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THE EFFECTIVENESS OF SOCIAL ASSISTANCE PROGRAMS AS A FISCAL STIMULUS IN MITIGATING THE IMPACT OF THE ECONOMIC CRISIS ON LOW-INCOME HOUSEHOLDS

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ABSTRACT

Global and national economic crises have impacted the well-being of low-income populations, primarily through reduced purchasing power, rising living costs, and limited access to basic necessities. This study aims to analyze the effectiveness of social assistance programs acting as a fiscal stimulus in mitigating the economic impact of crises on low-income communities. A qualitative descriptive approach was employed, utilizing a literature review and secondary data analysis. Data were sourced from official reports and publications by **Statistics Indonesia (BPS), the Ministry of Social Affairs, and the Ministry of Finance of the Republic of Indonesia**, as well as relevant prior studies on poverty, social assistance, household consumption, and fiscal policy. The findings indicate that social assistance programs contribute to maintaining household purchasing power and meeting basic needs, particularly for vulnerable and low-income households. The analysis also reveals that social assistance provides short-term protection against declining household welfare and helps prevent vulnerable households from falling deeper into poverty. However, its effectiveness remains constrained by issues such as inaccurate targeting of beneficiaries, incomplete and outdated recipient data, budget limitations, and uneven distribution. Consequently, the effectiveness of social assistance as a fiscal stimulus depends not only on the amount of aid provided but also on the accurate identification of beneficiaries, distribution mechanisms, and inter-agency coordination. The study concludes that strengthening the integration of beneficiary data, enhancing monitoring and evaluation, and ensuring more accurate and equitable distribution are crucial for improving the effectiveness of social assistance programs in mitigating the economic vulnerability of low-income communities.

1. INTRODUCTION

Fiscal policy plays a strategic role in maintaining economic stability and safeguarding public welfare, particularly during periods of economic strain and crisis. Through the management of state revenue and expenditure, the government can utilize fiscal policy to sustain economic activity, preserve public purchasing power, and provide protection to the most vulnerable groups. One form of such policy implementation is the social assistance program, designed to meet basic needs and maintain the consumption capacity of low-income households. Consequently, social assistance is viewed not merely as an instrument of social protection but also as a fiscal stimulus that supports household consumption during times of economic pressure (Adzam et al., 2025).

Conceptually, fiscal policy encompasses government measures to manage state expenditure and revenue in order to achieve specific economic objectives (Darise & SE, 2025). Musgrave (1989) explains that fiscal policy serves allocative, distributive, and stabilizing functions, enabling the government to reduce inequality and maintain economic stability. Consistent with this view, the management of government spending and taxation can be employed to influence economic activity and uphold public welfare (Suhardi, 2026). In the context of a crisis, the distributive and stabilizing functions become increasingly critical, as low-income groups possess more limited capacity to cope with rising prices, declining incomes, or reduced employment opportunities.

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Fiscal policy instruments encompass not only infrastructure development, education, and healthcare services but also social protection spending. Social protection programs help vulnerable households maintain consumption levels when their income declines. From a Keynesian perspective, government spending serves as a key instrument for sustaining aggregate demand during economic slowdowns. Consequently, social assistance serves a dual purpose: providing direct protection to vulnerable populations while simultaneously supporting consumption activity within the economy (Dinda et al., 2023).

In recent years, the Indonesian population has faced various economic pressures stemming from the global economic slowdown, fluctuating food prices, exchange rate volatility, and economic and geopolitical uncertainty. These pressures affect income groups differently. Low-income households tend to be more vulnerable because a larger share of their income is allocated to meeting basic needs. When the prices of essential goods rise or incomes fall, a household's ability to meet needs related to food, healthcare, education, and other essentials comes under strain (Lawodi et al., 2025). This situation underscores the importance of government interventions that provide short-term protection while safeguarding household economic resilience.

Through the State Budget (APBN), the government allocates funds for social protection, implemented via various programs such as the Family Hope Program (PKH), Non-Cash Food Assistance (BPNT/Sembako Program), Direct Cash Assistance (BLT), the Smart Indonesia Program (PIP), and subsidized National Health Insurance premiums (PBI-JKN). These programs are designed to help people meet basic needs, maintain purchasing power, and mitigate the risk of deteriorating socio-economic conditions among vulnerable groups (Ananda et al., n.d.). From a fiscal stimulus perspective, the assistance received by households is likely to be spent on consumption, thereby generating economic effects at both the household and societal levels.

However, the mere existence of a budget and a multitude of social assistance programs does not automatically indicate that the policy has been effective. The effectiveness of social assistance is heavily influenced by accurate targeting, the quality of the beneficiary database, timely distribution, oversight mechanisms, and inter-agency coordination. Inaccurate data can lead to inclusion errors—where individuals who do not meet the criteria are included—or exclusion errors—where those who should receive assistance are left out. Furthermore, distribution delays and disparities in implementation capacity at the local level can prevent target groups from fully realizing the program's benefits (Mufida, 2021).

Previous studies have addressed social assistance from the perspectives of social protection and poverty reduction. Other research has examined social assistance in relation to purchasing power and household economic conditions. However, a research gap remains regarding the link between the effectiveness of social assistance and its function as a fiscal stimulus to mitigate the impact of economic crises, particularly on low-income populations. Many studies evaluate social assistance primarily based on the success of its distribution or its impact on poverty, whereas the role of social assistance as a fiscal instrument for sustaining household consumption and economic resilience requires further exploration. Furthermore, issues concerning targeting accuracy, distribution, and oversight need to be analyzed concurrently, as these factors determine whether the fiscal stimulus truly provides economic protection for the intended groups.

This gap indicates that further research into the effectiveness of social assistance programs remains relevant. Such research is essential to provide a comprehensive understanding of the relationship between social protection policies and the function of fiscal stimulus in the face of economic pressure. This analysis is crucial because a program's success cannot be measured solely by budget size or the number of beneficiaries; it must also be assessed by the program's ability to sustain purchasing power, facilitate the fulfillment of basic needs, and reduce the economic vulnerability of low-income populations. The findings can also serve as a basis for the government to evaluate and improve targeting accuracy, distribution mechanisms, oversight, and the coordination of social assistance program implementation.

Based on this context, this study aims to analyze the effectiveness of social assistance programs as a fiscal stimulus to mitigate the impact of economic crises on low-income populations. Specifically, the study analyzes: (1) how economic crises affect the socio-economic conditions of low-income populations; (2) how social assistance programs are utilized as fiscal stimulus instruments to respond to economic pressures; and (3) the extent to which social assistance contributes to maintaining purchasing power and meeting the basic needs of low-income populations. and (4) the factors that either support or hinder the effectiveness of social assistance program implementation. Thus, this study is expected to provide a more specific overview of the effectiveness of social assistance as a fiscal instrument, while also offering insights to strengthen social protection policies in Indonesia.

2. METHODS

This study employs a qualitative approach with a descriptive method specifically through library research to analyze the effectiveness of social assistance programs acting as fiscal stimulus in mitigating the economic crisis's impact on low-income communities. The study utilizes secondary data obtained from official publications by Statistics Indonesia (BPS), the Ministry of Social Affairs, and the Ministry of Finance, as well as relevant journal articles, books, and prior research concerning fiscal policy, social assistance, poverty, purchasing power, and the economic conditions of low-income populations. Data collection involved documentation and a literature review, with sources selected based on relevance, credibility, and currency. The data underwent descriptive-qualitative analysis encompassing identification, selection, classification, comparison, and interpretation to determine the contribution of social assistance to meeting basic needs, maintaining purchasing power, and reducing economic vulnerability. Data validity was reinforced through source triangulation, comparing information from various official institutions and scholarly literature to achieve a more objective overview of social assistance's effectiveness as a fiscal stimulus instrument (Abarca, 2021; Subagiya, 2023; Firmanto et al., 2024; Arifuddin et al., 2025).

3. RESULTS AND DISCUSSIONS

Results

Social assistance (bansos) is a form of government intervention aimed at vulnerable individuals, families, or community groups to help them meet their basic needs. This assistance is not compensation for work; rather, it is part of social protection efforts designed to ensure these groups can maintain a decent standard of living. In Indonesia, the legal basis for social assistance is established by Law Number 11 of 2009 concerning Social Welfare. This regulation stipulates that social assistance aims to help individuals or groups facing social challenges so that they can meet their basic needs in a dignified manner.

According to Law No. 13 of 2011, the poor are defined as individuals who either possess no source of livelihood whatsoever or possess a source of livelihood but are unable to meet basic needs essential for a decent life for themselves and/or their families. Meanwhile, Statistics Indonesia (BPS) defines the poor population based on the ability to meet basic needs; generally, the poor are those whose average monthly per capita expenditure falls below the poverty line. This means an individual is considered poor if their income is insufficient to cover basic necessities such as food, clothing, housing, and education. Government Regulation No. 42 of 1981 also states that individuals who lack any source of livelihood and cannot meet basic human needs or those who have a source of livelihood but still cannot meet such basic needs fall within the definition of the poor or disadvantaged community.

Data from Statistics Indonesia (BPS) indicates that the poverty rate in Indonesia remained at approximately 9.36% in 2023, with the number of poor individuals exceeding 25 million. Furthermore, data from the Ministry of Social Affairs shows that social assistance programs such as the Family Hope Program (PKH) have reached over 10 million beneficiary families, while the Non-Cash Food Assistance (BPNT) program has reached approximately 18 million families. These figures demonstrate the extensive reach of social assistance and highlight its role as a primary government instrument for maintaining socio-economic stability.

Forms of Economic Crisis and Their Impact on Low-Income Communities

Indonesian Economic Crisis andGovernment Mitigation through Social Assistance Programs

An economic crisis is a condition characterized by the weakening of various macroeconomic indicators, disrupting the stability of the national economy. In recent years, Indonesia has faced various economic challenges stemming from both global pressures and domestic factors.(Hidayat & Hardianto, 2022)Global economic uncertainty, rising geopolitical tensions, fluctuating international commodity prices, and changes in monetary policy in various countries have impacted national economic stability. These conditions are reflected in slowing economic growth, the weakening of the rupiah against the US dollar, increasing layoffs in several industrial sectors, and changes in inflation rates that affect people's consumption capacity.(Baihaqi, 2023).

According to the 2025 State Budget (APBN Kita) report published by the Ministry of Finance of the Republic of Indonesia, Indonesia's economic growth has not yet fully achieved the government's target. Furthermore, the rupiah exchange rate is under pressure due to increasing global economic uncertainty, while household consumption, one of the largest contributors to Gross Domestic Product (GDP), is showing a slowing trend. These conditions indicate that the national economy still faces challenges that require various fiscal and monetary policies to maintain economic stability and protect purchasing power, particularly among low-income groups.(Alief et al., 2024).

For low-income communities, these economic pressures have a greater impact than for other groups. A large portion of their income is allocated to basic needs, so price changes, declining incomes, and job losses directly impact their well-being. Therefore, understanding the various forms of economic crises is crucial as a basis for analyzing the urgency of social protection policies, particularly government-mandated social assistance programs. In general, the economic crisis in Indonesia can be seen through several key indicators: the weakening rupiah exchange rate, changes in the inflation rate affecting people's purchasing power, increasing layoffs, and slowing economic growth. These four indicators are interrelated and impact the socioeconomic conditions of the community, particularly low-income groups.(Dwi Nur Maulidia et al., 2023).

Rupiah Exchange Rate Weakening

The rupiah has weakened against the US dollar. This has led to rising import prices, inflationary pressures, and financial market instability. According to a Reuters report (ANTARA; Indonesian news agency), the rupiah hit a record low due to global pressures and investor concerns about the Indonesian economy.(Pradana, 2023)Ibrahim Assuabi, Director of Profit Forexindo Berjangka, an Indonesian currency analyst, also explained that the weakening of the rupiah exchange rate was influenced by reports that Indonesia experienced monthly deflation of 0.37 percent in May 2025. This indicates that prolonged deflation will directly impact the majority of the population, forcing them to restrain spending and making the future economy more challenging. When the rupiah exchange rate weakened due to global economic turmoil (such as the strengthening of the US dollar or geopolitical tensions), this time the Indonesian government and Bank Indonesia (BI) synergized to launch various fiscal and monetary policies to contain the impact of imported inflation (inflation due to expensive imported goods), and maintain domestic price stability, as well as protect the purchasing power of the less fortunate.

The following are concrete programs and government offering policies when the rupiah weakens:

Strengthening the Social Safety Net (Social Assistance & Social Spending)

The Indonesian Ministry of Finance and BI Monetary Policy Report that the Government is expanding social spending to mitigate the impact of the surge in staple food prices at the household level such as;

a. Rice Food Aid (Bulog):The government regularly distributes food aid in the form of 10 kg of rice per month to millions of Beneficiary Families (KPM) to control food inflation in the domestic market. (Complete monthly dataset (2023-2026) contains the number of KPM, budget, and distribution period.)
b. Distribution of Direct Cash Assistance (BLT):The government is distributing additional social assistance in the form of direct cash assistance (BLT) (such as El Nino BLT or Food Risk Mitigation BLT) to strengthen the purchasing power of lower-class people when the prices of basic necessities are creeping up.
a. Based on data from 21-22 million recipient families and various government evaluations and academic research, BULOG's rice food aid is quite effective as a social safety net to maintain consumption and purchasing power of the poor, especially during spikes in food prices and inflationary pressures.

Restraining the Increase in Energy Subsidies (Fuel and Electricity)

As the rupiah weakens, the Indonesian Ministry of Finance (Fiscal Stability Press Release) is fixing the ballooning cost of crude oil imports in domestic currency.

a. State Budget Fiscal Cushion:Through the Ministry of Finance, the government has chosen to increase the budget allocation for energy subsidies. This measure was taken to prevent the price of subsidized fuels (such as Pertalite and Diesel) and electricity tariffs from rising immediately, thus not burdening the daily expenses of the general public. Statistics Indonesia (BPS) data shows that changes in electricity tariffs have a significant impact on national inflation. When a 50% electricity discount was implemented in 2025, the electricity price index fell sharply, suppressing inflation. When tariffs returned to normal in 2026, annual inflation increased by around 2.17 points. This means this directly subsidizes electricity, lowering household electricity bills, while indirectly suppressing the price increases of other goods and services that use electricity as an input.

Affordable Financing Incentives for MSMEs

Coordinating Ministry for Economic Affairs of the Republic of Indonesiahighlighting the MSME sector which is vulnerable to rising costs of imported raw materials to provide capital flow protection:

People's Business Credit (KUR):The government continues to maintain and prioritize the distribution of the KUR scheme with a low subsidized interest rate (around 6%), so that small business owners can still access working capital amidst the trend of rising market interest rates.

Deflation and Changes in People's Purchasing Power

Indonesia experienced deflation several times in 2025. Deflation indicates a general decline in prices, which can be a sign of weakening purchasing power. Economists believe this situation is a warning that household consumption has not yet recovered to normal. Bank Indonesia reported that the Consumer Price Index (CPI) experienced deflation in February 2025 compared to the previous month.(Aisyah et al., 2024).

Based on data from the Central Statistics Agency (BPS), the February 2025 CPI recorded deflation of 0.48% (month-on-month), resulting in annual CPI deflation of 0.09% (yoy), down from the previous month's 0.76% (yoy) inflation. Bank Indonesia will remain consistent in maintaining price stability and strengthening synergy in controlling inflation with the Government (Central and Regional) through the Central and Regional Inflation Control Teams (TPIP and TPID) through the National Food Inflation Control Movement (GNPIP) in various regions. Bank Indonesia is confident that inflation will remain under control within the target range of 2.5±1% in 2025.(Salma, 2026).

To overcome deflation and restore people's purchasing power (demand-side shock), the Indonesian government (Ministry of Finance) together with Bank Indonesia (BI) launched a series of economic stimulus and liquidity easing programs, including:

Provision of Public Spending Tariff Incentives (Real Fiscal Stimulus)

The Indonesian Ministry of Finance (Kemenkeu) and the State Budget (APBN) Evaluation reportTo encourage people to shop again and reduce monthly household expenses, the government is providing discounts in vital sectors.

a. Electricity Tariff and Public Facility Discounts:The government allocates the APBN budget to provide direct discounts on electricity tariffs for certain household groups in order to secure the remainder of their income for other needs.
b. Toll Tariff Discounts & Transportation Subsidies:Providing discounts in the logistics and public transportation sectors during certain periods to reduce the distribution costs of raw materials while stimulating public mobility.

Concrete evidence from government transportation discount programs demonstrates the benefits to millions of beneficiaries and the tangible savings in travel costs. However, if the primary goal is to directly reduce poverty, numerous studies have shown that cash assistance (BLT/BSU) and food assistance have a greater and more targeted impact than fare incentives that only benefit certain service users.

Wave of Layoffs (PHK)

Many companies are laying off employees (PHK), particularly in the manufacturing and industrial sectors. This has resulted in rising unemployment and declining incomes. Ministry of Manpower data shows layoffs increased by more than 30% in the first half of 2025. CNBC Indonesia reports that the Indonesian labor market faced severe shocks in the first half of this year. The wave of layoffs (PHK) has been observed to have soared by more than 30%, with the highest rate occurring in Central Java. According to data from the Ministry of Manpower's Satudata, 42,385 workers were laid off from January to June 2025. This figure represents a 32.19% increase compared to the 32,064 workers reported in the same period last year. Facing a massive wave of layoffs, the Indonesian government is relying on a multi-layered protection strategy. The goal is not only to provide a temporary financial cushion but also to facilitate workers' immediate re-entry into work or transition to entrepreneurship.

The following are the flagship programs of the Indonesian government, along with legal authorities and ministries, to bridge the wave of related layoffs:

Job Loss Guarantee (JKP)

a. This is the main flagship program launched after the Job Creation Law. JKP is managed by BPJS Ketenagakerjaan (Employment Social Security Agency) in collaboration with the Ministry of Manpower (Kemnaker). This program is specifically for registered formal workers who are suddenly laid off. This is regulated by Government Regulation No. 37 of 2021 and Government Regulation No. 6 of 2025 concerning the Implementation of the Job Loss Guarantee Program.
b. Cash**:**Provided for a maximum of 6 months. The breakdown is 45% of the final wage for the first 3 months, and 25% of the wage for the following 3 months (the upper limit of the calculated wage is adjusted according to regulations).
c. Access to Job Market Information**:**Through the integrated SIAPkerja system, layoff victims receive career counseling services and job vacancy information.
d. Job Training**:**Free training can be for improving skills (upskilling) or changing to new skills (reskilling).

FromBPJS Employment data shows that:

a. The number of JKP beneficiaries from January to April 2025 reached 52,850 people.
b. In the same period the previous year there were only 3,397 people.
c. The value of benefits paid reached Rp. 258.61 billion in just the first four months of 2025.
d. Throughout 2024, the total benefits paid reached IDR 378.84 billion.

Concrete data shows that more than 52,000 workers received JKP benefits in the first four months of 2025, with total payments of Rp 258.61 billion, while coverage has reached 16.47 million workers. This demonstrates that JKP is not just a paper program, but has become a real instrument to protect households affected by layoffs.and distribute hundreds of billions of rupiah directly to households who have lost their jobs.

Pre-Employment Card Program (Normal Scheme)

(Presidential Decree No. 113 of 2022 concerning the Second Amendment to Presidential Decree No. 36 of 2020 concerning the Development of Work Competencies Through the Pre-Employment Card Program). For workers affected by layoffs but do not meet the JKP requirements, such as contract workers/PKWT whose contracts have expired, or daily workers, the Coordinating Ministry for Economic Affairs provides the Pre-Employment Card Program. From 2023 until now, Pre-Employment has focused fully on improving workforce competency (skilling, upskilling, reskilling):

a. Training Cost Assistance: Participants receive a non-cash balance (around IDR 3.5 million) specifically for purchasing certified training classes in IT, management, language, culinary, agriculture, etc.
b. Post-Training Incentives: Cash assistance of Rp. 600,000 plus a survey filling incentive of Rp. 100,000 for job search capital.

Pre-Employment Card ProgramIt differs from regular social assistance. Its primary goal is to improve skills, employment opportunities, and business capabilities, particularly for job seekers, laid-off workers, and low-income workers.

Slowing Economic Growth

Indonesia's economic growth in 2025 is expected to slow compared to the government's target. This indicates that economic activity has not yet fully stabilized. According to Kompas.com, Finance Minister Purbaya Yudhi Sadewa revealed that Indonesia's economic growth in the fourth quarter of 2025 is expected to fall short of the initial target of 5.7-6 percent.

Although lower than the initial target, Purbaya assessed that this achievement still shows improvement compared to economic performance in previous quarters. In December 2025, inflation in Indonesia reached 2.92 percent, and the State Budget assumption set inflation at 2.5 percent, causing the rupiah exchange rate to weaken compared to the initial projection. The 2025 State Budget assumption set the rupiah exchange rate at Rp. 16,000 per US dollar.

When the economy experiences an economic slowdown, business turnover slows, investment is held back, and new jobs are reduced, all of which directly impact the decline in income levels and purchasing power of people at various levels. To reverse the situation and encourage economic growth back onto a positive path (economic recovery), the Indonesian government (through the Ministry of Finance) and Bank Indonesia (BI) are employing a countercyclical strategy. This means that when the economy is sluggish, the government will instead relax policies and provide massive stimulus to boost economic activity.

The following are the main programs and offers from the government when economic growth slows:

Expansionary Fiscal Policy through Government-Borne Taxes (PPN DTP)

From the (Minister of Finance (PMK) regarding Tax Incentives/Directorate General of Taxes, Ministry of Finance of the Republic of Indonesia). To revive consumption among the middle and upper classes, the government is providing tax cuts in strategic industrial sectors that have a significant domino effect.

VAT DTP Property and Automotive:The government periodically issues a Government-Borne Value Added Tax (PPN DTP) policy of up to 100% for the purchase of new residential homes or motor vehicles meeting certain criteria. The property and automotive sectors were deliberately chosen because their growth would stimulate hundreds of downstream industries, such as cement, steel, logistics, and financing, and create jobs.

In Indonesia, VAT DTP is a stimulus package to maintain purchasing power during economic downturns, or when tax policy changes occur. This program is most effective when applied to basic necessities or sectors that create significant employment.

Accommodative Monetary Policy (Interest Rate Reduction & Loose Liquidity)

Based on the Monetary Policy Report & Results of the Board of Governors Meeting (RDG) of Bank Indonesia, BI plays a role in reducing the cost of money so that the wheels of the economy can move quickly again for:

a. BI-Rate (Reference Interest Rate) Cut:Bank Indonesia (BI) is gradually lowering its benchmark interest rate to encourage banks to lower interest rates on loans such as mortgages, vehicle loans, and working capital loans. Low interest rates encourage people to shop using financing schemes and encourage entrepreneurs to expand their businesses.
b. Macroprudential Liquidity Incentive (KLM):BI has relaxed the mandatory reserve requirement for banks actively channeling credit to priority sectors (such as downstreaming, automotive, housing, and the green economy) to ensure a plentiful supply of fresh money to the public.

Research in Indonesia shows that changes in interest rates have a greater impact on household consumption than corporate investment. When interest rates fall, household spending tends to increase, driving economic growth.

Analysis of the Effectiveness of Social Assistance Programs in Mitigating the Economic Crisis for Low-Income Communities

To address the impact of the economic crisis, the Indonesian government has implemented various social protection policies funded through the State Budget (APBN). Social assistance programs are a fiscal instrument aimed at maintaining people's purchasing power, reducing the risk of poverty, and assisting vulnerable groups in meeting basic needs. This policy is crucial because low-income communities are the group most impacted by the economic slowdown, rising prices of basic necessities, and reduced employment opportunities.

The government distributes various forms of social assistance, including the Family Hope Program (PKH), Non-Cash Food Assistance (BPNT) or Staple Food Program, Direct Cash Assistance (BLT), National Health Insurance Contribution Assistance (PBI-JKN), and the Smart Indonesia Program (PIP). Each program has different targets and objectives, but they are generally aimed at maintaining the well-being of the poor and vulnerable during times of economic pressure.

The forms, targets and objectives of the social assistance programs implemented by the government can be seen in the following table.

Table 1. Forms of Government Social Assistance Programs for 2023-2026

Program Name:	Form of Assistance:	Target:
Family Hope Program	Conditional Cash	Poor Family
BPNT	Food aid	KPM
Direct Cash Assistance	Cash assistance	Poor Households
PIP	Assistance in the field of education	Students
PBI JKN	BPJS contribution assistance	Poor society

Source: Ministry of Social Affairs, Ministry of Education and Culture, and Ministry of Education, Culture, Research and Technology of the Republic of Indonesia

The program demonstrates the government's commitment to mitigating the impact of the economic crisis by strengthening the social protection system. However, the success of social assistance programs is determined not only by the size of the allocated budget, but also by the accuracy of recipient targeting, the effectiveness of distribution, and the quality of oversight during implementation. Therefore, further analysis is needed to determine the extent to which social assistance programs are able to achieve their stated goals.

Effectiveness of aid programsSocial assistance can be assessed by the program's ability to achieve its primary objective, which is to protect low-income communities from the impacts of the economic crisis. This assessment can be seen through several indicators, including accuracy of recipient targeting, timeliness of distribution, accuracy of benefits, ability to maintain community purchasing power, and contribution to poverty reduction. In general, various social assistance programs have benefited communities, although their implementation still faces several challenges.

For example, Health Protection (PBI JKN Case):A 2024 evaluation by the SMERU Research Institute in several districts, including Lebak, Indramayu, and Sampang, demonstrated the vital role of the Health Insurance Premium Assistance (PBI JKN). This program has proven effective in providing financial protection and preventing the burden of out-of-pocket healthcare costs that often lead poor families to bankruptcy when facing catastrophic illness.

Based on the analysis, the social assistance program can be considered quite effective in mitigating the impact of the economic crisis on low-income communities. This program is able to help meet basic needs and indirectly contribute fully to poverty reduction. However, its effectiveness is not optimal becauseThere are still various obstacles, such as inaccurate targeting of recipients, delays in distribution in several areas, and the need to improve data accuracy and monitoring systems so that aid benefits can be received in a more targeted and sustainable manner.Therefore, stricter supervision of transportation in aid distribution and coordination between agencies need to be improved so that the implementation of this program can be more effective in overcoming the crisis (Prasetyo, 2021).

In terms of transparency and accountability, the implementation of social assistance is considered incomplete. Many residents remain unaware of the reasons why they are not receiving assistance, giving rise to social jealousy. The distribution of social assistance in the field faces numerous obstacles, particularly related to the accuracy of recipient data, overlapping programs, and weak verification and oversight systems. Abuse and corruption in social assistance distribution are rampant, including data manipulation, withholding of assistance by social assistance officers, and falsification of recipient identities. These cases highlight gaps in the oversight system and a lack of public awareness of their rights to social assistance (Latif & Pangestu, 2022).

Based on these findings, the implementation of social assistance programs in the field still faces a variety of complex challenges, ranging from incompletely accurate data collection, uneven distribution processes, and transparency issues that still need to be improved. This situation indicates that the existing system is not yet operating optimally and still requires comprehensive improvements. Therefore, comprehensive improvement measures are needed, such as regular and continuous updating of recipient data, increased coordination between relevant agencies, strengthening the monitoring system to increase accountability, and integrating social assistance programs with community economic empowerment efforts. With this approach, social assistance is expected to function not only as a short-term solution but also as a strategic instrument in promoting independence and improving community welfare in a sustainable manner.

Despite various obstacles still being encountered, the government continues to strive for improvements and innovations to ensure aid distribution is more effective and targeted. One example is seen in the implementation of Cash Social Assistance (BST) distribution in North Talikuran Village, which is considered to have gone quite well. The distribution process is carried out in accordance with official procedures established by the government, allowing recipients to receive aid directly at a designated location, namely through PT Pos Indonesia in Kawangkoan. Recipients only need to bring a notification letter and identification such as an Identity Card (KTP) or Family Card (KK). This simple and structured mechanism has proven to facilitate access for the public, especially those affected by the pandemic, allowing aid to be received more quickly, orderly, and efficiently. (Supit & Lumingkewas, 2023).

4. CONCLUSION

Social assistance programs serve as an effective fiscal stimulus to mitigate the impact of economic crises on low-income households, particularly by helping to meet basic needs, alleviate expenditure burdens, and sustain purchasing power. However, their effectiveness faces various challenges—specifically regarding accurate targeting of recipients, efficient distribution, implementation transparency, and the sustainability of benefits. Therefore, it is essential to regularly update data, strengthen inter-agency oversight and coordination, and integrate social assistance with economic empowerment programs; this ensures that the aid is not merely temporary but also fosters the self-reliance and economic resilience of low-income communities.

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