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EVALUATION OF THE SPECIFIC ALLOCATION FUND FOR INDONESIAN SOCIETY WELFARE

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Abstract**:** *The purpose of this study to evaluate policy of the specific allocation fund (DAK) for Indonesian society welfare. Society welfare is ultimate goal of fiscal decentralization in Indonesia. The design of this study is explanatory analysis unit 433 regencies/cities in Indonesia. Sources of data in the form of secondary data and testing of research hypothesis use to the Sign Test and Analysis of Variance (ANOVA). The test results demonstrate that 1) the allocation of DAK is in conformity with the objectives of public service equalize though not optimal due to the unequal distribution of public services in education and health; 2) there is conformity with the conditions DAK receiving area needs indicated by sign tests of DAK and indicators of public service; and 3) there is conformity with the conditions DAK and DAK needs of the receiving area is also shown by the ANOVA test.*

Keywords*: Specific allocation fund, society welfare*

INTRODUCTION

Fiscal decentralization is the granting authority from central government to local governments for expenditure management (Kementerian Keuangan, 2009: 7). Since autonomy began in 2001, the implementation of fiscal decentralization policy has been progressing from year to year. The development of fiscal decentralization adapted to the purpose, conditions, and development of local autonomy. One of the instruments of fiscal decentralization policy is to transfer the policy area. The purpose of transfer to the area to reduce the fiscal gap, improving the quality and public services between regions, the development of the economic potential of the region, the efficiency of utilization of national resources, the synchronization of national and regional development planning, and to support fiscal sustainability in macroeconomic policy. The funding system is done in the form of allocation of funds transfer to the regions through Balanced Fund, Specific Autonomy Fund, and Adjustment Fund.

The Balance Fund is a fund sourced from state budget (APBN) allocated to the regions to finance the needs of the region in the context of decentralization.

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Balance Funds include the Shared Revenue Fund (DBH), General Allocation Fund (DAU), and Specific Allocation Fund (DAK). The Specific Autonomy Fund is a fund allocated to finance the implementation of special autonomy covering certain areas of Papua and Aceh Province. Adjustment Fund is a fund allocated to assist the region in implementing central government policy. Most funds of funds planned adjustment is medium or long term as part of national policy such as Supplementary Income Guru (TPG), School Operational Assistance (BOS), and the Regional Incentive Fund (DID). Partly fund of funds adjustment is determined ad hoc basis as the Regional Infrastructure Adjustment Fund (DPID) and the Regional Infrastructure Development Acceleration Funds (DPPID).

Among the types of Balancing Fund, DAK is a type of fund transfers to the region sourced from APBN allocated to a particular region with the aim of public service equalize imbalances between regions specifically to fund basic services infrastructure of society that have not reached a certain standard although the area has received DBH and DAU. The third component of balance funds represents the transfer of funds from the central government as well as a whole unit (the Trilogy of Balancing Fund). Public service indicators to measure the success of DAK allocation of funds transfer is Literacy Rate (AMH), Average Length of School (RLS), and Life Expectancy (UHH) are a component counting of the Human Development Index (HDI). HDI is as a measure of society welfare that has integrated approach to quantity and quality of life (Todaro and Stephen C. Smith, 2006: 59-64).

Transfer to the area in the last five years (2009-2013) is presented in Table 1. It appears the absolute value of the five types of transfer to the region from 2009 to 2013 continued to increase. The magnitude of the increase in the annual average transfer to the 14.27%, Balance Fund 11.38%, Specific Autonomy Fund 9.31%, and Adjustment Fund 67.58%. The final goal is the fiscal decentralization of society welfare (Kementerian Keuangan, 2009: 7), namely the condition of the fulfillment of material needs, spiritual, social, and citizen of Indonesia, as reflected in a decent house, insufficient food and clothing, education and health costs low and quality in order to live a decent and able to develop themselves so that they can perform their social function (Soesilowati *et al*., 2005: 6). The fact shows that the development of transfers funds to the regions have not been able to provide Indonesian society welfare. This is indicated by the unemployment rate fluctuated from 8.1% (2001), 9.9% (2004), 5.1% (2009), and 5.92% (2013) and the value of the Gini Index after 2001 which increased from 0,296 (2001), 0.33 (2004), 0.35 (2009), 0.3814 (2011), and 0.413 (2013) (Badrudin, 2014).

Table 1
Transfer Fund to Region (triliun Indonesia Rupiah)

No	*Transfer Fund*	*2009*	*2010*	*2011*	*2012*	*2013*
1.	Shared Revenue Fund (DBH)	77,98	92,36	96,91	90,23	101,96
	a. Tax	41,07	45,98	41,52	39,54	48,10
	b. Resources	35,85	45,17	53,97	49,20	52,01
	c. Tobacco Excise	1,07	1,22	1,42	1,49	1,85
2.	General Allocation Fund (DAU)	186,41	203,61	225,53	273,81	311,14
3.	Specific Allocation Fund (DAK)	24,82	21,13	25,23	26,12	31,69
4.	Specific Autonomy Fund	9,53	9,10	10,42	11,95	13,45
5.	Adjustment Fund	11,81	19,58	54,04	58,74	70,39
	Amount	310,55	345,73	412,14	460,85	528,62

Source: Kementerian Keuangan, 2012.

Based on these explanations, the purpose of this study to evaluate policy of the specific allocation fund (DAK) for Indonesian society welfare. The allocation of DAK must follow the general rules of the transfer area, which is sufficient acceptance, fairness, transparency, stability, and simplicity. DAK is expected to be sufficient to meet the needs of the region, a fair for every region, determining the amount to be transparent, able to stabilize the region, and should be allocated by a formula that is easy to understand.

THEORETICAL ANALYSIS

In theory, Musgrave's tripartite division dictates desirable way of decentralizing government functions with provisions of local public goods and services being devolved and income redistribution and macroeconomic stabilization along with national public goods supplies being retained at the upper level of governments (Musgrave and Musgrave, 1989:6). Not surprisingly, practice of fiscal decentralization has exhibited quite different picture because it has been motivated by political reasons such as democratization and national integrity rather than economic rationales and has been the consequences of political bargaining and compromises rather than solving optimization problem.

The concept of fiscal decentralization is the devolution of the central government to local governments (Fuad, 2005:247-256). Regions are also required

to to self-finance the construction costs while local revenues could not finance the whole expenditure, therefore, transfer funds from the center (intergovernmental transfers) is a source of local government budget. The reception is very dominant for local governments. Transfer to the center areas can be distinguished on the revenue (revenue sharing) and assistance (grants). The purpose transfers from the center to the regions, among others (a) vertical equalization, (b) horizontal equalization, (c) overcoming the effects of the public service, (d) directing a priority, (e) conduct experiments with new ideas, (f) stabilization, and (g) maintain the achievement of minimum service standards in each area.

The vertical equalization aims to correct the income gap every level of between central and local governments due to differences over control revenue sources (taxes). Policy pursued by do general revenue sharing (GRS) that revenue sharing general. The horizontal equalization aims to close fiscal gap which is owned by the region. This occurs because the fiscal gap the difference between the fiscal capacity, the ability to generate revenue and fiscal needs, namely the magnitude of needs spending a region. Transfer from the center to the regions will used to close the fiscal gap.

Addressing the issue of the effect of public services, meaning the central government (transfer) subsidy to local governments for the provision of public goods which have effect 'spread' to other areas. This is done because in the presence of externalities, demand has increased, and it is difficult for the regions to hold it because the cost is too expensive. Subsidy required amount of the difference due to the increase in demand so the cost is within reach of the area. Directing (redirecting) priority, aims to make wishes the central government and local government can be run in parallel despite having different priorities. This difference is overcome by provide transfer/incentive to the area so help steer regional and national priorities as expected. Conduct experiments with new ideas, means requiring a trial. Grants to area required as compensation for regions that become test event a new program of the center because the area did not want to bear losses and own risk.

EXPERIMENTAL

Suryanto *et al*., (2005: 10) described an approach based on the findings of previous policies and the general picture is experienced in the area of research. The study indicates that fiscal decentralization in regencies/cities in Indonesia has not been beneficial to the welfare of society because of the gap between planning and community needs in the area. An overview of the condition of fiscal decentralization and public welfare descriptively explained. That is, the components of the budget in the form of fiscal decentralization. The Balance Fund has not been beneficial to the improvement of people's welfare.

Kurnia (2006) explained that the regency/city in Central Java province that the proportion of government expenditure to Gross Regional Domestic Product (GRDP) does not necessarily have high indicators of public sector performance and high efficiency of the public sector. The public sector is assessed in the form of two indicators of socio-economic sectors, namely education and health sectors as well as the three sectors of the Standard Musgravian Indicators, namely the distribution of income, stability, and economic performance. That is, the Balance Fund which is used as a source of local government spending enormous proportions in the budgets of local governments does not guarantee success in reducing inequality in income distribution and society welfare.

Suhendra and Amir Hidayat (2006) explained that fiscal decentralization during the first 5 years from 1 January 2001 was still weak conditions. Some things that become an issue of Suhendra and Amir Hidayat (2006) is the power and role of taxation in local regencies/cities in Indonesia is still low because the regency/city government remains dependent on the central government and the determination of the Balance Fund formula related to political interests.

Bangun (2009) explained that DAK have not significant effect on per capita income in regencies/cities in Riau and Bangka Belitung Province. This shows that economic development is carried out with a budget that looks at the amount of DAK component as one source of the Balance Fund actually resulted in a decrease in per capita income. This has an impact on the increase in the inequality of income distribution among social groups.

Anwar (2009) showed that fiscal decentralization impact on the increase in output and incomes, but decreasing employment in Bandung during the 2001 to 2003. That is, the increase in economic growth is unable to reduce unemployment which had an impact on employment and the decline in social protection and social welfare.

Isti'anah (2009) explained that the decentralized system that has been implemented and most of the financial management policy has been given to the region, but not yet visible impact on the welfare of the people in the area. Some areas are still considered to have a problem with the ability to manage the Balance Fund to create a welfare society in the regions concerned. The Balance Fund management optimization must apply the principles of good governance among others, relating to the principles of transparency, accountability, and fairness.

Maryati and Endrawati (2010) explained that DAK have not significant effect on economic growth in the regency/city in the province of West Sumatra. Because the local government received DAK should only be used to fund special activities as regional affairs, which activities compatible with the functions that have been set in the state budget, for example for public services, education, and others. Means should not be misused for activities outside the provision.

Badan Perencanaan Pembangunan Nasional (2011) showed that 1) DAK has shifted from the determination of selected regions and sectors towards setting a target allocation for regions and sectors as possible so big DAK allocation per field and per unit receiving area is limited to the impact on the outcome that is also limited; 2) not all areas of DAK has a significant influence on the formation of outcome, such as the performance of the regional economy and the improvement of society welfare; 3) as much as 31% of the area receiving it is the area with the DAU per capita is relatively high; 4) there is a problem that is rooted DAK implementation of uncertainties in the operation of the guidelines as well as technical guidelines with some next activities, (a) delays in the provision of an annual technical and operational guidelines, (b) the frequency change of a high technical and operational guidelines, (c) lose perspective of the region, and (d) guidelines stiffness due to the inclination orientation of input rather than output.

Anwar (2012) explained that DAK make a small contribution to economic growth areas in six provinces, namely North Sumatra, Central Java, South Kalimantan, Southeast Sulawesi, Riau, and Maluku. This small effect can be attributed to the inconsistency of the amount allocated DAK quarterly basis, because there was no quarter DAK allocation. The inconsistencies caused by frequent delays of the area in the budget submitted reports and/or report the implementation of DAK to the central government as the next stage DAK disbursement requirements. DAK little influence on economic growth will impact on the ability of local governments in creating public welfare in the area concerned.

Handayani and Elva Nuraina (2012) showed that DAK make negative effect on the allocation of expenditure because the area is difficult to estimate the needs of the provisions of various criteria such as general criteria, specific, and technical in Madiun Regency. In addition, local governments that receive DAK is required to provide matching funds of at least 10% of the value of DAK it receives to fund these activities. The counterpart funds shall be budgeted in the current fiscal year budget. It is burdensome areas actually have limited sources of budget revenues are still required to provide matching funds which would reduce the share of other expenditures.

Alam (2012) showed that in the regency/city of Yogyakarta Special Region, DAK planning at the central and local budgets for the first year alone, yet use planning and calculating in the medium term expenditure framework (medium term expenditure framework/MTEF). The calculations of DAK become less relevant for the purpose of achieving the national targets that require funding certainty over 1 year. By calculating DAK to the needs of medium-term expenditure and in order to achieve specific national targets means DAK need to be open-ended matching grant.

METHODOLOGY RESEARCH

The design of this research is explanatory, the research is designed through the stages of data collection is needed, the determination of tools (instruments) analysis used, and analysis of the data used. The stage in choosing the unit of analysis is started by mentioning the population (all regencies/cities in 33 provinces). Then select regencies/cities of 33 provinces with the amount of funds allocation data transfer to the regions (DAK) and data of Literacy Rate (AMH), Average Length of School (RLS), and Life Expectancy (UHH) as a component in the calculation of the Human Development Index (HDI).

Data used in this study is secondary data collected from relevant agencies such as the Ministry of Finance and the Central Statistics Agency (BPS). Data obtained from various reports/books/compact disc published by the relevant agencies. Study support articles with references from scientific journals, research reports, books, and papers of which were collected through the website. Available secondary data collected, researched, discussed, and processed by the various competent authorities so that the data is valid.

The variable in this study is the Special Allocation Fund (DAK), Literacy Rate. The DAK is a type of fund transfers to the region sourced from the state budget (APBN) allocated to a particular region with the aim of public service equalize imbalances between regions specifically to fund basic services infrastructure of society that have not reached a certain standard although the area has received DBH and DAU. DAK measured in Indonesia Rupiah. Literacy Rate is calculated numbers of the adult population can read and write, measured from numbers 0 to 100. Average Length of School is the number of years lived by a person in formal education, measured from numbers 0 to 15. Life Expectancy is average number of years of life that can be lived by a person from birth until the end of his life, measured from age 25 years to 85 years.

Model studies using sign test to test whether there is a change in the allocation of DAK and indicators of public service area. The sign test is done by looking at the difference frequency plus sign (+) and minus (-) on the observation score data pairs (DAK allocation and indicators of regional public services) from time to time. Score data values do not change (not different) rated zero. Couple score data of observation that is worth 0 is ignored in this test.

This analysis is used to reveal a descriptive overview of the field data in a way to interpret the results of processing through the tabulation to describe the tendency of empirical data and descriptive as average values. The Sign Test consists of two, namely the sign test for small samples and sign test for large samples. The sign test for small samples using a binomial distribution, while the sign test for large samples using the normal distribution. Small sample criteria are not tied to

the number of members of the sample. If the test mark is still possible using the binomial distribution formula, then Sign Test can use the binomial distribution. However, if the member of the sample is no longer possible to use the binomial distribution formula, the sign test using normal distribution. The null hypothesis (Ho) in this test states that there is no difference frequency plus sign and minus sign, or H0: p = 0.5, while the alternative hypothesis (Ha) states that there are differences in the frequency of a plus and minus sign, or Ha: p ≠ 0.5. If there is a difference in statistical testing, then (1) an increase in DAK allocation from year to year and (2) an increase in the area of public service indicators from year to year. ANOVA testing carried out by using two different test averages or more (test F). This study a set at 5%. Decision making is done if P-value < 5%, so we reject H_0 and receive H_A. H_0 states that m1 = m2 = m3 and H_A states that m1 ¹ m2 ¹ m3.

RESULTS

Descriptive analysis in the study of the transfer of funds to the regions carried out on the variables studied, namely DAK and indicators of public services. The following Table 2 present on an average growth DAK from year to year based on area.

Table 2
Average of DAK (Indonesia Rupiah)

Year	*Regency*	*City*	*Province*	*Java*	*Non Java*	*Average*
2008	37,857,615,192.46	20,648,019,120.14	42,158,363,971.64	38,165,294,808.52	33,959,171,897.47	34,943,245,937.04
2009	40,751,377,528.99	32,505,847,765.31	56,100,080,837.03	33,716,533,899.75	42,157,204,874.67	40,182,406,382.43
2010	47,079,013,081.65	39,911,158,282.01	37,849,831,672.70	51,350,785,250.00	43,294,006,909.88	45,178,989,012.10
2011	37,314,081,904.11	43,930,207,775.86	35,578,383,030.30	25,406,004,224.04	42,406,948,665.01	38,429,369,210.90
2012	47,100,984,621.70	49,017,636,398.01	36,970,780,390.91	43,104,217,953.51	47,960,921,078.15	46,824,635,818.80
Average	42,020,614,465.78	37,202,573,868.27	41,731,487,980.52	38,348,567,227.17	41,955,650,685.04	41,111,729,272.25

Source: Kementerian Keuangan, 2012. Data processed.

Based on Table 2, it appears the number of DAK from 2008-2012 experienced a mean change fluctuating up and down and not patterned, either DAK regency, province, Java, and non Java. The only thing that changes DAK average rose continuously during the years 2008-2012 was DAK for urban areas. In fact, an average of DAK allocation to cities larger than regencies in 2011 and 2012. Though the area of the regency than doubled the area of the city. There is unfairness in the allocation of DAK, if basing on the condition and the extent of the territory. In addition, be inconsistent if the notice Common Criteria of DAK allocation which

takes account of the financial side of the area, since the area receiving the DAK is an area that the financial capacity of the region is low, below the national average. The regencies have low financial capability. DAK fluctuations also show that not every year an area has award of DAK.

Similar conditions between the regencies and cities, also occurs in DAK allocation for Java and outside Java. Java, which covers a fraction time of extensive Java, was obtained DAK allocation larger than the outer islands, in 2008 and 2010. DAK allocation for outside Java with the Java outweigh the difference is not so great when compared with the area of Java for 2009, 2011, and 2012. DAK allocation such as this is felt to be unfair to the outer islands. To strengthen the descriptive analysis of DAK allocation, the development of the different test DAK interim years 2008-2012 were the results shown in Table 3.

Table 3
Different Test of DAK Between the Time

Between the Time	*t test*	*P_value*
2008 vs 2009	3.739	0.001 *)
2008 vs 2010	0.850	0.396
2008 vs 2011	6.728	0.001 *)
2008 vs 2012	4.216	0.001 *)
2009 vs 2010	5.423	0.001 *)
2009 vs 2011	12.043	0.001 *)
2009 vs 2012	0.968	0.333
2010 vs 2011	6.880	0.001 *)
2010 vs 2012	5.678	0.001 *)
2011 vs 2012	11.521	0.001 *)

***)**Significant at α 5%.

DISCUSSION

Based on Table 3, it looks different test results DAK between the time. By using the alpha 5%, DAK different test results between 2008 and 2010 and between 2009 and 2012 was not significant. That is, the DAK allocation between these years there was no difference. Being different test DAK other year there is a significant difference because the test results. DAK different test between the time is important to see how it impacts the change indicator of public services. If the difference is not significant between the time, allocation of DAK it will not be able to change the indicator

of public service, and vice versa. This study results in accordance with study of Suryanto *et al*., (2005: 10), Kurnia (2006), Suhendra and Amir Hidayat (2006), Bangun (2009), Anwar (2009), Isti'anah (2009), Maryati and Endrawati (2010), Badan Perencanaan Pembangunan Nasional (2011), Anwar (2012), Handayani and Elva Nuraina (2012), and Alam (2012). All of these study explained that allocation of DAK will not be able to change the indicator of public service. To strengthen the descriptive analysis of DAK allocation, the different test DAK allocation between regions in 2008-2012 that the results shown in Table 4 below:

Table 4
Different Test of DAK Inter Regions, Year 2008-2012

Inter Regions	*t test*	*P_value*
Regency vs City	16.702	0.001 *)
Regency vs Province	8.252	0.001 *)
City vs Province	2.938	0.004 *)
Java vs Non Java	3.980	0.001 *)

***)** Significant at α 5%.

Based on Table 4, by using the alpha 5%, the results of different test DAK between the time in 2008-2012 all significant regions. That is, the DAK allocation between regencies and cities, regencies and provinces, cities and provinces, as well as Java and non Java, there are differences. This supports the explanation of Table 2. To see how the influence of DAK allocation to the indicator of public services, the following are presented Table 5, Table 6, and Table 7 on test literacy rate, average length of school, and life expectancy in 2008-2009, 2000-2010, and 2010 -2011.

Table 5
Different Test of Literacy Rate

Between the Time	*t test*	*P_value*
2008 vs 2009	0.127	0.899
2009 vs 2010	0.983	0.326
2010 vs 2011	0.439	0.661

***)** Significant at α 5%.

Based on Table 5, by using the alpha 5%, the results of different test of literacy rate between the time in 2008-2011 are insignificant. That is, literacy rates between the time in 2008-2011 there was no difference. When connected with an explanation

Table 3, it looks different test results of DAK development between the time in 2008-2009, 2009-2010, and 2010-2011 are all significant. Significance difference in the allocation of DAK in 2008-2009, 2009-2010, and 2010-2011 but does not support literacy rate changes at the same time can be caused by DAK allocation fluctuate up and down which can be interpreted DAK become uncertain for the region to accept it. It caused DAK allocation is still relatively low, so even though there are differences in between the time but its value has not been able to optimally to transform change indicator of public services, particularly the literacy rate.

Table 6
Different Test of Average Length of School

Between the Time	*t test*	*P_value*
2008 vs 2009	1.400	0.162
2009 vs 2010	1.493	0.136
2010 vs 2011	1.215	0.225

***)** Significant at α 5%.

Based on Table 6, by using the alpha 5%, the results of different test average length of school between the time in 2008-2011 are insignificant. That is, average length of school between the years in 2008-2011 there was no difference. When connected with an explanation Table 3, it looks different test results of DAK development between the time in 2008-2009, 2009-2010, and 2010-2011 are all significant. Significance difference in the allocation of DAK in 2008-2009, 2009-2010, and 2010-2011 but does not support average length of school changes at the same time can be caused by DAK allocation fluctuate up and down which can be interpreted DAK become uncertain for the region to accept it. It caused DAK allocation is still relatively low, so even though there are differences in between the time but its value has not been able to optimally to transform change indicator of public services, particular the average length of school.

Table 7
Different Test of Life Expectancy

Between the Time	*t test*	*P_value*
2008 vs 2009	0.418	0.676
2009 vs 2010	1.422	0.155
2010 vs 2011	0.479	0.632

***)** Significant at α 5%.

Based on Table 7, by using the alpha 5%, the results of different test life expectancy between the time in 2008-2011 are insignificant. That is, the development of life expectancy between the years in 2008-2011 there was no difference. When connected with an explanation Table 3, it looks different test results of DAK development between the time in 2008-2009, 2009-2010, and 2010-2011 are all significant. Significance difference in the allocation of DAK in 2008-2009, 2009-2010, and 2010-2011 but does not support the changes in life expectancy at the same time can be caused by DAK allocation fluctuate up and down which can be interpreted DAK become uncertain for the region to accept it, It caused DAK allocation is still relatively low, so even though there are differences in between the time but its value has not been able to optimally to transform the public service change indicators, particularly life expectancy.

Signs and ANOVA test analysis in the study of the transfer of funds to the regions carried out on the variables studied, namely DAK and indicators of public services. Here is presented Table 8 through Table 11, which describes the test results DAK Signs, Signs Literacy Rate Test, Sign Test Average Length of School, and Test Alerts life expectancy during the period of 2008-2009, 2009-2010, and 2010- 2011.

Table 8
DAK Sign Test

Between the Time	*Z test*	*Z critical*
2008 vs 2009	7.545 *)	1.96
2009 vs 2010	12.927 *)	1.96
2010 vs 2011	5.911 *)	1.96

***)** Significant, Z test > Z critical

Based on Table 8, appear DAK Sign Test in 2008-2009, 2009-2010, and 2010-2011 are all significant between the time differences. This indicates that there has been a rise in DAK from year to year, especially in 2008-2009, 2009-2010, and 2010-2011. The Sign Test of Table 8 support data of Table 3.

Based on Table 9, it appears of Test Signs literacy rate of between the time in 2008-2009, 2009-2010, and 2010-2011 are all significant differences between the time literacy rate. This indicates that there has been a rise in the indicators of public services in education, especially literacy rate from year to year, especially in 2008-2009, 2009-2010, and 2010-2011. The Sign Test on Table 9 does not support data of Table 5. This shows that despite an increase in literacy rates during 2008-2009, 2009-2010, and 2010-2011, but the increase is relatively small changes so that it becomes insignificant.

Table 9
Literacy Rate Sign Test

Between the Time	*Z test*	*Z critical*
2008 vs 2009	19.9898 *)	1.96
2009 vs 2010	18.5484 *)	1.96
2010 vs 2011	19.6664 *)	1.96

***)** Significant, Z test > Z critical

Based on Table 10, it appears sign test average length of school between the time in 2008-2009, 2009-2010, and 2010-2011 are all significant differences in average length of school between the time. This indicates that there has been a rise in the indicators of public services in education, especially the average length of school from year to year, especially in 2008-2009, 2009-2010, and 2010-2011. The Sign Test on Table 10 does not support data of Table 6. This shows that despite an increase in the average length of school during the 2008-2009, 2009-2010, and 2010-2011, but the increase is relatively small changes so that it becomes insignificant.

Table 10
Average Length of School Sign Test

Between the Time	*Z test*	*Z critical*
2008 vs 2009	20.033 *)	1.96
2009 vs 2010	18.855 *)	1.96
2010 vs 2011	19.721 *)	1.96

***)** Significant, Z test > Z critical

Based on Table 11, it appears of sign test between the time life expectancy in 2008-2009, 2009-2010, and 2010-2011 are all significant differences in average life expectancy between the time. This indicates that there has been a rise in public services in health indicators, especially life expectancy from year to year, especially in 2008-2009, 2009-2010, and 2010-2011. The Sign Test on Table 11 does not support data of Table 7. This shows that despite an increase in life expectancy during 2008-2009, 2009-2010, and 2010-2011, but the increase is relatively small changes so that it becomes insignificant.

Table 11
Life Expectancy Sign Test

Between the Time	*Z test*	*Z critical*
2008 vs 2009	18.886 *)	1.96
2009 vs 2010	19.348 *)	1.96
2010 vs 2011	19.534 *)	1.96

***)** Significant, Z test > Z critical

ANOVA test is done by using the testing of different hypothesis about more than the average two populations using two treatments, namely treatment DAK recipient regions and treatment indicator of public services, where on each line used to data from more than one data. The purpose of adding data at each source differences on the line (receiving areas DAK) to more than one is to test whether there are differences in the average population originating from the interaction between the difference in the source column treatment (an indicator of public services) and treatment line (DAK recipient regions). ANOVA test transfer of funds to the regions is presented in Table 12.

Table 12
ANOVA Test

Variation	*F test*	*P_value*
Row (region sampling)	41.367	0.001 *)
Column (indicators of public services)	821,170	0.001 *)
Interaction between row and column	25.729	0.001 *)

***)** Significant at α 5%.

Based on Table 12, it appears P_value are all significant because the probability value is lower than the value alpha of 5%. That is, based on ANOVA test; (1) there are differences in indicators of public service average educational affairs and health, (2) there are differences in indicators of public service average education and health affairs sourced from DAK recipient regions, and (3) there are differences in indicators of the average public service affairs and health education that comes from the interaction between the different indicators of the average public services and health education affairs and regional differences in receiving it. ANOVA test was used to analyze the suitability of DAK allocation to the conditions and needs of the regions receiving it. DAK allocation conformity with the conditions and needs of the regions receiving it.

Table 13
In Equalization of Public Service

Number	*Region/Year*	*Literacy Rate*	*Average Length of School*	*Life Expectancy*
1	Regency/2008	9.979	1.052	2.836
2	Regency/ 2009	9.640	1.414	3.693
3	Regency/ 2010	9.842	1.035	2.798
4	Regency/ 2011	9.729	1.037	4.145
5	City/2008	2.316	1.072	2.354
6	City/ 2009	7.642	1.056	2.396
7	City/ 2010	1.875	0.972	2.407
8	City/2011	1.891	1.503	8.279
9	Province/2008	6.399	0.749	2.577
10	Province/2009	5.723	0.742	2.538
11	Province/2010	5.627	0.743	2.484
12	Province/2011	5.422	0.778	2.423
13	All Regions/2008	9.279	1.412	2.852
14	All Regions/2009	9.640	1.414	3.693
15	All Regions/2010	9.100	1.399	2.836
16	All Regions/2011	8.968	1.507	5.088

Source: Kementerian Keuangan, 2012. Data processed.

To see the effect of DAK in equalization public services in education and health, the following in equalization is presented Table 13 on public services in education and health are seen from the indicators literacy rate, average length of school, and life expectancy by regency, city, and province between the years 2008-2011. Based on Table 13, in equalization of literacy rates, average length of school, and life expectancy regencies fluctuated from time to time. For in equalization of literacy rates and average length of school areas of the city from time to time fluctuated, except life expectancy tends to increase equalization. For in equalization of literacy rate and life expectancy of the province over time tends to decrease, while average length of school in equalization fluctuated. For in equalization average length of school and life expectancy of all area tends to increase, while in equalization in literacy rates tend to decline.

CONCLUSION

Based on the analysis of the results of study and discussion, it was concluded that:

1. Based on the results of analysis that DAK is in conformity with the purpose equalize public services though not optimal because of uncertainty regions receive DAK per year resulting in discontinuity of development. DAK has not been able to meet aspects of the achievement of the objectives of DAK balance the region's ability to provide services to the public. This is demonstrated by the more unequal public services in education and health. Indicators of public services in health, namely Life Expectancy (UHH) urban areas tend to increase in equalization. Indicators of public services in education and health -Average Length of School (RLS) and life expectancy (UHH)- of all regions in Indonesia tends to increase in equalization.
2. There conformity between allocation of DAK with region that is showed by sign test DAK and sign test of AMH, RLS, and UHH. The results show that the increase in DAK from time to time in line with the increase in indicators of AMH, RLS, and UHH.
3. There conformity between allocation of DAK with region that shown by ANOVA test. ANOVA test based on different the average of public service indicators and health education that comes from the interaction between the different the average public services indicators and health education affairs and regional differences in receiving it.

Based on the conclusions in this study, there are several recommendations that is expected to be useful for practical purposes and further study, namely:

1. Criteria in the area and the amount of DAK allocations need to be expanded. Special criteria added to accommodate a wide range of diverse characteristics of the region that have not been considered. Special criteria in determining the allocation and the amount of DAK that has been extended subsequently given more weight in order to become more transparent as weighting variables in determining the DAU.
2. Accelerate the delivery of Technical Guidelines are coordinated by a particular ministry to receiving DAK and its Technical Instructions rendered rigid so as to facilitate the region in the allocation of DAK.
3. Required timeliness and magnitude of the received DAK area so as not to affect the preparation and adoption of the budget delay and equity objectives into sustainable public services.

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