

ANALYSIS OF THE EFFECTIVENESS OF THE SPECIAL ALLOCATION FUND PERSPECTIVE IN REGIONAL DEVELOPMENT IN SIMALUNGUN REGENCY

Tuahman Sipayung¹, Joni Wilson Sitopu², Yusmaita Fafriani Saragih³
^{1,2,3} Universitas Simalungun

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E-mail:

spyung1963@gmail.com

ABSTRACT

The study's objective is to evaluate and clarify how the Special Allocation Fund has improved the development of the region's road infrastructure. This study employed secondary data that covered the years 2011 through 2020, and it used the Mixed Method Analysis data analysis technique, which combines qualitative descriptive analysis and quantitative descriptive analysis. The object under study is the result of the Simalungun Regency Government Financial Report on the Special Allocation Fund for Road Infrastructure in Simalungun Regency. The study's findings show that the Special Allocation Fund for Road Infrastructure is Quite Effective in Increasing Road Infrastructure Development in Simalungun Regency because the Special Allocation Fund is the main source of Road Infrastructure Development in Simalungun Regency. In order to achieve quality and sustainable economic growth, the government should give special attention to the development of road infrastructure. Policies that can support road infrastructure development are required to help increase economic growth that can be felt by the community.

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1. INTRODUCTION

One of the goals of a country is to increase its economic growth. Infrastructure is the driving force of economic growth. National development can be realized to realize development goals, national development must be carried out, both in the development of human resources (HR), natural resources (SDA), and infrastructure development to improve and facilitate the national and regional economy [1]. Infrastructure is viewed as the engine of national and regional growth from the perspective of the distribution of public and private financing. In addition to increasing consumption values, labor productivity, and employment opportunities, infrastructure has a significant impact on human welfare, real prosperity, and macroeconomic stabilization, specifically in terms of fiscal sustainability, the development of credit markets, and their effects on the economy and labor market. Road infrastructure is a very vital means to facilitate the flow of transportation, the smoother the flow of transportation it will encourage the economic growth of the people of an area. In the book Infrastructure: The key to achieving economic growth, productivity, and quality of Life, [2] Infrastructure availability might promote economic growth activities in the near term. Infrastructure development, social welfare, and economic growth all work together to advance the nation [3]

National development can be realized to realize development goals, national development must be carried out, both in the development of human resources (HR), natural resources (SDA), and infrastructure development to improve and facilitate the national and regional economy. Only if local governments are able to produce local revenue and do not rely on central government aid funding to pay local government activities will local governments be prosperous [4]. Although the reasons for decentralization vary from nation to nation, improving the delivery of public goods is frequently the main objective. Decentralization can, however, exacerbate the gap between rich and poor regions if poorly

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managed [5]. The Special Allocation Fund is one of the funding sources offered to Indonesian regions for the implementation of decentralization [6].

Road infrastructure, a crucial component of regional development and the engine of economic progress, is a concern in Simalungun Regency. The effectiveness of the road infrastructure is significantly influenced by its dependability [7]. If you look at the cumulative length of Simalungun Regency roads in 2020, it is 1,803.78 km and all of them are district roads. The length of the road which is fully managed by the Simalungun Regency Government is 1,803.78 km with good condition along 648.06 km, medium condition along 126.08 km, damaged condition along 55.09 km and heavily damaged condition along 974.55 km. Meanwhile, judging from the type of road surface, asphalt is 744.56 km, gravel is 917.38 km, concrete is 84.66 km and 57.17 km is dirt road [8].

The Simalungun Regency Government receives an annual Special Allocation Fund from the Central Government with the goal of assisting in funding unique initiatives for the improvement of the region's road infrastructure, health, and education in line with national priorities. This transfer procedure begs the question of whether responsibility for accomplishing national aims is also transferred during this process [9]. The ability of the Simalungun Regency government to actualize the Special Allocation Fund to carry out the planned program in comparison to the objective that has been set based on the possible real value is described by the efficacy of the Special Allocation Fund Management.

Effectiveness derives from the term effective, which connotes the accomplishment of the established objectives. Effectiveness is constantly correlated with the disparity between anticipated and actual outcomes. That an organization is effective when: (a) it secures scarce skills and resources from outside; (b) creatively combine human expertise with available resources to locate items that meet shifting consumer demands (systems approach - internal systems); and (c) effectively produce goods and services using available resources and talents (technical approach). When selecting the objectives to be accomplished and the tools or facilities to be employed, the desired objectives can be attained with satisfactory outcomes. The ideal link among productivity, quality, efficiency, adaptability, satisfaction, excellence, and development is called effectiveness. Effectiveness is a condition that contains an understanding of the occurrence of a desired effect or effect. The word Effective is defined as the occurrence of a desired effect or result in an action taken.

Measures Comparing the determined plans with the actual outcomes that have been achieved is another way to gauge effectiveness. However, it is considered ineffectual if the effort, or the results of the work, and the activities taken, are inappropriate so that the goals are not attained or the expected goals. The analysis used to calculate the level of effectiveness of the Special Fund Allocation uses the formula (Depdagri, Ministry of Home Affairs No. 690.900.327) in 1996, concerning Guidelines for Financial Performance Assessment as follows:

$$\text{Effectiveness} = \frac{\text{Realization Special Allocation Fund}}{\text{Target Special Allocation Fund}} \times 100 \%$$

To support basic human requirements, including social and economic demands, infrastructure is a physical system that provides transportation, irrigation, drainage, buildings, and other public utilities. Infrastructure is referred to in this description as a system. Whereas the components of a system's infrastructure take the shape of facilities and infrastructure (network) that cannot exist separately [13]. The government has made a number of attempts to provide high-quality infrastructure facilities and services, including agreements with a regulatory framework and an investment framework, as well as new construction as well as the rehabilitation and capacity building of damaged infrastructure facilities [14]. It is anticipated that the legislative, policy, and investment frameworks would expand the accessibility of infrastructure facilities and services [15]. So, it is hoped that the region's existing infrastructure's dependability will significantly and favorably influence the region's economic growth [16]. Economic growth is anticipated to be significantly impacted by the increase of physical capital [17].

Infrastructure is defined as physical facilities created or required by public entities for the performance of governmental tasks, including the supply of water, energy, waste disposal, transportation, roads, and other services to assist economic and social goals [18]. Through the developed road network, it is physically possible to have a long distance from the market in an origin - destination relationship (Original), so that destinations through a quality road network become more accessible, more organized and more attractive, more positioned, and easier to reach [19]

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2. METHOD

Beginning in September 2021, this study was conducted in Simalungun Regency, with participants coming from the Regional Financial and Asset Management Agency and the Simalungun Regency Public Works Department of Highways. The population in this study is the Simalungun Regency Government Financial Report from 2011 to 2020 for 10 (ten years). The object under study is the result of the Simalungun Regency Government Financial Report on the Budget Report and the Realization of the Special Allocation Fund for Road infrastructure in the form of an annual report that is used as the research sample.

In this study, there are two variables: an independent variable and a dependent variable. In this study, researchers used independent variables, namely road construction, planning, implementation, accountability. In this study, the researcher used the dependent variable in the form of the effectiveness of the Special Allocation Fund. Effectiveness refers to the Simalungun Regency Government's capacity to use the Special Allocation Fund's resources to carry out the planned program in relation to the goal that has been established based on the possible real value [20]. To answer the above problems, Mixed Method analysis is used. When there is a combination of qualitative descriptive analysis and quantitative descriptive analysis, which is a research procedure that includes both quantitative data from individuals and actors that can be observed as well as descriptive data in the form of written or spoken words.

3. RELUST AND DISCUSSION

The data used to analyze the effectiveness of the Special Allocation Fund for Regional Development in Simalungun Regency is data on the Special Allocation Fund for Road Infrastructure. The data year processed is 2011 to 2020. The data includes the Target and Realization of the Special Allocation Fund for Road Infrastructure which have been summarized as follows:

Table 1. Budget and Realization of Special Allocation Funds for Simalungun Regency

No	Year	Target (Rp)	Realization (Rp)	More / (Not enough)(Rp.)
1	2011	11.338.977.300	11.323.731.950	15.245.350
2	2012	8.659.132.000	8.532.011.700	127.120.300
3	2013	12.637.658.000	12.195.111.741	442.546.259
4	2014	13.904.913.000	13.697.860.577	207.052.423
5	2015	18.448.149.000	18.033.158.400	414.990.600
6	2016	63.000.000.000	59.807.168.229	3.192.831.771
7	2017	82.881.000.000	67.173.951.383	15.707.048.617
8	2018	37.036.060.828	35.314.000.890	1.722.059.938
9	2019	49.326.879.527	47.206.567.427	2.120.312.100
10	2020	45.206.666.000	-	45.206.666.000

Data Source: Regional Financial and Asset Management Agency of Simalungun Regency

The Special Allocation Fund for Road Infrastructure in Simalungun Regency is evaluated using effectiveness analysis, which is the first type of data analysis employed. Qualitative data analysis is used to determine the factors that increase and decrease the Realization of the Special Allocation Fund for Road Infrastructure Sector. The role of the Special Allocation Fund for Road Infrastructure is very large in supporting the Simalungun Regency Government to realize road construction in Simalungun Regency. The ability of the Regional Government to secure the Transfer of Special Allocation Funds from the Central Government and materialize them on targeted development in the regions is described by the effectiveness of the Special Allocation Fund for Road Infrastructure. When the realization received from the Central Government is getting bigger and according to the target, it can be said that the Special Allocation Fund for Road Infrastructure in road construction in Simalungun Regency is more effective and vice versa. Analysis of the effectiveness of the realization of the target of the Special Allocation Fund for Road Infrastructure in Simalungun Regency.

The effectiveness ratio uses a formula to compare the Regional Government's capacity to achieve the budgeted expenditures to the target set based on the region's actual potential [21]. The findings of the evaluation of the Special Allocation Fund's efficiency and the applied formula are as follows :

The Effectiveness of the Special Allocation Fund	=	Realization of Special Allocation Fund	x	100 %
		Target of Special Allocation Fund		

According to [22] an organization's effectiveness is a gauge of its success or failure in attaining its objectives.. An organizational unit's work process is more effective the more the final output contributes to the accomplishment of the stated goals or objectives. Analysis of the effectiveness of the realization of the Target of the Special Allocation Fund for Road Infrastructure in Simalungun Regency. The effectiveness ratio, expressed in percent, indicates the Regional Government's capacity to achieve the anticipated expenditure target in comparison to the established target [21]. The following factors determine the efficacy of the expenditure budget based on the Decree of the Minister of Home Affairs Number 690,900-237 of 1996 about Criteria for Assessment and Financial Performance.:

Percentage	Criteria
On 100 %	Very effective
90 - 100 %	Effective
80 - 90 %	Effective enough
60 - 80 %	Less effective
Less than 60 %	Ineffective

The following is a presentation of the data analysis carried out by the author related to the discussion of the Effectiveness of the Special Allocation Fund for Road Infrastructure for road construction in Simalungun Regency from 2011 to 2020.

Table 2. Effectiveness of the Simalungun Regency Special Allocation Fund

No	Year	Special Allocation Fund		Effectiveness (%)	Information *
		Target (Rp)	Realization (Rp)		
1	2011	11.338.977.300	11.323.731.950	99,87	Effective
2	2012	8.659.132.000	8.532.011.700	98,53	Effective
3	2013	12.637.658.000	12.195.111.741	96,50	Effective
4	2014	13.904.913.000	13.697.860.577	98,51	Effective
5	2015	18.448.149.000	18.033.158.400	97,75	Effective
6	2016	63.000.000.000	59.807.168.229	94,93	Effective
7	2017	82.881.000.000	67.173.951.383	81,05	Effective enough
8	2018	37.036.060.828	35.314.000.890	95,35	Effective
9	2019	49.326.879.527	47.206.567.427	95,67	Effective
10	2020	45.206.666.000	-	-	Ineffective

Data Source: Regional Financial and Asset Management Agency of Simalungun Regency (Data processed)

Discussion

The Effectiveness of Realization of the Special Allocation Fund for Road Infrastructure in Simalungun Regency which was carried out from the 2011 to 2020 Fiscal Year has fluctuated every year. The level of effectiveness of the Realization of the Special Allocation Fund for Road Infrastructure in Simalungun Regency is classified as Fairly Effective because the average level of effectiveness is 85.82 percent. From the description above, it can be concluded that the increase in the provision of the Special Allocation Fund for road infrastructure from the central government to the Simalungun Regency Government will increase economic growth in Simalungun Regency. The Special Allocation Fund for regional needs is spent in the Simalungun Regency area, with the existence of these funds, road

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infrastructure development and the economy will grow in Simalungun Regency. So that the increase in the Special Allocation Fund will increase the economy in Simalungun Regency.

The development of road infrastructure in Simalungun Regency is funded mostly from the Special Allocation Fund, General Allocation Fund, Provincial Financial Aid, Multi Infrastructure Facility (SMI) and the Regional Road Grant Program because Simalungun Regency's Original Regional Revenue has not been able to fund the construction of road infrastructure in Simalungun Regency.

The length of the road according to the status and condition of the road in Simalungun Regency in 2020 is 1,803.78 km and all of them are district roads. The length of the road which is fully managed by the Simalungun Regency Government is 1,803.78 km with good condition along 648.06 km, moderate condition along 126.08 km, damaged condition 55.09 km and heavily damaged condition along 974.55 km, while seen the type of road surface is asphalt with a length of 744.56 km, gravel length of 917.38 km, concrete length of 84.66 km and a length of 57.17 km of dirt roads (source: Simalungun Regency Public Works Department).

4. CONCLUSION

The Special Allocation Fund for Road Infrastructure is Quite Effective in improving Road Infrastructure Development in Simalungun Regency. The management of the Special Allocation Fund for Road Infrastructure in improving Road Infrastructure Development in Simalungun Regency is in accordance with the technical instructions of the Presidential Regulation starting from the planning, implementation and reporting stages. Factors that hinder the Management of the Special Allocation Fund for Road Infrastructure Internal and External Factors, the internal factors are the delay in receiving the Technical Instructions (Juknis) for the Special Allocation Funds from the relevant technical ministries and the changing Transfer of Physical Special Allocation Funds which will impact on adjustments planning and budgeting of supporting funds, supporting funds or general costs and other funds, then the implementation of a long enough time/tender process so that this affects the targets and achievements of the realization of the absorption of funds per quarter in the current budget year. External factors that become obstacles in the implementation of the Special Physical Allocation Fund are changes in weather conditions or changes in seasons and the Simalungun Regency area is too wide to be reached by Road Infrastructure Development.

The Simalungun Regency Government is expected to improve its approach to the Central Government by meeting general criteria, special criteria, and technical criteria for recipients of the Special Allocation Fund transfer from the Central Government. The Simalungun Regency Government is expected to increase Regional Original Income (PAD) so that it can provide an increasing contribution to the Regional Development of Simalungun Regency. Given that the Simalungun Regency Government Road Infrastructure Development Budget is very limited, the most important role of the community as road users is that the community can be orderly and orderly in using the road so that it can reduce/minimize the damage to the roads in Simalungun Regency, such as not using the road for activities. that are not suitable, use vehicles that are in accordance with the road class, do not carry loads that exceed the road capacity, and so on. The development of road infrastructure should receive special attention from the government in order to promote economic growth in Simalungun Regency. This will eventually result in the provision of welfare for the community.

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