

Navigating the Digital Society: Financial Literacy as a Tool for Empowerment

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Abstract

In an era of an increasingly digitalized society, digital financial literacy has become a necessity to equip individuals with the knowledge and skills necessary to manage personal finances and take advantage of investment opportunities in a complex digital economic environment. This research aims to deepen understanding of financial literacy in a digital society and identify existing challenges and opportunities. This research uses a descriptive qualitative approach with data obtained from various research results and previous studies that are relevant to this research. The results of this research identify challenges, such as lack of motivation and complexity of financial products, as well as challenges measuring literacy levels and inequality of access. To achieve more equitable and sustainable financial literacy, fiscal incentives can also be used to encourage community participation in financial literacy programs. With the joint efforts of government, the financial industry, and society, we can achieve a more financially aware and skilled society in this ever-evolving digital era.

Keywords: Digital Society, Financial Literacy, Empowerment.

Abstrak

Di era masyarakat yang semakin terdigitalisasi, literasi keuangan digital telah menjadi suatu kebutuhan untuk membekali individu dengan pengetahuan dan keterampilan yang diperlukan untuk mengelola keuangan pribadi dan memanfaatkan peluang investasi dalam lingkungan ekonomi digital yang kompleks. Penelitian ini bertujuan untuk memperdalam pemahaman literasi keuangan dalam masyarakat digital dan mengidentifikasi tantangan dan peluang yang ada. Penelitian ini menggunakan pendekatan deskriptif kualitatif dengan data yang diperoleh beragam dari hasil penelitian dan penelitian terdahulu yang relevan dengan penelitian ini. Hasil penelitian ini mengidentifikasi tantangan-tantangan seperti kurangnya motivasi dan kompleksitas produk keuangan, serta tantangan dalam mengukur tingkat melek huruf dan ketimpangan akses. Untuk mencapai literasi keuangan yang lebih berkeadilan dan berkelanjutan, insentif fiskal juga dapat digunakan untuk mendorong partisipasi masyarakat dalam program literasi keuangan. Dengan upaya bersama dari pemerintah, industri keuangan, dan masyarakat, kita dapat mencapai masyarakat yang lebih sadar dan terampil secara finansial di era digital yang terus berkembang ini.

Kata Kunci: Masyarakat Digital, Literasi Keuangan, Pemberdayaan.

INTRODUCTION

Societies around the world are currently facing a profound transformation in the way they interact, learn, communicate, and manage their finances, driven by advances in information and communications technology. The development of digital technology, especially the internet, has changed the social and economic landscape significantly, having a major impact on consumption patterns, learning, and individual financial management. In this digital era, we are witnessing a dramatic shift in various aspects of daily life, involving the use of technological devices, ranging from smart devices (smartphones, tablets) to online platforms that provide financial services, online trading, and educational resources (Zhang et al., 2022).

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Modern digital citizens have greater access to financial information, products, and services, but often also face new challenges, including demands to understand increasingly complex financial concepts, manage financial risks, and avoid digital debt traps that can burden them financially. In addition, global economic uncertainty, the financial crisis, and other economic turmoil have emphasized the need to increase financial literacy for the digital community. The increasing accessibility of financial products and services in the digital ecosystem also opens up great opportunities for financial empowerment, which can be a solution to problems of economic inequality and financial uncertainty (Zachariadis et al., 2019).

To achieve true financial empowerment in the digital era, people need to have a strong understanding of financial literacy. Financial literacy is not only about a basic understanding of money management but also about the ability to identify opportunities and risks in the various financial products and services offered by the digital world. This will allow individuals to make wise decisions about investments, avoid costly financial pitfalls, and build a solid financial foundation for the future (Dewi et al., 2020).

However, although the importance of financial literacy is widely recognized, several issues need to be resolved in the context of a digital society. Low levels of financial literacy among parts of the population, uncertainty regarding security and privacy in digital transactions, and constant changes in technology and financial products are all challenges that need to be overcome. Therefore, in-depth research on financial literacy in a digital society becomes very relevant and urgent (Goyal & Kumar, 2021).

In this context, this research aims to navigate and understand the dynamics of financial literacy in a digital society and how financial literacy can be considered as a tool for individual empowerment in facing rapid and complex changes in the digital economy.

THEORETICAL FRAMEWORK

Digital Society

As we know, humans are social creatures who cannot live alone. Every human being living in the world needs help from other people. This interdependent attitude between one human being and another human being then causes humans to live in groups and society. Society originates from the Latin term *socius*, signifying (companion). It denotes a collective of individuals harmoniously coexisting, scientifically engaging with one another. An individual entity can establish a framework enabling its populace to interact (Wong, 2020).

Every member of a community consists of individuals residing together, and this cohabitation can be viewed synonymously with existing in a communal environment, a circumstance brought about by human connections and engagements. Mac Iver and Page elaborate on society as a framework encompassing traditions, protocols, governance, and collaboration among factions, as well as the categorization and oversight of human conduct and practices. Society manifests as a sustained communal existence giving rise to established customs (Neves et al., 2019). As per Ralph Linton, society constitutes any assembly of individuals who have coexisted and collaborated for a considerable duration, allowing them to structure their organization and perceive themselves as a cohesive entity with distinct limits. Conversely, according to Selo Soemardjan, society comprises individuals cohabiting, giving rise to culture, sharing a collective territory, identity, customs, traditions, attitudes, and a sense of solidarity forged by commonalities (Brand et al., 2021).

Emile Durkheim characterized society as the tangible actuality of its individual members. The existence of a society forms a social system where its components are interlinked, forming a unified

entirety. Within a society, individuals encounter each other in diverse roles. For instance, during a tourist expedition, one engages with a tourism system comprising a tourist bureau, tourism manager, travel companion, and accommodations (Folke et al., 2021).

Digital society is a progressive society and is formed from the results of adaptation and integration between information and communication technology, computer knowledge, and humanities in the home environment, work environment, education, and even in the recreational sphere. A digital society is a society that utilizes or uses digital technologies around it in carrying out activities in their lives (García-Esparza et al., 2023). Digital technology denotes a form of technology that has moved beyond manual human effort, instead relying on a fully automated operating system with computerized formats comprehensible to computers. It incorporates a swift calculation system processing information in the form of numerical values, represented as digital codes. Digitalization has a very broad impact on various aspects of human life, such as economic activities, public and health services, and so on (Wang et al., 2022).

The digital society has a high need for availability and ease of access to information. This is a characteristic of digital society, namely the large demand for workers in the fields of communication and information, and has led to changes in patterns of social interaction from direct interaction to indirect interaction, namely through social networks. Digitalization in the current era has become a part of today's human life for various purposes. In the era of digital society, various digital platforms have emerged that have changed the perspective and structure of human life in socio-economic and cultural terms (Susanto et al., 2021). A digital society mirrors the outcomes of contemporary society as it embraces and fuses information and communication technology into domestic, professional, educational, and recreational spheres. The surge of digital innovation is reforming our society, economy, and industries with unparalleled magnitude and velocity. Technologies like mobile and cloud systems, Big Data, and the Internet of Things present boundless prospects, fostering advancements, enhancing citizens' well-being, and optimizing efficiency across diverse sectors such as healthcare, transportation, energy, agriculture, manufacturing, retail, and public administration. Additionally, they hold the potential to refine governmental processes by aiding policymakers in informed decision-making and engaging citizens (Li, 2020). The Internet holds significant promise in advancing democracy, cultural variety, and fundamental human rights such as freedom of expression and information. Nevertheless, it is imperative to comprehend the ramifications of the scale and rapidity of this transformation on consumers, users, citizens, and workers, converging into a collective 'digital human.' Understanding these effects is crucial in assessing the impact on social and personal spheres, education, science, government, democracy, and business (Momen, 2019).

Financial Literacy

The term "financial literacy" was initially introduced in 1787 in the United States when John Adams, in a letter to Thomas Jefferson, recognized the necessity for financial literacy to alleviate the prevalent confusion and distress in America stemming from ignorance about credit, circulation, and coin nature. This concept encompasses individuals from diverse backgrounds and all strata of society (Adil et al., 2023). As per Chen and Volpe, financial literacy extends beyond mere knowledge of managing finances; it involves the capability to handle finances effectively for a more prosperous future. It encompasses not only financial knowledge but also individual behaviors aimed at enhancing financial literacy. In Kaly's perspective, financial literacy is the proficiency in comprehending financial conditions and concepts, translating that knowledge into appropriate behavior (Mavlutova et al., 2021).

Remund defines financial literacy as knowledge, ability, and self-confidence expressed in the process of managing finances and making appropriate decisions and plans for the short and long term. Remund stated that there are five concepts of financial literacy, namely knowledge, communication skills, skills to manage personal finances, skills to make the right financial decisions, and good financial planning for the future (Aristei & Gallo, 2021).

Lusardi and Mitchell say that financial knowledge is an individual's intellectual knowledge that influences their behavior in managing personal finances to improve their welfare. Gallardo and Libot stated that financial literacy is a combination of a person's awareness, knowledge, ability, management, and planning regarding business and finance. Bhushan and Medury explain that financial literacy is correct judgment, and making effective decisions about the use and management of money (Goyal et al., 2021).

The Financial Services Authority characterizes financial literacy as a set of processes or endeavors aimed at enhancing the knowledge, skills, and confidence of consumers and the broader community, empowering them to better manage their finances. The OJK articulates the vision of financial literacy as fostering a highly financially literate Indonesian society, enabling individuals to make informed choices and utilize financial products and services to enhance well-being. The mission involves imparting financial education to the Indonesian populace, facilitating intelligent financial management, and boosting access to information and the utilization of financial products and services through the development of supportive infrastructure (Warmath & Zimmerman, 2019).

Financial Literacy encompasses grasping financial products and concepts through information and guidance, coupled with the skill to recognize and comprehend financial risks, facilitating prudent financial decision-making. It can be characterized as possessing financial knowledge as a means to attain prosperity. This can be interpreted as meaning that preparations need to be made to welcome globalization, and more specifically, globalization in the financial sector. Hilgert and Cude also stated that the need for financial knowledge and investment techniques is something that cannot be ignored anymore like in the past (Klapper & Lusardi, 2020).

Empowerment

In terms of concept, empowerment derives from the term power. It pertains to enhancing individuals' capacities, particularly those in vulnerable and disadvantaged groups, enabling them to possess the strength or capability to: (a) meet their fundamental needs, experiencing freedom not just in expressing opinions but also freedom from hunger, ignorance, and pain; (b) access productive resources, elevating their income and acquiring necessary goods and services; (c) engage in developmental processes and have a say in decisions that impact them (Halvorsen et al., 2020).

Various experts define empowerment concerning its objectives, processes, and methodologies. Jim Ife, in "Building a Community Empowering People," asserts that empowerment strives to enhance the power of individuals who are vulnerable or disadvantaged. Within the same book, it is described as a process wherein individuals gain the strength to participate in controlling and influencing events and institutions that impact their lives (Uddin, 2019). The essence of empowerment lies in individuals acquiring the skills, knowledge, and power necessary to influence not only their lives but also the lives of those they care about. On the other hand, Swift and Levin, in their work on building an Empowering Society community, define empowerment as endeavors to redistribute power by altering social structures (Vainauskienė & Vaitkienė, 2021).

Indeed, drawing from the provided definitions, empowerment can be characterized as a sequence of endeavors aimed at fortifying the power or capabilities of vulnerable and disadvantaged groups in

society. This includes individuals facing challenges such as poverty. The goal is to empower them to fulfill their daily needs encompassing physical, economic, and social aspects, fostering attributes like self-confidence. Additionally, empowerment involves the ability to articulate aspirations, secure a livelihood, engage in social activities, and attain independence in fulfilling life tasks (Coy et al., 2021). The approach employed for empowerment involves offering motivation or support in the form of resources, opportunities, knowledge, and skills to the community. This aims to enhance their capacity, raise awareness of their inherent potential, and encourage active efforts to cultivate and develop that potential (Surya et al., 2020).

RESEARCH METHOD

This research will be carried out by adopting a descriptive qualitative approach, in line with the background framework that has been prepared. Descriptive qualitative methods will allow research to comprehensively deepen understanding of financial literacy in a digital society. The data that will be used in this research comes from various research results and previous studies which have relevance and are similar in discussion to the objectives of this research. Data from previous studies will be the main source of information in exploring aspects of financial literacy in a digital society. This data will involve previous research findings and results covering challenges, opportunities, policies, initiatives, obstacles, and various other aspects related to digital financial literacy. After the research data has been collected, the data will be processed through careful and detailed analysis to identify significant patterns, trends, and findings. The results of this research will make it possible to present a more complete picture of digital financial literacy and provide in-depth insight into how financial literacy can be improved in a digital society (Sari et al., 2022).

RESULTS AND DISCUSSION

Financial Literacy Challenges in a Digital Society

Modern digital society is faced with several serious challenges in terms of financial literacy, along with the rapid development of technology and the economic transformation brought about by digital advances. One of the key challenges is the dynamic change in digital financial products and services. In an era where mobile banking apps, online stock trading platforms, and cryptocurrencies increasingly dominate the economy, individuals are required to continually understand these products and how to use them. The rapidly changing nature of digital financial technology requires a deep understanding and constant updating of its opportunities and risks. Therefore, financial literacy is not only about basic understanding but also the ability to adapt to constant changes in the digital financial world.

Apart from dynamic changes in digital financial products and services, there are also threats related to security and privacy in online transactions. The digital society is constantly faced with the risk of identity theft, and online fraud, as well as its vulnerability to data breaches. In this context, financial literacy also includes understanding how to protect themselves online, managing strong passwords, identifying signs of fraud, and understanding their rights as consumers in terms of security and privacy. Lack of financial literacy in this regard can result in serious financial losses and security risks for individuals.

Despite the enormous opportunities offered by the digital economy, unequal access to technology and financial literacy knowledge remains a relevant issue. Some people may not have equal access to digital devices and the internet or may face barriers to understanding complex financial concepts. These

kinds of inequalities can produce deeper economic inequalities and exacerbate social inequalities. Improving financial literacy in a digital society must include efforts to ensure that access to technology and financial literacy knowledge can be extended to all levels of society so that every individual has an equal opportunity to benefit from the rapidly developing digital economy.

In addition to the three main challenges mentioned previously, it is important to consider the uncertainty and rapid change in the world of digital finance. Financial products and services that are popular today may become irrelevant or may be replaced by innovations in a short time. Therefore, individuals who do not continuously improve their financial literacy will be vulnerable to financial risks. Increasing understanding of trends and developments in financial technology, such as blockchain, fintech, or algorithm-based investing, is also an additional challenge that the digital society needs to overcome. This emphasizes the importance of ongoing education and training in financial literacy to ensure that individuals can keep up with changes and benefit from innovations in the digital economy.

The digital society also faces ethical and responsible issues in the use of financial technology. Financial literacy in an ethical context can help individuals understand the social, economic, and environmental implications of their financial decisions. This includes ethical considerations related to social and environmental investments, as well as consideration of the economic impact on society as a whole. These kinds of ethical challenges highlight the importance of including ethical aspects in financial literacy education in a digital society. By understanding that their financial decisions also have social and ecological impacts, individuals can be more responsible in managing their finances and participate in the formation of a sustainable and ethical digital economy.

In a situation where financial literacy has become increasingly important to manage personal finances wisely, avoid financial risks, and take advantage of financial opportunities in a digital society, understanding and overcoming these challenges is key to advancing the financial empowerment of individuals and communities in this era.

Empowerment Opportunities Through Financial Literacy

Financial literacy is not only a tool for avoiding financial risks, but also a powerful tool for improving wise financial decision-making. In a digital society, where individuals have greater access to information and a variety of financial products and services, financial literacy allows individuals to carefully examine available financial options. With a solid understanding of financial concepts, individuals can make wiser decisions about investments, manage debt more effectively, and plan for their financial future. This capability has a positive impact on the financial stability of individuals and families and can help them plan for a more secure and prosperous retirement. Additionally, financial literacy also opens the door to greater access to investment and financial opportunities. In the digital era, there are various investment opportunities that individuals can use, such as stocks, mutual funds, cryptocurrencies, and many more. With sufficient financial literacy knowledge, individuals can understand the risks and potential returns of these various types of investments. They can identify opportunities that fit their financial goals and build an investment portfolio that can help them achieve those goals. Financial literacy can also help individuals avoid high-risk and potentially detrimental investments.

In a digital society, personal financial management is also increasingly simplified through digital tools. Mobile banking apps, financial management software, and online financial planning services make it easier for individuals to track their spending, manage budgets, and plan savings. Financial literacy allows individuals to maximize the benefits of these tools. With a solid understanding of financial basics, individuals can make better decisions in managing their finances. They can plan their savings, reduce debt,

and achieve their short and long-term financial goals more efficiently. Empowerment opportunities through financial literacy also involve another important aspect, namely the development of relevant financial skills. In a fast-paced digital society, individuals need to understand the appropriate skills and knowledge to manage their finances efficiently. This includes understanding how to manage debt, setting a personal budget, identifying investments that suit their financial goals, as well as how to minimize financial risks. Through education and training focused on financial literacy, individuals can develop these skills and feel more confident in dealing with aspects of their finances in a complex digital world.

Apart from that, financial literacy can also help in facing unexpected financial challenges. In a digital society, individuals may face changes in employment, economic fluctuations, or emergencies that require quick financial decisions. With a better understanding of financial literacy, individuals can better prepare themselves to handle these situations. They can plan financial reserves, understand available credit options, and make wiser decisions in the face of financial uncertainty. In other words, financial literacy empowers individuals to better face the challenges and opportunities that arise in a digital society.

It can be said that financial literacy is the key to individual financial empowerment in a digital society. With a strong knowledge and understanding of finance, individuals can make wise decisions, access investment opportunities, and better manage personal finances. This not only has a positive impact on their financial stability but also on overall economic development, as more financially literate people tend to be smarter consumers and more conscious investors.

Financial Literacy Education in the Digital Era

Financial literacy education has a very important role in today's digital society. First, formal and informal education plays a role in increasing financial literacy. Schools, universities, and other formal educational institutions have a responsibility to incorporate financial literacy into their curriculum. This enables the younger generation to understand financial concepts, from managing personal budgets to long-term investments. Formal education can also help address the issue of unequal access to financial literacy knowledge, as it can provide an equal foundation for all students. Apart from formal education, informal education also plays a big role in improving financial literacy. Financial literacy training and seminars available in communities, non-governmental organizations, and non-governmental organizations help individuals understand financial concepts in greater depth. They can provide practical guidance on personal financial management, investing, and retirement planning. By utilizing formal and informal education, society as a whole can improve its understanding of financial literacy.

In facing an ever-changing digital society, developing financial literacy programs that are in line with digital trends is also important. These programs should include an understanding of financial technology, mobile banking applications, online investing, and online security. They must design relevant curricula that keep pace with changes in technology and digital finance. Through this approach, individuals can understand how to use digital tools to manage their finances and take advantage of the opportunities offered by the digital economy. Increasing financial literacy awareness can also be achieved through online resources available to the public. Websites, e-learning platforms, and other digital resources can provide easy access to financial literacy information. The public can access articles, videos, financial calculators, and other resources designed to improve their understanding. Additionally, online forums and social communities also allow individuals to share their knowledge and experiences in terms of financial literacy. All of this helps increase awareness and understanding of financial literacy in an ever-changing digital society. To achieve greater financial empowerment, financial literacy education that is appropriate to this digital era is very important.

In addition to formal education, informal education, and online resources, the role of the financial industry in improving financial literacy is also noteworthy. Financial institutions, such as banks and insurance companies, can play an active role in providing financial literacy information and training to their customers. They can develop customized educational programs and provide access to tools that help customers understand the financial products and services they use. By doing this, the financial industry can help build better relationships between themselves and their customers, while helping to improve customers' financial understanding and preparedness. Finally, cooperation between the public and private sectors in promoting financial literacy is very important. The government can play a role in designing policies and regulations that encourage financial institutions to provide better financial literacy services. Apart from that, the government can launch a financial literacy campaign aimed at the wider community. This collaboration between the public and private sectors can create an environment that supports increasing financial literacy and helps digital society face the challenges and opportunities in the complex world of modern finance. With this joint effort, financial literacy can become more equitable and achieve more positive outcomes in a rapidly developing digital society.

Barriers and Challenges in Increasing Digital Financial Literacy

One of the main challenges in increasing digital financial literacy is the lack of motivation that drives individuals to improve their understanding of finance. Many people may feel uninterested or intimidated by financial topics, especially if they find them difficult or boring. Additionally, a lack of understanding of the direct benefits that can be gained from increasing financial literacy can hinder individual motivation. Therefore, efforts are needed to motivate individuals, both through formal and informal education, that highlights the direct benefits that can be gained from a better understanding of personal finance. Motivating individuals to take small steps in improving their financial literacy is an important step in overcoming this barrier.

Apart from lack of motivation, the complexity of financial products and language that is difficult to understand are other obstacles to increasing digital financial literacy. Financial products and services are often designed with technical terms and jargon that are difficult for ordinary people to understand. This complexity can intimidate individuals and discourage them from trying to understand these products. In facing these challenges, an effective approach is to simplify language and ensure transparency in communications regarding financial products and services. This will make understanding financial products more accessible and understandable to everyone, regardless of education level or financial background.

Another challenge is the difficulty in measuring the level of financial literacy. We cannot improve something that cannot be measured properly. Therefore, it is important to develop metrics and assessments that can be used to measure the level of financial literacy of individuals and society as a whole. With a solid understanding of where society's financial literacy levels lie, we can design more effective programs and initiatives to improve financial literacy. Difficulty in measuring levels of financial literacy can also hinder evaluation and comparison efforts between different financial literacy programs. Therefore, there needs to be clear standards and frameworks for measuring financial literacy, which can be widely adopted in various contexts of digital society.

Technological advances and constant changes in the digital economy are also obstacles to increasing digital financial literacy. New financial technologies such as cryptocurrencies, peer-to-peer lending, and online investment platforms continue to develop, and individuals must continue to adapt to these developments. As digital financial products and services continue to develop and become more

complex, individuals may feel overwhelmed and unsure about what steps to take. Additionally, financial risks can also increase in this digital environment. In particular, uncertainty related to security and privacy in online transactions may make individuals wary, and this may hinder the use of digital financial services.

Furthermore, the adoption of financial literacy in a digital society is often hampered by issues of inequality. Inequality in access to technology and financial literacy knowledge can be a serious challenge. Individuals in less developed areas or with limited access to the Internet may have difficulty keeping up with developments in financial literacy. They may also have less exposure to the financial literacy opportunities and resources available in the digital environment. Therefore, it is important to ensure that efforts to improve financial literacy also include strategies to address inequalities of access and opportunity, so that every individual, regardless of their background, can benefit from financial literacy in a rapidly evolving digital society.

Government Policies and Initiatives to Promote Digital Financial Literacy

The government has an important role in encouraging digital financial literacy through regulations and consumer protection in digital transactions. Clear and strong regulations can help protect consumers from fraud and harmful financial practices. For example, rules requiring financial service providers to provide clear and transparent information to customers about the costs, risks, and terms of digital financial products are essential. These regulations may also include strict security and data privacy requirements to protect customers' personal information. In addition, an effective dispute resolution mechanism must also be in place so that consumers have a reliable channel to resolve their financial problems.

The government can also promote financial literacy through education programs and public campaigns. Educational programs organized by the government may include financial literacy training in schools and other educational institutions. This program can ensure that the younger generation is familiar with financial concepts from an early age. Public campaigns organized by the government can also increase public awareness about the importance of financial literacy. They can provide information about available financial literacy resources and educate the public about the risks and benefits of using digital financial services. In this way, governments can play a key role in educating and helping people to make wiser financial decisions in a complex digital society.

Furthermore, partnerships with the financial industry can be an effective initiative to improve financial literacy. The government can work with financial institutions and fintechs to provide relevant financial literacy programs, resources, and tools. This kind of partnership can help create financial literacy programs that align with trends and innovations in the digital finance industry. This can also ensure that an understanding of digital financial products and services is better conveyed to consumers. With collaboration between the government and the financial industry, efforts to increase digital financial literacy can be more effective and targeted, providing greater benefits for society in the digital era.

Apart from that, the government can also impose taxes or fees on the digital financial sector to support financial literacy programs. These taxes can be allocated to education funds and financial literacy campaigns. In this way, the digital financial industry makes a direct contribution to the government's efforts to increase public financial literacy. This additional funding can be used to create more financial literacy resources, develop better educational curricula, and increase public access to financial literacy information and training. With the active involvement of the financial industry in financing financial literacy efforts, we can achieve more sustainable results in improving financial understanding in a digital society.

Furthermore, the government can design fiscal incentives to encourage individuals and families to take part in financial literacy programs. This could be a tax deduction or other tax incentive for those who take financial literacy training or invest funds in financial instruments that suit long-term financial goals. Such incentives can motivate people to actively participate in efforts to improve their financial literacy while providing fiscal benefits as an additional incentive. With incentives like this, the government can stimulate people's interest in taking positive steps to improve their financial understanding and better manage their finances in a digital era full of opportunities and risks.

CONCLUSION

The governance of the Non-Cash Food Assistance Program (BPNT) in Baubau City is not yet fully managed with principles of accountability, transparency, and participation. This is evident from the data showing that some BPNT recipients who should not receive food assistance continue to receive it, as well as the reluctance of recipients to maintain their BPNT cards. Furthermore, community participation remains partial, and the distribution of non-cash food assistance has not alleviated poverty. The BPNT program has generated dependency on the government. Therefore, the application of governance principles based on Results-Based Accountability (RBA) is required, emphasizing the importance of collective community involvement, electronic-based transparency, and public participation. The management of the public sector in the digital era needs a commitment to implement the main principles of governance, dynamic governance, and electronic governance to empower the community out of poverty and towards self-sufficiency and prosperity.

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