UDC 332

THE EFFECTIVENESS OF THE NAWACITA STRATEGY FOR ACCELERATING ECONOMIC GROWTH TO REDUCE POVERTY IN DISTRICTS / CITIES IN BALI PROVINCE

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ABSTRACT
Referring to the third point in the Nawacita strategy, which is to develop Indonesia from its periphery, proper and thorough actions are needed, because economic growth inequalities in various regions and inconsistent poverty levels still exist, which needs our concern. Poverty is a problem in every country and the purpose of this study is to determine the effectiveness of the Nawacita strategy in accelerating economic growth in reducing poverty in regencies / cities in Bali Province. To achieve this research objective, the researchers tried to add several indicators, namely the Village Fund (DD), the Special Allocation Fund (DAK), and the Village Fund Allocation (ADD) as moderating variables. The result of the (t) test is that PED has a negative effect on TK or an increase in PED will reduce the minimum wage / increase the poverty level but it is not significant; The interaction of PED and DD has a positive and significant effect on TK. Or in other words, increasing DD significantly weakens the positive effect of PED on TK; The interaction of PED and ADD has a positive and significant effect on TK. In other words, increasing ADD attenuates significantly the positive effect of PED on TK; The interaction of PED and DAK has a positive but not significant effect on PED, or in other words the increase in DAK weakens the positive effect of PED on TK but is not significant.

KEY WORDS
Regional economic growth, village fund allocation, village fund, special allocation fund, poverty level.

The construction of borders is contained in the third point of Nawacita. President Jokowi and his vice Jusuf Kalla (will be referred to as JK) boldly held the principle of developing Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state. Development is no longer centralized in urban areas, but must be spread throughout Indonesia (decentralization). It is hoped that this strategy will be able to accelerate economic growth and in the end will alleviate poverty.

Poverty is indeed a complex problem that can strike any area, including the island of Bali. Bali, an area known as the island of a thousand temples or the island of the gods, is a world tourist destination, many people think that people in Bali must be far from poverty. In fact, Bali is also inseparable from the problem of poverty. BPS data shows that in 2017 s.d. 2019 as presented in table 1 shows that there is still poverty in districts / cities in Bali Province, although there has been a relative decline in 2019 compared to 2018.

Table 1 – Poverty Rates (TK) in districts / cities in Bali, 2017-2019

Regency / City	2017	2018	2019
Jembrana	0,64	0,61	0,58
Tabanan	0,92	0,85	0,80
Badung	0,55	0,57	0,52
Gianyar	0,95	0,89	0,85
Klungkung	0,47	0,45	0,42
Bangli	0,51	0,46	0,42
Karangasem	1,13	1,08	2,59
Buleleng	1,58	1,472	1,43
Denpasar City	0,88	0,88	0,84

Source: BPS (2020).

The relatively lower level of poverty will certainly have an impact on the human development index (will be referred to as HDI), including: per capita consumption, level of public health and education which in turn will affect regional competitiveness. There are several factors that can reduce TK, one of which is economic growth. Economic growth (will be referred to as PE) is an important component for central and local governments. PE encourages local governments to carry out economic development by managing existing resources and forming a partnership pattern with the community to create new jobs that will affect the development of activities in the area. Economic growth is defined as a process that causes the per capita income of a country's population to increase in the long run. The economic growth of a region is generally indicated by the rate of Gross Regional Domestic Product (will be referred to as PDRB). The rate of growth of several sectors in each district / city varies greatly depending on the characteristics of the sectors in the district or city. Nurudeen (2010) stated that the government has a big role in development. The role of the government in increasing PE is very large through financing by the government (Dalamagas, 2010). So this statement fits perfectly with what President Jokowi's administration is doing. Through 9 agendas in realizing advanced Indonesia or what is known as "Nawacita". During the administration of President Jokowi-JK, thicken the phrase to develop Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state. It is hoped that the district / city economic growth will be able to reduce the poverty level in the area. Several studies have conducted studies on the effect of PE on kindergarten and showed inconsistent results, such as: research by Purnama and Jayadi (2016), found PE had a significant negative effect on kindergarten, while Primandari's (2018) research revealed that PE had a significant effect on kindergarten. The inconsistency of these results is thought to be due to the role of other factors or variables, which Govindarajan (1986) and Murray (1990) refer to as contingent factors. There are several contingent factors that should be suspected as potential moderators, among them, what attracted the attention of researchers were the variable Village Fund (will be referred to as DD), Village Fund Allocation (will be referred to as ADD) and Special Allocation Fund (will be referred to as DAK). DD and ADD will encourage the rural economy which in turn has an impact on increasing the district / city economy. DAK with the use of funds to support national strategic programs will also be able to encourage the economy of city districts. So that simultaneously, DD, ADD, and DAK will accelerate PE to reduce TK. This research is different from previous research, especially trying to see the ability of DD, ADD, and DAK in accelerating PE to reduce TK, as a study to test the effectiveness of Jokowi-JK's Nawacita strategy. The purpose of this study was to determine the effectiveness of the Nawacita strategy on economic growth in reducing poverty in districts / cities in Bali Province.

METHODS OF RESEARCH

This research was conducted in nine (9) districts / cities in Bali Province, including: Denpasar City, Badung Regency, Tabanan Regency, Jembrana Regency, Buleleng Regency, Bangli Regency, Karangasem Regency, Klungkung Regency, and Gianyar Regency. The operational and measurement of the observed variables are as follows:
Regional Economic Growth (PED)
Economic growth can also be interpreted as an increase in Gross Domestic Product (GDP) or Gross National Product (GNP) regardless of whether the increase is greater or less than the population growth rate or whether changes in economic structure occur or not, if it is related to regions it can be analogous to gross regional domestic product (GRDP). PED in this study is proxied with per capita GRDP growth, with the data measuring scale is the ratio scale and how to measure it is as follows:

$$PED = \frac{PDRB_t - PDRB_{t-1}}{PDRB} \times 100$$

Where:

PE = District / city economic growth;
PDRBt = GRDP of the current year;
PDRBt-1 = Previous year's GRDP.

The Village Fund is a source of funds originating from the state revenue and expenditure budget transferred through the Regency / City regional revenue and expenditure budget and used to carry out governance, village development, fostering and community empowerment, based on Government Regulation Number 72 of 2005 and Permendagri No 113 of 2014. Parameters are current year realization (t) and data measurement scale is ordinal;

Village Fund Allocation (ADD) is a fund allocated by the Regency / City government for villages which comes from the portion of the central and regional financial balancing funds received by the Regency (Government Regulation Number 72 of 2005 and Permendagri No 113 of 2014). The parameter is the current year realization (t) and the data measurement scale is ordinal;

The Special Allocation Fund is a fund originating from the APBN allocated to certain regions with the aim of helping to fund special activities which are regional affairs and in accordance with national priorities. The measurement of the DAK variable is measured using a ratio scale. DAK indicators consist of general criteria, specific criteria and technical criteria.
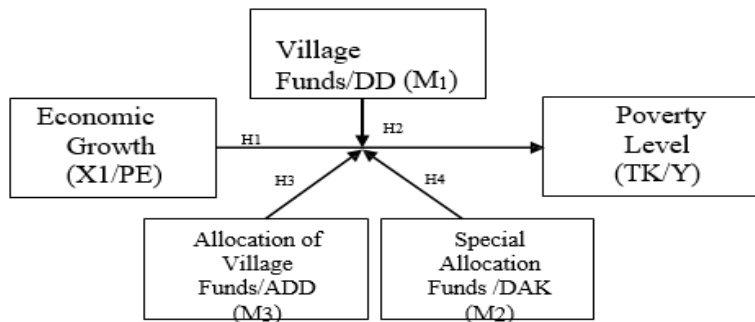

Figure 1 – Research Framework

After testing the classical assumptions of the research sample, verification of data analysis will be carried out using Moderated Regression Analysis (MRA), with the following MRA equation:

$$LnY = a + b1LnPE + b1LnDD + b2LnADD + b3LnDAK + b4LnPE.DD + b5LnPE.ADD + b6LnPE.DAK + e \quad (1)$$

Where:

LnY = Poverty rate (which is in natural logarithm so that the measurement scale is the same as other variables);
A = Constanta;
b1,2,3,4,5,6 = Regression coefficients of the independent and interaction variables;
Ln PE = Natural Logarithm of Economic Growth;
LnDD = Natural Logarithm of Economic Growth;
LnADD = Natural Logarithm of Village Fund Allocation;
LnDAK = Natural Logarithm of Special Allocation Funds;
LnPE.DD = Natural logarithms of PE and DD interactions;
LnPE.ADD = Natural logarithms of the interaction of PE and ADD;
LnPE.DAK = Natural logarithms of PE and DAK interactions;
PE and DAK data are data on APBD realization, while DD and ADD are data on APBDes realization, which are naturalized so that the data measurement scale is the same;
e = error term.

RESULTS AND DISCUSSION

The results of the descriptive statistics of the study can be seen in Table 2 which can be explained in detail as follows:

1) The economic growth of regencies / cities in Bali which originates from GRDP, minimum Rp. 22,218,270 and a maximum of Rp. 93,691,520.00 with an average value of Rp. 45,978,911.00;
2) 2) District / city revenue in Bali that comes from DD is a minimum of Rp. 9,723,248,000 and a maximum of Rp. 124,026,738,000, and an average value of Rp. 54,469,915,731.70;
3) 3) District / city revenue in Bali that comes from ADD is a minimum of IDR 16,641,315,000 and a maximum of IDR 163,304,908,000, and an average value of IDR 57,889,962,365.90;
4) 4) District / city revenue in Bali that comes from DAK, namely a minimum of Rp. 16,808,000,000, and a maximum of Rp. 998,167,419,000, and an average value of Rp. 638,364,214,733;
5) The poverty rate as proxied by the minimum wage per capita, a minimum of Rp. 264,866.00 for Klungkung Regency, and a maximum of 571,246.00 for Denpasar City, and an average value of Rp. 379,838.31.

Table 2 – Descriptive Statistics

n/n		Minimum	Maximum	Mean	Std. Deviation
PED**	1	22218.27	93691.52	45978.9110	14864.70230
DD*	1	9723248.00	124026738.00	54469915.7317	29971029.46422
ADD*	1	16641315.00	163304908.00	57889962.3659	33969680.51550
DAK*	1	16808000.00	156662000.00	58506178.6341	27943384.99756
TK	1	264866.00	571246.00	374693.9024	81538.81776
Valid N (listwise)	1				

*) *in thousands of rupiah;* **) *in percentage.*

The research hypothesis test (t test) is basically carried out to show how far the influence of one independent variable and the moderating variable individually is in explaining the variation of the dependent variable. The research hypothesis test (t test) was carried out by comparing the results of the significance value of the P-Value in Table 3 with α = 0.05. Based on table 3, it is known that the results of the research hypothesis test using multiple analysis techniques are as follows:

1. Sig. The effect of PED on TK is 0.199 which is greater than α (0.05) with a beta coefficient value of -0.282. This means that PED has a negative effect on TK or in other words, increasing PED will reduce the minimum wage but not significantly. So it can be said, the results of this research reject the hypothesis H1 which states that PED has a significant negative effect on reducing TK;
2. Value of Sig. The effect of PED.DD interaction on TK is 0.010 with a beta coefficient value of 9.134E-14. This means that the interaction of PED and DD has a positive and significant effect on TK. Or in other words, increasing DD significantly weakens the positive effect of PED on TK. So it can be said, the results of this research reject the hypothesis H2 which states that DD strengthens the significant negative effect of PED on reducing TK;
3. Value of Sig. the effect of PED.ADD interaction on TK is 0.000 with a beta coefficient value of 2.011E-13. This means that the interaction of PED and ADD has a positive and significant effect on kindergarten. Or in other words increasing ADD attenuates significantly the positive effect of PED on TK. So it can be said, the results of this research reject the hypothesis H3 which states that ADD amplifies the significant negative effect of PED on reducing TK;
4. Value of Sig. the effect of the PED.DAK interaction on TK is 0.689 with a beta coefficient value of 1.799E-14. This means that the interaction of PED and DAK has a

positive but insignificant effect on PED. Or in other words, the increase in DAK weakens the positive effect of PED on TK but is not significant. So it can be said, the results of this research reject the hypothesis Ha.4 which states that DAK strengthens the significant negative effect of PED on the reduction of TK.

Table 3 – MRA Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	ig.
	B	Std. Error	Beta		
(Constant)	30.613	5.976		5.122	000
LN_PED	-.282	.215	-.415	-1.311	199
LN_DD	-.187	.070	-.553	-2.697	011
LN_ADD	-.650	.150	-1.703	-4.347	000
LN_DAK	-.041	.128	-.095	-.324	748
PED_DD	9.134E-14	.000	.721	2.725	010
PED_ADD	2.011E-13	.000	1.408	3.883	000
PED_DAK	1.799E-14	.000	.115	.404	689

a. Dependent Variable: LN_Y

The formulation of the MRA Equation Model can be developed from the results of the research data process as presented in Table 3 which has been previously presented. The formulation of the multiple regression model uses the following table 3. Based on the information presented in table 3, several things can be interpreted which will later be used as the basis for developing the Poverty Level prediction model (TK Predictions / Ŷ), as follows:

1) A constant of 30,613 means that if it is assumed that the respondent's perception of PED, DD, ADD, DAK, PED.DD, PED.ADD, and PED.DAK is equal to zero or in other words if there is no PED, DD, ADD, DAK, PED.DD, PED.ADD, and PED.DAK then there is still a TK of 30,613 units. This may be due to several factors other than the model, such as: capital expenditures, private investment, SILPA, DAU, and private investment;

2) The regression coefficient (β_1) on the LN_PED variable is -0.282 with a significance value of 0.199, it can be interpreted that if LN_PED increases by one unit, it will reduce the minimum wage / increase the poverty level by 0.282 units;

3) The regression coefficient (β_2) on the LN_DD variable is -0.187 with a significance value of 0.011, it can be interpreted that if LN_DD increases by one unit, it will reduce the minimum wage / increase the poverty level by 0.187 units;

4) The regression coefficient (β_3) on the LN_ADD variable is -0.650 with a significance value of 0.000, it can be interpreted that if LN_ADD increases by one unit, it will reduce the minimum wage / increase the poverty rate by 0.650 units;

5) The regression coefficient (β_4) on the LN_DAK variable is -0.041 with a significance value of 0.748, it can be interpreted that if LN_DAK increases by one unit, it will reduce the minimum wage / increase the poverty level by 0.041 units.

6) The regression coefficient (β_5) on the PED_DD variable is 0.9.134E-14 with a significance value of 0.010, it can be interpreted that if PED_DD increases by one unit, it will increase the minimum wage / reduce the poverty level by 0.9.134E-14 units

7) The regression coefficient (β_6) on the PED_ADD variable is 0.2.011E-13 with a significance value of 0.000, it can be interpreted that if PED_ADD increases by one unit, it will increase the minimum wage / reduce the poverty level by 0.2.011E-13 units.

8) The regression coefficient (β_7) on the PED_DAK variable is 0.1.799E-14 with a significance value of 0.689, it can be interpreted that if PED_DAK increases by one unit, it will increase the minimum wage / reduce the poverty level by 0.1.799E-14 units.

Based on the interpretation of table 3 which has been described above, a moderation regression model for Predictive TK (Ŷ) can be developed, as follows:

$$Ŷ = 30,613 - 0,282 \text{ LN\_PED} – 0,187 \text{ LN\_DD} – 0,650 \text{ LN\_ADD} – 0,041 \text{ LN\_DAK} + 0,9.134E-14 \text{ PED\_DD} + 0,2.011E-13 \text{ PED\_ADD} + 0,1.799E-14 \text{ PED\_DAK}$$

Information:
Ŷ = Predictable PED;
The value of 30.613 is a constant quantity;
PED = Regional Economic Growth;
DD =Village Funds;
ADD = Allocation of village funds;
DAK = Special Allocation Fund;
PED.DD = PED and DD interactions;
PED.ADD = PED and ADD interactions;
PED.DAK = the interaction between PED and DAK.

Testing the feasibility of the model and the predicted capacity of the PED model (Ŷ1) can be seen as follows:

The model feasibility test (Test F) is conducted to test the feasibility of the predicted PED model (Ŷ), to estimate the amount of PED. The F test is carried out by looking at the significance value in the ANOVA table, if the significance value F ≤ α (0.05), then this model is said to be feasible or the independent variable is able to explain the dependent variable. The results of the model feasibility test (F test) for the multiple regression equation are presented in table 4.9. Based on table 4.9 it can be seen that the Sig.F value is 0,000 which is smaller than α (0.05) so that it can be said that the Predicted PED model (Ŷ) is feasible to use to estimate the amount of PED.

Table 4 – MRA Model F Test Results

Model		Sum of Squares	f	Mean Square	F	Sig.
1	Regression	1,275	7	0,182	14,813	,000[b]
	Residual	0,406	3	0,012		
	Total	1,681	0			

a. Dependent Variable: LN.TK.
b. Predictors: (Constant), LN.PED.LN.DD, LN.PED.LN.ADD, LN.PED.LM.DAK.

The coefficient of determination (R^2) is used to measure the ability of the independent variable in a model to explain the variance of the dependent variable. The coefficient of determination (R^2) of the resulting multiple regression equation model is as presented in Table 5.

Table 5 – Coefficient of Determination (R^2) of Multiple Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,871[a]	,759	,707	,11090

a. Predictors: (Constant), PAD.DAU, ADD, DAU, PAD.ADD, PAD

Based on Table 5, it can be seen that the coefficient of determination (R^2) of the predictive PED Model (Ŷ) is 75.9%. This means that 75.9% of the variation in the dependent variable (PED) can be explained by variations in the variables PED, DD, ADD, DAK, PED.DD, PED.ADD, and PED.DAK, while the remaining 24.1% is explained by variables. others beyond the model.

CONCLUSION

Based on the previous discussion, it can be concluded that PED has a negative effect on TK or in other words, increasing PED will reduce the minimum wage but not significantly; The interaction of PED and DD has a positive and significant effect on TK. Or in other words, increasing DD significantly weakens the positive effect of PED on TK; The interaction of PED and ADD has a positive and significant effect on TK. Or in other words, increasing ADD attenuates significantly the positive effect of PED on TK; The interaction of PED and DAK has a positive but insignificant effect on PED. Or in other words, the increase in DAK weakens the positive effect of PED on TK but is not significant.

Suggestions that can be given regarding the results of the research conclusions are as follows: Village Fund and Village Fund Allocation should be encouraged to be allocated to village expenditures that can support regional economic growth, such as: capital expenditures to open regions and expand access, repair road facilities, as well as development of relevant BUMDES, and other productive assets; If the government has sufficient funds, so that the amount of DAK can be increased in regencies / cities in Bali province, so that its acceleration power will increase. The programs that use DAK are ensured to be in accordance with relevant national strategic issues, and their realization should be guarded so that they do not deviate and are in accordance with plans. For the R-square which is still 75.9%, other researchers may consider re-testing it by using other variables such as DAU, Silpa and private investment.

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