THE EFFECT OF SOCIAL ASSISTANCE AND ECONOMIC STIMULUS IN DRIVING THE GROWTH OF GROSS DOMESTIC PRODUCT OF THE CREATIVE ECONOMY IN INDONESIA

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ABSTRACT

This study aims to determine the effect of social assistance and special allocation funds on gross domestic product of the creative economy in Indonesia. The data used in this study are time series obtained from The Ministry of Tourism and Creative Economy and The Directorate General of Treasury of The Ministry of Finance with the period 2007-2023. The data analysis method used in thid study is multiple linear regression. The results showed that social assistance had a positive and significant effect on the gross domestic product of the creative economy in Indonesia. Special allocation funds have a positive and significant effect on the gross domestic product of the creative economy in Indonesia. Social assistance and special allocation funds together (simultaneously) have a positive and significant effect on the gross domestic product of the creative economy in Indonesia. The variables used are also free from classical assumption tests, such as normality test, autocorrelation test, heteroscedasticity test, and multicollinearity test.

Keyword: Social Assistance, Special Allocation Funds, GDP of the Creative Economy, Multiple Linear Regression.

1. INTRODUCTION

The creative economy has been a major focus in recent years, especially in Indonesia, and has even become the backbone and future of the Indonesian economy (Kemenparekraf/Baparekraf, 2023). The Indonesian government continues to strive to enhance the creative economy due to its significant impact on society and the nation (Mayangsari, 2024). According to the Indonesian Ministry of Trade, the creative economy is an economy focused on the creation and development of innovative products through creativity, skills, and individual talent, as well as job creation. The creative economy in Indonesia began to grow rapidly since the Covid-19 pandemic. As many employees were laid off from their companies, they sought ways to maintain their income. Creative entrepreneurs can develop their creativity from home to meet their daily needs (Bala & Dongoran, 2021).

The creative economy encompasses various sectors regulated under the Creative Economy Law No. 24 of 2019. The sectors of the creative economy include game development, handicrafts, interior design, music, visual arts, product design, fashion, culinary

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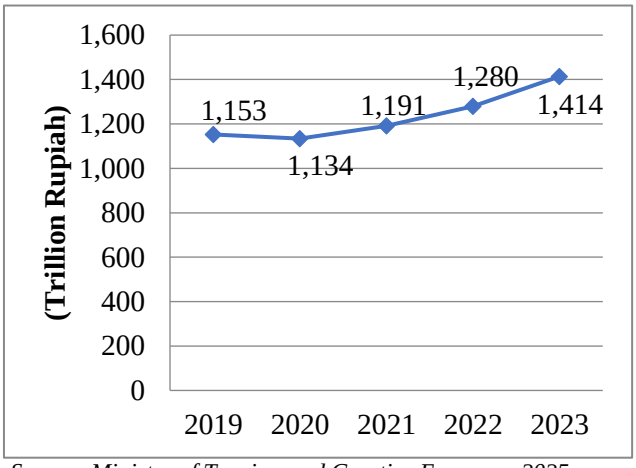
arts, film, animation and video, photography, visual communication design, television and radio, architecture, advertising, performing arts, publishing, and applications (Kemenparekraf/Baparekraf, 2024).

The creative economy can be said to be growing if the gross domestic product (GDP) increases every year. The Gross Domestic Product (GDP) of the Creative Economy includes all creative economy sectors produced in Indonesia. If the GDP of the Creative Economy is large, it can be ascertained that its contribution to Indonesia's GDP is also significant and can influence the economy in Indonesia. The graph below shows the GDP of the creative economy from 2019 to 2023.

Figure 1

GDP of the Creative Economy (Trillion Rupiah) 2019-2023



Source: Ministry of Tourism and Creative Economy, 2025

Based on Figure 1, it can be seen that the GDP value of the creative economy in Indonesia, particularly from 2019 to 2023, has generally increased. In the graph above, the highest GDP value of the creative economy was recorded in 2022, amounting to Rp1,280 trillion. In 2020, there was a decline compared to 2019, caused by the COVID-19 pandemic, which weakened the Indonesian economy, resulting in various creative economy businesses failing to achieve profitable results. However, from 2021 to 2022, there was an increase, driven by economic recovery and the emergence of many creative economy businesses. Many people lost their jobs, so the creative economy became a solution for those seeking income, with support from the Ministry of Tourism and Creative Economy (Kemenparekraf)/Creative Economy Agency (Baparekraf) in providing grants through the National Economic Recovery Programme (Ritonga, 2021).

The government is trying to help Indonesia's weak economy through social assistance policies. These social assistance policies aim to enable beneficiaries to meet their basic needs

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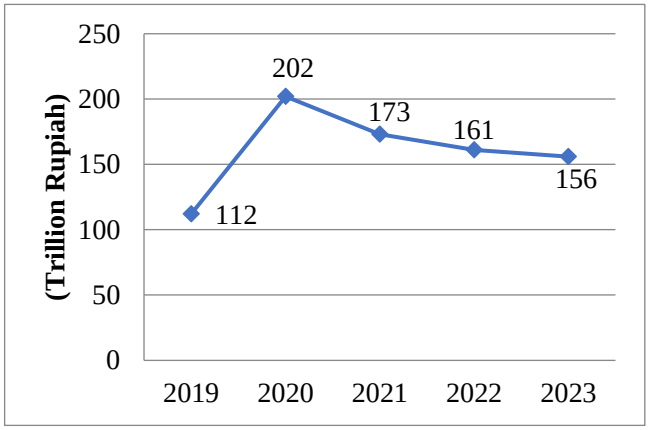
for food, clothing, and shelter. It is through this consumption expenditure that the creative economy can develop (Analisis Ekonomi Kreatif, 2020). However, there are also members of the community who utilise this social assistance to start small businesses in order to further improve their well-being (Lestari, 2024). The following is data on all social assistance provided by the Indonesian government from 2019 to 2023.

Figure 2

Social Assistance (Trillion Rupiah) 2019-2023



Source: DJPb Ministry of Finance, 2025

Based on Figure 2, it can be seen that the value of social assistance in Indonesia tends to decline from 2019 to 2023. There was an increase from 2019 to 2020. This was due to the Covid-19 pandemic, which prompted the government to increase spending on the community, both for the economy and health. However, from 2021 to 2023, social assistance decreased. This was due to several factors, such as inaccuracies in targeting social assistance recipients, poverty becoming dependent on social assistance, some recipients withdrawing from the programme because they no longer needed it (Patuk, 2024), and the government's expectation that the Indonesian economy would recover gradually.

In addition to social assistance, the government is also encouraging economic growth for the development of the creative economy in every region of Indonesia. Economic stimulus distributed by the central government to the regions should provide facilities or training for the development of the creative economy. One way to encourage economic growth for the development of the creative economy is through special allocation funds. The Ministry of Tourism and Creative Economy (Kemenparekraf) is ready to assist in the distribution of DAK funds and provide training and guidance to creative economy actors (Ilham, 2023). The following is data on Special Allocation Funds in Indonesia from 2019 to 2023.

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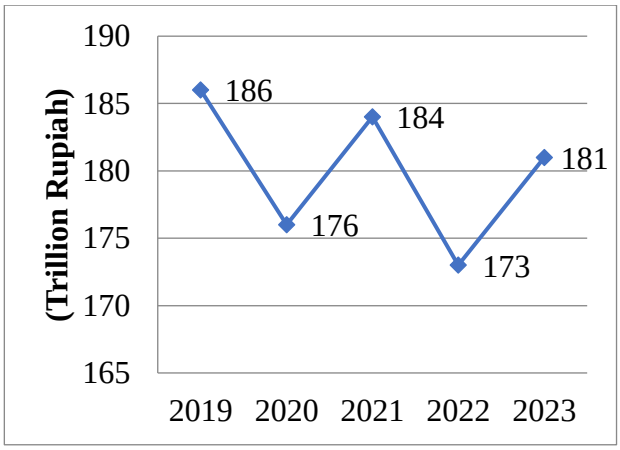
Figure 3

Special Allocation Funds (Trillion Rupiah) 2019-2023



Source: DJPb Ministry of Finance, 2025

Based on Figure 3., it can be seen that the value of special allocation funds generally fluctuated from 2019 to 2023, but despite these fluctuations, the value of special allocation funds was not as high as in 2019. In 2019, the value of the Special Allocation Fund reached its highest level compared to subsequent years due to changes in the allocation mechanism from a top-down system to a bottom-up system, as well as the addition of new types of non-physical Special Allocation Funds, namely the Tourism Services Fund and the Waste Management Cost Assistance Fund. In 2020, there was a decline due to budget cuts and fund allocations for COVID-19 response. In 2021, the Special Allocation Fund increased to support various sectors, particularly education and health, as well as regional needs (DPR RI, 2021).

In 2022, the Special Allocation Fund experienced a decline, even falling below the 2020 budget. One of the factors contributing to this was the lack of intensive supervision by local government officials over the central government (kaltara.bpk.go.id, 2022). Another factor was that the Local Government Internal Supervisory Agency (LGISA) had not completed its evaluation of the implementation of the Special Allocation Fund for 2021, as well as delays in the implementation of activities (Siswanto, 2022). Finally, in 2023, the Special Allocation Fund increased due to the development of basic service infrastructure to reduce disparities in public services between regions (Mujiwardhani et al., 2022).

Therefore, researchers want to know whether fiscal policies routinely implemented by the government can have a positive impact on the creative economy, which is one of Indonesia's biggest contributors.

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2. LITERATURE REVIEW

2.1. Gross Domestic Product of the Creative Economy

The Gross Domestic Product (GDP) of the creative economy is the total value of goods and services produced by creative economy sectors within a certain period and can be used to assess the development of the creative economy in Indonesia.

According to Keynesian theory, economic growth is driven by government spending. This view states that economic growth will be driven by an increase in government spending, which in turn will drive an increase in demand for various goods and services involved in economic production (Abidin, 2020). The law of increasing public activity, also known as Wagner's Law, emphasises that economic growth is a major factor in the growth of the public sector, meaning that government spending is correlated with economic growth (Hutahaean, 2020).

2.2. Social Assistance

Based on Minister of Finance Regulation No. 254/PMK.05/2015 (Kemenkeu RI, 2015) concerning Social Assistance Expenditures, it is stated that “expenditures in the form of money, basic necessities, or services provided by the Government to the poor or underprivileged in order to protect the community from potential social risks and improve economic capacity”.

2.3. Special Allocation Funds

Special Allocation Funds (DAK) are funds derived from state revenue that are distributed to certain regions to support the financing of special activities that are the responsibility of the regions and are in line with national priorities. Programmes that are considered important for the state are listed in the Government Work Plan for the relevant fiscal year.

3. METHODOLOGY

3.1. Research Design

This research analyzes the Gross Domestic Product of the creative economy, social assistance, and special allocation funds. It analyze how social asssistance and special allocation funds can affect the Gross Domestic Product of the creative economy, which is one of the factors contributing to economic growth. This study uses quantitative analysis methods. The model used is a multiple linaer regression model.

3.2. Data Collection

The Gross Domestic Product of the creative economy, social assistance, and special

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allocation funds are the focus of this study. Indonesia is the location of this study. This study uses a series of secondary data covering a 17-year period from 2007 to 2023. The secondary data was obtained from the Directorate General of Treasury of the Ministry of Finance (DJPb Kemenkeu) and the Ministry of Tourism and Creative Economy (Kemenparekraf).

3.3. Data Analysis

A multiple regression model is a model that has more than one variable. According to Sugiyono (2018), multiple regression analysis is used by researchers when they want to predict changes in the dependent variable (criterion) by manipulating two or more independent variables as predictor factors. Multiple linear regression analysis is performed to understand the direction and degree of influence of independent variables on dependent variables.

The requirements for fulfilling the multiple regression model are carried out using classical assumption analysis so that the data is better and the result are more accurate. The classical assumptions carried out include a normality test, an autocorrelation test, a heteroscedasticity and a multicollinearity test. A normality test to see whether the variables are normally distributed or not. An autocorrelation test is carried out to determine whether there is a relationship between the error disturbance in the current period and the error in the previous period. A heteroscedasticity test is performed to determine whether there are differences in variance from one observation to another. A multicollinearity test is performed to determine whether there is a strong relationship between independent variables. A Multiple Regression Model was utilized for analysis in Eviews.

$$\boldsymbol{Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + e_i}$$

Explanation:

Y = GDP of the creative economy

β_0 = constant

β_1, β_2 = regression coefficient

X_1 = social assistance

X_2 = special allocation funds

e = disturbance variable/standard error

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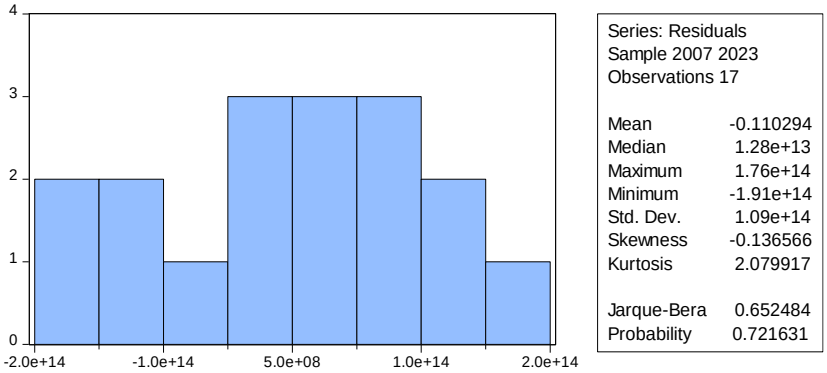
4. RESULTS AND DISCUSSION

4.1. Result

Figure 5

Normality Test Results



Source: Data Processing Results, (2025)

Based on Figure 5, the normality test results above indicate that the Jarque-Bera value is smaller than the Chi-Square value at a degree of freedom (df) of 3, namely 0.652 < 7.814 at α = 5%, so that the residual data is normally distributed. This can also be seen from the probability value of 0.721 > 0.05.

Table 1. Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	2.754347	Prob. F(3,11)	0.0929
Obs*R-squared	7.292291	Prob. Chi-Square(3)	0.0631

Source: Data Processing Results, (2025)

Based on Table 1, the autocorrelation test results above indicate that the Obs*R-squared value is smaller than the Chi-squared table df value (3), namely 7.29 < 7.81, which shows that this model is free from autocorrelation. This can also be seen from the probability value of 0.063 > 0.05.

Table 2. Heteroscedasticity Test Result

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	3.633333	Prob. F(2,14)	0.0536
Obs*R-squared	5.808777	Prob. Chi-Square(2)	0.0548
Scaled explained SS	2.127175	Prob. Chi-Square(2)	0.3452

Source: Data Processing Results, (2025)

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Based on Table 2, the results of the heteroscedasticity test above indicate that the Obs*R-squared value is smaller than the Chi-squared table df value (2), namely 5.80 < 5.99, so this model is free from indications of heteroscedasticity. This can also be seen from the probability value 0.0548 > 0.05.

Table 3. Multicollinearity Test Result

VARIABLE	GDP of Creative Economy	Social Assistance	Special Allocation Funds
GDP of Creative Economy	1	0.7375	0.9098
Social Assistance	0.7375	*1*	***0.5828***
Special Allocation Funds	0.9098	***0.5828***	*1*

Source: Data Processing Results, (2025)

Based on Table 3, the results of the multicollinearity test above indicate that the correlation between the independent variables, namely the social assistance variable and the special allocation fund variable, namely 0.5828 < 0.80, so the model is free from indications of multicollinearity.

Table 4. Multiple Linear Regression Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.22E+14	6.72E+13	4.798003	0.0003
BANSOS	2.214979	0.759784	2.915274	0.0113
DAK	3.140029	0.465202	6.749815	0.0000

Source: Data Processing Results, (2025)

Based on Table 4, the results of multiple linear regression can be interpreted as follows:

$$\boldsymbol{PDBEKRAF = 3.22 + 2.21BANSOS_t + 3.14DAK_t + e}$$

The constant (β_0) of 3.22 indicates that if the social assistance and special allocation fund variables remain constant, the GDP of the creative economy variable will also remain constant at a value of 3.22.

The parameter coefficient value (β_1) of 2.21 indicates a positive relationship. This means that if the social assistance variable increases by Rp1, GDP of the creative economy increases by Rp2.21, assuming that DAK remains constant.

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The parameter coefficient value (β_2) of 3.14 indicates a positive relationship. This means that if the special allocation fund variable increases by Rp1, GDP of the creative economy increases by Rp3.14, assuming that Bansos remains constant.

Table 5. Partial Test Results (t-test)

Variabel	t_{value}	t_{table}	Prob.	Ket.
C	4,798003	2,97684	0,0003	Sig.
BANSOS	2,915274	2,14479	0,0113	Sig.
DAK	6,749815	2,97684	0,0000	Sig.

Source: Data Processing Results, (2025)

Based on Table 5, it can be seen that the constant value (β_0) has a t_{value} = 4.798. Therefore, $t_{value} > t_{table}$ or 4.798 > 2.97, so reject H_0 and accept H_a, meaning that social assistance and special allocation fund influence the GDP of the creative economy. This can also be seen from the probability of 0.0003 < 0.01.

Parameter (β_1) has a calculated t_{value} = 2.915. Therefore, since the calculated t_{value} is greater than the t_{table} or 2.915 > 2.14, we reject H_0 and accept H_1, meaning that social assistance has a significant and positive effect on the GDP of the creative economy. This can also be seen from the probability of 0.0113 < 0.05.

Parameter (β_2) has a calculated t_{value} = 6.749. Therefore, $t_{value} > t_{table}$ or 6.749 > 2.97, so reject H_0 and accept H_2, meaning that special allocation fund has a significant and positive effect on the GDP of the creative economy. This can also be seen from the probability of 0.0000 < 0.01.

Table 6. Simultaneous Test Results (F Test)

F_{value}	F_{table}	Prob.	Ket.
58,30389	6,51	0,0000	Sig.

Source: Data Processing Results, (2025)

Based on Table 6, it can be seen that the calculated F_{value} is greater than the F_{table}, namely 58.30 > 6.51. Therefore, reject H_0 and accept H_a, which means that social assistance and special allocation fund together (simultaneously) have a significant and positive effect on the GDP of the creative economy. This is also evident from the probability of 0.0000 < 0.01.

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Table 7. Results of Determination Coefficient (R^2) and Correlation (R)

R-squared	0.892809	Mean dependent var	8.48E+14
Adjusted R-squared	0.877496	S.D. dependent var	3.32E+14

Source: Data Processing Results, (2025)

Based on Table 7, it can be seen that the coefficient of determination (R^2) of the magnitude of the influence of social assistance and special allocation fund on the GDP of the creative economy is 0.8774 (87.74%), while the influence of other variables outside this model is 1 - 0.8774 = 0.1226 (12.26%).

The correlation (R) can be obtained from $R = \sqrt{(R^2)} = \sqrt{0.8928} = 0.9448$. Therefore, the relationship between social assistance and special allocation fund with GDP of the creative economy is very strong and positive, as the correlation value of 0.9448 is close to 1 positive (+1).

4.2. Disscusion

4.2.1. The Effect of Social Assistance on GDP of the Creative Economy

Based on the results of multiple linear regression tests, social assistance has a positive and significant effect on GDP of the creative economy in Indonesia. This means that increasing social assistance will increase GDP of the creative economy, and conversely, decreasing social assistance will decrease GDP of the creative economy. This is due to increased purchasing power, which can increase production in the creative economy sector and drive GDP of the creative economy growth.

4.2.2. The Effect of Special Allocation Fund on GDP of the Creative Economy

Based on the results of multiple linear regression tests, the special allocation fund has a positive and significant impact on GDP of the creative economy in Indonesia. This means that an increase in DAK will increase GDP of the creative economy, and conversely, a decrease in special allocation fund will decrease GDP of the creative economy. This is due to government assistance for creative economy actors, which can help them increase business production. Increased production can drive GDP of the creative economy growth.

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5. CONCLUSIONS

Based on the research findings and discussion presented, the following conclusions can be drawn:

1. The results of the multiple linear regression indicate that social assistance has a positive and significant effect on the GDP of the creative economy in Indonesia.
2. The results of the multiple linear regression indicate that the special allocation fund has a positive and significant effect on the GDP of the creative economy in Indonesia.
3. The results of the multiple linear regression indicate that social assistance and special allocation fund simultaneously have a positive and significant effect on the GDP of the creative economy in Indonesia.

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