ABSTRACT

The Indonesian government continues to implement various programs to fight poverty. One of these initiatives is a Cash Conditional Transfer program called Program Keluarga Harapan (PKH). Along with efforts to reduce poverty, the government uses PKH as one strategy to reach financial inclusivity and close the digital divide through digitizing the distribution of PKH funds. However, the distribution of PKH in 2017 had several challenges including the low usage of bank accounts due to the lack of literacy among the beneficiaries. The biggest challenge is that the beneficiaries do not understand their bank accounts features, such as savings, transfers, or payments, and are still afraid of using the bank account due to the lack of literacy. This further demonstrates the fact that attaining financial inclusivity requires more than simply offering beneficiaries financial services. However, it has to include significant financial and digital literacy among the beneficiaries. This study examines how the digitalization of PKH funds has affected beneficiaries' financial literacy.

Keywords: Program Keluarga Harapan, Digitalization, Financial Inclusiveness, Financial Literacy