The Influence of Government Expenditure

by Ivan R Santoso

Email: Windyniuwa@gmail.com

The Influence of Government Expenditure in Education and Health Sector on The Poverty in Gorontalo

Windiyawati M. Niuwa[1] Fahrudin Zain Olilingo [2], Ivan Rahmat Santoso[3]

Department of Economic Development, Economic Faculty, Gorontalo State University[1]

Faculty of Economics, Gorontalo State University[2,3]

Abstract. This study aims to determine how much influence the Government Expenditure of Education Sector and Health Sector on Poverty in Gorontalo City. This research uses quantitative methods. The data used in this study are secondary data sourced from the Central Statistics Agency and the Directorate General of Fiscal Balance - Ministry of Finance using the econometrics method through multiple linear regression equations in the form of 10-year time series data (2008-2017). The results showed that 1) Education sector government expenditure has a positive effect on the level of poverty in Gorontalo City 2) Government health sector expenditure has a negative effect on poverty levels in Gorontalo City.

Keywords: Poverty, Government Expenditure, Education Sector, Health Sector.

Poverty is influenced by many factors that can be seen from various dimensions including the dimensions of low levels of education and health, lack of future guarantees, vulnerability, helplessness, inability to channel aspirations, and exclusion in social roles (Mawardi and Sudarno 2003). Poverty can be seen at least from two sides, namely: first, absolute poverty, where with this approach identified the number of people living below a certain poverty line. Poverty is absolutely determined based on the inability to meet minimum basic needs. Second, relative poverty is the share of national income received by each income group. Relative poverty can be determined based on the inability to reach the standard of living set by the local community. In other words, relative poverty is very closely related to the problem of income distribution (Kuncoro, 2010).

The implementation of regional autonomy in Indonesia, which is regulated in Law Number 32 of 2004 concerning Regional Government and Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments, makes the roles and responsibilities of regional

governments more demanding in the context of alleviation poverty so that programs and strategies developed are right on target because this LG knows very well the characteristics of the region. (Muhammad, et al, 2005).

Based on data on poverty conditions in Gorontalo City above, it can be seen that the number of poor people in Gorontalo City during 2008-2017 experienced fluctuations or ups and downs. Where in 2008 the number of poor people was 7.90 thousand people with a percentage of poor population of 5.23 percent, in 2016 the figure increased dramatically by 12.43 thousand people with a percentage of poor people 6.05 percent, whereas in 2017 experienced a decrease of 11.95 thousand people with a percentage of poor people 5.70 percent of poverty is still a big problem and has not found an optimal solution that can solve this problem. In accordance with the new growth theory, which strongly emphasizes the important role of government, especially in increasing the development of human capital. To realize this policy the government has issued many policies relating to poverty alleviation through schooling and free health care for the poor to allocate funding in their spending budgets which requires the total APBN and APBD in accordance with Law

No. 20 of 2003 Article 49 concerning education and Law No. 36 of 2009 Article 171 on health to allocate 20 percent for the education sector and 10 percent for the health sector. Allocation of funds is deemed necessary because to date there are still many people in Gorontalo that live under the poverty line and there are still many poor people, making it difficult to get access to education and good health.

On the other hand, government spending in the education and health sector in Gorontalo City Regional Budget during 2008-2017. The average Gorontalo City government expenditure in the education sector increased by 99.95 percent per year, the biggest development occurred in 2016 which reached 14.51 percent compared with the previous year. While a decline of 2017 occurred in the amount of 10.54 percent. And for Gorontalo City health sector government expenditure an average increase of 99.96 percent per year, the biggest development occurred in 2017 which reached 23.18 percent. However, an increase in regional government spending is

budgeted does not always result in a reduction in poverty levels in Gorontalo City during 2008-2017. For example, in 2016 government spending on the education sector increased by Rp. 341,674,783 billion, and the percentage of

poor people is 6.05 percent. However, it was not accompanied by a decrease in the percentage of poverty, instead there was an increase in the percentage of poor people in Gorontalo City. As for the health sector government spending in 2017 increased by Rp. 276,892,228 billion and the percentage of poor population decreased by 5.70 percent. From this it can be seen that the total government expenditure on education and health has increased each year, but this has not been accompanied by an increase in the number of poor people. The question is whether spending in each of these sectors has been prioritized in areas that have a positive effect on poverty alleviation efforts or not. So the authors need to do research whether government spending in the education sector and the health sector can reduce poverty levels in Gorontalo City.

METHODS

This study aims to analyze the effect of government spending on education and health sectors on poverty. The method used by researchers to obtain the data needed in this study is documentary data and analyzed by regression techniques

RESULTS AND DISCUSSION

Tabel 1. T-test

Variabel	Df	A	t-tabel	t-hitung	Kesimpulan
Pengeluaran sector pendidikan	7	1%	2.99	29,990	Signifikan
		5%	1.89		Signifikan
		10%	1.41		Signifikan
Pengeluaran sector kesehatan	7	1%	2.99	-0,0022	Non Signifikan
		5%	1.89		Non Signifikan
		10%	1.41		Non Signifikan

Source: Data processed

From the results of the analysis that has been done, it is known that the t-count value for the education sector expenditure variable is 2.9990. When comparing the value of t-count with t-table, the t-count is greater than the value of t-table so that Ho

49

is rejected. Thus it can be concluded that the education sector expenditure variable significantly influences poverty levels during 2008-2017. The t-value for the health sector expenditure variable is -0.0022. When comparing the value of t-count with t-table, the t-count is smaller than the value of t-table so that Ho is accepted. Thus it can be concluded that the health sector government expenditure variable does not significantly influence poverty levels during 2008-2017.

From the results of the equation analysis conducted financing variables for the education sector have a positive effect on poverty levels in Gorontalo City by showing a regression coefficient of 0.7666 which means that each increase in education sector spending by 10 percent will increase poverty by 0.7666 percent. So it can be concluded that for government expenditure the education sector has not been well targeted in reducing poverty in Gorontalo City. This positive effect is expected because the regional government program on the poor population is still not fully implemented. This result is also supported by research conducted by Thembry O.M Palanewen (2018). Which states that government spending in the education sector has a positive and not significant effect on poverty in North

Sulawesi. Government expenditure or expenditure for the education sector is one form of investment in human capital investment. Therefore, its role and position in driving economic progress in a country is very important.

From the results of the regression analysis of health sector government expenditure variables on poverty levels have a negative influence. By showing a regression coefficient of -0,0003 which means that each increase in the health sector expenditure variable by 10 percent will reduce the poverty rate by -0,0003 percent. So it can be concluded that government health sector spending can reduce poverty in Gorontalo City. This means that regional policies pursued by regulating spending patterns that are proportional, efficient and effective in the effort are already on target as well as in terms of health, the government in this case has made every effort to spend the budget for health.

CONCLUSION

Based on the results of the analysis and discussion that has been conducted regarding the effect of government spending on poverty in Gorontalo City, the following conclusions can be drawn:

1. Education sector government expenditure (PPSP) has a positive effect

on the level of poverty in Gorontalo City during 2008 - 2017. In this case the increase in financing in the education sector has not been well targeted in reducing poverty in Gorontalo City. This positive effect is expected because the regional government program on the poor population is still not fully implemented.

2. Health sector government expenditure (PPSK) has a negative effect on poverty levels in Gorontalo City during 2008-2017. it can be concluded that government health sector expenditure can reduce poverty in Gorontalo City. This is because the regional policies that have been pursued are right on target, in this case the government has made every effort to spend on the health sector.

SUGGESTION

Based on the above conclusions, some suggestions can be formulated as follows:

1. In order to alleviate poverty the government needs to pay more attention to poverty in the City of Gorontalo. The synergy of information and policies between the central government and regional governments is expected to further optimize the results that are expected to reduce poverty in Gorontalo City.

2. We recommend that the Gorontalo City Government continue to explore sources of funds to increase the maximum Regional Original Revenue (PAD), so that the Gorontalo City Government does not experience financial difficulties so that the government can continue to expand its expenditure needed to improve the quality of human resources, particularly spending on the education sector and health.

REFERENCES

Anggraeni Merlin, 2017. *Analisis Pengaruh Pengeluaran Pemerintah sektor pendidikan, kesehatan, dan pertanian terhadap pertumbuhan ekonomi*

di Indonesia periode 1970-2-15(skripsi).

Badan Keuangan Kota Gorontalo (2013-2017). *Data anggran pendidikan dan anggaran kesehatan.*

BPS (2013-2017). *Data Kemiskinan Kota Gorontalo.*

Izzah Nurul, 2014. *Analisis Pengaruh Pengeluaran Pemerintah Dan Kemiskinan Terhadap Pertumbuhan Ekonomi Di Sumatera Utara Tahun 1995 – 2014.*

Pasirabu Yonatan, 2016. *Analisis Pengaruh Pengeluaran Pemerintah Fungsi Pendidikan, Kesehatan, Perlindungan Sosial dan Infrastruktur terhadap Kemiskinan Di Indonesia tahun 2010-2013).*

Sanggelorang M.M. Septiana, dkk. *Pengaruh Pengeluaran Pemerintah di Sektor Pendidikan* dan Kesehatan terhadap indeks Pembangunan Manusia di Sulawesi Utara. Jurnal Berkala Ilmiah Efisiensi Vol. 15 no.02-edisi juli 2015.

Undang-Undang No. 20 Tahun 2003 Pasal 49. *Tentang pendidikan*

Undang-Undang No. 24 Tahun 2004. *Tentang kemiskinan*

Undang-Undang No. 32 Tahun 2004. *tentang Pemerintah Daerah*

Undang- Undang No. 33 Tahun 2004. *tentang Perimbangan Keuangan antara Pemerintah Pusat dan Pemerintah Daerah*

Undang-Undang No. 36 Tahun 2009 Pasal 171. *Tentang kesehatan*

Wahyudi, 2011. *Pengaruh Alokasi Belanja Daerah untuk Urusan Pendidikan, Kesehatan, dan Pekerjaan Umum terhadap penanggulangan Kemiskinan di Provinsi Jawa Tengah 2007-2009.*

Impact of Government

PRIMARY SOURCES

1	Submitted to Universitas Sebelas Maret Student Paper	2%
2	digilib.unimed.ac.id Internet Source	2%
3	media.neliti.com Internet Source	2%
4	Submitted to Lebanese International University Student Paper	2%
5	Submitted to GRIPS National Graduate Institute for Policy Studies Student Paper	2%
6	jurnal.untirta.ac.id Internet Source	1%
7	Submitted to California Miramar University Student Paper	1%
8	eprints.umm.ac.id Internet Source	1%
9	scholar.unand.ac.id	

18	jurnal.ustjogja.ac.id Internet Source	<1%
19	mafiadoc.com Internet Source	<1%
20	pt.scribd.com Internet Source	<1%
21	Submitted to Universiti Putra Malaysia Student Paper	<1%
22	eprints.undip.ac.id Internet Source	<1%

Exclude quotes	On	Exclude matches	Off
Exclude bibliography	On		