

Economics and Business Quarterly Reviews

Suyanto. (2023). Vertical Fiscal Imbalance and Public Service Expenditure: Effects on Economic Growth Before and During Covid-19 Pandemic. *Economics and Business Quarterly Reviews*, 6(1), 31-38.

ISSN 2775-9237

DOI: 10.31014/aior.1992.06.01.484

The online version of this article can be found at:
<https://www.asianinstituteofresearch.org/>

Published by:
The Asian Institute of Research

The *Journal of Economics and Business* is an Open Access publication. It may be read, copied, and distributed free of charge according to the conditions of the Creative Commons Attribution 4.0 International license.

The Asian Institute of Research *Journal of Economics and Business* is a peer-reviewed International Journal. The journal covers scholarly articles in the fields of Economics and Business, which includes, but is not limited to, Business Economics (Micro and Macro), Finance, Management, Marketing, Business Law, Entrepreneurship, Behavioral and Health Economics, Government Taxation and Regulations, Financial Markets, International Economics, Investment, and Economic Development. As the journal is Open Access, it ensures high visibility and the increase of citations for all research articles published. The *Journal of Economics and Business* aims to facilitate scholarly work on recent theoretical and practical aspects of Economics and Business.



ASIAN INSTITUTE OF RESEARCH
Connecting Scholars Worldwide

Vertical Fiscal Imbalance and Public Service Expenditure: Effects on Economic Growth Before and During Covid-19 Pandemic

Suyanto¹

¹ Faculty of Economics and Business, Universitas Dr. Soetomo, Surabaya, Indonesia

Correspondence: Suyanto, Faculty of Economics and Business, Universitas Dr. Soetomo, Surabaya, Indonesia.
E-mail: suyanto_fe@unitomo.ac.id

Abstract

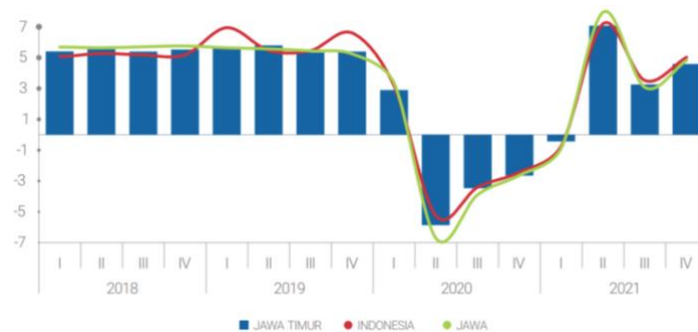
Since 2020, Indonesia has been facing the Covid-19 pandemic for 2 years. Many impacts caused by the Covid-19 pandemic, especially on the economy, have led to a recession. Regional revenues are disrupted during a recession so local governments depend on central government transfer funds. From these issues, researchers suspect that there was a change in the decentralization conditions in East Java province during the Covid-19 pandemic as it was the province with the second largest GDP and has also experienced the greatest impact in Indonesia. This research method uses multiple linear regression with cross-sectional data from 38 district/city data units in East Java province. The results of this study are that the Decentralization Fund, Civil Service Capital Expenditure and the Human Development Index did not change before and during the Covid-19 pandemic. While the vertical fiscal imbalance has a positive influence on economic growth before the Covid-19 pandemic, the vertical fiscal imbalance has no influence on economic growth. This shows that there is another shift in priority in the use of central government finances, as state money is refocused and reallocated to deal with Covid-19. This makes development programs in other health sectors postponed.

Keywords: Decentralization Fund, Vertical Fiscal Imbalance, Public Service Capital Expenditure, Human Development Index, Economic Growth

1. Introduction

The COVID-19 pandemic that has hit the world has changed the order of various aspects of human life. According to the official website of the Indonesian Ministry of Health, as of November 24, 2021, the total number of confirmed cases of COVID-19 worldwide was 258,164,425 cases with 5,166,192 deaths (2.0% fatality rate) in 204 infected countries and 151 countries with a community transmission. This is the worst pandemic the world has ever seen. Indonesia is no exception, the Government of the Republic of Indonesia has reported 4,254,443 people confirmed positive for COVID-19 and there have been 143,766 deaths (CFR: 3.4%) reported COVID-19,

and 4,102,700 patients have recovered from the disease. This also impacts the economy of Indonesia. (Widiastuti & Silfiana, 2021).



Picture 1 Comparison of the Economy in Java Island with Indonesia

Source: East Java Province Economic Report, 2022

Based on the figure, it can be seen that the economy went into decline until in the second quarter of 2020 the economy turned negative. In the fourth quarter of 2020, Indonesia was confirmed to be in recession. Even if at the start of 2021 the economy will increase, this increase is still not stable. In addition, based on Statistics Indonesia data, East Java Province is the province with the second highest GDP after DKI Jakarta province but has experienced the largest positive case of COVID-19 in Indonesia (Hastuti, 2021)(Farisa, 2021). To facilitate the implementation of development, Indonesia applies the concept of decentralization. Decentralization is a concept that involves the delegation of authority from the central government to local governments to take care of their domestic affairs. Decentralization aims to enable the government to further improve the efficiency and effectiveness of its service functions at all levels of society. This means that decentralization shows a vertical construction of the form of state power. In Indonesia, the adoption of the principle of decentralization then materialized in the form of regional autonomy policies (Nurmiyati Niken et al., 2020)(Mulyaningsih & Sedarmayanti, 2022).

The Constitution of the Republic of Indonesia of 1945 (UUD NRI 1945) Article 18, paragraph (1), states that "The Indonesian state is divided into provincial areas and the province is divided into districts and cities, each having a regional government, which shall be governed by law." Meanwhile, Article 18, paragraph (2) of the 1945 Constitution, as the fundamental norm of the regional government, expressly states: "Provincial, municipal/ of the district regulate and manage their governmental affairs according to the principle of autonomy and co-administration." The implementation of the regional government is then carried out based on the principle of the widest possible autonomy, except for government affairs which are determined by law to be the affairs of the central government. (Simandjuntak, 2015) In the policy of implementing regional autonomy and fiscal decentralization, is based on the consideration that c e are the regions that best know the needs and service standards for the inhabitants of their regions, so the granting of regional autonomy should stimulate the improvement of the well-being of the inhabitants of the regions through a growth increased economy. In essence, development is human development, so it is necessary to prioritize the allocation of expenditures for this purpose when preparing the budget (Tarumingkeng et al., 2018).

In the context of governance, local governments question the continued use of regional revenues, in particular the original regional revenue (PAD). A high DPA reflects advanced regional funding, so capital expenditure allowance should be a concern. Developed regions tend to maintain the spending structure in maintenance spending, not just capital spending. This shift in spending patterns is a critical issue for local governments given the importance of financing capital expenditures. It is therefore natural that the regional budget should be allocated to the general interest. Capital expenditure for public services is expenditure used to finance investment activities (addition of assets) aimed at improving public equipment and infrastructure, the results of which can be used directly by the community (Tamawiwy et al., 2016).

Capital expenditures for public services are a way for the government to play a role in building good quality human resources. Development should aim at the development of human resources because development is defined as a process that aims to develop the choices made by humans. This hypothesis indicates that improving the quality of human resources will be followed by opening up choices and opportunities to freely determine the path of human life. In this regard, three components are calculated in the HDI (HDI) and are considered very decisive for development, namely the average length of schooling, income per capita, and life expectancy. Human development is closely linked to the increase of human capacities which can be summed up in the increase in knowledge, attitudes, and skills, in addition to the health status of all family members and their environment (Hariani RS, 2018).

In Sosvilla-Rivero & Rubio-Guerrero (2022); Thiombiano et al. (2022); Dinh Thanh et al. (2020) research, to examine Economic Growth they use variables like public expenditure, net revenues, and others. In Canavire-Bacarreza et al. (2020); de Mendonça & Baca (2022); Arvin et al. (2021); Selvanathan et al. (2021); Choudhury & Sahu (2022) research, to examine economic growth they use variables like Revenue Decentralization (Decentralization Fund), Expenditure Decentralization and others. In Bansal et al. (2021); Bortolotti & Biggeri (2022); Mohammed et al. (2019) research, to examine economic growth they use variables like Human Development Index, Foreign Direct Investment, and others. In Meloni (2016); Eyraud & Lusinyan (2013) research, to examine economic growth they use variables like Vertical Fiscal Imbalance. From various previous studies, it was found that there are many factors that influence economic growth. However, in this study it is limited to the variables Vertical Fiscal Imbalance, Decentralization Funds, Public Service Expenditures, and the Human Development Index because they focus on the impact of the Covid-19 Pandemic.

Based on the above explanation, the researcher assessed the state of decentralization of the economic growth rate in East Java Province before and during the Covid-19 pandemic. Because researchers suspect that there will be a significant change in the decentralization conditions of the economic growth rate when the Covid-19 pandemic enters Indonesia, especially the province of East Java.

2. Method

The Method section describes in detail how the study was conducted, including conceptual and operational. The type of research used is a quantitative research using multiple linear regression analysis using the One Least Square (OLS) method. The decentralization variables used in this study are decentralized funds, vertical fiscal imbalance, public service capital expenditure, and human growth index. With Economic Growth (EG) as the dependent variable and Decentralization Fund (DF), Vertical Fiscal Imbalance (VFI), Public Service Capital Expenditure (PSCE), and index development as independent variable (independent variable). The data collected is secondary data in the form of a cross-section with 38 units, where many units correspond to many districts/cities of East Java province. Data timing is selected based on the most recent year representing conditions before and during the pandemic. To represent the last year Indonesia has not yet entered a pandemic, the researchers chose 2019, and To represent the last year Indonesia entered a pandemic, the researchers chose 2021.

Economic growth rate and human development index data are taken from the official website of the Central Statistical Agency of East Java Province. Civil service capital expenditure data is obtained from the East Java Provincial Budget which is downloaded from the official website of the General Directorate of Balanced Budget. The Tax and Non-Tax Revenue Sharing Fund is a tax revenue sharing and natural resource transfer fund from the central government to regencies and self-governing cities. The amount of money in this fund is measured in billions of rupees. The General Allocation Fund is a grant program that transfers funds from the federal government to counties and self-governing cities. The amount of money in this fund is measured in billions of rupees. The Special Allocation Fund is a federal government grant for autonomous districts and cities. The amount of money in this fund is measured in billions of rupees. Decentralization funds are financial transfers from the central government to autonomous regional governments in the form of balancing funds, such as the Tax and Non-Tax Revenue Sharing Fund, General Allocation Fund, and Special Allowance Funds. The amount of the balancing fund is measured in billions of rupees. The vertical fiscal balance indicator reflects the mismatch between central government fiscal capacity/potential and fiscal needs (in this study, district and municipal governments). The

following formula is used to calculate the magnitude of the vertical fiscal imbalance: Shah and Qureshi (1994), Hunter (1977), and Hamid (2003):

$$VFI = 1 - [(GAF + SAF + TTRS)/EXP](1)$$

Where :

VFI = Coefficient of Vertical Fiscal Imbalance in each region

GAF = General Allocation Fund

SAF = Special Allocation Fund

TTRS = Tax and Non-Tax Revenue Sharing Fund

EXP = Total Expenditure on APBD

The analytical method used in this study is multiple linear regression with the method of least squares (OLS). The analysis was carried out in 2019 and 2021, where the results of the analysis were compared to find out the differences in the decentralization conditions that occurred before and during the Covid-19 pandemic in East Java Province. However, before doing the regression analysis, the researcher performed a classic hypothesis test to meet the BLUE (Best Linear Unbiased Estimator) standard. The classical hypothesis tests carried out were the test of normality, the test of multicollinearity, and the test of heteroscedasticity. The autocorrelation test was not performed because the data used was in Cross-Section form.

3. Results

3.1. Classic Assumption Test

The first step taken by the researcher was to test the classical hypotheses in the form of a normality test, multicollinearity test, and heteroscedasticity test. The autocorrelation test was not performed because the data used was Cross-Section data. After being tested, the test results show that the data used in 2019 and 2021 is free from the classic hypothesis test.

3.2. F Test

The F test is used to determine the effect of all dependent variables on the independent variables simultaneously. After being tested, the following results were obtained:

Table 1. F Test Result

	F-Statistic	P-Value
2019	23.177	0.000
2021	24.690	0.000

Source: Processed Data

In the data used, the F-Table value is 2.66. In 2019, since the F-Statistics 2019 value is higher than the F-Table 2019 value ($23.177 > 2.66$) and the P-Value is lower than the level ($0.000 < 0.05$), it can be concluded that the estimated regression of The study model is appropriate and able to simultaneously explain the Decentralization Fund, Vertical Fiscal Imbalance, Civil Service Capital Expenditure and Human Growth Index capable of affecting growth economy before the Covid-19 pandemic. In 2021, since the value of F-Statistics2021 is greater than the value of F-Table2021 ($24690 > 2.66$) and the value of P-Value is also lower than the level of ($0.000 < 0.05$), it can be concluded that the estimated regression model of the study is appropriate and able to simultaneously explain that decentralization funds, vertical fiscal imbalance, civil service capital expenditure, and growth index can affect economic growth during the Covid-19 pandemic.

3.3. Coefficient of Determination Test (R^2)

The coefficient of determination test is used to determine the importance of the proportion of the influence of the model. After being tested, the following results were obtained:

Table 2: Coefficient of Determination Test Result

	Adjusted R-Square
2019	0.737
2021	0.750

Source: Processed Data

From Table 2, it can be seen that the adjusted R-Squared 2019 value is 0.737. This explains the proportion of the influence of the variables of the Decentralized Fund, the vertical fiscal imbalance, the investment expenditure in the civil service, and the human growth index on the economic growth of 73.7%. However, the excess, which is 26.3%, is influenced by other variables not included in this study. Then in 2021, the adjusted R-Squared 2021 value was found, which was 0.750. This explains the proportion of the effect of the Decentralization Fund, Vertical Fiscal Imbalance, Civil Service Capital Expenditure, and Human Growth Index variables on the economic growth of 75%. However, the 25% overshoot is influenced by other variables that are not included in this study.

3.4. T Test

The t-test is used to partially determine the effect of all dependent variables on the independent variables. After being tested, the following results were obtained:

Table 3: t Test Result

	2019		2021	
	Coefficient	P-Value	Coefficient	P-Value
Constant	-607187.96	0.000	-618705.59	0.000
DF	-3.292	0.299	-6.716	0.727
VFI	302641.705	0.030	-5315.912	0.964
PSCE	151.071	0.000	205.366	0.000
HDI	6024.361	0.004	7031.520	0.002

Source: Processed data

Based on the results of the t-test in Table 3, it can be concluded that in 2019, the Decentralization Fund variable does not affect economic growth. Meanwhile, the variables of vertical fiscal imbalance, civil service capital expenditure, and human development index have a significant positive effect on economic growth. Meanwhile, in 2021, the Decentralization Fund and Vertical Fiscal Imbalance variables do not affect economic growth. While the civil service capital expenditure and human development index variables have a significant positive effect on economic growth.

4. Discussion

In 2019 and 2021, the Decentralization Fund has no effect because, in East Java Province, Surabaya City is the largest contributor to the economy, accounting for 25% of the total East Java economy. According to Emil Elestianto Dardak as Deputy Governor of East Java Province, Surabaya is the largest contributor to East Java's economy with a record 25%. Also, one of the highest local revenue in East Java is supported by the payment of motor vehicle tax. And the largest motor vehicle users in East Java Province are in Surabaya. This causes an imbalance as the city of Surabaya has a high regional source of income. So that the city of Surabaya becomes an independent city compared to the other districts/cities of the province of East Java (Kurnia, 2022; Tim detikcom, 2021). Therefore, data for the Decentralization Fund in each regency/city of East Java Province becomes unbalanced as Surabaya city dominates compared to other regencies/cities.

In 2019, vertical fiscal has an effect on economic growth. This shows that the more money transferred by the central government to local governments, which makes the government more supported, it actually increases

economic growth. Of course, in accordance with the previous explanation, namely the purpose of giving money from the central government to local governments for the benefit of regional development. Therefore, before the Covid-19 pandemic, being supported by the regional government to the central government made the regional economic growth increase.

In 2021, vertical fiscal has no effect on economic growth. This shows that the spending budget is for other things than that used for the developing economy during the Covid-19 pandemic. At the time of the Cabinet Meeting on January 6, 2021, with the agenda of Evaluation of the Implementation of the 2020 State Budget and the Implementation of the 2021 State Budget Policy, the President had taken a policy of providing free Covid-19 vaccines for the community and instructed all levels of the cabinet, ministries, institutions, and local governments to prioritize programs vaccination in the 2021 Fiscal Year. Following up on the directives of the President of the Republic of Indonesia, the Minister of Finance then submitted a letter with the number S-30/MK.02/2021 dated 12 January 2021 on the Refocussing and Reallocation of Ministries/Institutions Expenditures for the 2021 Fiscal Year to the Ministers and Institutional Leaders as Users Budget (Kementrian Keuangan, 2021). In addition, with this budget, the central government provides assistance. Various assistance programs have been carried out such as *Program Kartu Sembako*, *Program Keluarga Harapan (PKH)*, *Bansos Tunai*, *Program Kartu Pekerja*, *Program Indonesia Pintar (PIP)*, *Bantuan Langsung Tunai (BLT)*, *Bantuan Pangan Non Tunai/Beras Sejahtera (BPNT/Rastra)*, *Penerima Bantuan Iuran-Jaminan Kesehatan Nasional (PBI-JKN)* and Electric Discount (Indriyani & Sulistiyawati, 2021). The impact of the policy of refocusing and reallocating the state budget has made many other development programs postponed because state finances are focused on tackling Covid-19 (Ibrahim, 2021) (Saputra, 2021).

In 2019 and 2021, public service capital expenditure has a significant positive effect on economic growth. This is because Indonesia has a large population. In developing countries, where there is a “surplus labor economy”, development capital cannot depend solely on the availability or possibility of availability of investment funds. Such development, in addition to being too costly, will also encounter obstacles if at some point the sources of investment become limited, both from the government and from the community. Also, a large population as a human resource should be used as an advantage, not the other way around. A very large population, if it can be nurtured and deployed as an efficient workforce, will be an important development capital that will greatly benefit development efforts in all fields (Safri, 2016). Therefore, before and during the Covid-19 pandemic, utility capital expenditure remains high in East Java Province as the government still needs funds to encourage its people to build a better economy.

In 2019 and 2021, the Human Development Index has a significant positive effect on economic growth. Indeed, the Human Development Index (HDI) is an indicator that can be used to measure the level of physical and non-physical quality of a population. The physical quality is reflected in life expectancy, while non-physical quality is obtained by a combination of average years of schooling and literacy rates (Muqorrobin & Soejoto, 2017). The increase in the human development index will boost the regional economy, especially in the industrial sector. Because the increase in the human development index indicates an increase in the quality of existing human resources. The human development index will encourage industry to increase its production and eventually the level of public consumption will also increase (Izzah, 2015). Therefore, before and during the Covid-19 pandemic, the human development index remains an important element to increase economic growth. Moreover, in Table 3, it can be seen that the coefficient in 2021 is the highest. This indicates that when the Covid-19 pandemic becomes the most important problem to overcome.

5. Conclusion

The economy of East Java experienced a very sharp decline when it entered the Covid-19 pandemic, so it is necessary to study the comparison of economic growth which is related to decentralization. The results of this study indicate that the Decentralization Fund does not affect economic growth before and during the Covid-19 pandemic. Furthermore, public service capital expenditure and the human development index have a significant positive influence on economic growth before and during the Covid-19 pandemic. While vertical fiscal imbalance

has a positive influence on economic growth before the Covid-19 pandemic, during the Covid-19 pandemic vertical fiscal imbalance does not affect economic growth.

References

- Arvin, M. B., Pradhan, R. P., & Nair, M. S. (2021). Are there links between institutional quality, government expenditure, tax revenue and economic growth? Evidence from low-income and lower middle-income countries. *Economic Analysis and Policy*, 70, 468–489. <https://doi.org/10.1016/j.eap.2021.03.011>
- Bansal, S., Sharma, G. D., Rahman, M. M., Yadav, A., & Garg, I. (2021). Nexus between environmental, social and economic development in South Asia: evidence from econometric models. *Heliyon*, 7(1). <https://doi.org/10.1016/j.heliyon.2021.e05965>
- Bortolotti, L., & Biggeri, M. (2022). Is the slowdown of China's economic growth affecting multidimensional well-being dynamics? *Structural Change and Economic Dynamics*, 63, 478. <https://doi.org/10.1016/j.strueco.2022.07.003>
- Canavire-Bacarreza, G., Martinez-Vazquez, J., & Yedgenov, B. (2020). Identifying and disentangling the impact of fiscal decentralization on economic growth. *World Development*, 127, 104742. <https://doi.org/10.1016/j.worlddev.2019.104742>
- Choudhury, A., & Sahu, S. (2022). Revisiting the nexus between fiscal decentralization and government size - The role of ethnic fragmentation. *European Journal of Political Economy*, 75(July 2021), 102193. <https://doi.org/10.1016/j.ejpoleco.2022.102193>
- de Mendonça, H. F., & Baca, A. C. (2022). Fiscal opacity and reduction of income inequality through taxation: Effects on economic growth. *Quarterly Review of Economics and Finance*, 83, 69–82. <https://doi.org/10.1016/j.qref.2021.11.006>
- Dinh Thanh, S., Hart, N., & Canh, N. P. (2020). Public spending, public governance and economic growth at the Vietnamese provincial level: A disaggregate analysis. *Economic Systems*, 44(4), 100780. <https://doi.org/10.1016/j.ecosys.2020.100780>
- Eyraud, L., & Lusinyan, L. (2013). Vertical fiscal imbalances and fiscal performance in advanced economies. *Journal of Monetary Economics*, 60(5), 571–587. <https://doi.org/10.1016/j.jmoneco.2013.04.012>
- Farisa, F. C. (2021). *UPDATE: Sebaran 12.408 Kasus Covid-19, Jatim Tertinggi dengan 1.301*. Kompas.Com. <https://nasional.kompas.com/read/2021/08/22/17494921/update-sebaran-12408-kasus-covid-19-jatim-tertinggi-dengan-1301?page=all>
- Hariani RS, P. (2018). Implementation of Indonesia's Fiscal Decentralization Policy: Increasing Equitable Economic Development in Provinces throughout Indonesia. *Simposium Nasional Keuangan Negara*, 1066–1086. <https://jurnal.bppk.kemenkeu.go.id/snkn/article/view/267>
- Hastuti, R. K. (2021). *Led by East Java, these are the 5 provinces with the most Covid cases*. CNBC Indonesia. <https://www.cnbcindonesia.com/news/20210821172710-4-270154/dipimpin-jatim-ini-5-provinsi-dengan-kasus-covid-terbanyak>
- Ibrahim, J. (2021). *Impact of Refocusing and Budget Reallocation, A Number of Programs Are Delayed*. Pontianak City Government. <https://www.pontianakkota.go.id/pontianak-hari-ini/berita/Dampak-Refocusing-dan-Realokasi-Anggaran,-Sejumlah-Program-Tertunda>
- Indriyani, E., & Sulistiyawati, S. (2021). Refocusing Policy and Budget Reallocation for Fiscal Year 2021 and Their Influence in Improving Indonesia's Economy Due to the Impact of the Covid-19 Pandemic. *Kementerian Kelautan Dan Perikanan*.
- Izzah, N. (2015). Analysis of the Effect of Human Development Index (IPM) and Inflation on Economic Growth in Riau Province 1994–2013. *At-Tijarah*, 1(2), 156–172.
- Kementerian Keuangan. (2021). *Socialization of Refocusing and Expenditure Reallocation of Ministries/Agencies for 2021 Fiscal Year*. Kementerian Keuangan. <https://anggaran.kemenkeu.go.id/in/post/sosialisasi-refocusing-dan-realokasi-belanja-kementerianlembaga-ta-2021>
- Kurnia, D. (2022). *25 Percent of East Java's Economy Comes from Surabaya, This Is the Largest PAD Contributor | Republika Online*. Republika.Co.Id. <https://www.republika.co.id/berita/rcw9qn370/25-persen-ekonomi-jatim-berasal-dari-surabaya-ini-penyumbang-pad-terbesar>
- Meloni, O. (2016). Electoral opportunism and vertical fiscal imbalance. *Journal of Applied Economics*, 19(1), 145–167. [https://doi.org/10.1016/S1514-0326\(16\)30006-X](https://doi.org/10.1016/S1514-0326(16)30006-X)
- Mohammed, A., Li, Z., Olushola Arowolo, A., Su, H., Deng, X., Najmuddin, O., & Zhang, Y. (2019). Driving factors of CO2 emissions and nexus with economic growth, development and human health in the Top Ten emitting countries. *Resources, Conservation and Recycling*, 148(January), 157–169. <https://doi.org/10.1016/j.resconrec.2019.03.048>

- Mulyaningsih, & Sedarmayanti. (2022). Analysis of village government administration in the implementation of regional autonomy in the village of Ranjuango, Tarogong Kaler sub-district, Garut regency. *Perkumpulan Ilmu Administrasi*, 01(01), 1–11.
- Muqorrobin, M., & Soejoto, A. (2017). The Influence of the Human Development Index (IPM) on the Economic Growth of East Java Province. *Jurnal Pendidikan Ekonomi (JUPE)*, 5(3). <https://doi.org/10.26740/jupe.v5n3.p>
- Nurmiyati Niken, Zuhriyati, E., & Noor, M. (2020). Political Decentralization in the Domain of Regional Autonomy. *Jurnal MODERAT*, 6(2), 376. <https://jurnal.unigal.ac.id/index.php/moderat/article/view/3409>
- Safri, H. (2016). Development of Human Resources in Development. *Kelola: Journal of Islamic Education Management*, 1(1), 102–112.
- Saputra, D. (2021). *Budget Refocusing 4 Times This Year, Head of Bappenas Reveals Many Programs Are Postponed*. *Bisnis.Com*. <https://ekonomi.bisnis.com/read/20210901/10/1436663/anggaran-refocusing-4-kali-tahun-ini-kepala-bappenas-ungkap-banyak-program-ditunda>
- Selvanathan, E. A., Selvanathan, S., & Jayasinghe, M. S. (2021). Revisiting Wagner's and Keynesian's propositions and the relationship between sectoral government expenditure and economic growth. *Economic Analysis and Policy*, 71, 355–370. <https://doi.org/10.1016/j.eap.2021.05.005>
- Simandjuntak, R. (2015). Decentralization System in the Unitary State of the Republic of Indonesia From a Constitutional Juridical Perspective. *Jurnal Syariah Dan Hukum*, 7(1), 57–67. <https://doi.org/10.18860/j-fsh.v7i1.3512>
- Sosvilla-Rivero, S., & Rubio-Guerrero, J. J. (2022). The economic effects of fiscal policy: Further evidence for Spain. *Quarterly Review of Economics and Finance*, 86, 305–313. <https://doi.org/10.1016/j.qref.2022.08.002>
- Tamawiwiy, J., Sondakh, J. J., & Warongan, J. D. . (2016). The Influence of Local Government Financial Performance on Capital Expenditures for Public Services (Studies in districts and cities in North Sulawesi Province). *Jurnal Riset Akuntansi Dan Auditing "Goodwill,"* 7(2), 103–124. <https://doi.org/10.35800/jjs.v7i2.13555>
- Tarumingkeng, W. A., Rumate, V. A., & Rotinsulu, T. O. (2018). The Influence of Capital Expenditures and Poverty Levels on the Human Development Index (HDI) in North Sulawesi Province. *Jurnal Pembangunan Ekonomi Dan Keuangan Daerah*, 19(2), 82–95. <https://doi.org/10.35794/jpekd.19789.19.6.2018>
- Thiombiano, N., Ouedraogo, S., & Moussa, A. (2022). Fiscal policy rules and economic fluctuations in the countries of the West African Economic and Monetary Union (WAEMU). *Research in Economics*, 76(3), 252–263. <https://doi.org/10.1016/j.rie.2022.07.008>
- Tim detikcom. (2021). *10 Provinces with the Most Number of Motorcycles, Number 1 is Not Jakarta!* *Detik.Com*. <https://oto.detik.com/motor/d-5358321/10-provinsi-dengan-jumlah-sepeda-motor-terbanyak-nomor-1-bukan-jakarta>
- Widiastuti, A., & Silfiana. (2021). The Impact of the Covid-19 Pandemic on Economic Growth in Java Island. *Jurnal Ekonomi-Qu*, 11(1), 97–107. <https://doi.org/10.35448/jequ.v11i1.11278>