

SYNERGY BETWEEN LOCAL GOVERNMENT AND VILLAGE IN PROMOTING DIGITAL ECONOMY FOR POVERTY ALLEVIATION: A STUDY IN SURABAYA VILLAGE, LIMBANGAN SUBDISTRICT, GARUT REGENCY

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Abstrak

Poverty in rural Indonesia, including Surabaya Village in Balubur Limbangan District, Garut Regency, is a problem that requires innovative solutions. Limited market access, infrastructure and digital literacy are the main obstacles for local MSME players in marketing their products. This research analyzes collaboration between regional governments and village governments in developing the digital economy as an effort to eradicate poverty. Using descriptive qualitative methods, this research collects data through observation, interviews and documentation. The research results show that developing the digital economy through digital literacy training, developing telecommunications infrastructure, and local e-commerce platforms has the potential to increase market access for village MSME products, such as chips and handicrafts. In addition, effective collaboration between local and village governments plays a key role in overcoming obstacles, including lack of digital literacy and limited internet access. Challenges such as lack of synergy between parties and budget constraints still need to be overcome. Through an integrated strategy, digital economic development can empower the people of Surabaya Village, open up wider market opportunities, and reduce dependence on middlemen. This research concludes that government collaboration with a digital economic approach can accelerate poverty alleviation and sustainable development in rural areas.

Keywords: Digital Economy, Local Government, Poverty

A. INTRODUCTION

One of the biggest problems facing Indonesia, especially in rural areas, is poverty. The conditions of rural communities are often worsened by limited access to financial resources, education and information. Even though the village economy plays an important role in national development, especially in terms of absorbing labor and providing food. To maximize village potential and empower local communities, strategic steps that can be taken include developing the village economy through the use of digital technology.

Digital technology offers many opportunities to empower rural communities and reduce poverty through increased access to markets, information and financial services. The development of the digital economy in rural areas can be an innovative solution for alleviating poverty if it is managed well by regional and village governments. This collaboration enables the integration of various resources, programs and policies to improve market access, information and financial services.

Efforts that can be made are to build a local e-commerce platform that allows superior village products (such as agricultural products, handicrafts or food) to be sold online. This will open wider market access, not only limited to local buyers but also buyers from all over Indonesia and even from all over the world.

Surabaya Village is one of 14 villages in the Balubur Limbangan subdistrict in the northern part of Garut Regency and consists of nine RWs. In Surabaya Village there are several groups of MSME business actors that were founded and funded by the village government, including groups of business actors for snack products (such as noga and Kicimpring chips) and handicrafts (such as bird cages and mortars). However, these MSME groups have problems in terms of product promotion and marketing, which is partly due to a lack of knowledge about using technology properly and correctly and a lack of implementing digital marketing in the businesses they manage so that these obstacles become an obstacle to development.

The MSME group in Surabaya village, Balubur Limbangan subdistrict, has not been able to utilize online media in the current digital era due to a lack of understanding about digitalization and the local government's lack of massive efforts to provide training and improve the quality of human resources regarding marketing strategies through online media. Moreover, there are many MSME competitors with the same products. Digital marketing can help people better understand sales, purchasing, product innovation, packaging innovation, digital business strategy, and sales management. This can help stabilize the village economy and community in Surabaya Village, Balubur Limbangan District.

These limitations have hampered the economic development of the Surabaya Village community. Locations far from urban areas make it difficult for business groups to market their business results. Of course, this makes it difficult for them to escape the shackles of poverty. So with this problem as a background, researchers are interested in examining how the regional government collaborates with villages in overcoming the problem of poverty in Surabaya Village, Limbangan District, Garut Regency through the development of the digital economy.

Based on the results of observations, several problems can be formulated related to efforts to deal with poverty in rural areas. First, the form of collaboration between regional and village governments in dealing with poverty problems is an important thing to analyze, considering that synergy between levels of government can accelerate the achievement of development goals. Second, the development of the digital economy is a strategic alternative in reducing poverty in rural areas, so an understanding of how digital technology can be applied effectively in the local context is needed. Third, various challenges that arise in collaboration between regional and village governments, especially in developing the digital economy, also need to be identified to ensure the sustainability and success of the programs being implemented.

Based on the problem formulation that has been described, the focus of this research includes several main things. First, analyze the form of collaboration between regional and village governments in handling poverty problems, with the aim of understanding effective cooperation mechanisms. Second, explaining how the development of the digital economy can help reduce poverty in villages, especially through technological innovation that supports increasing the income of rural communities. Third, identify the challenges and opportunities that arise from this collaboration in developing the digital economy in villages, so that appropriate strategies can be formulated to optimize the potential of the digital economy in rural areas.

B. LITERATURE REVIEW

Definition of Poverty

Poverty is a condition where individuals or groups are unable to meet basic needs such as food, clothing, shelter, education, and healthcare. In rural areas, poverty is often worsened by limited market access, low education levels, and inadequate infrastructure.

According to Suharto (2020), poverty reflects low social and economic conditions, where individuals or groups lack access to essential resources and services needed to live with dignity. The Central Statistics Agency (BPS) defines poverty based on per capita income, stating that poverty occurs when an individual's or household's income falls below the poverty line, calculated from the cost of meeting basic food and non-food needs.

Poverty is a complex issue involving economic, social, and political factors. It is not merely a lack of income but also the inability to access critical resources for a decent life. Addressing poverty requires an integrated and participatory approach, involving active contributions from the private sector, society, and government.

The Concept of Digital Marketing

The digital economy refers to economic activities driven by information and communication technology, where various economic transactions occur through digital platforms. This includes e-commerce, digital financial services, online marketing, and the use of technology to enhance productivity and market access (Pasholikhov, 2023).

The COVID-19 pandemic has accelerated the adoption of the digital economy, forcing businesses and consumers to adapt to online interactions. Pipit Buana Sari (2018), stated that internet-based digital information technology is highly effective in expanding financial inclusion, even in rural areas.

Moreover, fintech adoption has boosted MSME growth, reduced poverty, and stabilized financial systems (Rusdianasari, 2018). The internet has also fostered the emergence of new business opportunities that are creative, innovative, and sometimes disruptive compared to conventional business models.

Collaboration Between Regional and Village Governments

Collaboration between regional and village governments involves a division of tasks, authority, and responsibilities to achieve common goals in improving community welfare. Regional governments provide policy and infrastructure support, while village governments focus on direct implementation and community empowerment (Rozikin & Sofwani, 2023).

According to Agus Dwiyanto in his book *Managing Public Services*, this collaboration enhances public service effectiveness. He emphasized that regional governments possess greater resources, while village governments have deeper local knowledge, making collaboration essential for better governance and public service delivery (Wirdayanti & Sari, 2022).

Riant Nugroho Prasajo, in his book *Bureaucratic Reform and Good Governance*, highlighted the importance of capacity building for village governments through cooperation with regional authorities. Prasajo stressed that regional governments play a crucial role in providing training, technical assistance, and resource support to help villages manage development programs independently.

One effective form of collaboration is transparent and accountable village fund management with active community participation. Proper coordination allows sustainable village development, the creation of new economic opportunities, and improved rural welfare (Wicaksono, 2021).

C. RESEARCH METHODOLOGY

This study employs a qualitative research method with a descriptive approach by collecting data through observations, direct interviews with MSME actors, and documentation. Qualitative research allows for an in-depth understanding of social phenomena and human behavior in their natural settings. The objective of this research is to explain observed events or phenomena in terms of risks, consequences, or factual results. Observations are systematically conducted to record human behavior patterns, objects, and events (Mohajan, 2018). According to Holliday (2012), qualitative research is particularly useful in contexts where numerical data cannot fully capture the complexity of social interactions. This approach helps analyze attitudes, motivations, and perceptions that are difficult to quantify (Heyink & Tymstra, 1993).

In this research, the author describes real-life situations, events, and problems found in Surabaya Village, Balubur Limbangan District, Garut Regency, before further investigating them through direct observation and interviews with local business actors. The use of secondary qualitative research, particularly open data, can increase research efficiency and expand its geographical reach. According to Yin (1984), the case study method is a powerful qualitative tool that enables researchers to understand complex social issues in real-life contexts. This method emphasizes detailed contextual analysis of a limited number of events or conditions and their relationships. Data collection was conducted through:

1. Observation – A systematic approach to documenting human behavior, interactions, and environmental conditions (Kabaji & Mukanzi, 2018).
2. In-depth Interviews – Conducted with MSME actors to gain insights into their experiences, challenges, and strategies for business sustainability (McGee, 2007).
3. Documentation Analysis – Reviewing relevant documents such as business reports, government regulations, and digital marketing data (Jovanović, 2011).

The qualitative approach in this research emphasizes contextual understanding and interpretivist analysis, allowing for a deeper exploration of local economic conditions and their impact on MSMEs (Upadhyay & Kc, 2017).

The research objects include MSME actors and the local community in Surabaya Village, Balubur Limbangan District, Garut Regency. This study focuses on how digital marketing and government collaboration influence rural economic growth.

Ethical considerations were taken into account during data collection, ensuring that all participants provided informed consent and that their privacy was protected (Soo, 2020). The validity of qualitative research is maintained through method triangulation, which includes cross-checking data from multiple sources to ensure reliability (Dean, 2013).

D. RESULT AND DISCUSSION

Poverty is still a big challenge, especially in rural and remote areas. Data from the Central Statistics Agency (BPS) shows that although the poverty rate has decreased in recent years, the gap between urban and rural communities is still quite high. Programs such as Social Assistance, the Family Hope Program, and Productive Assistance for Micro Businesses have been launched by the government to overcome the problem of poverty, but challenges such as inequality in access and implementation in the field still need to be overcome.

Poverty has a negative impact not only on the individual who experiences it but also on society as a whole. The impacts of poverty can include poor health due to limited access to health care and poor nutrition, low education due to limited access to quality education as well as social and psychological problems which can lead to social problems such as crime and

violence. Poverty also often results in unemployment and economic instability which results in low ability to access stable employment, extending poverty between generations.

Efforts to overcome poverty require a multidimensional approach and involve various coordinated policies. Some steps that can and have been taken in several regions to overcome poverty include:

1. Social assistance programs, such as Direct Cash Assistance (BLT), Family Hope Program (PKH), and basic food cards to help poor people meet their basic needs.
2. Increasing access to education, free or affordable education programs for poor communities to provide opportunities for children from poor families to obtain quality education.
3. Economic empowerment, the government can provide capital assistance or skills training for poor people to set up micro businesses and increase economic productivity.
4. Infrastructure development, such as roads, electricity, clean water and internet in remote areas can increase poor people's access to markets and basic services.

Surabaya Village in Limbangan District, Garut Regency is one of the villages that has limited economic access because the location is quite far from the city center. The economic level of the community in Surabaya village is generally still categorized as middle to lower. This is because in general they have not been able to maximize the potential of their region, whether sourced from community potential or available natural potential. Most people make a living by gardening, but there are some people who are entrepreneurs in snack products such as noga and chips and craftsmen of bird cages and mortars.

In this digital era, efforts need to be made to improve the economic level of the Surabaya Village community through technology. Through the use of digital technology, the people of Surabaya Village can optimize their potential and improve the standard of living of their people. This effort can be done by increasing the digital literacy of village communities through training and workshops. Understanding the use of the internet, applications and social media is important for effectively accessing information and markets. So that the people of Surabaya Village can develop their creativity in making local products which are then marketed through digital media. Apart from that, they can also access learning through social media to further develop their personal competence and creativity.

The regional government of Garut Regency, through related agencies, namely the Cooperatives and MSMEs Service, has made efforts to improve the standard of living of the people of Surabaya Village through the development of MSME groups. There are several groups of MSME business actors that were founded and funded by the village government, including groups of business actors for snack products (such as noga and Kicimpring chips) and handicrafts (such as bird cages and mortars). However, these MSME groups have problems in terms of product promotion and marketing.

Collaboration should not only be with the Department of Cooperatives and MSMEs, but also the involvement of the Department of Communications and Information Technology in collaboration with the village government to provide training to the Surabaya village community which includes digital literacy, how to use e-commerce platforms, digital marketing, and financial services. digital-based such as digital wallets and online loans.

To support the above, the Garut Regency regional government must develop and construct adequate telecommunications infrastructure. Regional governments in collaboration with village governments can build telecommunications infrastructure such as internet access, which is the main foundation for developing the digital economy in rural areas. For example, the local government helped install an internet network in Surabaya Village which was then managed by the village government to support local MSMEs.

By ensuring fast and stable internet access in villages to support good connectivity. This allows local entrepreneurs to interact with the global market. Apart from that, local governments need to support local E-Commerce platforms by building special e-commerce platforms for local village products. This helps local producers and artisans to sell their products online, reaching a wider market.

The Surabaya Village Government can collaborate with local governments to develop digital platforms used to market local products. For example, village e-commerce platforms supported by internet infrastructure and training from local governments enable small businesses in villages to sell their products directly to a wider market.

What is no less important is policy support and access to financing. The Garut Regency Government provides policies that support the development of the digital economy, such as ease of business licensing and capital assistance for MSMEs in villages. The village government is tasked with socializing this policy to residents and managing financial assistance so that it is right on target.

Thus, the development of the digital economy in Surabaya Village is expected to provide various opportunities for the community to increase income and reduce poverty, including:

1. Local products such as handicrafts, agricultural products and MSME products can be marketed more widely in local, national and even international markets through wider market access via digital platforms.
2. Reducing dependence on middlemen, because with village e-commerce, farmers and MSMEs can directly sell their products to consumers without going through middlemen, who usually make big profits. This increases the direct income of village communities.
3. Implementation of access to financing through digital financial technology (fintech), which allows Surabaya village communities to get access to credit or business capital without having to rely on traditional financial institutions which are difficult to reach in rural areas. Despite the development of the digital economy in Surabaya village, Limbangan District, Regency

Garut offers many opportunities, but also has its own challenges. Several challenges that are often faced in developing the digital economy in Surabaya Village include limited infrastructure, limited access to information and limited budget.

However, the development of the digital economy in smart villages can provide benefits in the form of increasing income and jobs, increasing access to information and knowledge, increasing efficiency and productivity, and reducing the economic gap between urban and rural areas. The development of the digital economy in Surabaya Village can open up many new opportunities in various aspects of life, including in the economic sector. The development of the digital economy in smart villages is an effort to utilize the potential of digital technology to encourage economic growth at the village level. This is very important because it can help reduce the economic gap between urban and rural areas.

E. CONCLUSIONS

The development of a digital economy through collaboration between regional and village governments can be an effective approach to overcoming poverty in Surabaya Village, Limbangan District, Garut Regency. The Surabaya Village community can empower themselves through wider market access and the use of digital technology in economic activities through the development of digital infrastructure, community training and supportive policies. However, problems such as low digital literacy and limited infrastructure need to be overcome with strong cooperation from various parties.

Based on the results of the study that has been carried out, a number of recommendations and suggestions can be identified in this research to optimize collaboration between regional and village governments in handling poverty problems through technology-based village economic empowerment in Surabaya Village, Balubur Limbangan District, Garut Regency, as described below:

The local government of Garut Regency needs to increase investment in developing digital infrastructure, especially in remote villages where internet is not yet accessible, not only limited to Surabaya Village, Limbangan District, but also in other areas in Garut Regency. Apart from that, digital literacy training programs must be implemented intensively and sustainably by involving various educational institutions and the private sector to increase community capacity in utilizing digital technology. At the local level, the Surabaya Village government is expected to be more proactive in exploring local economic potential that can be developed through digital platforms, as well as building cooperation with local governments to support the maximum development of this potential.

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