



THE EFFECT OF SPECIAL AUTONOMY FUND ON ACEH'S ECONOMIC GROWTH

Devita Aryani¹, Weri²

Faculty of Economics and Business, Universitas Syiah Kuala, Indonesia
Corresponding E-mail: ¹devitaaryani.e.l.v@gmail.com, ²weri@usk.ac.id

Abstract

The reason for this examination is to break down the impact of Unique Independence reserve (Otsus) to the financial development of Aceh. The model utilized in this examination is straightforward direct relapse by involving time series information for the extended period of 2008 to 2022. Findings of this research show that Otsus fund has a positive and significant effect to the economic growth of Aceh which is 1 percent increasing in Otsus fund will increase 0.32 percent the economic growth of Aceh by assumption that other variables do not change. This shows that Otsus fund has an important role in increasing economic growth of Aceh. Because the role of this Otsus fund in increasing Aceh's economic growth can be optimized in the future, it is recommended to the Aceh Government to evaluate and review the purpose, allocation, and the using of the Otsus fund for Aceh and Locale/Regions Government.

Keywords: *Special Autonomy Fund, Economic Growth, Gross Regional Domestic Product, Aceh.*

1. INTRODUCTION

Economic growth is the process of increasing output from one period to another and is an important indicator for estimating the progress of a country's development. Economic development and regional progress are very important concerns to discuss because they are closely related to government support and community progress. In general, economic growth is the process of changing a country's financial condition continuously towards better conditions within a certain period of time. Meanwhile, explicitly economic growth is the most common way to expand the limits of economic creation which is realized through increasing state or provincial revenues (Gross Domestic Product / GDP) (Ramazan et al., 2022).

GRDP is essentially the degree of monetary action in a locale, whether completed by the local area, district or government inside a specific timeframe, which incorporates all creation results or results did by a locale, so GRDP can in a roundabout way be utilized as a kind of perspective in evaluating the effect of monetary improvement exercises in a district in general (Fitriani., 2018). The Aceh locale as an independent district has the honor to control and deal with its own administration to offer types of assistance to the local area determined to work on the local area's economy (Ramazan et al. 2022). In the Law of the Republic of Indonesia Number 32 of 2004, provincial independence is the right, authority, and responsibility of free areas to coordinate and regulate the execution of government and the interests of neighborhood networks as per legitimate rules.

For this present circumstance, Aceh area and locale/urban communities in Aceh have expansive freedom in different fields, including the monetary area. This is certified in Regulation Number 18 of 2001 concerning Exceptional Independence for the territory of the extraordinary locale of Aceh as Nanggroe Aceh Darussalam Area (BPK, 2023). As of recently, the extraordinary independence reserve has not had the option to play a significant job in dealing with government help to networks in Aceh. Neediness is as yet a huge issue in Aceh, in light of information from the Focal Measurements Office (BPS) of Aceh Region, from 5,274,871 million complete populace of Aceh territory in 2021, 850,260 individuals or 15.53 percent of Aceh's populace live in destitution, and in Walk 2022 it diminished marginally to 806.62 individuals, or 14.64 percent, making it the fifth most unfortunate area in Indonesia and the least fortunate area on the island of Sumatra. Aceh's monetary development should be seen utilizing the commonplace GDP (GRDP) approach. The pace of financial development in the Aceh area is an acclimation to the typical Gross domestic product from one year to another. High monetary development demonstrates that the area's economy is developing quickly. The expansion in GDP in Aceh every year can be seen in the following chart:

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Source: BPS, 2023

Figure 1.1 GDP of ADHK (With Oil and Gas) Aceh Province in 2008-2022 (Trillion)

Chart 1.1 shows that the general Gross domestic product of Aceh will by and large increment reliably. Gross Provincial Homegrown Item is one of the significant pointers to decide monetary circumstances in a district in a specific period, both based on current costs and based on steady costs. GRDP can likewise be utilized to quantify the financial development of a district. One of the public authority's endeavors that should be possible to increment financial development is through government spending methodologies and autonomous territorial plans. The public authority can assume a part in coordinating the piece level of resource use and buyer installments to keep a more significant level of business open doors. Conceding provincial independence influences the monetary development of a district since it gives opportunity to nearby legislatures to create their own monetary plans and gain strategies that can influence the headway of their locales. Regulation Number 11 of 2006 concerning the Public authority of Aceh Article 183 section (2) expresses that the extraordinary independence reserve for a time of 20 years with subtleties of (1) from the main year to the fifteenth year, the sum is relative to 2 percent of the public General Portion Asset (DAU) roof and (2) the sixteenth year to the 20th year is comparable to 1 percent of the public DAU roof.

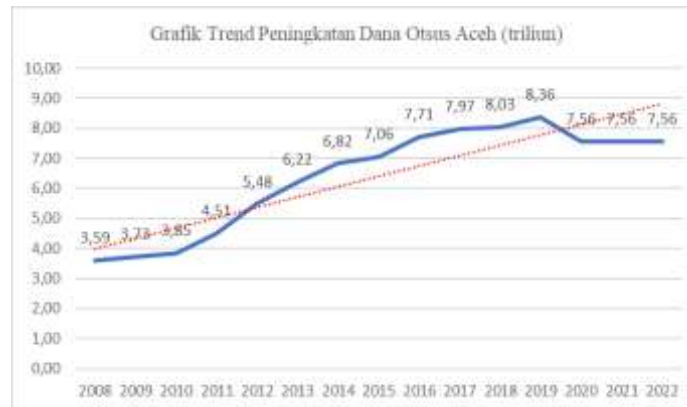
Table 1.1 Special Autonomy of Aceh Province 2008-2022

Year	Special Autonomy Fund Allocation (Trillion)
2008	3,59
2009	3,73
2010	3,85
2011	4,51
2012	5,48
2013	6,22
2014	6,82
2015	7,06
2016	7,71
2017	7,97
2018	8,03
2019	8,36
2020	7,56
2021	7,56
2022	7,56
Total	96

Source: Aceh Special Autonomy Fund Allocation 2008 – 2022 (djkp.kemenkeu.go.id, 2023)



From table 1.1 plainly the Extraordinary Independence store for the Aceh district beginning in 2008 kept on expanding reliably, the expansion in unique designation reserves was slow as per the expansion in the Public DAU, until 2020 there was a decline in reserves given by the focal government. The dispersion of Extraordinary Independence subsidizes in view of the lead representative's guideline (pergub) is 60% given to be utilized by all locale/urban communities in Aceh region, while 40% will be utilized by the area. The utilization of exceptional independence assets as commanded in regulation and qanum funds 7 improvement areas, to be specific: foundation, economy, thriving, schooling, social and wellbeing, including the execution of Aceh honors.



Source: Data processed, 2023

In light of figure 4.1, it tends to be seen that the Aceh Unique Independence Asset has expanded and diminished because of a few factors, for example, the increment and decline in Aceh's improvement needs. Aceh's improvement needs keep on expanding alongside populace development and financial turn of events. Notwithstanding, in 2020 during the Coronavirus pandemic, Aceh's advancement needs diminished because of limitations on exercises and government financial plan dispensed for taking care of the pandemic. The pattern line shows a slant line demonstrating a nonstop expansion in extraordinary independence supports consistently. Based on the background described above, researchers are interested in conducting research entitled "**The Effect of Special Autonomy Funds on Aceh's Economic Growth**".

2. LIBRARY SURVEY ECONOMIC GROWTH

Monetary development can see the degree to which monetary activities will bring about extra local compensations in a given period. Testing of monetary development models as per Solow uncovers that adjustments of the elements of creation of actual capital (reserve funds and speculation) and work (populace development), while innovation depicting the degree of productivity is an exogenous variable and is viewed as leftover.

Gross Regional Domestic Product (GDP)

Muliza (2017) Common GDP (GRDP) is a significant hint to decide the monetary improvement of a district in a specific period, both in light of current expenses and in view of predictable expenses. GRDP is fundamentally how much added esteem is made by all unique units in a specific district. The complete worth of work and certain items coming about because of creation should be identical to the worth of the product utilized. Gross domestic product on current expenses depicts the extra worth of work not entirely set in stone by including costs in the ongoing timeframe, while Gross domestic product on fixed costs shows the extra worth of work still up in the air by including costs in the ongoing timeframe, while Gross domestic product on fixed costs shows the extra worth of work and items. not entirely settled by including the expenses of result in a specific year as the base year. Gross domestic product ADHK is planned to reliably decide monetary advancements from one year to another or in general financial development. In the mean time, as per BPS (2016), the ADHB GRDP shows the

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expansion of work and item esteem in light of enormous costs in a specific year as a reason. In the interim, Gross domestic product in view of sati costs is likewise used to portray monetary developments and plans, while Gross domestic product in light of fixed costs is utilized to see financial development from one year to another.

SPECIAL AUTONOMY FUND

The Exceptional Independence Asset is utilized to back framework advancement and upkeep, drive the local area's economy, mitigate neediness, and finance schooling, social, and wellbeing. Moreover, unique independence assets can likewise be apportioned to help progress programs to complete components of Aceh's elite components (for instance severe life execution, for instance the execution of customary life in view of Islam) and reinforce concordance (for instance organizing to reestablish mental state and grow the resource furthest reaches of casualties of contention) (Razan and others, 2022b). The Extraordinary Independence Asset is a portion of assets given by the focal government to the Aceh local government. The Exceptional Independence Framework was set up to give more noteworthy power and monetary administration to the Aceh district.

3. RESEARCH METHODS

The exploration independence utilizes the Standard Least Square (OLS) strategy, Old style Suspicion Test and Importance Test which will be handled with the assistance of Eviews. Time series information is time series information and the OLS strategy is an approach to examining the consequences of basic straight relapse which intends to decide the amount of impact the free factor possesses on the reliant variable (Uyanik, 2013).

$$Y = \beta_0 + \beta_1 X_1 t + \epsilon_1 \dots \dots \dots (1)$$

Remarks:

- Y = dependent variable
- β_1 = constant
- X1 = independent variable
- ϵ_1 = eror term

The model in this study formulated the model structure as follows:

$$GDP = \beta_0 + \beta_1 DO + \epsilon_1 \dots \dots \dots (2)$$

Remarks:

- GDP = Economic Growth
- β_0 = constant
- β_1 = regression
- DO = Special Autonomy Fund
- ϵ_1 = Error term

4. RESULT AND DISCUSSION

Descriptive Analysis

Table 1 Descriptive Statistical Variable Research

Statistik	PDRB	OTSUS
Mean	117.2581	6.399823
Median	113.4904	7.057757
Maximum	140.9476	8.357472
Minimum	100.2489	3.590143
Std. Dev.	13.37301	1.717284

Source: Eviews Sports Data 13 (2023)

From the table above, it tends to be seen that the normal Gross domestic product of the Aceh locale is 117.2581 with extraordinary independence of 6.399832. The middle GRDP is 113.4904 and Otsus is 7.057757, with the most elevated GRDP being 140.9476 and Otsus 8.357472 while the least GRDP esteem



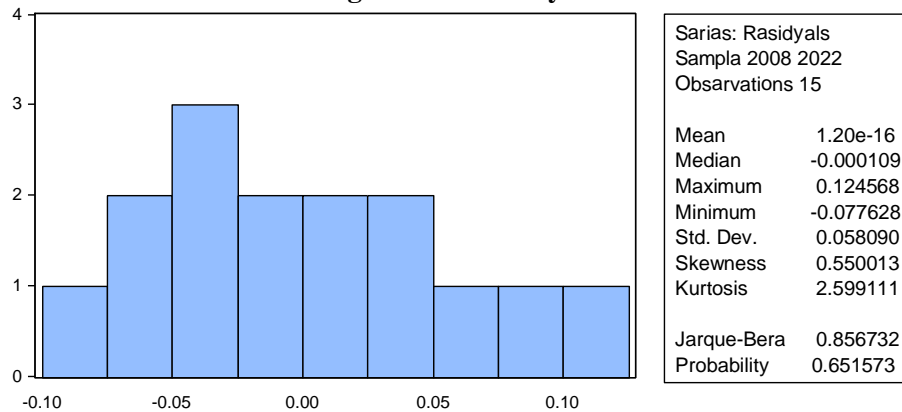
is 100.24 89 and Otsus 3.590143 with the standard deviation of extraordinary independence is 1.717284 and GRDP is 13.37301.

CLASSICAL ASSUMPTION TEST

Normality Test

The Ordinarity Test is a test to check whether the leftover qualities have been standardized in a regularly disseminated relapse model or not. Here are the aftereffects of the Ordinarity Test:

Figure 1 Normality Test



Source: Data Processed Eviews (2023)

The probability is 0.651 where > 0.05 meaning that the residual research data is normality distributed.

The Autocorrelation

Autocorrelation Test is a test used to see whether in the model utilized there are side effects of autocorrelation between factors that are thought of. Here are the results of the Autocorrelation Test:

Table 2 Autocorrelation Test Result

Breusch-Godfrey Serial Correlation LM Test:		
Null hypothesis: No serial correlation at up to 2 lags		
F-statistic	52.83485 Prob. F(2,11)	0.0000
Obs*R-squared	13.58575 Prob. Chi-Square(2)	0.0011

Source: Data Processed Eviews 2023

From the test results above, it tends to be seen that the worth of Prob. Chi-Square(2) was $0.0011 < 0.05$ so this study had autocorrelation aftereffects.

Heteroscedasticity Test

The heteroscedasticity test is utilized to decide the presence or nonappearance of deviations from old style presumptions.

Table 3 Heteroscedasticity Test Result

Heteroskedasticity Test: White		
Null hypothesis: Homoskedasticity		
F-statistic	1.533716 Prob. F(2,12)	0.2552
Obs*R-squared	3.053704 Prob. Chi-Square(2)	0.2172
Scaled explained SS	1.833917 Prob. Chi-Square(2)	0.3997

Source: Data Processed Eviews 2023

From the consequences of the Heteroscedasticity Test above get a worth of Prob. Chi-Square (2) $0.2172 > 0.05$ then it very well may be expressed that there are no side effects of heteroscedasticity in this review.

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Simple Linear Regression Test

Table 3 Regression Test Result of The Effect of Special Autonomy Fund on Aceh's Economic Growth

LOG(OTSUS _TRILIUN _)	0.316674	0.052671	6.012360	0.0000
C	4.183229	0.096921	43.16141	0.0000
R-squared	0.735495	Mean dependent var		4.758387
Adjusted R-squared	0.715149	S.D. dependent var		0.112949
S.E. of regression	0.060283	Akaike info criterion		-2.655979
Sum squared resid	0.047242	Black criterion		-2.561573
Log likelihood	21.91985	Hannan-Quinn criter.		-2.656985
F-statistic	36.14848	Durbin-Watson stat		0.186458
Prob(F-statistic)	0.000044			

Source: eviews sprot data 13 (2023)

HYPOTHESIS TEST

The speculation test is utilized to decide the decent model in view of a fractional test (test t), and will make sense of how the size of the reliant variable effects (R^2).

PARTIAL TEST

In light of the test brings about table 3 with n of 15 and likelihood of 0.05, the t worth of the table is 1.77. It is referred to that the test results as a variable of exceptional independence reserves get a determined t worth of $6.012 > 1.77$ which is the table t esteem and a likelihood worth of $0.0000 < 0.05$ so it very well may be expressed that the variable of extraordinary independence subsidizes influences monetary development.

R-SQUARE DETERMINAN TEST

In view of the test in table 3, we get a R-Square of 0.735. This shows that really much made sense of by the variable exceptional independence store. Be that as it may, the excess 26.5% was made sense of by different variables excluded from the review model.

CONCLUSIONS AND SUGGESTION

Conclusions

Based on the results of testing conducted by researchers, it can be concluded that funds Special Autonomy (Otsus) has a positive and significant effect on Aceh's economic growth, where every 1 (one) percent increase in special autonomy funds, can increase Aceh's economic growth by 0.32 percent assuming other factors do not change. This shows that the role of the special autonomy fund plays an important role in increasing Aceh's economic growth.

Suggestion

The ideas that the creator can convey in view of the examinations that have been portrayed in this study are:

1. Given that the role of special autonomy funds in this growth in the future can still be optimized, it is recommended to the Government of Aceh to evaluate and review the objectives, allocation and use of special autonomy funds for the Government of Aceh and District/City Governments.
2. This research needs to be continued and developed by future researchers using other variables related to the utilization and use of special autonomy funds in Aceh development.



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