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Public Expenditure and Regional Development (Studies In Education Sector in South Sulawesi)

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Abstract

South Sulawesi government has placed education as a top priority of regional development. In the Medium Term Development Plan of South Sulawesi 2008-2013, the education sector together with the health sector occupies the first agenda of the seven regional development agenda. To ensure that all children who are at school age actually attending school, South Sulawesi government since 2008 has implemented a policy of free education in all districts / cities. In real terms, the proportion of the education sector expenditure to total expenditure in the region of South Sulawesi is already above 20 percent with an increasing trend from year to year. In 2010, the proportion of education expenditure to total expenditure areas has reached 30.78 percent, whereas in 2005 only reached 20.89 percent. Education sector spending is increasing faster than the total shopping area led to the proportion of the education sector expenditure to total expenditure continues increase. Expenditure for the education sector in South Sulawesi has tripled over the period 2005-2011. In 2005, total real spending the education sector amounted to Rp 1.67 trillion and Rp 5.00 trillion increase to the year 2011, however, when viewed from the acquisition of knowledge is still relatively low as indicated by the large portion of the population is illiterate and the average low rate -rata old school which is reflected in the low HDI. The factors that lead to creative adaptation in the field of science and technology is quite slow.

Keywords: Public expenditure, regional development, education

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1. Introduction

Government spending is still less attention in the Public administration, while we know that government spending as one of the two sides of the government budget has a very important function because the budget can be described as the area in life [1]. Government spending is defined as cost of goods services funds spent by the government on all levels. Government spending can be divided into spending on goods and services, public spending, general government expenditure and debt interest payments [1, 2]. In Indonesia, the theoretical perspective and legislation used, Public expenditure is public sector investment, which is the provision of tangible fixed assets and has more benefits. This is confirmed in the PP 58 of 2005 and Regulation No.13 of 2006, which is defined as an asset for economic benefits that can improve the ability of the government in the context of service to the community. Public expenditure is an expenditure category areas contained in the budget in the form of procurement of tangible fixed assets and have more benefit [3].

The facts show that in almost all developing countries such as Indonesia, where the level of government spending increased from 10.2% in 1991 increased to 14, 4% in 2010 [4], and during the last decade, a number of government spending is managed and implemented by local governments, and since 2007 the Provincial Government, the District and the City manages about 36% of total government spending and implement more than 50% of Public for infestation. However, most of the population is not so significantly improved the welfare of the community, including the improvement of education level. South Sulawesi increasingly play an important and strategic role for the development of the Eastern Region Indonesia. Province is located in the middle region of Indonesia with an area 45764.53 squares, the population of 8,032,551 inhabitants (2010), consists of 21 counties and three cities. The position is placed as a gateway to Eastern Indonesia by sea transportation (Port of Soekarno-Hatta in Makassar), ground transportation (Makassar city as a starting point overland towards trans-Sulawesi North Sulawesi), and air transportation (Sultan Hasanuddin International Airport in Makassar). The province also plays an important role as the national food and cocoa development center in Indonesia [5].

South Sulawesi experienced rapid socio-economic development in the last five-year period has been an increase in the value of Gross Domestic Product (GDP), a shift in the structure of GDP, per capita income, economic growth, improvement of investment, poverty reduction and decrease in unemployment , in conditions of high population growth. This development takes place in conditions of improving public services along with a range of areas closer as a result of regional expansion, increased government spending as the effects of fiscal decentralization on decentralization, the ongoing development of various physical-infrastructures, and supported by the conditions of order and security. South Sulawesi faces major challenges of development in terms of human quality. Although Human Development Index (HDI) of South Sulawesi experienced a significant increase in value that occupies the lower middle group (values above 70), and the relative has shifted from the order of 23 to 19 nationwide, achievement still require acceleration for the realization of high-quality human. Indicators Literacy Rate (AMH) and Average Length of School (RLS), life expectancy (AHH) and purchasing power requires acceleration, for the realization of the South Sulawesi man who has spaces choices (choices) and the ability to voice option (voices) in his life. Transformation of the economic structure and development of superior commodities is the central challenge of regional development in addition to the quality of human. In the last five years the contribution of agriculture in employment remains high, ie 54.70 per cent (2005) and 49.30

percent (2009). The contribution of agriculture in GDP is still large, ie 31.13 per cent (2005) and 28.57 percent (2009). This means that the economy is still large contributed by primary products and agricultural HR-traditional, yet fully transformed into a modern-industrial economy. Under conditions of employment contribution is greater than the contribution of the above GDP, the rural and agricultural South Sulawesi will be vulnerable poverty. The challenge is the management of competitive commodities such as plantation crops (cocoa), food crops (paddy and maize) and seafood (fish and seaweed), need to be more oriented agro-industry and agribusiness that could be part of the product chain and global trade. But in terms of the consistency between the allocation of regional expenditure is in accordance with the strategic sector planning area. The substance of the long-term vision of South Sulawesi is a human quality while the substance of its medium-term vision is the fulfillment of basic human rights. Education, health and infrastructure is an essential element of the substance of both the vision and the third sector to obtain the largest budget allocation, both for the provincial and district / city. With the development and design of budgeting as it is, it can be expected an effect of policy interventions and programs and public spending that can effectively steer and accelerate the changes according to the vision together.

Consistency and relevance of planning and budgeting documents indicate the direction that increasingly. Although there are still many obstacles, such as the tendency of local governments to give greater attention to the aspects of budgeting rather than planning. The indications, the budget document (RAPBD, RKA and DPA) relatively more complete than planning documents (RPJPD, Strategic Plan and Renja SKPD). In addition, they found no inconsistency between the Strategic Plan and Renja SKPDs with RPJMD and RKPD; in some cases still occur delay in the preparation of RPJPD, SKPDs RPJMD and Strategic Plan; determination of indicators and performance targets are not careful and less precise; and weak commitment of local development stakeholders in creating linkages and consistency of planning and budgeting.

2. Methodology

This study used a qualitative approach to analyze the phenomenon of public spending by local governments and municipalities in southern Sulawesi. Field data collection is done with the guiding data related to the : strategic plan (strategic plan), work plan (Renja) and budget of each county / city in south Sulawesi good basic budget, and budget changes during the period 2006 to 2011, while for educational performance using data 2006 to 2010. More research using secondary data collected during six months.

3. Results and Discussion

3.1 Conditions Human Development in South Sulawesi

In absolute terms, IPM South Sulawesi has increased significantly, and has achieved the HDI value category "upper middle". The increase of HDI is the main vision RPJMD South Sulawesi 2008-2013. In 2008 HDI South Sulawesi has entered the category of "high" (above the value of 70), and in its development during 2006 to 2010 the number has increased by 3.44 points, which is the third highest increase nationally, after Lampung and Papua West. Even in 2008-2009 the increase in the highest HDI in South Sulawesi in Indonesia. Increasing the

value of HDI South Sulawesi during the period 2006-2010 due to several factors. First, economic growth in South Sulawesi were increased significantly and relatively controlled inflation has prompted an increase in purchasing power. Second, improvements in education, namely literacy rate of the population increased from 85.70 percent in 2006 to 87.65 percent in 2010; so is the average number of old school increased from 7.0 years in 2006 to 7.53 years in 2010. Third, improvements in the health sector, where the life expectancy rose from 69.2 years in 2006 to 70, 8 years in 2010 [6].

3.2 Overview of Local Revenue

Local Revenue real (provincial and district / city) in South Sulawesi increased nearly doubled during the period 2005-2010. In that period, local revenue increased from Rp 9,005 billion in 2005 to USD 15 881 billion in 2010, with an average growth of 13.03 percent per year. Income areas managed by the district / city to Rp 7,380 billion in 2005 increased to USD 13 426 billion in 2010 with a n average growth of 13.96 percent per year, while revenues of the province increased from Rp 1,624 billion in 2005 to USD 2,456 billion in 2010 with an average growth rate of 9.05 percent per year.

Most areas in South Sulawesi revenue managed by the district / city. This is indicated by the proportion of the revenue district / city to the total income of the area is greater than the proportion of provincial revenues. During the period 2005-2010, the proportion of revenue districts / cities to total regional revenue on average 84 percent per year, while the proportion of provincial revenues to total local revenues reached an average of 16 percent per year. The biggest contributor to the provincial revenue is revenue (PAD) with an average reached 56.37 percent per year of total provincial revenues, while revenue district / municipal equalization funds contributed by the average of 83.72 percent per year of total revenue district / city.

Table 1: Proportion against total revenue (billion)

No	Year	Rill income	
		Province	Regency / City
1	2006	1,924	10,912
2	2007	2,225	12,314
3	2008	2,325	12,053
4	2009	2,318	12,255
5	2011	2,465	13,426
Source: PEA of South Sulawesi 2011 [7]			

South Sulawesi local government dependence on the central government so large that reflected the value and proportion of income equalization funds to South Sulawesi. During the period 2005-2010, local revenues derived from the average fund balance reached USD 10 408 billion per year. Donations fund balance against South Sulawesi regional income ranged from 68.84 to 82.53 percent or an average of 76.47 per cent during the

years 2005-2010. Source of revenue comes from the PAD is relatively small with an average range of 15.13 per cent of their revenues. The rest, about 7.89 percent is contributed by Else Local Revenue The Legal. This condition means that the level of dependency of local governments in South Sulawesi to the central government is very large.

3.3 Shopping Area

In the period 2005-2010, the total expenditure South Sulawesi (provincial and district / city and deconcentration and assistance) increased more than twofold. In 2005, total expenditure amounted to USD 8683 billion areas has significantly increased to Rp 18 327 billion in 2010. Although in absolute local government spending is increasing every year, but growth is quite volatile during the period 2005-2010 the average reaches 17.04 percent per year. The greatest growth occurred in 2006 amounted to 36.90 percent and the lowest was 1.55 percent in 2009. The low growth in regional spending in 2009 was contributed by the decline in real spending to the provincial and district / city.

Table 2: Development of the Provincial Government Spending

No	Year	Expenditure (Billion)		
		Province	Regency /City	Deconcentration
1	2006	1,814	8,508	1,564
2	2007	2,252	11,700	1,882
3	2008	2,480	12,826	1,832
4	2009	2,250	12,516	2,638
5	2011	2,642	14,052	1,632
Source: PEA South Sulawesi 2011 [7]				

Provincial government spending tends to increase each year during the period 2005-2010 than in 2009. In 2005, the provincial government spending reached Rp 1,635 billion increased to Rp 2,480 billion in 2008, then decreased by Rp 230 billion to Rp 2,250 billion in 2009. But two years later, the provincial government spending back increased, although still at the level of the budget and budget changes the subject. The decline in provincial government spending that occurred in 2009 primarily due to a sharp decline in the general government sector expenditure, infrastructure and health. The largest decrease in the components of general government expenditure in the sector is not unexpected expenditure of about 84.63 percent from 2008. In the infrastructure sector, the largest decline occurred in capital expenditure of Rp 94 billion and the health sector is personnel expenses amounted to Rp 11 billion. During the period 2005-2010, the average portion of provincial government spending to total expenditure in South Sulawesi excluding deconcentration and co funding by 83 percent per year and an average growth of provincial government expenditure during the period amounted to Rp 10.68 percent per year.

3.4 Shopping Education Sector

South Sulawesi government has placed education as a top priority of regional development. In the Medium Term Development Plan (RPJMD) South Sulawesi 2008-2013, the education sector together with the health sector occupies the first agenda of the seven regional development agenda. To ensure that all children who are at school age actually attending school, South Sulawesi government since 2008 has implemented a policy of free education in all districts / cities. At the same time, also has developed a variety of other policies such as improving the quality of education services, the promotion of education, literacy, and cultural development of reading.

In real terms, the proportion of the education sector expenditure to total expenditure in the region of South Sulawesi is already above 20 percent with an increasing trend from year to year. In 2010, the proportion of education expenditure to total expenditure areas has reached 30.78 percent, whereas in 2005 only reached 20.89 percent. Education sector spending is increasing faster than the total shopping area led to the proportion of the education sector expenditure to total expenditure area continues to grow.

Table: 3: Total Expenditure Rill Provincial and District Education in South Sulawesi (Billion USD)

No	Year	Rill Income	
		Province	Regency /City
1	2006	0,8	2.000
2	2007	0,8	3.600
3	2008	0,8	3.700
4	2009	0,8	4.100
5	2011	0,8	5.100
Source : PEA South Sulawesi 2011 [7]			

Shopping for the education sector in South Sulawesi tripled and placed second during the 2005-2011 period. In 2005, total real spending the education sector amounted to Rp 1.67 trillion and Rp 5.10 trillion increase in 2011 atau increased Rp. 3.5 Trillions for 5 years. Education spending districts / cities contributes greatly to the increase in total education spending in South Sulawesi. In real terms, education spending districts / cities increased by an average of 28.15 percent per year, while the provincial education spending increased by only 7.28 percent per year. The high proportion of education spending indicates the amount of attention the local government to improve the quality of human life.

Quality of life refers to the stock of knowledge and skills of a person, where education is one way of increasing individual quality. The higher one's education is expected the higher capital stock, as it is believed that the good quality of human resources will be positively correlated with economic growth [1,8].

3.5 Education Sector Performance Results

Based on the above description, although expenditure for education sector increased 3-fold and ranks second for 5 years (2005-2010), however, when viewed from the acquisition of knowledge is still relatively low as indicated by the large portion of the population is illiterate and low numbers mean the average length of school is reflected in the low HDI. The factors that lead to creative adaptation in the field of science and technology is quite slow. The low HDI in South Sulawesi when seen further that the cause is the performance of the development of education, even if in explore further is not likely that South Sulawesi caught in a cycle of funding failure

Table 4: APS by Sex in South Sulawesi

Year	7-12 Year (SD/MI)		13-15 Year (SMP/MTs)		16-18 Year (SMA/SMK/MI)	
	Male	Female	Male	Female	Male	Female
2006	94.35	95.44	77.15	79.53	49.49	52.21
2007	94.53	95.66	77.18	79.69	49.58	52.25
2008	94.79	95.85	77.12	79.74	49.65	53.06
2009	95.31	95.95	77.16	79.89	49.98	53.06
2010	95.93	97.19	79.86	82.04	51.30	51.94
Source : Study of Public expenditure in South Sulawesi, 2012						

Table 5: Comparison of Mean old School in Sulawesi and National

Year	Mean of Study duration	
	Indonesia	South Sulawesi
2006	7.20	7.00
2007	7.40	7.20
2008	7.50	7.30
2009	7.70	7.40
2010	7.90	7.80
Source: Study of public expenditure in South Sulawesi, 2011		

School Enrollment (APS) South Sulawesi is relatively lower than the national APS at all levels of education, but the increase in South Sulawesi APS takes place relatively faster than the national APS. In 2009, APS SD / MI (6-12 years), SMP / MTs (13-15 years) and SMA / SMK / MA (16-18 years old) South Sulawesi respectively by 96.53 percent, 80.96 percent, and 51.67 percent, whereas in the National has reached respectively 97.95 percent, 85.47 percent, and 55.16 percent. However, at the national level, APS SD / MI just moved from 97.6 percent in

2007 to 97.95 percent in 2009, an increase of 0.35 points. While in South Sulawesi, in the same period, moving from 95.3 percent to 96.53 percent, an increase of 1.23 points. A similar trend also occurred in APS SMP / MTs and SMA / SMK / MA. If this trend continues consistently, it is predicted that in 2012, APS SD / MI in South Sulawesi will be able to match the APS SD / MI National. While APS SMP / MTs and APS SMA / SMK / MA apparently still need more time, the fastest in the next five years, to match the national figures.

During the period of 2006-2010, the old school figures show a consistent increase, but still in under national figure. In 2006, the average length of school was 7.0 years and increased to 7.8 years in 2010. This figure is still below the national average which has now reached 7.9 years. This means that on average, the population of South Sulawesi is only able to complete the first grade junior high school and dropped out of school before grade 2 junior.

Table 6: Figures of Comparison Literacy rate in South Sulawesi and National

Year	Literacy rate	
	National	South Sulawesi
2006	92.91	87.75
2007	92.58	87.02
2008	92.19	86.53
2009	91.87	86.24
2010	91.45	85.70

Source: Study of public expenditure in South Sulawesi, 2011

Literacy rate in South Sulawesi has a considerable gap sharply with the literacy rate at the national level as well as a very slow upward movement. In 2010, the literacy rate of the population in South Sulawesi, aged 15 years amounted to 87.75 percent. This means that every eight residents in South Sulawesi, one of them is illiterate. Although this number already larger than previous years, but this is still well below the national average rat numbers are currently located around 93 percent, which means that every 14 nationwide population of only one of them are illiterate compared to Sulawesi South who are one among eight of population number [9]. Therefore, in absolute terms the literacy rate in South Sulawesi also increased very slowly. These figures give a strong indication that the literacy rate is still a serious problem and remains a major challenge in the education sector in South Sulawesi.

4. Conclusions

During the period from 2006 to 2011, spending on education in South Sulawesi showed a significant increase in both absolute and relative terms. Necessary to ensure that the budget is actually working to improve education indicators, especially the literacy rate and the average length of school.

The increase in education spending in South Sulawesi has managed to push the performance of output mainly teacher-pupil ratio, but have not managed to push the performance results in the form of school enrollment rates, average length of school and the literacy rate at a level equivalent to the target RPJMD and national figures.

5. Suggestions

In order for education spending increasingly sharpened direction of their use to encourage district literacy rate performance and average length of 10 schools at the lowest level in order to better focus and inclusion to reach 100 percent of school-age children compulsory.

In order for the central government to take steps in a systematic policy and optimize the positive effects of the increase in government spending on the education sector.

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