

Analysis of Capital Expenditure and Economic Growth of Bantaeng District

Kundarah¹, Gagaring², and Kusumawati³

^{1,2,3}Magister of Accounting, Faculty of Economic and Business
Hasanuddin University, Makassar, Indonesia.

Abstract:- The local government of Bantaeng Regency is obliged to meet the vital needs of the community through development in various sectors. Development in each public sector is carried out in stages and continuously according to the needs of the community so that it is expected to be able to increase people's income, increase local government income and at the same time be able to provide quality public services. This research can be empirical evidence of how Regional Original Income, General Allocation Funds, Special Allocation Funds, and Economic Growth in this study as moderating variables that affect capital expenditures,

Keywords;- Bantaeng Regency; PAD; DAK; DAU.

I. INTRODUCTION

In accordance with the regulations of Law no. 23 of 2014 concerning Regional Government which states that Regional Autonomy is the right, authority, and obligation to regulate and manage the potential of the autonomous region itself, both government affairs and the interests of the community in the autonomous region. Research Paul et al. (2017) states that local governments are required to be able to explore their own financial sources in order to finance government, development and community administrators under their authority in the context of implementing broad, real and responsible regional autonomy. The central government delegates authority to local governments accompanied by the allocation of funds, facilities and infrastructure as well as Human Resources (HR). This is realized in the form of balancing funds, namely the Special Allocation Fund (DAK). Law No. 33 of 2004 states a special allocation fund. Utilization of special allocation funds is directed at development activities, procurement, improvement and repair of physical infrastructure facilities in order to improve and support better public services. With the allocation of special allocation funds, it is expected to affect capital expenditures, because special allocation funds tend to add to the appropriate assets owned by the government in order to improve public services.

Economic growth is still used as an indicator of aggregate economic progress. Economic growth is a parameter of a development activity, this is because economic growth can measure the level of activity development in economic sectors in an economy (Nuraini, 2017). Economic growth is defined as a condition of activity in the economy that causes the production of goods and services to increase so that there is an increase in people's prosperity. If the economic growth of a region is increasing, the regional government will increase its

capital expenditure to improve and complete infrastructure and facilities with the aim of achieving better economic growth.

Government revenue growth is strongly correlated with government spending. In addition, the research of Hairiyah et al. (2017) obtained the results that PAD and capital expenditures have a positive relationship. The higher the PAD of a region, the capital expenditures made by the regional government also increase. Previous research also conducted by Sugiardi and Supadmi (2014) showed that PAD, DAU, and SiLPA had a positive and significant effect on capital expenditure in districts/cities in Bali Province. The moderating variable (economic growth) is able to moderate the PAD and DAU variables.

This research refers to previous research conducted by Juniawan and Suryantini (2018). The novelty of this research is to use the same variable and add economic growth as a moderating variable with a different research location, namely in Bantaeng Regency. The purpose of economic growth as a moderating variable is to find out whether economic growth in Bantaeng District is able to strengthen or weaken the relationship between PAD, DAU, and DAK on capital expenditures. Previous research used time series data for three years (2014-2016) but in this study using time series data for 12 (twelve) years from 2008 to 2019. As one of the autonomous regions in South Sulawesi Province, the local government of Bantaeng Regency is obliged to meet the vital needs of the community through development in various sectors in meeting public facilities and infrastructure, although development is carried out in stages from year to year. In public sector accounting, these regional infrastructure development activities are known as Capital Expenditures. This is in accordance with what is stated in Permendagri No. 13 of 2006 in conjunction with Permendagri No. 59 of 2007 concerning Guidelines for Regional Financial Management. This is in accordance with what is stated in Permendagri No. 13 of 2006 in conjunction with Permendagri No. 59 of 2007 concerning Guidelines for Regional Financial Management. This is in accordance with what is stated in Permendagri No. 13 of 2006 in conjunction with Permendagri No. 59 of 2007 concerning Guidelines for Regional Financial Management.

Based on descriptions of various reference sources and research that has been carried out by previous researchers, the objectives of this study are as follows.

- Analyzing the effect of Regional Original Income (PAD) on Capital Expenditures in Bantaeng Regency.
- Analyzing the effect of the General Allocation Fund (DAU) on Capital Expenditures in Bantaeng Regency.

- Analyzing the effect of the Special Allocation Fund (DAK) on Capital Expenditures in Bantaeng Regency.
- Analyzing Economic Growth as a moderating variable can strengthen the influence of Regional Original Income (PAD) on Capital Expenditures in Bantaeng Regency.
- Analyzing Economic Growth as a moderating variable can strengthen the influence of the General Allocation Fund (DAU) on Capital Expenditures in Bantaeng Regency.
- Analyzing Economic Growth as a moderating variable can strengthen the influence of the Special Allocation Fund (DAK) on Capital Expenditures in Bantaeng Regency.

II. RESEARCH METHODS

A. Research design

This study uses a quantitative approach, because this research is presented with numbers. According to Sugiyono (2017), the notion of quantitative methods is a method based on the philosophy of positivism used to examine a particular population or sample, data collection using research instruments, statistical data analysis, which aims to test hypotheses. This research was conducted to explain and test the relationship between variables, determine causality of the variables, test theories and look for generalizations that have predictive value (to predict a symptom).

This study uses 5 (five) variables, namely 3 (three) independent variables, 1 (one) dependent variable, and 1 (one) moderating variable. The dependent variable in this study is Capital Expenditure. The independent variables in this study are Local Original Income, General Allocation Funds, and Special Allocation Funds. This study aims to see the effect of the 3 (three) independent variables on the dependent variable, and to see the effect of economic growth as a moderating variable. The population of this study is the Regional Government Financial Statements of the Bantaeng Regency with the research sample namely the Budget Realization Report within a span of twelve years, from 2008 to 2019.

III. RESEARCH RESULT

A. Descriptive Statistical Analysis of Research Variables

Table 5.1 above describes a description of the variables used in this study. The minimum value is the smallest value of a series of observations, the maximum value is the largest value of a series of observations, the average value (mean) is the sum of the values of all data divided by the number of data. Meanwhile, the standard deviation is the root of the sum of the squares of the difference between the data values and the average divided by the number of data.

Based on the table, it is known for each independent variable that the Regional Original Income (X1_PAD) of Bantaeng Regency has a minimum value of Rp. 11,084,858,781 and the maximum value is Rp. 107,143,247,098. While the value of the standard deviation of the PAD variable is 32684439761. Meanwhile for the General Allocation Fund (X2_DAU) variable, Bantaeng Regency has a minimum value of Rp. 224,668,231,000 and a maximum value of Rp. 528,840,582,000. The value of the standard deviation of the DAU is 114049009756. The next variable for the Special

Allocation Fund (DAK) shows that the minimum value is Rp. 30,458,900,000, and the maximum value is Rp. 351,379,687,407. The value of the standard deviation of the DAK variable is 104302684954.

The description for the moderating variable and dependent variable based on the table shows that the minimum value for the variable Economic Growth (Z_PE) is 6.64, the maximum value for that variable is 10.75 and the standard deviation is 1.09. Meanwhile, the dependent variable has a minimum value of Rp. 76,192,637,468, the maximum value is Rp. 386,135,912,238 and the standard deviation is 91014972612.

Table 1 Descriptive statistics

	X1_PAD	X2_DAU	X3_DAK	Z_PE	Y_BM
Mean	44350487297,80	381706759310,00	116799853819,92	8,01	164127330278,87
Standard Error	9435185047,32	32923113241,80	30109591617,95	0,32	26273759468,95
Median	34402562479,80	402017108500,00	50501060000,00	7,91	127262105671,50
Standard Deviation	32684439761,56	114049009756,27	104302684954,87	1,09	91014972612,14
Kurtosis	-0,46	-1,69	0,69	2,97	2,11
Skewness	0,85	-0,20	1,23	1,33	1,51
Range	96058388317,65	304172351000,00	320920787407,00	4,11	309943274770,00
Minimum	11084858781,34	224668231000,00	30458900000,00	6,64	76192637468,00
Maximum	107143247098,99	528840582000,00	351379687407,00	10,75	386135912238,00
Sum	532205847573,63	458048111720,00	1401598245839,00	96,11	1969527963346,42
Count	12,00	12,00	12,00	12,00	12,00
Confidence Level(95,0%)	20766702271,88	72463283669,21	66270764327,52	0,69	57828154690,95

The selection of the best form of function model is done by using the MWD Test which was found by Mackinnon, White and Davidson. The MWD test aims to compare the regression model and the log linear regression model so as to get the best linear regression results. The MWD test results for linear models based on calculations using Eviews are as follows.

Table 2 MWD Test Estimation Results for Linear Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.92E+10	7.82E+10	0.757476	0.4735
X1_PAD	-0.335265	1.604540	-0.208948	0.8404
X2_DAU	0.057235	0.314010	0.182270	0.8605
X3_DAK	0.841909	0.416457	2.021598	0.0829
Z1	-2.31E+10	3.23E+11	-0.071471	0.9450
R-squared	0.835644	Mean dependent var	1.64E+11	
Adjusted R-squared	0.741727	S.D. dependent var	9.10E+10	
S.E. of regression	4.63E+10	Akaike info criterion	52.24706	
Sum squared resid	1.50E+22	Schwarz criterion	52.44910	
Log likelihood	-308.4823	Hannan-Quinn criter.	52.17225	
F-statistic	8.897649	Durbin-Watson stat	2.773185	
Prob(F-statistic)	0.007064			

Meanwhile, the results of the MWD log linear model based on calculations using Eviews are as follows.

Table 3 MWD Test Estimation Results for Linear Log Model

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	35.94685	18.21650	1.973313	0.0891
LOG_X1PAD	0.918812	0.624607	1.471025	0.1848
LOG_X2DAU	-1.240220	1.017964	-1.218333	0.2626
LOG_X3DAK	0.017751	0.329359	0.053896	0.9585
ZZ	-9.51E-12	5.99E-12	-1.588004	0.1563
R-squared	0.816356	Mean dependent var	25.70616	
Adjusted R-squared	0.711416	S.D. dependent var	0.488473	
S.E. of regression	0.262408	Akaike info criterion	0.456502	
Sum squared resid	0.482005	Schwarz criterion	0.658547	
Log likelihood	2.260985	Hannan-Quinn criter.	0.381698	
F-statistic	7.779288	Durbin-Watson stat	2.766224	
Prob(F-statistic)	0.010238			

From the results of the MWD test for the linear model and the log linear model, the probability value for each estimated MWD value for the Z1 variable is $0.945 > 0.05$ and for the Z2 variable is $0.156 > 0.05$. Therefore, it can be concluded that both models can be used in research. Because both models can be used in research, to determine the use of one of these models is based on the largest R-squared value of each model. From the results of the MWD test, the R-squared value for the linear model is 0.835 and 0.816 for the log linear model. Therefore, in this study the model used for further analysis is to use a linear model because it has a larger R-squared value.

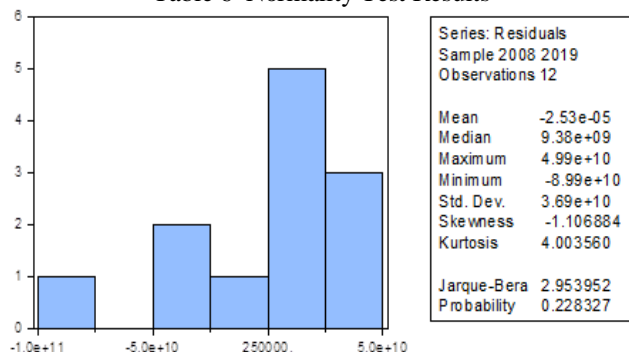
Multicollinearity testing is done by looking at the tolerance value or Variance Inflation Factor (VIF) in the regression model. In this study, the researcher uses the VIF value to test whether the regression model violates the multicollinearity assumption or not. If the VIF value is less than 10, it can be concluded that there is no multicollinearity problem in the regression model. The results of the multicollinearity test that have been carried out by comparing the VIF values in table 5.5. Based on the table on the results of the multicollinearity test above, it shows that the VIF value for the PAD variable is 6.377, for the DAU variable is 5.901 and the DAK variable is 2.979. From the results of the multicollinearity test for the three variables, it shows that each variable has a VIF value < 10 .

Table 4 Multicollinearity Test Results

Variabel	Coefficient Variance	Uncentered VIF	Centered VIF
C	4.95E+21	31.73826	NA
X1_PAD	1.016794	19.18886	6.377908
X2_DAU	0.077266	78.01155	5.901100
X3_DAK	0.046637	7.054427	2.979081

Normality testing in this study was carried out using the Jarque-Bera test. This measurement can be detected through the probability value of Jarque-Bera. If the probability value is smaller than the alpha value of 5% (0.05), it can be concluded that there is a problem with abnormal data distribution. On the other hand, if the probability value is greater than 5% alpha (0.05), it can be concluded that the data is normally distributed. Based on the analysis, the results obtained by Jarque-Bera are as follows:

Table 6 Normality Test Results



From the results of the analysis using the Jarque-Bera test, it shows that the probability value for Jarque-Bera is 0.228. This shows that the probability value of the Jarque-Bera statistic is greater than the alpha value of 0.05, so it can be concluded that the research data is normally distributed. Or in other words, that the research data passed the normality test.

Testing of the symptoms of heteroscedasticity in a model can be done in various ways, such as the Glejser test, White test and the Breusch-Pagan-Godfrey (BPG) test. In this study, the heteroscedasticity test was carried out using the BPG test. An indication of the occurrence of heteroscedasticity problems is by looking at the probability value of the independent variables used in the model. If the probability value of Obs* R-Squared based on the results of the analysis is below the alpha (α) value of 5% (0.05), it is stated that the model has heteroscedasticity problems. Meanwhile, if the probability value of Obs* R-Squared based on the results of the analysis is above the alpha (α) value of 5% (0.05), it is stated that the model does not experience heteroscedasticity problems. The results of the BPG test can be shown in table 5.7 below. From the table of BPG test results above, it shows that the probability value for Obs* R-Squared is $0.474 > 0.05$. So it can be concluded that there is no heteroscedasticity problem in the research model because the calculated probability value is greater than the alpha (α) value.

Table 7 Breusch-Pagan-Godfrey Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.703413	Prob. F(3,8)	0.5762
Obs*R-squared	2.504677	Prob. Chi-Square(3)	0.4744
Scaled explained SS	1.671766	Prob. Chi-Square(3)	0.6432

Test Equation:
 Dependent Variabel: RESID^2
 Method: Least Squares
 Date: 06/12/21 Time: 23:39
 Sample: 2008 2019
 Included observations: 12

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.80E+21	3.84E+21	-0.989732	0.3513
X1_PAD	-6.06E+10	5.49E+10	-1.103381	0.3019
X2_DAU	1.93E+10	1.51E+10	1.272817	0.2388
X3_DAK	3.21E+09	1.18E+10	0.273086	0.7917

R-squared	0.208723	Mean dependent var	1.25E+21
Adjusted R-squared	-0.088006	S.D. dependent var	2.26E+21
S.E. of regression	2.36E+21	Akaike info criterion	101.5234
Sum squared resid	4.45E+43	Schwarz criterion	101.6850
Log likelihood	-605.1403	Hannan-Quinn criter.	101.4635
F-statistic	0.703413	Durbin-Watson stat	2.797129
Prob(F-statistic)	0.576169		

Autocorrelation testing in a research model can be done using several statistical comparison values, including by looking at the Durbin Watson Statistics value in the regression analysis results and also using the Breusch-Godfre Serial Correlation LM Test. In this study, the autocorrelation test was carried out using the Breusch-Godfrey Serial Correlation LM Test, the following are the results.

Table 8 Breusch-Godfrey Serial Correlation LM Test Results

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	1.829295	Prob. F(2,6)	0.2101
Obs*R-squared	5.408758	Prob. Chi-Square(2)	0.1091

Test Equation:
 Dependent Variable: RESID
 Method: Least Squares
 Date: 06/12/21 Time: 23:07
 Sample: 2008 2019
 Included observations: 12
 Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.72E+10	4.14E+10	1.620815	0.1562
X1_PAD	0.934670	0.481862	1.837335	0.2297
X2_DAU	-0.286442	0.167556	-1.709530	0.1382
X3_DAK	-0.368049	0.161868	-2.273759	0.0633
RESID(-1)	-1.230767	0.295514	-1.164836	0.2059
RESID(-2)	-1.886435	0.345878	-1.605183	0.3113

R-squared	0.484063	Mean dependent var	2.53E-05
Adjusted R-squared	0.304116	S.D. dependent var	1.69E+10
S.E. of regression	1.32E+10	Akaike info criterion	0.881682
Sum squared resid	1.24E+21	Schwarz criterion	1.124104
Log likelihood	2.290167	Hannan-Quinn criter.	0.791912
F-statistic	0.757180	Durbin-Watson stat	2.284206
Prob(F-statistic)	0.650741		

Based on the results of the Breusch-Godfrey Serial Correlation LM Test in the table above, it shows that the probability value of Obs*R-Squared is 0.109 > 0.05. This shows that there is no autocorrelation symptom so that the analysis can be carried out at a later stage.

Testing for several hypotheses is done by using the regression equation in paris. In this case, all research variables used are data that have been transformed before must meet the feasibility of the model based on the classical assumption test. This partial test is used to test the effect of each independent variable on the dependent variable. If t count > t table then reject H0 and it can be concluded that the independent variable significantly affects the dependent variable. However, if t count < t table then accept H0, which means that there is no significant effect of the independent variable on the dependent variable. Or you can also use a probability value that is compared with an alpha value of 5% (0.05). If probability value < 5% then the result is significant and it can be stated that there is an influence of the independent variable on the dependent variable. The following are the results of the partial test in this study.

Table 9 Partial Test Results (t Test)

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	6.07E+10	7.04E+10	0.862578	0.4135
X1_PAD	-0.250297	1.008362	-0.248222	0.8102
X2_DAU	0.049959	0.277967	0.179730	0.8618
X3_DAK	0.817132	0.215955	3.783801	0.0054

Based on the results of the partial test in the table above, it can be explained for each hypothesis as follows.

B. Local Original Income affects Capital Expenditure

From the results of the analysis in the table above, it shows that the t value for the Regional Original Income variable is 0.248 with a significance level of 0.810. The calculated t value is 0.248 < t table is 2.262, and the probability

value is 0.810 > 0.05. In addition, the coefficient value for the Regional Original Income variable is 0.250 and is negative. It can be concluded that, Regional Original Income does not significantly affect Capital Expenditures. In other words, the proposed hypothesis, namely Regional Original Income does not have a positive effect on Capital Expenditures, is accepted.

C. General Allocation Fund affects Capital Expenditure

By looking at the test results in the table above, the calculated t value for the General Allocation Fund variable is 0.179 at a significance level of 0.861. The t value for this variable is < from the t table value of 2.262 with a probability value of 0.861 > 0.05. Meanwhile, the coefficient value on the General Allocation Fund variable is 0.049. Based on these results, it can be concluded that the General Allocation Fund has no significant effect on Capital Expenditures. This means that the second hypothesis proposed, namely the General Allocation Fund has no positive effect on Capital Expenditures, is accepted.

D. Special Allocation Funds affect Capital Expenditure

In the table above, it can be seen that the t value for the Special Allocation Fund variable is 3.783 at a significance level of 0.00. If it is compared with the t table value, then the calculated t value is 3.783 > 2.262 at the probability level compared to the alpha value, which is 0.00 < 0.05. This shows that the Special Allocation Fund variable has a significant effect on the Capital Expenditure variable.

The coefficient value for the Special Allocation Fund variable is 0.817. This means, if there is an increase of one unit for the Special Allocation Fund variable with the assumption that the Regional Original Revenue and General Allocation Fund variables are considered constant, then Capital Expenditure will increase by 0.817 units. On this basis, the third hypothesis proposed in this study, namely the Special Allocation Fund has an effect on Capital Expenditures, is accepted.

After testing the moderation with the moderating variable (interaction between Regional Original Income multiplied by Economic Growth), the statistical results are obtained as follows.

Table 10 PAD Variable MRA Test Results

Dependent Variable: Y_BM

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.49E+10	3.80E+11	0.118323	0.9087
X1_PAD	4.091592	5.099376	0.802371	0.4455
Z_PE	2.58E+09	4.75E+10	0.054403	0.9579
INTERAKSI_1	-0.224942	0.596409	-0.377160	0.7159

R-squared	0.546951	Mean dependent var	1.64E+11
Adjusted R-squared	0.377058	S.D. dependent var	9.10E+10
S.E. of regression	7.18E+10	Akaike info criterion	53.09436
Sum squared resid	4.13E+22	Schwarz criterion	53.25599
Log likelihood	-314.5661	Hannan-Quinn criter.	53.03451
F-statistic	3.219381	Durbin-Watson stat	2.524489
Prob(F-statistic)	0.082650		

C. Discussion

This study gives the result that local revenue does not affect capital expenditure in Bantaeng Regency as the object of research. This shows that partially the expenditure management pattern of the Bantaeng district government, especially related to capital expenditure, does not really consider PAD as one of the main determinants in the allocation of capital expenditures, but the use of PAD is more for routine regional expenditure operations.

The results of this study are in line with the theory of Public Expenditure where the purpose of public expenditure is to finance government administration or routine expenditures and partly to finance development activities or development expenditures. In other words, if there is regional income, the priority is for daily operational needs/routine local government expenditures.

The results of this study strengthen the results of research presented by Putri (2016) and Hidayati (2016) which state that PAD is used more to finance other expenditures, such as routine expenditures/operational expenditures. In addition, the increase in the capital expenditure budget depends on the situation and condition of each region. However, the results of this study are not in line with the results of research conducted by Susanti and Fahlevi (2016), Purbarini and Masdjojo (2015), Edwin (2014) and Mayasari et al. (2014) which suggests that PAD has a positive effect on Capital Expenditures which results in a positive and significant effect of regional original income on capital expenditures.

The DAU has no effect on Capital Expenditures in Bantaeng Regency because of an indication that the DAU is mostly used to finance personnel expenditures followed by routine expenditures. This is due to the management of the DAU, which mostly funds monthly personnel expenditures that must be issued by the local government. DAU allocations for regions with large fiscal potential but small fiscal needs will receive relatively small DAU allocations. On the other hand, regions with small fiscal potential but large fiscal needs will receive relatively large DAU allocations. This confirms the function of the DAU as a factor for equitable distribution of fiscal capacity in local governments.

The results of this study are in line with the results of research by Syukri and Hinaya (2019), Sumartini and Yasa (2015), Pradana and Handayani (2017) which state that the DAU has no significant effect on capital expenditures. With this transfer of balancing funds, it is hoped that local governments can create independence instead of tending to depend on transfer funds from the central government.

On the other hand, the results of this study are not in line with Juniawan and Suryantini (2018), Surajat and Purniawati (2017), Hidayati (2016), and Putri (2016) who state that the General Allocation Fund has a positive influence on capital expenditure allocation. Juniawan and Suryantini (2018) suggest that in Bali Province with high PAD, so that DAU transfers from the central government can be focused on funding local government activities or programs through regional expenditures, especially capital expenditures.

Utilization of special allocation funds in Bantaeng Regency is directed at development activities, procurement, improvement and improvement of physical infrastructure facilities in order to improve and support better public services. The fact is that in the last few years, especially from 2008 to 2019 DAK has been realized 100% with various developments for the public interest which continue to be adjusted to the conditions and needs of the community, of course this development remains in line with national development goals. It can be said that the local government of Bantaeng Regency has optimized good financial governance, especially for DAK allocations so that development priorities in the regions and the center can go hand in hand.

Related to the theory of Public Expenditure itself, that the allocation of central transfer funds, namely DAK, has been in accordance with its designation which aims to fund various development activities, especially for the benefit of the wider community. Public Expenditure which reflects the government setting a policy to buy goods and services, routine expenditure or capital expenditure, costs that must be incurred by the government to implement the policy.

The results of this study are also in line with the research of Susanti and Fahlevi (2016), Putri (2016), Hidayati (2016), Permatasari and Mildawati (2016), and Pradana and Handayani (2017), which suggest the positive influence of the Special Location Fund on Capital Expenditures. Likewise, Juniawan and Suryantini (2018) state that the higher the DAK grant, the higher the Capital Expenditure will also be in relation to development that is uniform with the national program.

However, the findings of this study are different from those of Sudrajat and Purniawati (2017), Syukri and Hinaya (2019), which show that the Special Allocation Fund does not have a direct influence on the allocation of regional capital expenditures. Thus, Febriana and Paptoyo (2015), Huda and Sumiati (2019) stated that through the allocation of balancing funds in the form of regional expenditure allocations for both routine and capital expenditures, local governments should be able to determine the priority scale in the budget allocation so that basic public service facilities and infrastructure that have not reached a certain standard or to encourage accelerated development through capital expenditures. The variable of Economic Growth is not significantly related to the variable of Capital Expenditure. This happens because economic growth in Bantaeng Regency is sometimes not always accompanied by an increase in existing capital expenditures, allegedly influenced by the Bantaeng Regency Original Income factor which is only used to finance activities or routine needs of the local government. Although from audited financial report data from 2008 to 2019 PAD continues to increase from year to year. Associated with the theory of fiscal federalism states that economic growth will be achieved through fiscal decentralization. Bantaeng Regency has tried to run it by exploring potential financial sources that it has to finance regional needs, not only for routine government needs but also expected to finance capital expenditure needs.

The results of this study are in line with the results of Hidayati (2016) and Mulyani (2017) research. that economic growth has no effect and cannot moderate the influence of PAD

on Capital Expenditures. In contrast to research conducted by Masruroh (2018), it is stated that Economic Growth strengthens the influence of PAD on Capital Expenditures, with increasing regional economic growth which has an impact on increasing the income per capita of the population, so that the level of consumption and productivity of the population is increasing so that the higher the community's ability to pay taxes set by the local government.

Economic growth does not have a positive contribution to Capital Expenditure so this has an impact on the relationship between DAU and Capital Expenditure. Although the economic growth of Bantaeng Regency is quite good, this cannot be an indicator of the allocation of the General Allocation Fund for Capital Expenditures. This is because the use of the DAU is handed over to the regional government so that the funds are prioritized to finance routine needs, the largest portion of which every month is personnel expenditure.

In accordance with the theory of Fiscal Federalism that economic growth is obtained by fiscal decentralization, namely through the implementation of regional autonomy and seeks to show how the influence of decentralization carried out by the government by providing various services to the general public and for the welfare of the community. So the transfer funds from the center are given to the regions as well as the authority to use these funds.

The results of this study are in line with Mulyani (2017), Masruroh (2018), Cahyaning (2018), and Pratama (2019) that the function of the General Allocation Fund to neutralize the inequality of financial ability obtained by the regions causes regional independence to not get better, in fact what happens is that on the other hand, it is the regional government that relies on its regional finances with the existence of this General Allocation Fund. However, research conducted by Hidayati (2016) states that economic growth has an effect and can moderate the relationship between DAU and capital expenditure allocation. In this case, the capital expenditure carried out by the regional government for the procurement of infrastructure is aimed at improving the welfare of the community.

Capital expenditure carried out by the local government of Bantaeng Regency is intended to fulfill infrastructure, facilities and infrastructure for the community which aims to increase economic growth because economic growth is one indicator that can be used as a measure to assess the success of regional development. If a region has experienced increased economic growth, the regional government will reduce the allocation of capital expenditures and use the DAK for special activities that are regional affairs and in accordance with other national priorities besides capital expenditures. This is because the local government's goal of making capital expenditures, namely to increase economic growth, has been achieved. Therefore, economic growth has a significant effect but weakens the influence of DAK on capital expenditures. It can be interpreted, that the higher the economic growth, the influence of DAK on capital expenditure will decrease.

The results of this study are in line with research by Hidayati (2016), and Pratama (2019) that Economic Growth cannot moderate the Special Allocation Fund for Capital Expenditures.

As for the theory of Fiscal Federalism that economic growth is obtained by fiscal decentralization, namely through the implementation of regional autonomy. From here, local governments determine the direction of their development policies and keep them in line with national development goals, as well as trying to show how the influence of decentralization carried out by the government by providing various services to the general public.

IV. CONCLUSION

Based on the results of hypothesis testing and discussion of the analysis of Capital Expenditures and Economic Growth in Bantaeng Regency, the following conclusions can be drawn.

- The results of the test show that local revenue has no effect on capital expenditures. This indicates that the higher the local revenue, the lower the capital expenditure.
- The results of the general allocation fund variable test show that it has no effect on capital expenditures. This result indicates that the higher the general allocation fund, the lower the capital expenditure.
- The results of the special allocation fund variable test show that there is a positive influence on capital expenditures. These results indicate that special allocation funds contribute to capital expenditures, the higher the special allocation funds, the more capital expenditures will be.
- The value of the regression coefficient shows that the variable economic growth does not interact on the effect of local revenue on capital expenditures. These results indicate that economic growth is not able to moderate the effect of local revenue on capital expenditures.
- The value of the regression coefficient shows that the variable economic growth does not interact with the effect of local revenue on capital expenditures. These results indicate that economic growth is not able to moderate the effect of local revenue on capital expenditures.
- The value of the regression coefficient shows that the variable economic growth does not interact on the effect of local revenue on capital expenditures. These results indicate that economic growth is not able to moderate the effect of local revenue on capital expenditures.

The implications that arise are as follows.

- This research is expected to increase knowledge about Regional Original Income, General Allocation Funds, Special Allocation Funds and economic growth in local governments. Therefore, in order to further explore what other factors also influence the allocation of capital expenditures, further research is necessary.
- The Regional Government should continue to restructure human resources in order to reduce personnel expenditures and prioritize budget allocations to capital expenditures which will have an impact on improving people's welfare.

- Local governments can further optimize the use of PAD, DAU, and DAK in order to further improve the development of infrastructure and public facilities and infrastructure that are better, targeted and adequate through capital expenditures, because this will greatly affect productivity and improve the welfare of the community in order to improve productivity. regional economic growth.
- Regional governments develop more potential in the regional economic sector in order to increase regional revenues, so as to create increased regional independence in PAD in financing routine expenditures and not relying on central government transfer funds and to attract investors to be able to invest in the implementation of regional autonomy.

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The preferred spelling of the word “acknowledgment” in America is without an “e” after the “g.” Avoid the stilted expression “one of us (RBG) thanks ...”. Instead, try “RBG thanks...”. Put sponsor acknowledgments in the unnumbered footnote on the first page.

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