

DETECTION OF THE ROLE OF VILLAGE FUND ALLOCATION MODERATING THE INFLUENCE OF REGIONAL ORIGINAL INCOME ON REGIONAL ECONOMIC GROWTH

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ABSTRACT

The purpose of this study is to determine: 1) Income local revenue (PAD) on regional economic growth (PED), 2) the ability to allocate village funds (ADD) and general allocation funds (DAU) to moderate the influence of PAD on PED. The specific objective is to find out the formulation of the PED Prediction Model. To achieve the research objectives, research methods are used, which include: determining the population and sample, as well as identification, definition and measurement of variables. Next, collect data from secondary data sources with the documentation study method. Next, data tabulation and data processing were performed using SPSS V.23, and classical assumptions were tested. Data analysis with MRA technique to test. The results of the study are as follows: 1) PAD has a significant positive effect on PED; 2) Village fund allocation has an insignificant negative effect on PAD's positive effect on PED; 3) DAU has no significant negative effect on the effect of PAD on PED.

KEY WORDS

Regional original income, village fund allocation, general allocation fund, regional economic growth.

Economic growth can be defined as economic development that causes goods and services produced in the community to increase and people's prosperity to increase. Economic growth is an increase in GRDP regardless of whether the increase is larger or smaller than the population growth rate or whether or not changes in the economic structure apply. Gross Regional Domestic Product (GRDP) is the total value added of goods and services produced from all economic activities in an area. The increase in GRDP can be accelerated by the realization of district/city government programs that are supported by adequate funding, one of which is from the source of Regional Original Revenue/PAD. District/city governments in Bali, with the fiscal decentralization policy, have received a sizeable portion of the benefits from the tourism sector as indicated by the consistent increase in local revenue (PAD) over the last five (5) years. Conceptually, this PAD increase should be followed by the district/city economic growth rate, while in reality it is fluctuating or not linear with the PAD increase, as presented in table 1.

Table 1 – PAD and the Regency/City Economic Growth Rate in Bali

Kabupaten/Kota	Regional Original Revenue/PAD (in thousands IDR)					Economic Growth Rate in Bali (%)				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Kab. Jembrana	89,350	98,033	114,533	121,477	126,477	6.05	6.19	5.96	5.29	5.59
Kab. Tabanan	273,426	300,799	318,084	426,636	363,370	6.53	6.19	6.14	5.37	5.72
Kab. Badung	2,722,626	3,001,464	3,563,460	4,172,457	4,555,716	6.98	6.24	6.81	6.09	6.75
Kab. Gianyar	424,473	45,721	529,865	662,753	770,205	6.8	6.3	6.31	5.48	6.01
Kab. Klungkung	98,838	120,036	134,142	153,211	186,974	5.98	6.11	6.28	5.32	5.5
Kab. Bangli	76,141	87,731	104,829	104,592	122,686	5.83	6.16	6.24	5.33	5.5
Kab. Karangasem	239,425	243,126	318,084	198,575	200,361	6.01	6	5.92	5.08	5.48
Kab. Buleleng	219,682	293,038	282,114	455,195	335,555	6.96	6.07	6.02	5.39	5.62
Kota Denpasar	698,740	776,214	807,050	1,008,711	940,110	7	6.14	6.51	6.06	6.41

Based on table 1 it can be seen that It is known, for example, that the PAD of Jembarana Regency continued to increase from 2014 to 2018, while the rate of economic growth increased from 2014 to 2015 and then decreased in 2016 and 2017 and then only rose again in 2018. The second phenomenon, the PAD of Tabanan Regency increased from 2014 to 2017 then decreased in 2018, while the rate of economic growth continued to decline from 2014 to 2017, then increased in 2018. The next phenomenon, Badung Regency which received the largest PAD in Bali, increased its PAD from 2014 to 2018 while the rate of economic growth is volatile. Several researchers have tested the effect of PAD on PED and found inconsistent results as is the case with the phenomena presented in table 1 above. Research conducted by Mawarni, et al. (2013), Putri (2015), Lily and Wiksuana (2018) found PAD had a significant positive effect on PED. Meanwhile, other researchers, such as: Santosa (2013) and Dewi (2015) found PAD had no effect on PED.

The inconsistency of these results is thought to be due to the role of other factors or variables, which Govindarajan (1986) and Murray (1990) call contingency factors. There are several contingency factors that should be suspected as moderating potential, two of which, which have attracted the attention of researchers are the variables of Village Fund Allocation (ADD) and General Allocation Fund (DAU). ADD is the fund allocated by the district to the village. The source of this ADD is the central and regional balance funds received by the district for the village. The Village Fund Allocation Policy will accelerate the economic development of a region because it will increase regional investment to purchase production factors such as production equipment, road construction and other socio-economic facilities. Furthermore, the allocation of DAU is prioritized for regions with low fiscal capacity. Regions with high fiscal capacity will receive relatively lower DAU allocations in order to reduce fiscal disparities between regions in the era of autonomy. With the characteristics of ADD and DAU as mentioned above, it can be said that these three variables are normatively able to increase PED so it is reasonable to expect that they will be able to moderate the influence of PAD on PED. Of course, this still needs to be confirmed by testing through this research. Based on the background description, the problem formulation in this study is: 1) Does PAD affect PED? 2) Does ADD moderate the effect of PAD on PED? 3) Does DAU moderate the effect of PAD on PED? 4) What is the formulation of the PED Prediction MRA model?

Based on the formulation of the problem above, the objectives of this study are as follows: 1) To determine the effect of PAD on PED; 2) To determine the moderation of ADD on the effect of PAD on PED; 3) To determine the moderation of DAU on the effect of PAD on PED.; 4) To know the formulation of the PED Prediction MRA Model?

LITERATURE REVIEW

Fiscal Decentralization Theory and the Influence of PAD on PED

The theory of fiscal federalism asserts that economic growth is achieved by fiscal decentralization through the implementation of regional autonomy. Akai & Sakata (2002) suggest that fiscal decentralization is defined as the delegation of authority related to decision-making to low-level governments, one aspect of which is greater regional fiscal authority so that it will increase district/city PAD. Faridi (2011) that fiscal decentralization has a main function, namely increasing public sector efficiency and causing long-term economic growth emphasized. Amagoh & Amin (2012) said fiscal decentralization offers a number of benefits for public sector governance, including growth, accountability and responsiveness of government officials. to local demands and needs. Fiscal decentralization provides a greater incentive structure for the government to be more efficient in allocating its financial resources, however it does not always lead to strong growth due to increasing disparities between regions especially at the level of development capacity and resources (Tirtosuharto, 2010).

PAD and its effect on PED

PAD, according to Law no. 25 of 1999, are all regional revenues originating from the

potential of existing resources in the region. The sources of PAD include the results of regional taxes, regional levies, proceeds from regionally-owned companies and the results of the management of other separated regional assets, other legitimate regional original income. Simanjuntak (2005) adds that PAD is a manifestation of the implementation of fiscal decentralization, namely the provision of revenue sources for regions that can be explored and used independently according to their respective potentials. Based on the description above, it can be said that PAD is one of the components of regional income sourced from regional taxes, regional levies, regionally owned companies and separated regional wealth management results, and other legitimate regional original income. The higher the PAD, the higher the PED. Several researchers have confirmed the significant positive effect of PAD on PED, such as: Mawarni et al. (2013), Putri (2015), Pungky Siswiyanti (2015), and Lily Kusumawati (2018). Based on the conceptual framework and empirical research results that have been described above, the following research hypotheses can be developed:

Ha. 1: PAD has a significant positive effect on PED.

The Village Fund Allocation (ADD) and its role strengthens the positive influence of PAD on PED

Law Number 6 of 2014 authorizes the Government to allocate Village Funds, which are budgeted annually in the APBN for each village as a source of village income. The purpose of providing village funds is to improve public services in villages, alleviate poverty, advance the village economy, overcome development gaps between villages and strengthen village communities as subjects of development. Furthermore, Permendagri No. 113 of 2014 explains that Village Revenue includes all money received through village accounts which are village rights within 1 fiscal year that do not need to be repaid by the village. Village income can come from: original village income, transfers, and other income groups. Village income from transfers includes 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 is used to administer government, village development, development, and community empowerment; Revenue sharing of Regency/City regional taxes and regional levies. For example: land and building tax revenue sharing; The Village Fund Allocation (ADD) is the fund allocated by the district to the village. The source of this ADD is the central and regional balance funds received by the district for the village; Provincial Government, Regency/Municipal APBD financial assistance

Village Fund Allocation is a fund allocated by the Regency/Municipal government sourced from the portion of the balancing fund received by the Regency/City for the village, at least 10% (Government Regulation Number 72 of 2004). The higher the amount of the Village Fund Allocation is expected to be able to reduce the poverty rate and at the same time foster the development of the village economy. The Village Fund Allocation Policy will accelerate the economic development of a region because it will increase regional investment to purchase production factors such as production equipment, road construction and other socio-economic facilities. Several empirical researches reveal the effect of ADD on improving the village economy or reducing rural poverty, such as: Edo (2016), Agung (2016), and Harahap (2018).

Based on the theoretical description and conceptual framework as well as the results of empirical research, research hypotheses can be developed, as follows:

Ha. 2: ADD strengthens the significant positive effect of PAD on PED.

DAU and its role in strengthening the significant positive effect of PAD on PED

Based on Law No. 33 of 2004, the allocation of DAU is prioritized to regions with low fiscal capacity. Regions with high fiscal capacity will receive relatively lower DAU allocations in order to reduce fiscal disparities between regions in the era of autonomy. Several empirical researches have found a significant positive effect of DAU on PED, such as: Setyawan (2013), Mawarni et al., (2013) and Panji (2016), so it is reasonable to suspect that DAU has the potential to increase the positive influence of PAD on PED. Based on the conceptual framework and the empirical research results that have been described, the

research hypotheses can be developed, as follows:

Ha. 3: DAU amplifies the significant positive effect of PAD on PED.

Based on the research hypotheses that have been developed from the conceptual framework and the results of empirical research, a research model can then be developed, as presented in Figure 1.

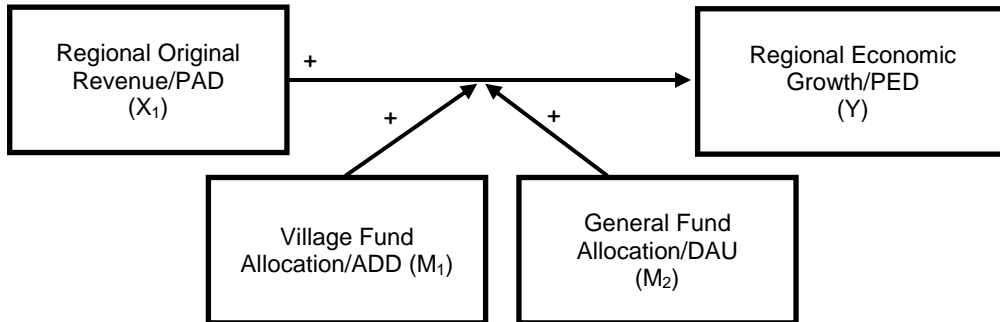


Figure 1 – Research Model

METHODS OF RESEARCH

The population of this research is 9 districts/cities in Bali Province. While the research sample is part or representative of the population studied. In this study, the sample was determined using the method *sampling* saturated/census, where all districts/cities and villages in the province of Bali were sampled. Types and sources of data and methods of data collection are as follows PAD and DAU realization data sourced from secondary data in the form of Regency/City Budget Realization Reports for 2015 to 2019; ADD realization data sourced from secondary data in the form of the 2015-2019 APBDes Budget Realization Report; Data on the realization of regional economic growth rates/PED 2015 to 2019; The entire data was obtained from the Provincial Central Statistics Agency (BPS) in Bali, the District Secretariat, the Regional Secretariat/Sekot or Regency/City Bapenda in the Province of Bali. The data collection method mentioned above is a method of documentation study or non-behavioral observation.

Identification of research variables to test the hypothesis of fiscal illusion detection are as follows: The dependent variable of this study is Regional Economic Growth (PED); The independent variables are Regional Original Income (PAD); The moderating variable I is the Village Fund Allocation (ADD); The moderating variable II is the General Allocation Fund (DAU).

The operational definition and measurement of each research variable are as follows: Regional Economic Growth (PED) or 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 larger or smaller of the rate of population growth or whether changes in the economic structure occur or not (Arsyad, 1999), if it is associated with the region it can be analogized with the gross regional domestic product (GRDP). PED in this study is proxied by the rate of regional economic growth/PED.

Regional Original Revenue (PAD), is the revenue obtained by the region from sources within its own territory which is collected based on regional regulations in accordance with applicable laws and regulations (Ahmad Yani, 2002). The components in PAD are regional taxes, regional levies, the share of profits from regionally owned businesses, and other legalized regional revenues. The parameter is the realization of the current year (t) and the data measuring scale is ordinal.

The Village Fund Allocation (ADD) is a fund allocated by the Regency/City government for villages originating from the part of the central and regional financial balance funds received by the Regency (Government Regulation No. 72 of 2005 and Permendagri No. 113 of 2014). The parameter is the realization of the current year (t) and the data measuring

scale is ordinal.

General Allocation Fund (DAU) is transfer of funds from the central government to regional governments intended to close the fiscal gap and equal distribution of fiscal capacity between regions in order to assist local governments in carrying out their functions and duties to serve the community independently. The parameter is the realization of the current year (t) and the data measuring scale is ordinal.

After testing the classical assumptions on the research sample, then verification data analysis will be carried out using multiple regression analysis techniques and *Moderated Regression Analysis* (MRA), with the normative model equation as follows:

$$Y/PED = a + b_1PAD + b_2ADD + b_3DAU + b_4PAD.ADD + b_5PAD.DAU \dots \dots (1)$$

Where:

Y = PED is Regional Economic Growth;

A = Constant;

$b_{1,2,3,4,5}$ = Regression coefficient of the variable independent and interaction;

PAD = Original Regional Income;

ADD = Allocation of Village Funds;

DAU = General Allocation Fund;

PAD.DD = Interaction of PAD and ADD;

PAD.DAU = Interaction of PAD and DAU;

e = error term.

Collected research data, before further processing First, the fulfillment of the classical assumption test will be tested which includes: data normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test. This test is carried out, according to Ghazali (2017) so that the PED prediction model formed is a good predictor model or is *BLUE* (*Best Linear Unbiased Estimator*).

The statistical test used to test normality is to use the Kolmogorov-Smirnov (KS) test, if the value *Asymp. Sig. (2-tailed)* is greater than = 0.05 then the data is normally distributed, whereas if *Asymp. Sig. (2-tailed)* is smaller than = 0.05 then the data is not normally distributed.

The multicollinearity test is a test that aims to test whether there is a correlation between the independent variables in the regression model, because a good regression model should not have a correlation between the independent variables. To detect indications of multicollinearity, it can be seen by analyzing the correlation matrix of the independent variables. If there is a fairly high correlation between independent variables (generally above 0.90), then this is an indication of multicollinearity. Another way is to look at the VIF and values *tolerance*. In order to be free from multicollinearity, the VIF value must be less than 10 and the value *tolerance* must be above 0.1.

Heteroscedasticity Test is a test that aims to test whether in the regression model there is an inequality of variance from one observation residual to another observation. A regression model that does not contain symptoms of heteroscedasticity or has a homogeneous variance is a good regression model. A regression model containing symptoms of heteroscedasticity can give deviant prediction results. In this study, the heteroscedasticity test was carried out by regressing the value *absolute residual* from the estimated model to the independent variables, if there is no independent variable that has a significant effect on the *absolute residual* or the significance value is greater than = 0.05, then there is no symptom of heteroscedasticity. To overcome the symptoms of heteroscedasticity, data transformation in the form of logarithms is often able to reduce heteroscedasticity.

Autocorrelation Test is a test conducted to track the presence of auto correlation or the effect of data from previous observations in the regression model. Autocorrelation occurs when successive observations over time are related to one another. The autocorrelation test was carried out using the Durbin-Watson test, with the following criteria: $du < d < 4-du$, meaning there was no autocorrelation; $dl > d > 4-dl$, meaning there was autocorrelation; $dl < d < dl$

$\leq du$ or $4-du$ d $4-dl$, it means that there is no decision on after inputting and processing data using SPSS, the results of the obtained to t -test (t -test) are test the research hypothesis. The real or *level level of significant* (α) used is 5 percent (0.05). If the value of sig. $> A$ (0.05) then H_1 rejected the claim there is no effect, otherwise if sig. (0.05) then H_1 is accepted or the test results show a significant effect (Ghozali, 2017).

Before the MRA model equation predicts PED or is used to estimate the PED value, it is first tested to determine the feasibility of the model (*model fit*) with the F test (*F test*). If the value of sig. (0.05) then the MRA model equation for predicting PED or is suitable for predicting PED. Furthermore, an analysis of the coefficient of determination (R^2) was out to determine the extent to which the predictor and moderating variables in the model were able to explain the variation of changes in the dependent variable. The higher the coefficient of determination (R^2) the better a model (Ghozali, 2017).

RESULTS AND DISCUSSION

Province is one of the provinces in Indonesia with Denpasar as its capital city. The population in the province of Bali is mostly Hindu. The province of Bali is a tourism area and is one of the world's tourism destinations. Bali, which is also known as the Island of the Gods, is often a destination for foreign tourists and local Indonesian tourists to visit because Bali has a strong beauty and cultural richness attached to its inhabitants. In addition to the island of Bali, the province of Bali consists of small islands around it, including Nusa Ceningan Island, Nusa Lembongan Island, Nusa Penida Island, Serangan Island. Geographically, the boundaries of the island of Bali to the north are the Bali Sea, to the south are the Indonesian Ocean, to the west are the Province of East Java/Bali Strait, and to the east are the Province of West Nusa Tenggara/Lombok Strait. The province of Bali also has 4 (four) lakes located in mountainous areas, namely Lake Beratan, Lake Buyan, Lake Batur, and Lake Tamblingan.

The total area of Bali Province is 5 636.66 km². Administratively, the province of Bali is divided into eight regencies and one city covering the regencies of Buleleng, Jembrana, Tabanan, Badung, Gianyar, Bangli, Klungkung, Karangasem, and the Denpasar City Government. The administrative center of the capital city of Bali Province is located in the Renon area, which is part of the Denpasar City area. One of the provinces in Indonesia that implements the Regional Autonomy policy is the Province of Bali. The province of Bali is subject to Regional Autonomy starting January 1, 2001. Regional Autonomy gives local governments the authority to regulate and manage their own government affairs in the regions with the direction and purpose of accelerating the realization of community welfare, improving public services, increasing competitiveness, increasing community participation.

Classical Assumption Test is the classical assumption test process has been carried out to detect the fulfillment of the classical assumption test on research data so that it is hoped that the MRA model produced is the best unbiased predictor model or the *best linear unbiased estimator (BLUE)*.

Test aims to test whether the residual variables in the regression model of this study have a normal or abnormal distribution. The normality test in this study used the Kolmogorov-Smirnov (KS) statistical test and the results are as shown in Table 2. Based on Table 2, it can be seen that the value is the Asymp value. Sig. (*2-tailed*) of 0.182 which is greater than Alpha 0.05 so that it can be said that the data is normally distributed.

Multicollinearity Test is a test aims to determine whether the regression model found a correlation between independent variables or not. A good regression model should not have a correlation between the independent variables. This test is carried out by looking at the *tolerance value* and *variance inflation factor (VIF)*. If the value *tolerance* is greater than 10% (0.1) and the VIF is less than 10, then the model is said to be free from multicollinearity symptoms. The results of the multicollinearity test can be seen in Table 3. Based on table 3, it can be said that there are no symptoms of multicollinearity between the independent variables. This is indicated by the tolerance value of each independent variable > 0.1 and VIF value < 10 .

Table 2 – Normality Test Results

		Unstandardized Residual	
N		Mean	45
Normal Parameters ^{a,b}		Std. Deviation	.0000000
	Most Extreme Differences	Absolute	,05037978
		Positive	,113
		Negative	,113
Test Statistic			-,087
Asymp. Sig. (2-tailed)			,113
			,182 ^c

a. Test distribution is Normal.

Table 4. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	PAD	,588	1,700
	ADD	,499	2,005
	DAU	,347	2,884

a. Dependent Variable: PED

The heteroscedasticity test is a test carried out to determine whether in the regression model there is an inequality of variance from the residuals of one observation to another observation. In this study, to test whether the regression model contains symptoms of heteroscedasticity or not, it is carried out using the test *Glejser*. In order for the regression model to be free from heteroscedasticity symptoms, the significant value of the independent variable on the absolute residual must be greater than = 0.05. Heteroscedasticity test results can be seen in Table 5.

Table 5 – Results of Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant),		350,163			2,153,038,
	PAD	3,556		000,282,		291,772
	ADD	4.930,		000,104,		378,708
	DAU	-2.096,	000	-, 240	-,	651,519
	PAD.ADD	1,497	,000	,005	,011	,992
	PAD.DAU	-6,358	,000	-,166	-,194	,847

a. Dependent Variable: abs_abs.

Based on table 5, it can be seen that the value of sig. of each variable is above 0.05. This indicates that all of these variables can be said to be free from heteroscedasticity symptoms.

Autocorrelation Test is a test aims to track the presence of auto correlation or the influence of data from previous observations in the regression model. The autocorrelation test was performed using the Durbin-Watson test. Autocorrelation test results are shown in Table 5.

Table 6 – Test Results autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,707 ^a	,500	,464	,30321	2,443

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

b. Dependent Variable: PED

Based on the results in Table 6, the Durbin-Watson value obtained is 2.443. The dU value for the number of samples of 45 with 6 independent variables (k=5) is 1.7762 and the value of dL (4-dU) = 4-1.7323 = 3.2677. Durbin Watson's value is 2.423 which is greater than

the upper limit (du) which is 1.7323 and less than (4-du) 3.2677, so it can be concluded that there is no autocorrelation symptom.

Descriptive Statistics is a statistics test to describe the data in the study include the number of observations, minimum and maximum values, average values, and standard deviations. The minimum value is the lowest value of a data distribution, while the maximum value is the highest value of a data distribution. Measurement of the mean (average) is the most commonly used way to measure the central value of a data distribution. The standard deviation is the average deviation of the data values studied from their average values (Nata Wirawan, 2002: 135).

The results of the descriptive statistics of the research can be seen in Table 6 which can be explained in detail as follows: Regency/city regional income in Bali originating from PAD, a minimum of IDR 87,731,000,000 and a maximum of IDR 4,835,188,000,000, with an average value of IDR 772,792,977,800; Village Fund / ADD minimum allocation of IDR 3,365,826,000,000 and a maximum of IDR 124,026,738,000,000, and an average value of IDR 48,753,096,000,000; Regency/city regional income in Bali originating from DAU, which is a minimum of IDR 286,763,106,000 and a maximum of IDR 998,167,419,000, and an average value of IDR 638,364,214,733; Regional/regency/city economic growth in Bali is a minimum of 5.06% and a maximum of 6.81%, and the average value is 5.87%.

Table 7 – Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PAD ⁾	45	8,7731.00	4,835,188.00	772,792.9778	1,212,012.16339
ADD ⁾	45	3,365,826.00	124,026,738.00	48,753,096.2889	32,053,352.74730
DAU ⁾	45	286,763,106.00	998,167,419.00	638,364,214.7333	174,615,532.47977
PED ^{**)}	45	5.06	6.81	5.8656	,41399
Valid N (listwise)	45				

⁾ in thousands of idr.

^{**)} in the percentage.

The research hypothesis test (t test) is basically done to show how far the influence of one independent variable and the moderating variable individually in explaining the variation of the dependent variable. The research hypothesis test (t test) was carried out by comparing the results of the significance *P-Value* in Table 7 with $\alpha = 0.05$. Based on table 7, it is known that the results of the research hypothesis testing using multiple analysis techniques are as follows. First, the value of Sig. The effect of PAD on PED is 0.021 which is smaller than (0.05) with a beta coefficient of 3.086. This means that PAD has a significant positive effect on PED or in other words, increasing PAD will further increase PED. This result failed to reject the hypothesis H_0 1 which states that PAD has a significant positive effect on PED.

The results found confirm the theory of fiscal decentralization which emphasizes that economic growth can be accelerated through regional autonomy with a fiscal decentralization scheme that has the driving force of increasing PAD. This finding is in accordance with the results of research conducted by Mawarni, et al. (2013), Putri (2015), Lily and Wiksuana (2018) found PAD had a significant positive effect on PED. However. In contrast to the results of research conducted by other researchers, such as: Santosa (2013) and Dewi (2015) found PAD had no effect on PED.

Table 7 – MRA Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,387	,325		16,590	,000
	PAD	3,086	,000	,903	1,266	,021
	ADD	-9,028	,000	-,699	-3,461	,001
	DAU	1,198	,000	,505	1,862	,070
	PAD.ADD	-2,189	,000	-, 273	-,	769,446
	PAD.DAU	-3.568,	000	-, 034	-,	054,957

a. Dependent Variable: PED.

Second, Based on table 7 it can also be seen that the significance value of the PAD.DD interaction effect on PED is 0.446 with a beta coefficient value of -2.189. This means that the interaction of PAD and ADD has a negative but not significant effect on PED. Or in other words, increasing ADD weakens the positive effect of PAD on PED but it is not significant. So that it can be said, the results of this research reject the Ha.2 hypothesis which states that ADD strengthens the positive influence of PAD on PED.

Third, it is also informed from table 7 that the value of Sig. the interaction effect of PAD.DAU on PED is 0.957 with a beta coefficient of -3.568. This means that the interaction of PAD and DAU has a negative but not significant effect on PED. Or in other words, increasing DAU weakens the positive effect of PAD on PED but it is not significant. So it can be said, the results of this research reject the hypothesis Ha.3 which states that DAU strengthens the significant positive effect of PAD on PED.

Other information that needs to be disclosed in order to enrich the discussion of research results related to the moderating type of the ADD and DAU variables can also be obtained from table 7, with the following interpretation: Value of sig. the effect of ADD on PED is 0.001 which is smaller than (0.05), with a beta coefficient of -9.028. It means that ADD has a significant negative effect on PED. This means that the increase in ADD actually reduces PED greatly, a reality that is not in line with the expectations of the roll out of policies and the distribution of ADD. This condition, of course, is very necessary and urgent and then an evaluation of the realization of ADD policies is carried out, for example: has ADD been allocated to productive programs or programs that can accelerate economic growth? Furthermore, based on the information that has been described, it can be said that ADD is a moderating predictor type because ADD partially has a significant negative effect on PED but is unable to moderate the effect of PAD on PED. Value of sig. the effect of DAU on PED is 0.078 which is greater than (0.05), with a beta coefficient of 1.198. It means that DAU has a positive but not significant effect on PED. This means that increasing DAU is not able to increase PED, a reality that is not in line with policy expectations and the distribution of DAU. At the same time, it indicates that efforts to ensure the distribution of DAU to productive programs must continue, including continuing the policy of rationalizing the number of ASN so that DAU is not eroded by personnel expenditures..

Furthermore, based on the information that has been presented, it can be said that DAU is a potential moderating type because DAU partially has no effect on PED and at the same time is not able to moderate the effect of PAD on PED..

The formulation of the MRA Equation Model can be developed from the results of the research data process as presented in table 7 which has been presented previously. Based on the information presented in the table, several things can be interpreted, as follows: A constant of 5.387 means that if it is assumed that the amount of PAD, ADD, DAU, PAD.ADD, and PAD.DAU is equal to zero or in other words if without PAD, ADD, DAU, PAD.ADD, and PAD.DAU, then there is still regional economic growth/PED of 5,387 units. This may be caused by several other factors outside the model, including: capital expenditure, private investment, SILPA, DAU, and DAK.; The regression coefficient (β_1) on the PAD variable is 3.086 with a significance value of 0.021, it can be interpreted that if PAD increases by one unit, it will increase PED by 3.086 units.; regression efficiency (β_2) on the ADD variable is -9.028 with a significance value of 0.000, it can be interpreted that if ADD increases by one unit, it will decrease PED by 9.028 units.; The regression coefficient (β_4) on the DAU variable is 1.157 with a significance value of 0.000, it can be interpreted that if PAD increases by one unit, it will increase PED by 1.157 units.

Based on the interpretation of table 7 which has been described above, it can be developed multiple regression model of Predicted PED (\hat{Y}), as follows:

$$\hat{Y} = 5,387 + 3,086PAD - 9,028ADD + 1,157DAU - 2,189PAD.ADD - 3,568PAD.DAU.....(2)$$

Testing the feasibility of the model and the capacity of the predicted PED model (\hat{Y}_1) can be seen as follows: The model feasibility test (Test F) was conducted to test the feasibility of the predicted PED model (\hat{Y}), to estimate the size of the PED. The F test is

carried out by looking at the significance value in the ANOVA table, if the significance value is $F(0.05)$, 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 8. Based on table 8 it can be seen that the Sig. F value is 0.000 which is smaller than (0.05) so it can be said that the Predicted PED model (\hat{Y}) is feasible. used to estimate the amount of PED.

Table 8 – MRA Model F Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3,835	5	,767	8,071	,000 ^b
	Residual	3,706	39	,095		
	Total	7,541	44			

a. *Dependent Variable: PED.*

b. *Predictors: (Constant), PAD.DAU, ADD, DAU, PAD.ADD, PAD.*

Coefficient of Determination Analysis (R^2) Predicted PED Model (\hat{Y}). The coefficient of determination (R^2) is used to measure how far 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 multiple regression equation model produced is as presented in table 9.

Table 9 – Results of the Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,713 ^a	,509	,446	,30827

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

Based on Table 9, it can be seen that the coefficient of determination (R^2) of the predicted PED model (\hat{Y}) is 50.9%. This means that 50.9% of the variation in the dependent variable (PED) can be explained by variations in the variables PED, ADD, DAU, PAD.ADD, and PAD.DAU, while the remaining 49.1% is explained by other variables outside the model.

CONCLUSION

Based on the discussion that has been carried out in the previous chapter, it can be concluded, as follows Regional original income has a significant positive effect on regional economic growth or in other words, the increase in the original income of the regency/municipality in the province of Bali is able to increase the economic growth of the district/city in the province of Bali; Allocation of village funds weakens the significant positive influence of local revenue on regional economic growth. Or in other words, increasing the allocation of village funds will weaken the positive influence of local revenue on the economic growth of districts/cities in Bali Province, but the effect is not significant; General allocation funds weaken the positive influence of local revenue on regional economic growth. This means that the increase in general allocation funds actually weakens the influence of local revenue on increasing regional economic growth in districts/cities in Bali Province but the weakening effect is not significant.

Suggestions that can be given regarding the results of the research conclusions are as follows PAD is able to significantly increase PED so it is necessary to consistently maintain the consistency of increasing existing PAD sources as well as efforts to explore other PAD sources, especially related to retribution, but still pay attention to environmental and cultural aspects, because excessive exploitation will be counterproductive to PED; The allocation of village funds should be encouraged to be allocated to village expenditures that can support regional economic growth, such as: capital expenditures for opening up regions and expanding access, repairing road facilities, as well as developing relevant BUMDES, and other productive assets; General allocation funds should be allocated to productive activities or programs capable of accelerating economic growth. Likewise, the ASN rationalization policy should be continued so that general allocation funds are not eroded by personnel

expenditures. The results of the coefficient of determination indicate that there are other variables outside the model that affect PED. Related to this, future research can examine the moderating role of variables such as: DAK, SILPA, capital expenditures, private investment, and so on.

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