more easily surrendered and full of doubts, and attracted to

the flow of seeing other people coming to the training (free-raider).

Participation of benefits from the results of digital literacy training encounters obstacles on the social moral aspects of citizens. The theoretical implication, if the government expands the use of social media to further increase public trust, using social media must also be an effective educational instrument for citizens to meet with citizens, share reminders, and reinforce each other in addressing the suitability of real life, assessing content and their attitudes, not just absorbing facilities from the government. Practical implications. The government needs to immediately build a tracking system for program participants as capturing tool commitment of citizens also getting increase efficiency and effectiveness training program by considering equal or social justice in opportunities for many other SMEs. Inviting SMEs in their neighborhoods who have been successful as digital literacy trainers among them, can be the easiest alternative to implement.

Limitation And Study Forward

This study is very limited to the government's digital literacy program for SMEs in three regions. These three areas are not included in the category of big cities or metropolitan areas, most of them are still surrounded by villages or suburbs. In the future, it is necessary to conduct research on SMEs who are struggling to live in big cities, or to compare social media literacy culture to SME businesses based on education, gender, geography, and more in-depth socio-economic aspects.

References

- [1] Abu-Shanab, E., & Khasawneh, R. (2013). E-Government and Social Media Sites: The Role and Impact. *World Journal of Computer Application and Technology*, (1), 10-17.
- [2] Appleby-Arnold, S, Brockdorff, N, Fallou, L, Bossu, R. (2019). Truth, trust, and civic duty: Cultural factors in citizens' perceptions of

- mobile phone apps and social media in disasters. *Journal of Contingencies and Crisis Management*. (27), 293-305.
- [3] Beck, T., Demircug-Kunt, A., Levine, R. (2005). SMEs, growth and poverty: cross country evidence. *Journal of Economic Growth*, 10 (3), 199-229.
- [4] Bennet, D., Clear, F., Dyerson, R., Harindranath, G., Harris, L., dan Rae, A. (2012). Web 2.0 and micro-businesses: an exploratory investigation. *Journal of Small Business and Enterprise Development*, 19 (4), 687-711.
- [5] Bertot, J. C., Jaeger, P. T., and Hansen, D. (2012). The impact of polices on government social media usage: Issues, challenges, and recommendations. *Government Information Quarterly*, 29(1), 30-40.
- [6] Cesaroni, F.M & Consoli, D. (2015). Are small business really able to take advantage of social media?. *Electronic Journal of Knowledge Management*, 13 (4), 257-268.
- [7] Choi, N., Huang, K-Y., Palmer, A., & Horowitz, L. (2014). Web 2.0 use and knowledge transfer: how social media technologies can lead to organizational innovation. *Electronic Journal of Knowledge Management*, 12 (3), 174-184
- [8] Coelho, P. M. F., Correia, P. P., and Medina, I. G. (2017). Social Media: A New Way of Public and Political Communication in Digital Media. *International Journal of Interactive Mobile Technologies (IJIM)*, 11(6), 150-157.
- [9] Cohen and Uphoff, N. (1980). Participation's place in rural development: Seeking clarity through specificity. *World Development* 8(3), 213-235
- [10] Direktorat Jenderal Kekayaan Negara, Kementerian Keuangan Republik Indonesia/DJKN (2020). UMKM Bangkit, Ekonomi Indonesia Terungkit (SMEs Rises, Indonesia's Economy Also Rises). Retrieved from <https://www.djkn.kemenkeu.go.id/artikel/baca/13317/UMKM-Bangkit-Ekonomi-Indonesia-Terungkit.html>
- [11] Dubow, T., Devaux, A., and Manville, C. (2017). Civic Engagement: How Can Digital Technology Encourage Greater Engagement in Civil Society? *RAND EUROPE* Retrieved April 3, 2021, from <http://www.jstor.org/stable/resrep17637>
- [12] Eid, R.E. and El-Gohary, H. (2013). The impact of e-marketing use on small business enterprises "marketing success". *The Service Industries Journal*, 33 (1), 31-50.
- [13] Hammersley, Martyn. and Atkinson, Paul. 2007. *Ethnography Principles in Practice* 3rd edition. New York: Taylor-Francis
- [14] Homero Gil de Zúñiga and Hsuan-Ting Chen. (2019). Digital Media and Politics: Effects of the Great Information and Communication Divides, *Journal of Broadcasting & Electronic Media*, (63),3
- [15] Jelita, Insi N. (2020). Teten Sebut Lebih 20 juta UKM Belum Bankable. Retrieved from <https://mediaindonesia.com/ekonomi/343533/teten-sebut-lebih-20-juta-ukm-belum-bankable>
- [16] Jones, N., Borgman, R., Ulusoy, E. (2015). Impact of social media on small business. *Journal of Small Business and Enterprise Development*, 22(4), 611-632.
- [17] Jung, T.H., Ineson, E.M., Green, E. (2013). Online social networking: relationship marketing in UK hotels. *Journal of Marketing Management*, 29 (3-4), 393-420.
- [18] Kaplan, A.M. & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizon*, 53 (1), 59-68.
- [19] Katua, N.T. (2014). The role of SMEs in employment creation and economic growth in selected countries. *International Journal of Education and Research* 2 (12), 461-472.

- [20] Kavanaugh, A. L. , & Patterson, S. J. (2001). The impact of community computer networks on social capital and community involvement. *American Behavioral Scientist*, 45(3), 496-509.
- [21] Khan, G. F. (2017). *Social Media for Government*. Singapore: Springer.
- [22] Knoblauch, H. (2005). Focused ethnography. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research*, 6(3), 44.
- [23] Martens, Hans and Hobbs, Renee. (2015). How Media Literacy Supports Civic Engagement in a Digital Age. *Atlantic Journal of Communication*, (23)2, 120-137
- [24] Mu, R., and Wang, H. (2020). A systematic literature review of open innovation in the public sector: Comparing barriers and governance strategies of digital and non-digital open innovation. *Public Management Review*, 0(0), 1–23.
- [25] Rachmawati, Ai Rika. (2020). Masih Rendah, Baru 16,33 Persen UMKM yang Adopsi Teknologi Digital. Retrieved from <https://www.pikiran-rakyat.com/ekonomi/pr-01583158/masih-rendah-baru-1633-persen-umkm-yang-adopsi-teknologi-digital>
- [26] Sandoval A. R., & Kavanaugh, A. L. (2018). Introduction to the special issue on social media and government. *First Monday*. Vol.23 Number 4
- [27] Song, C., and Lee, J. (2016). Citizens' Use of Social Media in Government, Perceived Transparency, and Trust in Government. *Public Performance & Management Review*, 39(2), 430-453.
- [28] Suyanto, Bagong. (2020). Digitalisasi UMKM. Retrieved from <https://analisis.kontan.co.id/news/digitalisasi-umkm>