

Analysis of Poverty Development Post Fiscal Decentralization Policy in Aceh Province

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ABSTRACT

Aceh is a province in Indonesia which is located on the northern tip of the island of Sumatra and is the westernmost province in Indonesia. There is one problem that is never resolved properly, namely poverty. Where the level of poverty in Aceh is very high, especially after the tsunami in 2004 which destroyed almost 80% of the capital of Aceh Province with many economic systems operating there. Aceh Province is one of the provinces that has a poverty rate higher than the national poverty level. This research is a mini quantitative research, which aims to estimate and analyze the relationship between variables that have been determined to answer the problem formulation. The data presented is panel data wherein the study uses cross section data, the data studied are more than one; and time series, the time collected in different years simultaneously. The data that will be examined are Regencies / Cities in Aceh Province and the time of research collected is 2015 to 2018 published by the Ministry of Finance of the Republic of Indonesia (KEMENKEU RI) and the Central Statistics Agency (BPS). The variables to be observed are the variables that will be influenced by poverty and special autonomy funds.

Keywords: Poverty Rate, General Allocation Fund, Special Allocation Fund, Village Fund, Revenue Sharing Fund, Gross Regional Domestic Product.

INTRODUCTION

Poverty that is prevalent now has an uneven distribution between regions in the

third world and between countries in these regions. Nearly half of all people live in poverty. The biggest burden of poverty lies with certain groups. Women are generally the disadvantaged parties, in poor households, they are often the ones who bear a heavier workload than men. Likewise with children, they also suffer from this inequality and their future quality of life is threatened by inadequate nutrition, equity in health and education besides poverty is very common in certain minority groups.

Poverty is a problem that involves many aspects because it is associated with low income, illiteracy, low health status and inequality between the sexes and poor environment. (World Bank, 2004).

The purpose of Economic Development itself is to eradicate poverty, where PPB, one of which is to reduce poverty. Sustainable goals or known in English Sustainable Development Goals or briefly with SDGs are 17 goals with 169 measurable measurable achievements set by the United Nations as a world development agenda for human benefit on planet Earth.

The 17 goals (without poverty, without hunger, healthy and prosperous life, quality education, gender equality, clean water and proper sanitation, clean and affordable energy, decent work and economic growth, industry / innovation and infrastructure, reduced inequality, cities and communities sustainable, responsible consumption and production, handling

climate change, marine ecosystems, terrestrial ecosystems, peace / justice and resilient institutions, partnerships to achieve goals).

This goal was declared jointly by intergovernmental countries in the UN resolution issued on October 21, 2015 as an ambitious joint development until 2030. This goal is a continuation or replacement of the Millennium Development Goals agreed by leaders of 189 countries as the Millennium Declaration at the UN headquarters in 2000 and has not been valid since late 2015.

Eradicating poverty in all its forms remains one of the greatest challenges facing humanity. While the number of people living in extreme poverty fell by more than half between 1990 and 2015 - from 1.9 billion to 836 million - too many are still struggling for basic human needs (www.undp.org/content/undp/en/home.html).

Poverty is a problem of economic development, not only in poor countries but also in developed countries. The problem is the same but the dimensions are different between developed and poor countries. The problem of poverty in developed countries is the smallest part of the components of their society, but for developing countries the problem becomes complex, because the number of poor people is almost half of the population. There are even very poor countries where the number of poor people exceeds two thirds of the population (Booth and Sundrum, 1978).

Globally, more than 800 million people still live on less than US \$ 1.25 per day, many of which lack access to adequate food, clean drinking water and sanitation. Rapid economic growth in countries such as China and India has lifted millions of people out of poverty, but the progress has been uneven. Women are more likely to live in poverty than men because of unequal access to paid employment, education and property.

Progress has also been limited in other regions, such as South Asia and sub-

Saharan Africa, which includes 80 percent of those living in extreme poverty. The new threat caused by climate change, conflict and food insecurity means that more work is needed to bring people out of poverty.

Poverty is a major problem in the economy. The high poverty rate can reduce the government's achievements in development activities, because one of the means of development is to improve economic conditions in a better group. Development activities that do not change the conditions of poverty will arise social and political problems. State stability will depend and will usually turn simultaneously to disrupt economic performance. Because the problem of poverty has become a common agenda for every country. One important aspect to support poverty reduction strategies is the availability of accurate poverty data and later on target in tackling it. Reliable poverty measurement becomes a powerful instrument for policy making in focusing attention on policy making in focusing attention on the living conditions of the poor. Finally good data on poverty can be used to evaluate government policies on poverty, compare poverty across time and regions, and determine the target of the poor with the aim of improving their conditions (BPS, 2008).

One of the national development goals of the Republic of Indonesia is as mandated in the fourth paragraph of the Preamble of the 1945 Constitution, namely to advance public welfare. General welfare according to the Central Statistics Agency (2000) is a condition of fulfilling the material, spiritual and social needs of the country's population in order to be able to live properly and be able to develop themselves, so that they can carry out their social and economic functions. Public welfare in Indonesia can be described one of them based on the level of poverty of the population in Indonesia. There is a negative relationship between general welfare and poverty levels in Indonesia, the lower poverty levels in Indonesia illustrate the

higher welfare of the population in Indonesia.

Various national development activities are carried out by the government to improve public welfare. One of them is by directing various development activities to regions, especially development in areas that have relatively low population and welfare levels. Development itself is carried out in an integrated and sustainable manner according to the priorities and needs of each region with its roots and targets set through national short-term and long-term development programs. One of the main indicators of the success of national development is the decline in the number of poor people in Indonesia.

Government strategies and instruments in setting growth targets effectively in each region, one of which is by issuing laws relating to the implementation of regional autonomy, such as: 1 Law No. 5 of 1974 concerning Principles of Government in the Regions; (2) Law No. 22 of 1999 concerning Regional Government; 3 Law No. 25 of 1999 concerning Fiscal Balance between the Central Government and Regional Governments; 4 Law No. 32 of 2004 concerning Regional Government; 5 Law No. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments; 5 Perpu No. 3 of 2005 concerning Amendments to Law No. 32 of 2004 concerning Regional Government; and 6 of Law No.12 of 2008 concerning the Second Amendment to Law No. 32 of 2004 concerning Regional Government. The issuance of policies from the regional government is due to differences in social, economic, and natural characteristics and conditions in each region, with the aim of maximizing the potential in each region, so that it is expected to be able to improve welfare and reduce poverty. Poverty is one of the diseases in the economy of almost every country, even more so in developing countries such as Indonesia which still has a

relatively high poverty rate compared to some countries around it.

Even poverty is a complex and multidimensional problem. Therefore, efforts to reduce poverty must be done properly, covering various aspects of community life, and implemented in an integrated manner.

The population of the poor population in Indonesia from 2015 - 2018 has decreased. This is due to the improved economy in Indonesia in this period according to BPS (2018).

The Central Statistics Agency (BPS) noted that Indonesia experienced the lowest point in terms of the percentage of poverty since 1999, which was 9.82% in March 2018. With a poverty percentage of 9.82%, the number of poor people or monthly per capita expenditure was below the poverty line reached 25.95 million people.

When compared with the previous period, namely September 2017 the percentage of poverty reached 10.12% or equivalent to 26.58 million inhabitants of Indonesia. There is a decrease in the percentage of poverty in urban and rural areas. The percentage of poor people in urban areas as of March 2018 was 7.02%, down compared to September 2017 which reached 7.26%. Similar to rural areas, where the percentage of poor people in urban areas as of March 2018 was 13.20%, down from the September 2017 position of 13.47%.

A number of factors that influenced the poverty rate from September 2017 to March 2018 were general inflation in that period of 1.92% and the average monthly per capita expenditure for households in the lowest 40% layer which grew 3.06%.

Aceh is a province in Indonesia. Aceh is located on the northern tip of the island of Sumatra and is the westernmost province of Indonesia. The capital city is Banda Aceh. The population of the province is around 4,500,000. It is located close to the Andaman and Nicobar Islands in India and is separated by the Andaman Sea. Aceh is bordered by the Bay of Bengal to the north, the Indian Ocean to the west, the

Straits of Malacca to the east, and North Sumatra to the southeast and south. Aceh is considered the place where Islam began to spread in Indonesia and played an important role in the spread of Islam in Southeast Asia (<https://id.wikipedia.org/wiki/Aceh>).

Aceh is the richest, strongest and most prosperous country in the Malacca Strait. During the New Order era, the decentralisation system had been changed to foster centralization and deconcentration, whereas the law actually led to decentralization, but in its implementation the new order government emphasized centralization and deconcentration. This is what underlies the birth of Law Number 5 of 1974, which also regulates regional governments based on deconcentration, in addition to giving emphasis to regional autonomy in regencies / municipalities. However, the element of centralization is more prominent than the element of decentralization. There are three basic principles adhered to by Law No. 5 of 1974, namely decentralization, deconcentration and agency tasks. Such Local Government Buildings are conducive to creating a strong foundation for economic development. The system on the one hand has created stability, conducive to carrying out national programs implemented in the regions. But on the other hand, conditions have created high dependency in carrying out its autonomy, such as dependence in financial, authority, institutional, personnel, representative aspects including services produced by the Regional Government (Gaffar and Rasyid, 2012).

However, at the same time it is even more aggravating the two most important problems, namely developing a more centralized system of government and regional finance, and further widening the dichotomy of fundamental economic structures between Java and outside Java. The centralization of political and economic resources in the hands of a small group of elites in the central government is an inherent consequence of the authoritarian political system. In fact, this centralization

is still exacerbated by the development of supra- and political infrastructure uniformity.

Reconciliation is an alternative step taken in dealing with many conflicts like this in the Aceh region. Within the framework of resolving Aceh's problems during the New Order the central government often carried out repressive military policies. However, after the reform period the central government tried to resolve this problem with a dialog effort that bore fruit during the time of Susilo Bambang Yudhoyono-Jusuf Kalla as President and Vice President in handling this conflict. Therefore, the wisdom and humility of the leaders as demonstrated by Muhammad Jusuf Kalla becomes important and decisive for the realization of the peace process in Ace (Kontras, 2006).

But after all conflicts have improved in Aceh, there is one problem that has never been resolved properly, namely poverty. Where the level of poverty in Aceh is very high, especially after the tsunami in 2004 which destroyed almost 80% of the capital of Aceh Province with many economic systems running there.

Hypothesis

Based on the concepts presented, the research hypothesis is formulated as follows:

1. If the DAU increases, poverty will decrease.
2. If DAK increases, poverty will decrease.
3. If DBH increases, poverty will decrease.
4. If DD increases, poverty will decrease.
5. If the PDRB increases, poverty will decrease.

MATERIAL AND METHODS

This research is a mini quantitative research, which aims to estimate and analyze the relationship between variables that have been determined to answer the problem formulation. The data presented is panel data wherein the study uses cross section data, the data studied are more than one; and time series, the time collected in

different years simultaneously. The data to be examined are the Regencies / Cities in Aceh Province and the time of research collected is 2015 to 2018 published by the Ministry of Finance of the Republic of Indonesia (KEMENKEU RI) and the Central Statistics Agency (BPS). The variables to be observed are the variables that will be influenced by poverty and special autonomy funds.

The data collection method used in this study is to carry out secondary data collection through the official websites of the Ministry of Finance of the Republic of Indonesia (Ministry of Finance of the Republic of Indonesia), and the Central Statistics Agency (BPS). With the object of research in all districts / cities in Aceh Province and a period of 4 years (from 2015 to 2018).

The type of data used in this study is quantitative data obtained directly from the results of publications and from official websites, such as the Central Statistics Agency (BPS), the Ministry of Finance of the Republic of Indonesia (Kemenkeu RI), and data in the form of books, and journals relating to this research.

This research is about analyzing the impact of fiscal policy on poverty levels with the object of research in all districts / cities in Aceh Province and also within the last 4 years (from 2014 to 2018), for every regency / city in Aceh Province, the econometric model will used in this study The econometrics model is model 1 Analysis of the Impact of the Special Autonomy Policy on Poverty Level in Aceh Province.

RESULTS AND DISCUSSION

Demographic Condition of Aceh Province Population

A. Number of Aceh Population

The demographic condition of Aceh Province can be seen from the population consisting of the number and number of workers. The number and development of the population of Aceh Province from 2015-2018 can be seen in table IV-1 below:

Table IV.1 Total Population of Aceh Province Year 2015-2018 (Soul)

Year	Total population	Male	Female
2015	5.001.953	2.497.537	2.504.416
2016	5.096.248	2.545.765	2.551.178
2017	5.189.466	2.592.121	2.597.345
2018	5.243.420	2.619.872	2.623.548

Source: www.aceh.bps.go.id

Based on Table IV.1 above, the population of Aceh Province in 2015 was 5,001,955 people where the total male population was 2,497,537 people and the total female population was 2,504,416. The population of Aceh in 2016 was 5,094,509 people, in which the number of men in 2016 reached 2,545,765 people and women reached 2,551,178. In 2017 there were 5,189,466 people. The number of male population in 2017 is 2,592,121 people and women are 2,597,345 people. The increase will continue to occur in 2018 in the amount of 5,243,420 people with 2,619,872 people and 2,623,548 people in the women. Here it is seen that the number of women is more dominant than the number of male population that we can see in the table above.

B. Distribution of Aceh Population by Regency / City

The total distribution of Aceh population per regency / city can be seen from the following table IV.2:

In table IV-2 it is known that the distribution of the population of Aceh in 23 districts / cities reached 5,189,466 people in 2017 and 5,243,420 in 2018. There are four regions that are the most dominant in the population. 2017 and 604,954 inhabitants in 2018, then there are Bireuen whose population reached 453,224 people in 2017 and 455,624 people in 2018. The third is Pidie which has the largest population reaching 432,599 people in 2017 and 434,999 people in 2018 and The last area is East Aceh which has the most population reaching 419,594 people in 2017 and 421,994 people in 2018. There are also four regions that have a low population, namely Sabang with a population of 33,978 people in 2017 and 36,381 inhabitants in 2018 The next area is Subussalam, which has a population of 78,725 in 2017 and 81,128 in

2018, subsequently Aceh Jaya which has a population of 89,618 people in 2017 and 92,021 people in 2018.

Table IV.2 Total Distribution of Population in Aceh Province Year 2015-2018 (Soul)

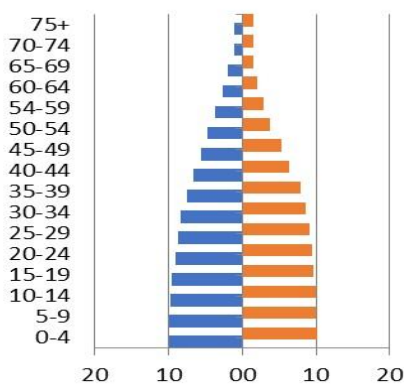
Regency / City	2015	2016	2017	2018
Kab. Simeulue	87.598	90.291	91.372	93.775
Kab. Aceh Singkil	112.161	116.712	119.490	121.891
Kab. Aceh Selatan	220.971	228.603	231.893	234.296
Kab. Aceh Tenggara	196.249	204.468	208.481	210.883
Kab. Aceh Timur	394.933	411.279	419.594	421.994
Kab. Aceh Tengah	192.204	200.412	204.273	206.673
Kab. Aceh Barat	190.244	197.921	201.682	204.084
Kab. Aceh Besar	384.618	400.913	409.109	411.509
Kab. Pidie	410.580	425.974	432.599	434.999
Kab. Bireun	423.397	443.627	453.224	455.624
Kab. Aceh Utara	572.961	593.492	602.554	604.954
Kab. Aceh Barat Daya	138.140	143.312	145.726	148.126
Kab. Gayo Lues	86.262	89.500	91.024	93.624
Kab. Aceh Tamiang	272.228	282.921	287.007	289.607
Kab. Nagan Raya	152.352	158.223	161.329	163.732
Kab. Aceh Jaya	86.123	87.622	89.618	92.021
Kab. Bener Meriah	134.015	139.89	142.526	144.929
Kab. Pidie Jaya	145.584	151.472	154.794	157.197
Kota Banda Aceh	249.499	254.904	259.913	262.316
Kota Sabang	32.739	33.622	33.978	36.381
Kota Langsa	162.814	168.82	171.574	173.294
Kota Lhokseumawe	187.455	195.186	198.980	200.383
Kota Subulussalam	73.708	77.084	78.725	81.128
Aceh	5.001.953	5.096.248	5.189.466	5.243.420

Source: www.aceh.bps.go.id

The last area is Simeulue which had a population of 91,372 in 2017 and 93,775 in 2018. It can be seen that the capital of Aceh, Banda Aceh City, has a population of 259,913 in 2017 and 262,316 in 2018 which shows the capital of Aceh province in the middle among other regions.

population of Aceh and ages 50-75 + can be seen an average population below 5 % of the total population of Aceh. This shows that health in Aceh also influences in terms of age groups, at the age of 50-75 + the graph continues to show a conical showing the population at that age is getting smaller. This also occurs in the percentage of women where the age of 0-34 reaches 10% of the total population of Aceh and the average age of 50-75 + is below 5% of the population of Aceh. What is seen is that the population at the age of 50-75 + is also very small, health factor is the main factor influencing the population at that age.

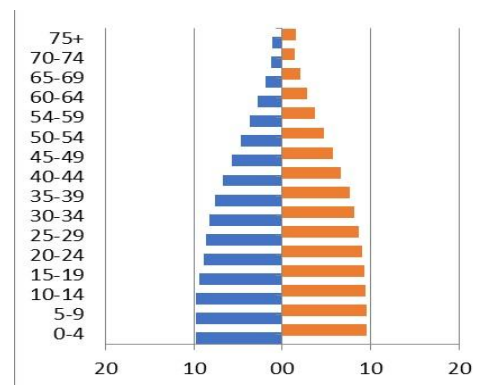
C. Population According to Age of Aceh Province



Source: www.aceh.bps.go.id

Graph IV.1 Pyramid of Population by Age In Aceh Province 2017 (Percent)

Seen from the pyramid chart that the largest number of male population by age in Aceh Province in 2017 is age 0-34, which on average reaches 10% of the total



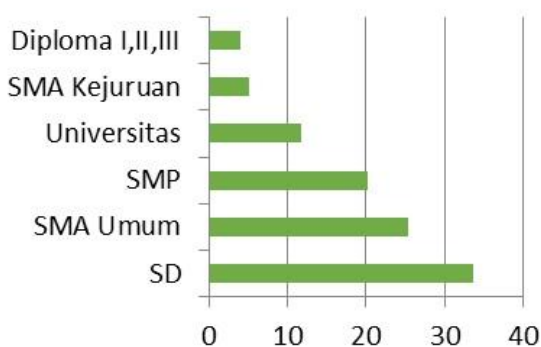
Source: www.aceh.bps.go.id

Graph IV.2 Pyramid of Population by Age In Aceh Province in 2018 (Percent)

Seen from the pyramid chart that the most male population by age in Aceh Province in 2018 is the age of 0-34 years reaching an average of 10% of the population of Aceh and at the age of 50-75 + only on average below 5% of the population of Aceh. This shows that health in Aceh also influences in terms of age groups, at the age of 50-75 + looks very diminished in numbers. The same thing happened in the percentage of female sex where the age of 0-34 could reach an average of 10% of the total population of Aceh and the age of 50-75 + an average of just under 5%. From the population of Aceh. Health factors are the biggest factors that influence the size of the population between the ages of 50-75 +.

Labor

A. Number of Learned Workforce



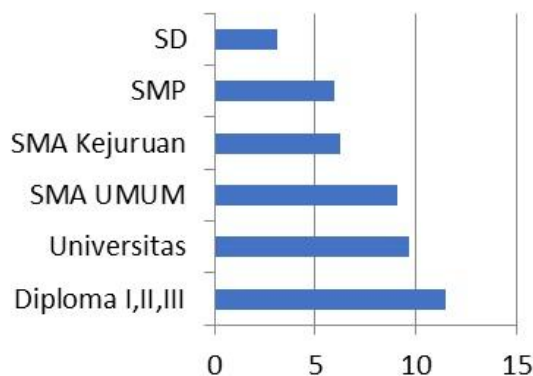
Source: www.aceh.bps.go.id

Graph IV.3 Number of Learned Workforce In Aceh Province in 2018 (Percent)

Graph IV.3 shows that the most dominant educated labor force is elementary school education which reaches almost 35% and most of these elementary school graduates work in the agriculture, forestry and fisheries sectors. The large number of elementary school graduates is due to inadequate schools in remote areas and economic influences that make children unable to continue their schooling, so they are only able to work in the agriculture, forestry and fisheries sectors. While the smallest number of the workforce is the labor force from the last education Diploma only reached 4%. This is because employment opportunities for Diploma or

other graduates are very few, and many also turn out that Diploma graduates are only pursuing degrees and eventually making coffee shop businesses and the like in their regions, resulting in the lack of jobs available in Aceh Province.

B. Open Unemployment Rate



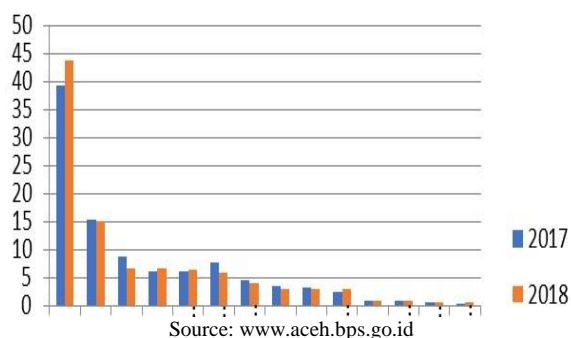
Source: www.aceh.bps.go.id

Graph IV.4 Total Open Unemployment Rate In Aceh Province in 2018 (Percent)

In graph IV.4 it is seen that the level of open unemployment is more dominant coming from Diploma education, which reaches 12%. This happens because of the lack of jobs available for Diploma graduates and University graduates. While the lowest is in elementary education which only reaches 3% of the total number of unemployed. This condition occurs because in primary school graduates there are mostly in remote areas and have economically disadvantaged, so they have to work in the agriculture, forestry and fisheries sectors.

C. Employment by Business in the Province of Aceh

In graph IV.5 it can be seen that the population is more dominant working in the agriculture, trade and education services sector, in 2017 the agriculture sector is almost 40% and in 2018 it is almost 45%. Here it can be concluded why the agricultural and trade sectors are more dominant in Aceh Province.



Graph IV.5 Development of Population Working According to Business Fields in Aceh Province 2017-2018 (Percent)

This is because many workers in the agriculture and trade sectors are only elementary school graduates and most of them also have poor economic and education, so they have to survive and work hard in order to meet their economic needs. And it can be seen that education services are very low compared to the agriculture and trade sectors, this shows that there is still a lack of quality education in Aceh Province.

Economic Conditions

A. Gross Regional Domestic Product Value

The gross regional domestic product (PDRB) used for this study is the Gross Regional Domestic Revenue of the Province of Aceh based on current prices for the years 2008-2017 described in table IV.3 as follows:

Table IV.3 Gross Regional Domestic Product At Constant Prices Aceh Province in 2008-2017

Year	PDRB	Growth (%)
2008	73.530.749.710.000	-
2009	70.757.764.040.000	3,77
2010	101.545.236.830.000	3,51
2011	108.217.625.250.000	6,57
2012	114.552.081.630.000	5,85
2013	121.331.129.650.000	5,92
2014	127.897.069.760.000	5,41
2015	129.092.659.010.000	5,93
2016	137.302.676.830.000	6,36
2017	146.483.352.870.000	6,69

Source: www.aceh.bps.go.id

Based on table IV.3, it can be seen that the PDRB of Aceh Province in 2008 was Rp. 73.53 trillion. In 2009 the PDRB of Aceh Province decreased by 3.37% or Rp. 70.75 trillion. The decline in the 2009

PDRB was due to a 23.3% decrease in revenue from the industrial sector compared to the previous year. Aceh's PDRB increased again during 2010 and 2011 with each PDRB increase of 43.51% in 2010 and 6.57% in 2011. This increase was due to the high revenue contribution from the real estate sector by 8.92%

Then in 2012 per capita income increased by 5.85% or Rp. 114.5 trillion and increased again by 5.92% in 2013 or Rp. 121.33 trillion. The most influential sectors to the PDRB increase were agriculture and manufacturing. In 2014 the PDRB of Aceh Province increased by 5.41% or Rp.127.89 trillion. And it continues to increase in 2015 amounting to 0.93% or Rp. 129.09 trillion. Then the PDRB increased again by 6.36% or Rp. 137.30 trillion in 2016 and increased again in 2017 by 6.69% or Rp. 146.48 trillion. The increase in PDRB during 2014-2017 was due to an increase in almost all sectors with the largest increase obtained from the agricultural sector and the construction of wholesale and retail trade.

B. Per capita Gross Regional Domestic Product

Furthermore, GDP per capita with oil and gas and non-oil will be explained in the following table:

Table IV.4 Per capita Gross Regional Domestic Product Aceh Province in 2017-2018

Description	2017	2018
Value of Oil and Gas	28.150.000	29,73
Value Without Oil and Gas	27.190.000	28,67

Source: www.aceh.bps.go.id

It can be seen that the GDP per capita in 2017 with oil and gas reached 28.15 million rupiahs, and in 2018 it reached 29.73 million rupiahs. And this is very different from the Per capita PDRB without oil and gas in 2017 which reached 27.19 million rupiahs and 2018 reached 28.67 million rupiahs.

C. Regional Domestic Products According to Business Field

Judging from table IV.5 it can be concluded that the sectoral PDRB that contributed the most is the agriculture, forestry and fisheries

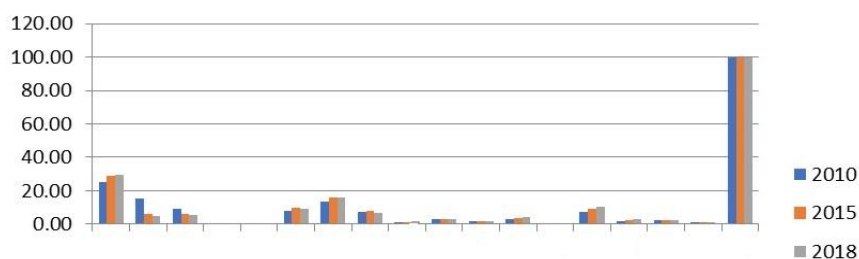
sector, which in 2017 reached 34,052,849.70 and in 2018 it reached 35,426,160.90. But this is inversely proportional to the sectoral Water Supply,

Waste Management, Waste and Recycling which only contributed as much as 38,755.80 in 2017 and 41,541.90 in 2018.

Table IV.5 Gross Regional Domestic Product by Business Field in the Province of Aceh in 2017-2018
(millions of rupiah)

Uraian	2017	2018
Agriculture, Forestry, and Fisheries	34.052.849,70	35.426.160,90
Mining and excavation	8.581.296,60	9.152.505,80
Processing industry	6.921.439,20	6.410.262,90
Electricity and Gas Procurement	183.981,80	197.867,50
Water Supply, Waste Management, Waste and Recycling	38.755,80	41.541,90
Construction	11.631.121,30	11.949.476,40
Wholesale and retail trade; Car and Motorcycle Repair	18.962.351,30	19.730.312,10
Transportation and Warehousing	9.328.429,30	9.557.626,60
Provision of Accommodation and Food and Drink	1.544.945,40	1.672.914,10
Information and Communication	4.305.402,20	4.401.241,40
Financial Services and Insurance	2.063.196,60	2.081.241,10
Real estate	4.860.859,10	5.156.645,10
Company Services	769.830,70	820.692,60
Government Administration, Defense and Mandatory Social Security	10.807.847,10	11.486.169,90
Educational Services	3.009.110,00	3.248.116,60
Health Services and Social Activities	3.509.135,70	3.712.298,50
Other services	1.670.363,80	1.759.412,10
Gross Regional Domestic Product	121.240.987,70	126.824.491,40

Source: www.aceh.bps.go.id



www.aceh.bps.go.id

Graph IV.6 Distribution of Per capita Gross Regional Domestic Product According to Business Field in Aceh Province Year 2010-2018

Judging from the graph above, it can be concluded that the sectoral PDRB that contributed the most was agriculture, forestry, and fisheries which in 2010 reached more than 20%, in 2015 and 2018 it reached 20.50%. Here electricity and water supply is still very uneven, there are still many highland areas that lack electricity and clean water. Seen in 2010 and 2015 electricity and gas procurement was only 0.11%, there was an increase in 2018 of 0.02% which made electricity and gas procurement to be 0.13%. While PDRB in the water supply sector was only 0.02% in 2010 and 0.04% in 2015 and 2018.

D. Aceh Province PDRB per Regency

Table IV.6 Regency / City PDRB at Constant Prices 2015-2017

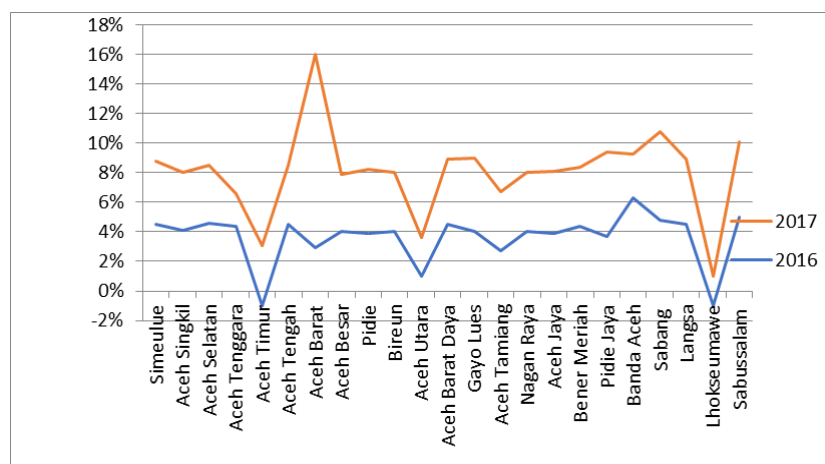
Regency / City	PDRB At constant prices (Millions of Rupiah)	
	2016	2017
Simeulue	1,405,844.49	1,467,178.72
Aceh Singkil	1,540,654.21	1,601,926.49
Aceh Selatan	3,740,292.79	3,887,220.20
Aceh Tenggara	3,051,879.93	3,199,062.08
Aceh Timur	7,185,794.70	7,481,990.07
Aceh Tengah	5,199,833.33	5,412,026.38
Aceh Barat	5,310,703.14	6,009,220.83
Aceh Besar	8,854,439.61	9,208,377.42
Pidie	6,851,960.14	7,152,947.37
Bireun	8,827,935.88	9,189,319.54
Aceh Utara	15,193,713.01	15,603,528.83
Aceh Barat Daya	2,623,750.51	2,740,778.26
Gayo Lues	1,786,368.56	1,876,130.60
Aceh Tamiang	5,275,640.30	5,487,009.34
Nagan Raya	5,641,779.01	5,867,771.48
Aceh Jaya	1,778,301.91	1,854,246.47
Bener Meriah	3,207,521.50	3,337,614.70
Pidie Jaya	2,259,852.90	2,390,844.34
Banda Aceh	13,529,409.89	13,940,316.46
Sabang	957,293.60	1,015,425.21
Langsa	3,391,389.66	3,542,885.01
Lhokseumawe	6,460,408.23	6,593,492.16
Sabussalam	1,191,823.71	1,253,318.67

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The gross regional domestic product used for this study is the Gross Regional Domestic Revenue of the Province of Aceh based on constant prices during 2016-2017 which is described in table IV.6 as follows:

In Graph IV.7 it can be seen from the GRDP growth of Aceh Province per Regency / City with the highest GRDP

growth. The area of West Aceh reached 13% in 2017, but in 2016 the growth of the West Aceh GRDP reached only 3%, this shows that growth in West Aceh the GRDP is growing rapidly. Whereas the capital city of Banda Aceh only touched 6% in 2016 and in 2017 the growth of the GRDP of Banda Aceh declined to 3%.



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Graph IV.7 GRDP Growth of Aceh Province Per Regency / City 2016-2017

While in East Aceh there was a drastic decline in 2016 of -1% and in 2017 the East Aceh GRDP increased to 4%. The Lhokseumawe area also experienced a very minimal GRDP growth of -1% in 2016, finally in 2017 the Lhokseumawe GRDP increased to 2%.

Social Conditions

Poverty

A. Poverty Rate

Table IV.7 Percentage of Poverty for Regency / City of Aceh Province 2015-2018

Regency / City	2015	2016	2017	2018	Average
Kab. Simeulue	20,43	19,93	20,2	20,35	20,23
Kab. Aceh Singkil	21,72	21,6	22,11	22,27	21,93
Kab. Aceh Selatan	13,24	13,48	14,07	14,24	13,76
Kab. Aceh Tenggara	14,91	14,46	14,86	14,93	14,79
Kab. Aceh Timur	15,85	15,06	15,25	15,52	15,42
Kab. Aceh Tengah	17,51	16,64	16,84	16,94	16,98
Kab. Aceh Barat	21,46	20,38	20,28	20,19	20,58
Kab. Aceh Besar	15,93	15,55	15,41	15,32	15,55
Kab. Pidie	21,18	21,25	21,43	21,52	21,35
Kab. Bireun	16,94	15,95	15,87	15,92	16,17
Kab. Aceh Utara	19,21	19,46	19,78	19,85	19,58
Kab. Aceh Barat Daya	18,25	18,03	18,31	18,43	18,26
Kab. Gayo Lues	21,95	21,86	21,97	22,01	21,95
Kab. Aceh Tamiang	14,57	14,51	14,69	14,91	14,67
Kab. Nagan Raya	20,13	19,25	19,34	19,46	19,55
Kab. Aceh Jaya	15,93	15,01	14,85	14,4	15,05
Kab. Bener Meriah	21,55	21,43	21,14	21,07	21,30
Kab. Pidie Jaya	21,4	21,18	21,82	21,72	21,53
Kota Banda Aceh	7,72	7,41	7,44	7,31	7,47
Kota Sabang	17,69	17,33	17,66	17,57	17,56
Kota Langsa	11,62	11,09	11,24	11,18	11,28
Kota Lhokseumawe	12,16	11,98	12,32	12,28	12,19
Kota Subulussalam	20,39	19,57	19,71	19,82	19,87
Aceh	17,08	16,73	16,89	18,83	17,38
Indonesia	11,13	10,7	10,12	9,66	10,40

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Furthermore, data on poverty rates in Aceh Province per Regency / City. Poverty data is obtained from the central statistics body of Aceh which is a poor population in Aceh Province which can be seen in Table IV.7. From the table above we can see the regions with the highest and lowest poverty rates in the Regencies / Cities in Aceh Province. The highest poverty rate in Aceh Province is Gayo Lues Regency, which from 2015 to 2018 the number of poor people in this area is very high. It was recorded that in 2015 poverty in Gayo Lues was 21.95%, in 2016 it was 21.86%, 2017 was 21.97% and in 2018 it was 22.01% of the total population in Gayo Lues Regency. In addition to Gayo Lues Regency, the highest poverty rate was in Aceh Singkil District with 22.27% of the population of Aceh Singkil District in 2018. Furthermore, the highest poverty rate was in Pidie District where in 2018 poverty in Pidie District was 21.52% of the total number resident in Pidie Regency.

While the Regency / City with the lowest poverty rate in Aceh Province is Banda Aceh City where the poverty rate in Banda Aceh City only reaches 7.31% in 2018 of the population of Banda Aceh City. The slain of Langsa City is also the region with the lowest poverty rate in Aceh while in 2018 poverty in Langsa City only reached 11.18% of the total population of Langsa City and was followed by Lhokseumawe City with the poverty rate only reaching 12.28% of the City population Lhokseumawe in 2018.

In addition, it can also be seen that poverty levels in Aceh and Indonesia, we can conclude that the percentage of poverty levels in Aceh Province is still far higher than the national poverty level. In 2018, the percentage of poverty in Aceh Province was 18.83% of the total population in Aceh Province, while the poverty rate in Indonesia was 9.66% in 2018 of the total population in Indonesia.

B. Number of Poor Population

Table IV.8 Number of Poor Residents of Regency / City of Aceh Province 2015-2016 (Thousand Souls)

Regency / City	Number of Poor Population	
	2015	2016
Simeulue	18.12	17.93
Aceh Singkil	24.84	25.09
Aceh Selatan	29.61	30.68
Aceh Tenggara	30.14	29.39
Aceh Timur	63.48	61.63
Aceh Tengah	34.26	33.16
Aceh Barat	41.36	40.11
Aceh Besar	62.27	62.03
Pidie	88.22	90.16
Bireun	73.14	70.44
Aceh Utara	111.44	115.05
Aceh Barat Daya	25.93	25.73
Gayo Lues	19.32	19.48
Aceh Tamiang	40.38	40.88
Nagan Raya	31.32	30.31
Aceh Jaya	13.85	13.10
Bener Meriah	29.31	29.82
Pidie Jaya	31.81	31.94
Banda Aceh	19.30	18.80
Sabang	5.86	5.81
Langsa	19.22	18.63
Lhokseumawe	23.15	23.28
Sabussalam	15.25	14.99
Aceh	851.59	848.44

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From the table above, the largest numbers of poor people in Aceh Province were in the North Aceh region which reached 111.44 thousand people in 2015 and 115.05 in 2016. In contrast to the situation in Sabang where the poor population only reached 5,860 people in 2015 and 5,810 lives in 2016. Because Sabang is an area with a very small area so that is what triggers the poor population in Sabang.

C. Poverty Line

From the table above, it can be seen that the size of the poor population is greatly influenced by the Poverty Line, because the poor are residents who have an average expenditure per capita per month below the Poverty Line.

During the period March 2018 - September 2018, the Poverty Line rose by 2.59 percent, from Rp.464,626 per capita per month to Rp.476,666 per capita per month. For urban areas, the Poverty Line rose by 2.14 percent, from Rp. 486,338 per capita per month in March 2018 to Rp. 496,752 per capita per month in September 2018, while for rural areas it rose by 2.75 percent from Rp. 454,740 per capita per

month in March 2018 to Rp. 467,242 per capita per month in September 2018.

Table IV.9 Aceh Province Poverty Line Year 2015-2018 (in Rp. / Kapita / Month)

Region / Year	Food	Not Food	Total
Urban			
43539	293697	116717	410414
43723	302128	118196	420324
43540	306243	121727	427970
43724	319768	125719	445488
43541	330153	127858	458011
43725	347811	132061	479872
43542	351777	134,561	486,34
43726	360318	136434	496752
Countryside			
43539	297479	84638	382117
43723	306737	87682	394419
43540	315697	88288	403985
43724	324854	90972	415826
43541	331267	94463	425730
43725	346070	96799	442869
43542	353915	100825	454740
43726	362463	104779	467242
Urban+ Countryside			
43539	296406	93744	390150
43723	305428	96344	401773
43540	312801	98155	410956
43724	323548	101217	424765
43541	330958	104496	435454
43725	346552	107572	454124
43542	353291	111335	464626
43726	361835	114830	476666

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D. Depth of Poverty

The problem of poverty is not just the number and percentage of poor people. Another dimension that needs to be considered is the depth and severity of poverty. In addition to being able to reduce the number of poor people, poverty alleviation policies also can at the same time reduce the depth and severity of poverty.

In the period March 2018-September 2018, the Poverty Depth Index (P1) and the Poverty Severity Index (P2) decreased. The Poverty Depth Index decreased from 2,845 in March 2018 to 2,803 in September 2018. Whereas the Poverty Severity Index in the same period also dropped from 0.752 to 0.717. The decrease in the value of the two indices indicates that the average expenditure of the poor tends to get closer to the poverty line, while the condition of expenditure inequality among the poor tends to get smaller.

Table IV.10 Poverty Depth Index (P1) and Poverty Severity Index (P2) in Aceh Province by City / Village Year 2015 - 2018

Region / Year	Poverty Depth Index (P1)	Poverty Severity Index (P2)
Urban		
15-Mar	2,245	0,659
15-Sep	1,843	0,498
16-Mar	2,297	0,703
16-Sep	1,448	0,283
17-Mar	1,553	0,352
17-Sep	1,667	0,371
18-Mar	1,576	0,374
18-Sep	1,517	0,352
Countryside		
15-Mar	3,444	0,901
15-Sep	3,614	0,977
16-Mar	3,958	1,117
16-Sep	3,738	1,112
17-Mar	3,589	1,002
17-Sep	3,472	0,963
18-Mar	3,424	0,925
18-Sep	3,408	0,889
Urban+ Countryside		
15-Mar	3,104	0,832
15-Sep	3,113	0,703
16-Mar	3,476	0,997
16-Sep	3,062	0,867
17-Mar	2,978	0,807
17-Sep	2,917	0,781
18-Mar	2,845	0,752
18-Sep	2,803	0,717

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When compared between urban and rural areas, the value of the Poverty Depth Index (P1) and the Poverty Severity Index (P2) in rural areas is higher than in urban areas. In the period March 2018 - September 2018 both indexes experienced a decline in urban and rural areas. In that period, the Poverty Depth Index in urban areas fell from 1,576 to 1,517 while in rural areas it fell from 3,424 to 3,408. Meanwhile, the Poverty Severity Index in the same period in urban areas fell from 0.374 to 0.352 while in rural areas it dropped from 0.925 to 0.889.

Gini Ratio

Further data on the number of Gini Ratio in Aceh Province can be seen in table IV.11 as follows:

In table IV.11 it is known that income inequality in Aceh Province during the period 2015-2018 also experienced fluctuations every year. Inequality measured by the Gini ratio in 2015 was 0.34. Then in 2016 inequality was obtained by 0.33 or increasing by 3.03%. This happened because of the impact of economic growth that began to be evenly distributed in

several districts due to an increase in income from the service sector and the manufacturing industry. Inequality increased again with the value of the gini ratio of 0.34 and again decreased or evenly distributed in 2018 with the value of the gini ratio of 0.32.

Table IV.11 Gini Ratio of the Province of Aceh Year 2015-2018

Regency / City	Gini Ratio			
	2015	2016	2017	2018
Simeulue	0,36	0,27	0,31	0,28
Aceh Singkil	0,33	0,31	0,32	0,31
Aceh Selatan	0,31	0,31	0,32	0,26
Aceh Tenggara	0,3	0,32	0,28	0,25
Aceh Timur	0,32	0,24	0,27	0,24
Aceh Tengah	0,3	0,31	0,24	0,29
Aceh Barat	0,36	0,33	0,33	0,31
Aceh Besar	0,31	0,29	0,29	0,29
Pidie	0,27	0,27	0,31	0,23
Bireuen	0,32	0,28	0,32	0,29
Aceh Utara	0,27	0,27	0,27	0,25
Aceh Barat Daya	0,27	0,28	0,25	0,26
Gayo Lues	0,3	0,31	0,3	0,28
Aceh Tamiang	0,28	0,33	0,3	0,26
Nagan Raya	0,27	0,28	0,23	0,28
Aceh Jaya	0,34	0,31	0,29	0,31
Bener Meriah	0,28	0,28	0,21	0,24
Pidie Jaya	0,24	0,25	0,22	0,23
Banda Aceh	0,33	0,31	0,31	0,29
Sabang	0,27	0,3	0,25	0,29
Langsa	0,36	0,36	0,34	0,34
Lhokseumawe	0,32	0,29	0,29	0,33
Subulussalam	0,37	0,33	0,33	0,3
Provinsi Aceh	0,34	0,33	0,34	0,32

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Human Development Index

Table IV.12 Percentage of Human Development Index (HDI) in Aceh Province per Regency / City Year 2010-2017

Region	IPM		
	2015	2016	2017
Simeleue	63.16	63.82	64.41
Aceh Singkil	66.05	66.96	67.37
Aceh Selatan	63.28	64.13	65.03
Aceh Tenggara	66.77	67.48	68.09
Aceh Timur	64.55	65.42	66.32
Aceh Tengah	71.51	72.04	72.19
Aceh Barat	68.41	69.26	70.20
Aceh Besar	71.70	71.75	72.00
Pidie	68.68	69.06	69.52
Bireuen	69.77	70.21	71.11
Aceh Utara	66.85	67.19	67.67
Aceh Barat Daya	63.77	64.57	65.09
Gayo Lues	63.67	64.26	65.01
Aceh Tamiang	67.03	67.41	67.99
Nagan Raya	66.73	67.32	67.78
Aceh Jaya	67.53	67.70	68.07
Bener Meriah	70.62	71.42	71.89
Pidie Jaya	70.49	71.13	71.73
Banda Aceh	83.25	83.73	83.95
Sabang	72.51	73.36	74.10
Langsa	74.74	75.41	75.89
Lhokseumawe	75.11	75.78	76.34
Subussalam	61.32	62.18	62.88
Aceh	69.45	70.00	70.60

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Furthermore, data regarding the Percentage of Human Development Index (HDI) in Aceh Province per Regency / City can be seen in table IV.12 as follows:

As seen from table IV.12 it is known that the highest HDI level is in Banda Aceh City which reached almost 84% in 2015-2017, which means that Banda Aceh City has a lot of good education so that the HDI level there is very rapid. In the second highest area is Lhokseumawe which almost reached 76.5% in 2015-2017,

Lhokseumawe itself also has many modern and very advanced education developments compared to other regions so that many want to improve the quality of education in the city. Not to forget Langsa City has also become a city that has a high HDI reaching 76%, Langsa City has also become a good education center, many people from other regions who want to improve the quality of education in Langsa City. And Langsa itself also has an attraction so that tourists can come there, because there are many good tourist attractions and can be enjoyed by all walks of life.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

The conclusions in this study are:

1. That the DAU variable has a negative effect on poverty, with a coefficient value of the DAU variable of -0.00644. That is, if the total DAU value is reduced by 1% it will reduce the poverty rate by -0.64%.
2. That the DAK variable has a positive influence on poverty, with a coefficient value of the DAK variable of 0.00854. That is, if the total value of DAK is increased by 1% it will increase the poverty rate by 0.85%.
3. That the DBH variable has a negative influence on poverty, with a coefficient value of the DBH variable of -0.00756. That is, if the total value of DBH is reduced by 1% it will reduce the poverty rate by -0.75%.

4. That the DD variable has a negative effect on poverty, with a DD variable coefficient of -0.00213. That is, if the total DD value is increased by 1% it will reduce the poverty rate by 0.21%.
5. That the PDRB variable has a negative influence on poverty with a coefficient value of the PDRB variable of -0.00178. That is, if the total value of the PDRB is increased by 1% it will reduce the poverty rate by 0.17%.
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RECOMMENDATIONS

The suggestions in this study are:

1. That the Aceh government must be firm / open to the funds obtained from the central government by distributing them equally, so that the people of Aceh can feel the impact of the funds given to the Aceh Province.
2. The government also has to open up a lot of jobs in the Province of Aceh, so that the people of Aceh can get decent jobs and can help increase the PDRB per capita of Aceh Province.
3. The Government of Aceh must also be able to optimize the business sector in agriculture and fisheries to reduce poverty in Aceh Province.

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