The Effectiveness of the Implementation of the Local Government Digitalization Program in Increasing Local Original Income in South Bolaang Mongondow Regency

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Article Info	Abstract
	This study aims to analyze the effectiveness of the implementation of the digitalization program implemented by the Regional Government of South Bolaang Mongondow Regency in order to increase Regional Original Revenue (PAD). Government digitalization is part of efforts to reform bureaucracy and regional financial transparency which is expected to improve the efficiency of public services and optimize regional revenue. The research method used is an empirical juridical approach with data collection techniques through literature studies, observations, and interviews with local government officials and related parties. The results of the study show that the implementation of digitalization, such as regional tax information systems and electronic-based licensing services, makes a positive contribution to increasing PAD. However, its effectiveness is still constrained by technical factors such as uneven technological infrastructure, low digital literacy of apparatus, and limited supporting regulations. Therefore, it is necessary to strengthen regional legal policies, increase human resource capacity, and synergy between institutions to support the sustainability of digitalization programs. These findings provide important implications for the development of regional administrative laws and the formulation of digital-based fiscal policy strategies.

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1. INTRODUCTION

Indonesia is also experiencing the development of Industry 4.0, in which case the developments that occur are in terms of technology. The industrial revolution 4.0 applies the concept of automation carried out by machines without requiring human labor in applying it. Where it will be efficient in time, labor and cost. One of the biggest things in the 4.0 revolution is the Internet of Things (IOT). IoT has the ability to connect and facilitate the communication process between machines, devices, sensors and humans through the internet network. As a small example, if previously in the Industrial Revolution 3.0 era we could only transfer money through ATMs or bank tellers, now we can transfer money anywhere and anytime as long as we are connected to the internet.

In the regions, one of the factors to advance a region is by managing regional taxes and levies properly, in Law number 1 of 2022 concerning Financial Relations Between the Central and Regional Governments, Regional Taxes are mandatory contributions to the

region owed by individuals or entities that are coercive based on the law, by not getting direct rewards and used for regional needs for the greatest possible prosperity of the people.

According to Krebe, the state as the creator and promoter of the law in all its activities must be subject to the applicable law. The Government of Indonesia itself responds to the development of information technology or the industrial revolution 4.0 by issuing Law Number 1 of 2022 concerning Financial Relations Between the Central Government and Regional Governments, where in article 177 it states that the Government builds a Regional Development Information System, Regional Financial Management, and other information through a Digital platform that is interconnected with the national fiscal policy consolidation information system.

The implementation of the local government digitalization program in South Bolaang Mongondow Regency is one of the strategic efforts taken to improve the effectiveness of Regional Original Revenue (PAD) management, where this digitalization not only functions as a tool for administrative modernization but also as a transparency and accountability mechanism that is able to minimize leaks and irregularities in the process of collecting data and collecting regional taxes, which ultimately has an impact on significant increase in regional revenue.

The implementation of information technology in the public service system such as tax and levy management, business license issuance, and regional financial monitoring system has allowed local governments to carry out stricter and more efficient supervision, so as to speed up the administrative process and make it easier for people to fulfill their tax obligations without having to experience complicated and long bureaucracy like in the previous manual system.

In addition, this digitalization program also plays an important role in presenting accurate and real-time data, so that local governments can conduct revenue analysis more quickly and precisely, as well as plan fiscal policies that are more responsive to regional development needs.

However, the effectiveness of the implementation of digitalization still faces various challenges, including the limitations of information technology infrastructure that is not evenly distributed throughout South Bolaang Mongondow Regency, the inequality of human resource capacity in operating the digital system, and organizational culture constraints that tend to be slow to adapt to new technological changes.

This shows that the success of the digitalization program does not only depend on the availability of technology, but also on the aspects of comprehensive regulation and human resource development as well as synergy between the central and regional governments to support the overall renewal of the regional administrative system.

In addition, legally, the digitization of public services must be supported by clear and adaptive regulations so that the implementation of digitalization can run in accordance with the principles of good governance and applicable laws and regulations, so as not to cause legal problems in the future related to data security, personal information protection, and the validity of electronic documents in local government administration.

Thus, digitalization in the context of PAD management in South Bolaang Mongondow Regency has great potential to increase regional income in a sustainable manner if supported by strong legal policies, adequate human resource training, and the development of even technological infrastructure to remote areas.

2. RESEARCH METHODS

This study uses normative research methods and empirical research methods in combination to obtain a comprehensive picture of the effectiveness of the implementation

of the local government digitalization program in increasing Regional Original Income in South Bolaang Mongondow Regency. The normative method is used to examine the legal and regulatory aspects that govern the implementation of local government digitalization by examining relevant laws and regulations, policy documents, and legal literature. This approach aims to understand the legal basis, regulatory framework, and principles of state administration that underlie the implementation of digitalization.

3. RESULTS OF RESEARCH AND DISCUSSION

a. The Effectiveness of the Implementation of Regional Government Digitalization in Increasing Regional Original Income in South Bolaang Mongondow Regency

The implementation of local government digitalization in South Bolaang Mongondow Regency is a strategic step that aims to increase the effectiveness of Regional Original Revenue (PAD) management, where this digitalization brings significant changes in government administration governance through the application of information technology that allows the automation of the process of collecting, processing, and reporting regional financial data more quickly, accurately, and transparently so as to reduce the potential for data leakage and manipulation which has been one of the obstacles in conventional PAD management.

NO	TAHUN ANGGARAN	PENETAPAN PAD	REALISASI	RASIO EFEKTIFITAS	ANALISIS EFEKTIFITAS
1	2021	6.567.323.485	6.558.413.919	99.86%	EFEKTIF
2	2022	5.681.108.133	6.254.650.968	110.10%	SANGAT EFEKTIF
2	2023	5.798.488.867	7.370.045.598	127.10%	SANGAT EFEKTIF

The data presented includes the determination of the planned PAD, the realization of the revenue that has been collected, as well as the effectiveness ratio and effectiveness analysis that provides an overview of the achievement of the PAD target each year. In 2021, the determination of PAD of 6,567,323,485 IDR with the realization of 6,558,413,919 IDR resulted in an effectiveness ratio of 99.86%. Although there is a slight difference between the determination and the realization, this achievement is still considered effective because the effectiveness ratio is close to 100%, indicating that local governments are close to achieving the target despite external or internal factors affecting the collection of PAD. In 2022, there was a significant increase, with the determination of PAD of 5,681,108,133 IDR and a higher realization, namely 6,254,650,968 IDR. The effectiveness ratio this year reached 110.10%, reflecting an extraordinary performance in PAD management, where local governments managed to exceed the set targets. Meanwhile, in 2023, the determination of PAD of 5,798,488,867 IDR with the realization of 7,370,045,598 IDR resulted in an effectiveness ratio of 127.10%. This figure shows that the realization of PAD exceeds the set target with a very high effectiveness ratio, indicating the increasingly effective planning and management of resources by local governments in achieving optimal results.

The implementation of digital systems in various aspects of public services, such as electronic tax systems, online levies, and application-based licensing, makes it easier for the public and business actors to fulfill their tax obligations in a shorter time and

simpler process, while allowing local governments to conduct real-time monitoring to improve the accuracy of data collection and tax collection.

In addition, this digitalization also improves the quality of public services and strengthens the accountability of local governments, which in turn increases public trust in the government and encourages active participation of citizens in supporting the improvement of PAD through higher tax compliance.

However, the effectiveness of the implementation of digitalization still faces a number of technical and non-technical obstacles, including the limitations of technological infrastructure in remote areas, the low capacity of human resources in the operation of digital systems, and regulatory and policy obstacles that have not fully supported the optimization of digitalization in all sectors of local government.

In addition, organizational culture that still relies on manual systems and is less adaptive to technological changes is an important inhibiting factor that needs serious attention in order to ensure the sustainability and success of this digitalization program, Legally, the implementation of this digitalization must be supported by a strong and adaptive regulatory framework to regulate technical aspects, data security, and user privacy protection so that the implementation of digitalization does not cause legal problems in the future, and in line with the principles of good governance that emphasize transparency, participation, and accountability in regional financial management.

Thus, the digitalization of local governments in South Bolaang Mongondow Regency has great potential to significantly increase Regional Original Revenue if supported by strengthening regulations, increasing human resource capacity, and developing equitable and sustainable technological infrastructure.

Therefore, local governments must simultaneously build technical regulations that regulate digital governance, cybersecurity, and the rights and obligations of local government digital service users. Synergy between the central and regional governments, as well as collaboration with the private sector and academia, is key in accelerating the digitalization process so that it is able to produce an effective and efficient public service system in the long term.

From an economic and fiscal perspective, digitalization opens up opportunities to increase the tax base through more accurate data collection and a real-time monitoring system, so that revenue potentials that have been hidden or undetected can be explored optimally, which ultimately contributes to strengthening regional finances and implementing sustainable development, However, the success of this digitalization program requires a strong commitment from all stakeholders. including government officials, the community, and business actors, to jointly support system change with full awareness and mental readiness, so that the program can run without meaningful obstacles and provide maximum benefits for the improvement of PAD in South Bolaang Mongondow Regency.

b. Inhibiting Factors by Local Governments in the Implementation of Digitalization of Local Governments in Increasing Regional Original Income in South Bolaang Mongodow Regency

In the implementation of the local government digitalization program as an effort to increase Regional Original Revenue (PAD) in South Bolaang Mongondow Regency, there are a number of inhibiting factors that come from within the local government itself, which significantly affect the effectiveness and sustainability of the digitalization, where these factors include the limitation of human resources who do not have adequate competence in the management of information technology, thus causing

the low operational quality of the digital system implemented and the lack of optimal utilization of available software and hardware.

In addition, the unpreparedness of the apparatus in adapting to technological changes, which is often caused by a lack of training and socialization related to the use of digital systems, results in organizational cultural resistance that hinders the digital transformation process and reduces work productivity.

Furthermore, aspects of internal regulations and regional policies are also significant obstacles, where the lack of clear and comprehensive regulations or technical guidelines regarding the implementation of digitalization results in inconsistencies in implementation, lack of legal certainty for apparatus in carrying out their duties, and the lack of a structured supervision mechanism for the use of digital systems so that potential abuse and fraud are still possible. The limited budget specifically for the development and maintenance of information technology infrastructure is also a major obstacle, because inadequate allocation of funds leads to the procurement of devices and networks that are not optimal, as well as a lack of investment in system upgrades that make existing digital systems vulnerable to technical disturbances and unresponsive to the development of user needs.

In addition, weak coordination and synergy between work units in local government is an equally important inhibiting factor, because the digitalization of local government requires good cross-sectoral collaboration so that the system can run integrated and data can be managed properly, but there is often overlap of tasks, ineffective communication, and system fragmentation that cause data inconsistencies and slow down decision-making affect the effectiveness of increasing PAD.

These factors, if not addressed immediately, will become a serious obstacle to the success of local government digitalization in an effort to increase Regional Original Revenue in South Bolaang Mongondow Regency, so a strong commitment from regional leaders is needed to carry out bureaucratic reforms, increase human resource capacity, improve regulations, and strengthen the budget and internal coordination as strategic steps to overcome these obstacles Total.

1. CONCLUSION

The implementation of digitalization by the South Bolaang Mongondow Regency Government has contributed positively to increasing Regional Original Revenue (PAD), especially through service efficiency, tax collection transparency, and ease of public access. However, the effectiveness of the implementation of digitalization has not been optimal because it is still faced with various internal constraints, such as limited human resources, uneven technological infrastructure, weak coordination between regional apparatus, and the lack of comprehensive supporting technical regulations. Therefore, a strong commitment of local governments is needed in strengthening policies, increasing apparatus capacity, and system integration to realize effective and sustainable digitalization in encouraging the increase in PAD.

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