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The Effect Of Regional Original Income (Pad) And General Allocation Fund (Dau) On Economic Growth In South Sulawesi Province

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Abstract

This study aims to determine the effect of capital expenditure and local revenue (on economic growth in South Sulawesi. This type of research used in this research is quantitative research. The data processed is secondary data from capital expenditures, local revenue and economic growth in South Sulawesi. Sulawesi Province in 2011-2020. The results showed that simultaneously capital expenditures and local revenue have a significant effect on economic growth in the province of South Sulawesi, this is as evidenced by the significance value greater than the significance probability (0.004 > 0.05) and partially local revenue has a significant effect on economic growth in South Sulawesi, as evidenced by the significance value is smaller than the significance probability (0.012 < 0.05), this is evidenced by the significance General Allocation Fund than the probability (0.468 > 0.05).Partially capital expenditure does not have a significant effect on economic growth in South Sulawesi.

1. PRELIMINARY

Economic growth is one example of the government's contribution to the welfare of society. Economic growth has traditionally been an indicator of the welfare of the population of a region or country. Regional development is primarily an effort to strengthen regional growth capabilities so that they can run superior government as part of national development. Development can be interpreted as an effort to achieve a stable level of per capita income growth (per capita income) so that the government can expand output faster than population expansion.

Economic growth is one of the most important markers to see the results of a region's economic development. This metric is used to calculate the output growth rate of an economy. Furthermore, these statistics show how much economic activity in a certain period of time has generated additional income for the community. Economic growth, changes in economic structure, per capita income level (GRDP), and other indicators are used to assess the performance of economic development in a region.

Each region needs financing not only from the APBN but also from regional revenues to achieve economic progress. The ability of the region to channel resources originating from the region in the form of Regional Original Income (PAD) is very dependent on its ability to convert existing economic potential into forms of economic activity that can generate revolving funds for regional development in the long term. Local governments must adapt and try to improve public services and various industries that develop into sources of local revenue after achieving independence area. The success of an area in improving the welfare of its population is measured by the level of economic growth that has been achieved. The high and low rate of economic growth of a region shows the level of change in the economic welfare of its people. High and stable economic growth from year to year means that economic welfare increases, while a declining economy or economic growth with a negative value means a decrease in economic welfare. On the other hand, the rate of economic growth is also used to evaluate

whether or not the policies that have been taken in relation to the government's role in economy.

South Sulawesi is a province whose economic growth rate is always changing. The amount of GRDP always increases every year, according to secondary data received from the Central Statistics Agency (BPS) of South Sulawesi Province. For more details can be seen in table 1.1 below:

Table 1.1
South Sulawesi Economic Growth in 2012-2019

Year	Economic growth (Rupiah)	Percentage (%)
2012	202.184.59	8.87
2013	217.589.13	7.62
2014	233.988.05	7.54
2015	250,802.99	7.19
2016	269,401.31	7.42
2017	288,814.17	7.21
2018	309.202.40	7.06
2019	330.605.13	6.92

Source: Central Bureau of Statistics of South Sulawesi Province, 2021

The economic growth of South Sulawesi Province has increased from 2011 to 2019, as shown in table 1.1. The economic growth of South Sulawesi Province in 2012 was 202,184.59 or an increase of 8.87 percent. South Sulawesi's economic growth began to decline in 2013, with a loss of 217,589.13 with a percentage of 7.62 percent, and continued to decline in 2014 and 2015, with a decrease of 233,988.05 with
the proportion of 7.54 percent in 2014 and 250,802.99 with the proportion of 7.19 percent in 2015.

The economic growth of South Sulawesi Province increased to 269,401.31 in 2016, an increase of 7.42 percent. In 2017, economic growth fell to 288,814.17 with a proportion of 7.21 percent, and in 2018 and 2019, it fell to 309,202.40 with a proportion of 7.06 percent in 2018 and 330,605.13 with a percentage of 6.92 percent in 2019.

Regional Original Revenue is very important for the economic growth of a region because the money belongs to the regional government, which means it has the ability to manage it for development purposes. Local governments are also responsible for managing money originating from Regional Original Revenues, which are received from the community and are entitled to allocations in the form of development led by local governments.

Regional Original Revenue (PAD) should be able to encourage regional economic growth by contributing to local government revenues. Because this source is a form of direct participation in the development process by residents of a particular area. Regional Original Income which is one form of community participation in the form of regional taxes and levies must be able to encourage regional economic growth so that it has an impact on increasing Regional Original Income. Regional Original Revenue is regional income originating from regional taxes, regional levies, the results of separated regional wealth management, and legitimate regional original revenues, with the aim of providing flexibility to the regions in terms of sources of income as part of the implementation of regional autonomy. and decentralization. These four elements are quite important, and each contributes to local revenue. The amount of Regional Original Income shows the extent to which the autonomy of a region has developed. The more Regional Original Income, the greater the opportunity for growth and development development area to direction autonomy and not quite enough answer area.

The information on local revenue in South Sulawesi province is as follows:

Table 1.2
Realization of Regional Original Income (PAD) of South Sulawesi Province 2010-2019

Year	Locally-generated revenue (rupees)	Percentage (%)
2010	1,460,045,910,933	0.16
2011	1,971,718,453,964	0.29
2012	2,367,750,112,292	0.37
2013	2,641,160,646,495	0.42
2014	3,126,088,413,872	0.49
2015	3,432,698,249,269	0.53
2016	3,516,797,239,983	0.54
2017	3,743,344,520,531	0.57
2018	3,975,726,084,809	0.59
2019	4,168,385,357,623	0.61

Source: Central Bureau of Statistics of South Sulawesi Province, 2021

Based on Table 1.2, the Regional Original Income of Sulawesi Province has increased dramatically over the last ten years, from 2010 to 2019. The original regional income in 2010 was 1,460,045,910,933, an increase of 0.16 percent from the previous year. It increased to 1,971,718,453,964 with a percentage of 0.29 percent in 2011, and continued to increase in the following years, increasing by 4,168,385,357,623 with a percentage of 0.61 percent until the end of the year 2019.

Local governments, in general, continue to rely on the federal government for local spending and financing. This can be seen in the sources of income owned by the regions whose receipts are dominated by central government assistance. Local governments continue to depend on the central government, which is dependent on the central government. The role/contribution of central government revenue is for transfers, contributions, and support, according to Tambunan in Dasril Munir (2004). Taxes and non-tax revenue sharing dominate the APBD framework. In the APBD, local government public sector budgets are the result of resource allocation. Local governments must be careful in allocating their own resources, both from internal regional revenue sources and external revenues from the Central Balancing Fund. The balancing fund is a regional revenue stream sourced from the APBN which helps local government agencies fulfill their management obligations in providing public services and improving people's welfare.

The General Allocation Fund (DAU), which consists of money allocated from APBN revenues, is one component of the balancing fund. The income is distributed to certain regions in order to meet regional development needs. The implementation is decentralized.

Table 1.3
General Allocation Fund in South Sulawesi Province 2010-2019

Year	General Allocation Fund (Rupiah)	Percentage (%)
2010	706,276,3990,000.00	2.84
2011	816,757,969,000	2.91
2012	996,939,584,000.00	2.99
2013	1,089,771,438,0000.00	0.03
2014	1,209,598,741,0000.00	0.08
2015	1,180,010,167,000.00	0.07
2016	1,394,148,361,0000.00	0.14
2017	2,509,480,255,0000.00	0.39
2018	2,509,480,225,0000.00	0.39
2019	2,586,312,342,0000.00	0.41

Source: Central Bureau of Statistics of South Sulawesi Province, 2021

The General Allocation Fund for South Sulawesi Province has increased in the last ten years, as shown in Table 1.3. The total funds allocated in 2010 amounted to Rp.706,276,390,000.00 rupiah. The Rupiah began to increase in 2011, reaching 706,276,390,000 rupiah, and continued to increase in the following years thereby increasing Regional Original Income by 2,586,312,342.000,00 rupiah at the end of 2019. The Effect of Regional Original Income, General Allocation Funds, Funds Special Allocations, and Capital Expenditures on Economic Growth written by I Dewa Gede Darma Suputra (2017). knowing that Regional Original Revenue and Special Allocation Funds hinder economic growth Capital expenditures and general allocation funds, on the other hand, have no impact on economic growth.

Based on the description of the background above, the author will discuss it further in the form of a proposal with the title: "The Effect of Regional Original Income and General Allocation Funds on Economic Growth in South Selawesi Province".

2. LITERATURE REVIEW

2.1 Original Income Area

Regional Revenue (PAD) is income derived from taxes based on regional regulations in accordance with statutory regulations, according to Law Number 33 of 2004. Regional Original Revenue (PAD) is a source of regional income originating from a number of regionally owned revenues. business and other local revenue that can be used in development area. Original Regional Revenue (PAD) is all regional revenue originating from regional original economic sources, which is measured by the size of the district/city PAD target each fiscal year (Saptaningsih, 2009). Regional Original Revenue is a source of regional revenue that must be continuously driven by its growth. Regional Original Revenue aims to give authority to Regional Governments to fund the implementation of regional autonomy in accordance with regional potential as a manifestation of decentralization. Regional Original Income can be used as an indicator in assessing the level of independence of a region in managing its regional finances, the higher the ratio of Regional Original Income compared to total income, the higher the level of independence of a region (Kusnandar et al., 2010). 2009).

2.2 General Allocation Fund (DAU)

General allocation funds are money transferred from the APBN by the central government and distributed to each region. The aim is to ensure that finances are distributed evenly across the region and that money is available for regional expenditures and needs. DAU stands for block allocation transfer, which means that users will be moved to a different region. In the context of implementing regional autonomy, each region must improve public services. Determine the amount of DAU at least 26% of the net domestic income (PDN) of the State Budget.

2.3 Growth Economy

Economic growth is defined as an effort to increase production capacity to produce more output, which is assessed in a region by Gross Domestic Product (GDP) and Gross Regional Domestic Product (GDP). Prof. Simon Kuznets defines economic growth as an increase in a country's long-term potential to offer diverse economic benefits to its citizens. Technological advances, as well as technological, institutional, and ideological changes to the current situation, enable capacity building. Economic growth is a measure of the success of a government in advancing economic development in a particular country. Each country will aim for the best economic growth. This is because good economic growth will benefit the entire community. There are various theories of economic growth put forward by various economists, including the Classical School, in

Classical theory. Adam Smith first put forward this thesis in his book An Inquiry into the Nature and Gauses of National Wealth and The Wealth of Nations.

3. RESEARCH METHODOLOGY

3.1 Technique Analysis

Multiple Regression Analysis with data processing using SPSS (Statistical Product and Service Solution) Version 22 was used to determine the relationship between the independent factor and the dependent variable in this study. To do so, the data to be used must first be checked for authenticity and reliability. It can then proceed to data processing if appropriate. The term "valid" refers to the ability of an instrument to measure what it is supposed to measure. A reliable instrument is an instrument that produces the same data when used several times to measure the same object. It is expected that the research results will be valid and reliable because of the use of valid and reliable instruments in data collection. As a result, to obtain valid and reliable results requires the use of valid and reliable instruments. Correlation coefficient
(r) is used to verify validity. After that, rtable is used to check the value of r. (critical). Item is true if rcount is more than rtable, and vice versa. The reliability test is indicated by the reliability coefficient that moves from 0 to 1. If the coefficient is getting closer to 1, the more reliable it is and vice versa. In general, experts provide a minimum standard of reliability coefficient equal to or greater than 0.6.

So to know influence the variables in this study used the formula:
$Yit=\beta 0+\beta 1X_1+\beta 2X_2+eit$ 1
Where:
Yit = Economic Growth
 = Constant
1 = Regression coefficient of X1
2 = Regression coefficient of X2
X1 = Regional Original Income
X2 = General Allocation Fund
eit = Standard *error*

Besides that, hypothesis testing was also carried out, namely the F test, t test and the coefficient of determination R2 test. If the value of F is greater than 4, then H0 can be rejected at a confidence level of 5 percent or accept the hypothesis that all independent variables simultaneously and significantly affect the independent variables. The t-test can be detected by looking at the number *of degrees of freedom* or (df) is 20 or more and the degree of confidence is 5 percent, then H0 can be rejected or accept the hypothesis which states that an independent variable individually affects the dependent variable. The coefficient of determination test (R2) can be detected by looking at the Adjusted . value R2.

4. RESULTS AND DISCUSSION

4.1 Analysis Results data

Multiple linear regression analysis approach using SPSS 22 program is used in this study to analyze data from variables that affect economic growth in South Sulawesi. The dependent variable in this study is the economic growth of South Sulawesi, while the dependent variable is the economic growth of South Sulawesi. Regional Original Income (PAD) and General Allocation Fund are independent variables. The classical assumption test is carried out before performing multiple linear regression analysis as following:

a. Assumption Test Results Classic

Classical Assumption Test aims to test whether in the regression model, the dependent variable and the independent variable both have normal data distribution or not (Ghozali, 2011). In this study, data from the variables that affect economic growth in South Sulawesi were analyzed using a multiple linear regression analysis approach using the SPSS 22 program. The dependent variable in this study was the economic growth of South

Sulawesi, while the dependent variable was the economic growth of South Sulawesi. Variables Original Regional Income (PAD) and the General Allocation Fund are not related. Before performing multiple linear regression analysis, the assumption is tested as following:

1) Test Normality

The normality test is used to test whether the data held are normally distributed or not, then a test is carried out using the *Kolmogorow-Smiwow approach* to find out whether the values obtained are normally distributed or not with the benchmark value range being a step taken.

The basis for taking the *Kolmogorow-Smiwow test* are:

- If the significance value > 0.05 then the data is distributed normal
- If the significance value < 0.05 then the data is not distributed normal

Table 4.6
Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		10
Normal Parameters [a,b]	mean	.0000000
	Std. Deviation	4138225170415
Most Extreme Differences	Absolute	.184
	Positive	.184
	negative	-178
Test Statistics		.184
asymp. Sig. (2-tailed)		.200 [c,d]

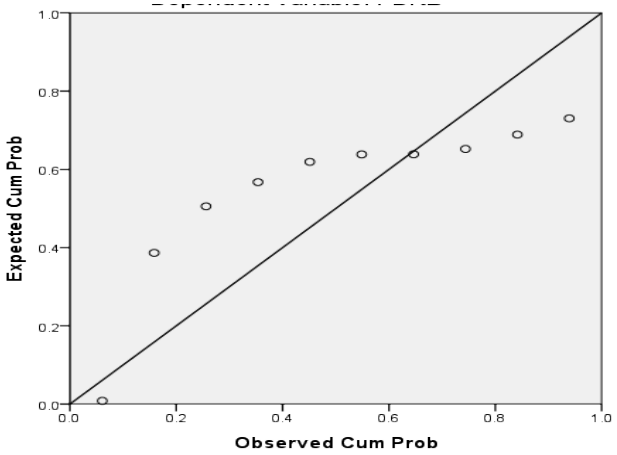
a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: SPSS 22 output, secondary data processing, 2021

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Table 4.6 shows that the Kolmogorov-Smirnov value obtained is normally distributed by the Asymp value. Sig. (2-tailed) is 0.200 and the Asymp value. Sig (2-tailed) is greater than 0.05. This shows that the data is distributed normal.

Figure 4.1 Normality Test Results



Source: SPSS 22 output, secondary data processing, 2021

Because the data spreads around the diagonal line and follows the direction of the diagonal line, it can be concluded that the data is normally distributed, as shown in Figure 4.1.

2) Test Multicollinearity

Regression variables were tested for multicollinearity to see if there was a relationship between the independent variables and the independent variables. Testing the value of Tolerance and VIF (variance inflation factor) in a regression model is one technique to see if the model has multicollinearity.

- If the tolerance value is > 0.10 and VIF < 10, there is no multicollinearity.
- If the tolerance value is < 0.10 and VIF > 10, a multicollinearity problem occurs.

Table 4.7
Multicollinearity Test Results
Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	18094369	86122.077		.210	.840		
	PAD	87624,108	41389,032	1.041	2.117	.072	.286	3,502
	DAU	-3.479	4.026	-.425	-.864	.416	.286	3,502

a. Dependent Variable: Economic Growth

Source: SPSS 22 output, secondary data processing, 2021

Based on the results of the multicollinearity test in table 4.7, the tolerance value is greater than 0.10 and the calculated Variance Inflation Factor (VIF) value is less than 10, indicating that there is no multicollinearity. As a result, no multicollinearity between the independent variables in the regression can be determined.

3) Test Autocorrelation

According to Ghozali (2018: 111), the autocorrelation test is used to see if there is a relationship between the confounding errors in the linear regression model. The autocorrelation problem occurs when there is a correlation. The walk test was used with a significance threshold of 0.05 to detect the presence or absence of autocorrelation symptoms. Runst Test is used to determine whether the residual data occurs randomly (systematically). In the linear regression model, autocorrelation is used to see if there is a relationship between the confounding error in period t and the error before period t. If there is a correlation, it is called an autocorrelation problem. The method used in this study to determine whether there is autocorrelation is by using a running test. The basis for making decisions in running the test, namely:

- When the Asymp value. Sig (2-tailed) < from 0.05, there are symptoms autocorrelation.
- When the Asymp value. Sig (2-tailed) > from 0.05 there is no autocorrelation symptom.

Table 4.8 Test Results Autocorrelation

Runs Test

	Unstandardized Residual
Test Value [a]	8684.07099
Cases < Test Value	5
Cases >= Test Value	5
Total Cases	10
Number of Runs	4
Z	-1.006
asymp. Sig. (2-tailed)	.314

a. median

Source: SPSS 22 output, secondary data processing, 2021

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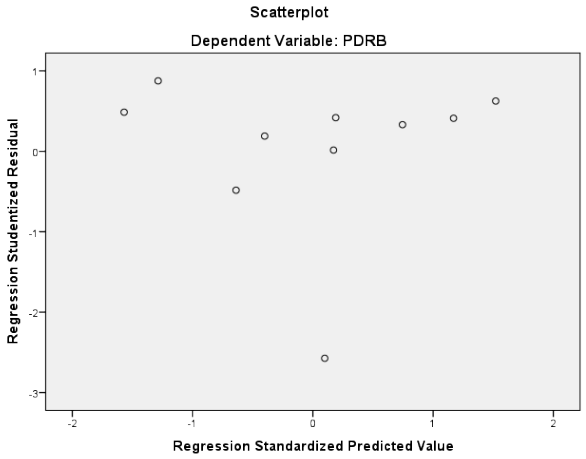
Based on the test results in table 4.8, the Asymp value can be seen. Sig. (2-tailed) with a value of 0.314 > 0.05 so it can be concluded that the data used is (*random*). It can be seen that the coefficient is free from interference and autocorrelation symptoms.

4) Test Heteroscedasticity

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variation from one observation to another. One way to predict heteroscedasticity can be seen from the *scatterplot pattern* .

To determine whether there is heteroscedasticity in this study, Figure 4.2 explains as follows:

Figure 4.2
Heteroscedasticity Test Results



Source: SPSS 22 output, secondary data processing, 2021

Because the data points are spread out and are below the number 0, the data points are not collected exclusively above and below, and the distribution does not form a pattern, it can be stated that there is no heteroscedasticity in this multiple linear regression study.

2. Regression Analysis Results multiple

In this study there are 2 independent variables, namely Regional Original Income and General Allocation Funds and the dependent variable of Economic Growth in South Sulawesi Province. To see whether each independent variable has an influence on the dependent variable, you can test the multiple regression model with SPSS 22. Based on the data obtained, to see if there is an influence and see the amount of value that is the main reference in determining the value obtained. To test whether or not there is an effect of each independent variable on the dependent variable, a regression model is tested with the results as following:

Table 4.9
Multiple Linear Regression Test Results
Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17,753	123,182		.144	.889
	PAD	78.088	35,061	.926	2.844	.012
	DAU	-3.031	.065	.319	-2.768	.468

a. Dependent Variable: Growth Economy

Source: SPSS 22 output, secondary data processing, 2021

1) Based on the regression equation, it shows that the constant value has a positive regression coefficient direction of 17.753. It shows that if other variables have increased by 1%, the variable Economic Growth of South Sulawesi Province has increased by 17.753%
2) Based on the results of research and regression test Regional Original Income of South Sulawesi Province has a positive value of 78.088, which means that for every 1% increase in Regional Original Income, Economic Growth increases by 78.088%.
3) Based on the results of research and regression test The General Allocation Fund for South Sulawesi Province has a negative value of -3,031, which means that for every 1% increase in the General Allocation Fund, Economic Growth will decrease by -3.031%.

c. Test results Hypothesis

1) Test (coefficient determination)

The coefficient of determination (R2) is the method used by Ghozali (2012: 97) to determine how well a model can explain variable fluctuations. The coefficient of determination has a value of zero or one. The coefficient of determination (R2) test determines how well a model can explain variation, so it is necessary to adjust R square as one of the calculation methods to find a value close to one independent variable that provides almost all the information needed. to predict the dependent variable, as shown in table 4.10.

Table 4.10
Coefficient of Determination Test Results
Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711 [a]	.664	.632	47.46953

a. Predictors: (Constant), DAU, PAD
b. Dependent Variable: Growth Economy
Source: SPSS 22 output, secondary data processing, 2021

Table 4.10, according to the results of data processing using SPSS, the adjusted R Square value (coefficient of determination) is 0.632, meaning that the impact of the independent variable (X) for the dependent variable (Y) is 63.2%, while the remaining 36.8% is influenced by from other factors that are important aspects in influencing it.

2) Simultaneous Test (F Test)

According to (Karlina, 2017) the F (simultaneous) significant test was used to test the effect of all independent variables on the dependent variable together. the results of the simultaneous test can be seen in table 4.11 below:

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Table 4.11
Simultaneous Test Results (F Test)
ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16105,730	2	8052.865	13,574	.004 b
	Residual	15773.494	7	2253.356		
	Total	31879,224	9			

a. Dependent Variable: Economic Growth
b. Predictors: (Constant), DAU, PAD
Source: SPSS 22 output, secondary data processing, 2021

From the results of the regression test in table 4.11 it is concluded:

1) According to the Significance Value of Outpot Anova
   From the SPSS output table, the sig value is 0.004. Because the significance value is 0.004 <0.05, it can be concluded that the independent variable has a significant impact on Economic Growth in South Sulawesi Province as a whole.
2) According to the Comparison of F-Calculated Values and F-Table
   From the SPSS output table, the calculated F value is 13,574. Because the calculated F-value is 13,574 > F-table 4.07, it is concluded that the hypothesis is accepted, or that the Regional Original Income and the General Allocation Fund simultaneously have an effect on Economic Growth in South Sulawesi Province.

3) Partial Test (Test t)

The test is carried out by partially (individually) testing the independent variables to determine the significance of the effect of each independent variable on the dependent variable.

Table 4.12
Partial Test Results (t Test)
Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17,753	123,182		.144	.889
	PAD	78.088	35,061	.926	2.844	.012
	DAU	-3.031	.065	.319	-2.768	.468

a. Dependent Variable: Economic Growth
Source: SPSS 22 output, secondary data processing, 2021

Based on the results of the Partial Test (t test) through regression analysis, the results of the independent variable, namely Regional Original Income ( ) and the General Allocation Fund ( ) to the dependent variable of Economic Growth
(Y) can partially be explained as follows:

- Partial Test of Regional Original Income (Test t)
- Perform the PAD partial test to determine whether there is an effect of PAD ( ) for Economic Growth (Y).
- According to Significance Value (Sig)
- From the SPSS Coefficient output table, it is known that the significance value of the Regional Original Income ( ) that is 0.012, because the value of Sig is 0.012 < from the probability of 0.05, it is concluded or the first hypothesis is accepted. This means that Regional Original Income ( ) has a positive and significant impact on Economic Growth in South Sulawesi Province (Y).
- According to the value of t-count and t-table
- Then Based on the comparison of the value of with , the result shown in the value of > (2.844 > 2.446) so from these results it can be concluded that rejected and received. Stating that the Regional Original Income variable has a positive and significant impact on Economic Growth in Sulawesi Province South.
- General Allocation Fund Partial Test (t-test))
- A partial test of the General Allocation Fund was carried out to determine whether there was an influence of the General Allocation Fund ( ) on Economic Growth in South Sulawesi Province (Y).
- Based on Significance Value (Sig)
- From the SPSS Coefficient output table, the significance value of the General Allocation Fund variable ( ) of 0.468. Because the Sig value of the probability is 0.05 > 0.468. so or the second hypothesis is rejected. That is, the General Allocation Fund ( ) does not have a positive and significant effect on (Y) Economic Growth in Sulawesi Province South.
- Based on the value of t-count and t-table
- Then Based on the comparison of the value of with , the result shown in the value of > (-2,728 < 2,446) so from these results it can be concluded that accepted and rejected. Stating that the General Allocation Fund variable has no significant positive effect on Economic Growth in Sulawesi Province South.

4.2 Results Discussion Study

a. The Effect of Regional Original Income on Economic Growth in Sulawesi Province South.

From the test results, it is known that the significance value of the Regional Original Income variable ( ) which is 0.016 < from a probability of 0.05, the t-count value of Regional Original Income ( ) which is 2.844 > from t-table 2.446, it can be concluded that or the first hypothesis is accepted. This means that there is an influence between Regional Original Income ( ) to Economic Growth (Y). This means that every 1% increase in Regional Original Income will increase the value of Economic Growth in South Sulawesi Province, which is 78.088.

These results are in accordance with the results of research from Antonius Y Luntungan et al. (2016) with the research title Analysis of the Effect of Regional Original Income (PAD) on Economic Growth in North Sulawesi Province in 2001-2013, with quantitative research methods, where the research results show that regional original income has a positive and significant effect on economic growth in North Sulawesi Province .

b. The Effect of the General Allocation Fund on Economic Growth in Sulawesi Province South.

From the test results, the significance value of the General Allocation Fund variable ( ) which is 0.468. > from probability 0.05, and the t-count value of the General Allocation Fund ( ) which is -2.728, because t-count -2.728 < from t-table 2.446, it is concluded

rejected or the second hypothesis is rejected. It can be interpreted that there is no direct impact between the General Allocation Fund ( ) for Economic Growth (Y). This means that a 1% increase in the General Allocation Fund ( ) will reduce the value of Economic Growth in South Sulawesi Province (Y) which is -3,031. This means that regencies/cities that receive large general allocation funds tend to have low capital expenditures. This is because the General Allocation Fund is used to finance other expenditures such as personnel expenditures, goods and services expenditures and other expenditures that do not have a direct relationship in increasing Economic Growth in Sulawesi Province. South.

These results are in accordance with the research of Sarkoro and Zulfikar (2016) with the research title The Effect of Regional Expenditures, DAU, DAK, and PAD on Economic Growth in North Sumatra Province with results showing simultaneously Regional Expenditures and Original Regional Income are very influential and partially Allocation Funds General and Special Allocation Funds have no effect on Economic Growth in North Sumatra. This is evidenced if the local revenue is higher, the economic growth will also experience enhancement.

5. CLOSING

5.1 Conclusion

Based on the results of research and discussion, several conclusions can be drawn as follows:

1. The significance value is smaller than the significance probability (0.016 0.05), indicating that partially local revenue has a positive and significant effect on economic growth in South Sulawesi Province. Furthermore, the comparison between t - count and t-table shows that t-count is greater than t-table (t-count 2.844 > t-table 2,446).
2. The General Allocation Fund has no positive and significant effect on the Economic Growth of South Sulawesi Province as indicated by a significance value greater than the probability of significance (0.468 > 0.05). Furthermore, the comparison of t-count and t-table shows that t-count is smaller than t-table (t-count -2.728 vs t-table 2.446). This means that every 1% increase in the General Allocation Fund reduces the value of Economic Growth in South Sulawesi Province.

5.2 Suggestions

Based on the results of the study and the conclusions above, the researchers can provide some suggestions as follows:

a. The South Sulawesi Provincial Government should utilize Regional Original Revenue as wisely as possible to increase Economic Growth in Sulawesi Province South.
b. The Government of South Sulawesi can allocate the General Allocation Fund properly and correctly to improve the quality of government performance by utilizing the budget according to needs so that government performance can improve the quality of services for the community so that when the quality of public services is efficient and fast, it will not take up people's time in manage public services so that they can have a direct influence on Economic Growth in Sulawesi Province South.

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