ROLE OF PLANNING AND BUDGET TO THE DEVELOPMENT OF AGROPOLITAN AREA

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Abstract—The purpose of this research is to know the role of planning and budget of Regency around Agropolitan Area to Agropolitan Bukit Barisan area development. This type of research is explanatory survey. This research is conducted by conducting primary data survey from aspect of planning and budget of Regency to around Agropolitan Area. The results show the weakness of planning influence to the development of Agropolitan Bukit Barisan area and the lack of budget not influence the development of Agropolitan Bukit Barisan area.

Keywords: planning, budget allocation, Agropolitan, development.

1. INTRODUCTION

The causal-link concepts contained in the chain of results are not fully considered and or are not sufficiently understood. As a result, planning formats are not coherently and systematically contained where there is often an illogical relationship between expected impacts with goals/objectives and with outcomes and outputs as a means to achieve the desired impact. Issues get more complex when linked with the determination of indicators [1]. In addition to being systematically unstructured, indicators emblazoned in most planning documents do not have measurable targets. The inequality of perception of the concept of the indicator itself in the circle’s planners in the region, scarcity of measurable indicators and other eligibility in such planning documents are due to excessive concerns that the indicator is a boomerang, if not achieved. Other fundamental issues which partly involve the instrumental method, is the difficulty of synchronization and or increase synergies of inter-sector strategy and programs, although the region already has a vision, mission and policy direction. This requires understanding the model of the structural relationship of objectives, objectives, and outcomes RPJMD with goals, objectives and sectoral outcomes. Revitalization of long-term development planning as set out in [37] is one important approach to support sustainability of national development and can promote effectiveness and efficiency through synchronization and enhanced program synergies between the center and the region as well cross-sectoral development programs in the regions. After all, in social and political conditions the domestic market as well as the rapidly changing and full global strategic environment challenges, the existence of vision, strategic mission and medium-term political contract intermediate between the executive and the legislature in the form of a medium-term budget framework is very important. The taker’s policies and planners in the regions seem to be faced with reference issues because there are things that are not aligned with [36] with [37]. Concretely, the approach of Law Number 17/2003 does not recognize program synchronization and cross-sectoral activities before the draft budget is brought to the legislative, while at other parties of expressly state that program synchronization is the most important aspect before the budget is set. Furthermore, mentions the need for a medium-term expenditure framework, the articles governing the process of drafting and APBD’s determination in the Act seems to be still caught in focus short-term, i.e. annual budget mechanism and process-APBD. Constitutiononly slightly offends the planning dimension, so it cannot bridge the isolation between planning and budgeting.

Agropolitan consists of the agriculture and the word Politan so that agropolitan can be interpreted as an agricultural city that grows and develops due to the running of agribusiness systems and business and able to serve, encourage, attract, push agricultural development activities in the surrounding area[2]. Bukit Barisan Highland of North Sumatra which is an area of Agropolitan which consists of 9 regencies/cities in North Sumatra. This program started from the 5 Regent's Memorandum of Understanding on 28 September 2002 on the establishment of Agropolitan Area Development. The development of agropolitan areas is a strategy that is necessary, not only because of the imbalance between rural and urban areas but also because of the high
potential available in rural areas that can be utilized to encourage developmental coherence.

The development of agropolitan area becomes very important in the context of regional development considering the area and sectors developed are locally specific, the development of agropolitan area can increase the production and income of the community, besides the selected sector is the basis of community activity[19] &[33]. The sustainability of regional and sector development is more certain given that the selected sector has a competitive and comparative advantage compared to other sectors[1], [3], [4], [9] & [10]. Commodities can be an economic driver in the countryside. In agricultural areas that will be used as agropolitan areas, while the commodities demanded by the market will provide a high multiplier effect that can become an economic driver for the community. If in one area there are more than one commodity is expected to be realized one-village one commodity program.

II. METHOD

This study uses secondary data. The data were obtained from Central Bureau of Statistics. North Sumatera In Figures in the period 2000-2015. The hypothesis was tested by using Structural Equation Modeling (SEM) with SMART PLS software. The data analysis technique in this research employed. SEM is a set of statistical techniques allowing testing of a series of relationships simultaneously. Furthermore, in the data processing, the writer used the aid from software SMART-PLS Structural Equation Modeling, which was one of the multivariate analyses capable of analyzing the variable relationships in complex manner[30]. The hypotheses were tested using Structural Equation Modeling (SEM) with Smart-PLS software tools. The equation is formed as follows:

\[ Y = \alpha + b_1X_1 + b_2X_2 + e \]

where:
- \( Y \) = Agropolitan Development
- \( X_1 \) = Planning
- \( X_2 \) = Budget Allocation
- \( b_1 \) = Coefficient
- \( b_2 \) = Coefficient
- \( \alpha \) = Constant
- \( e \) = Error

This phase is done to test the suitability of the model to evaluate the goodness-of-fit index. Analysis using SEM requires some suitability index to measure the correctness of data and models.

III. RESULT

A. Result

1. Evaluation of Structural Model (Inner Model)

Inner model evaluation through the bootstrapping menu also generates T-statistics values that will be used to test the hypothesis. The criteria are T-statistic > 1.66 [40]. The result of T-statistics value in the table path coefficients is presented in the following figure:

![Overall Model with Coefficient](image)

The results show that Planning variable affects Agropolitan Development. While the Budget Allocation variable does not affect Agropolitan Development.

<table>
<thead>
<tr>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Allocation (X2) - &gt; Agropolitan Development (Y)</td>
<td>-0.008</td>
<td>0.092</td>
<td>0.159</td>
<td>0.050</td>
</tr>
<tr>
<td>Planning (X1) - &gt; Agropolitan Development (Y)</td>
<td>0.527</td>
<td>0.490</td>
<td>0.115</td>
<td>4.585</td>
</tr>
</tbody>
</table>

contain specific objectives, outcomes, and outputs and has a measurable target, it is impossible to develop a medium-term budget framework and performance budgets [20],[21], [22], [23], [26] & [27].

In line with the above perspective, regional planning for the long and medium-term needs to integrate the various document products coherently covering spatial planning, and regional poverty reduction strategies [34], [35]. Otherwise, the Regional Spatial Plan should be an integral element of the Regional Medium Term Plan Document. Coherent ordering is necessary to familiarize the use of systematic instruments and structures such as the Agropolitan Program. Trends so far indicate that the Spatial Plan in Bukit Barisan Sumatera Utara tends to be forgotten in the annual budgeting. Furthermore, substantially there needs to be a reorientation of the spatial document to be a means of alleviating poverty and in line with sustainable development programs[36], [37], [38] & [39]. The condition of the agropolitan area varies from region to region. There are various factors that affect the speed of the development of the area, including human resource conditions, climate, market demand and others [10], [14],[15],[31] &[32]. Complete information and a good understanding of the various factors that support or hinder the success of the program will be very helpful in order to prepare for future improvement measures. Therefore, this assessment is directed to see the application of the concept of agropolitan area in some areas which since a few years ago has been declared as the location of agropolitan area development by each district/city government.

IV. CONCLUSIONS

The results show the weakness of planning influence to the development of Agropolitan Bukit Barisan area and the lack of budget not influence the development of Agropolitan Bukit Barisan area.

References


