

## PUBLIC PERCEPTION ON GOVERNMENT SPENDING IN ACEH: AN ANALYSIS BASED ON MAQASID PERFORMANCE PAIRWISE MATRIX (MPPM)<sup>1</sup>

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**ABSTRACT** - Governments provide a host of goods and services to their citizens to achieve various socio-economic objectives. Such spending is done through various programs that include social security, education, infrastructure, health and economic. Several conventional approaches for measuring efficiency of government expenditure have been proposed in the literature. Most of these measures are quantitative in nature. For government spending based on Shari'ah oriented public policy (al-Siyasah al-Shar'iyyah), which is value loaded, there is a need for complementary qualitative yardstick to measure whether such spending achieves Maqasid al-Shari'ah. The present study has made use of content analysis to develop a Maqasid Performance Pairwise Matrix (MPPM), as one of the tools of Islamic oriented public policy (al-Siyasah al-Shar'iyyah); to measure the public perception on government expenditure in Aceh in eight areas and the extent to which the expenditure conforms to Maqasid al-Shari'ah. MPPM was used as an instrument to survey 233 respondents in Aceh. The data from the survey were validated analyzed using SPSS version 18.0. The findings from the study are mixed. Government spending in Aceh in Education and health achieved results at the level of Complements (Hajiyat), beyond the basic need (Daruriyat). Whereas in the other six areas, which include economics, public services and housing, government spending is only able to satisfy the basic needs of the Acehnese. The study concludes with recommendations and suggestions for future research.

**Keywords:** Government Expenditure, Maqasid al-Shari'ah, Maqasid Performance Pairwise Matrix

**ABSTRAK** - Pemerintah menyediakan tempat barang dan jasa untuk warga negara mereka untuk mencapai berbagai tujuan sosial-ekonomi. Seperti pengeluaran, yang dilakukan melalui berbagai program termasuk jaminan sosial, pendidikan infrastruktur, kesehatan dan ekonomi. Beberapa pendekatan konvensional untuk mengukur efisiensi pengeluaran pemerintah telah ada dalam sejumlah literatur. Sebagian besar pendekatan ini bersifat kuantitatif. Untuk belanja pemerintah berdasarkan kebijakan publik yang berorientasi syariah (al-Siyasah al-Shar'iyyah), yang penuh dengan nilai-nilai, ada kebutuhan untuk melengkapi tolok ukur kualitatif untuk mengukur apakah pengeluaran tersebut mencapai Maqasid al-Syari'ah. Penelitian ini menggunakan analisis isi untuk mengembangkan Maqasid Kinerja Berpasangan Matrix (MPPM), sebagai salah satu alat kebijakan publik berorientasi Islami (al-Siyasah al-Shar'iyyah); untuk mengukur persepsi publik atas belanja pemerintah di Aceh pada delapan daerah serta sejauh mana pengeluaran sesuai dengan Maqasid al-Syari'ah. MPPM digunakan sebagai instrumen untuk menyurvei 233 responden di Aceh. Data dari survei ini dianalisis validitasnya dengan menggunakan SPSS versi 18.0. Temuan dari penelitian ini adalah bervariasi. Belanja pemerintah di Aceh dalam bidang pendidikan dan kesehatan mencapai hasil pada tingkat komplemen (Hajiyat), di luar kebutuhan dasar (Daruriyat). Sedangkan di enam daerah lain, yang meliputi ekonomi, pelayanan publik dan perumahan, belanja pemerintah hanya mampu memenuhi kebutuhan dasar masyarakat Aceh. Studi ini memberi kesimpulan dengan rekomendasi dan saran untuk penelitian di masa yang akan datang.

**Kata Kunci:** Pengeluaran Pemerintah, Maqasid al-Shari'ah, Maqasid Performance Pairwise Matrix



## INTRODUCTION

Governments provide a host of goods and services to their citizens to achieve various socio-economic objectives. Such spending is done through various programs that include social security, education, infrastructure, health and economic. Of great importance, however, is the extent to which this spending is effective. Several conventional approaches for measuring the efficiency of government expenditure have been proposed in the literature. Most of these measures are quantitative in nature. Even Muslim countries have adopted these approaches to measure their efficiency of public spending. Such measures however, without addressing the qualitative aspect of government spending, can create a mismatch between the spending and the results, especially in countries that claim to factor ethics in their spending behaviour such as the case in Aceh, which is applying Shari'ah principles in its administration.

The government of Aceh was granted special authority by the Indonesian law since 2006 for self-governance based on Islamic principles in all aspects of life. Since then, the Acehnese has put high expectations on Aceh Government. This expectation includes conducting public expenditure based on the spirit of the Shari'ah especially that the revenue in Aceh Province has risen dramatically from less than IDR11 trillion in 2006 to almost IDR20 trillion in 2012. While Aceh government perceives it is running its affairs based on the Shari'ah, it would be interesting to examine whether the public share the same perception and whether the government spending is able to achieve the objectives of Shari'ah (*al-Maqasid*).

The extant literature uses conventional performance yardstick to measure the effectiveness of government spending. Such yardsticks however can mostly measure the quantitative aspect of government spending. Needless to say, government spending based on Islamic oriented public policy (*al-Siyasah al-Shar'iyah*) also has the qualitative ethical dimensions. Measuring these qualitative dimensions, along the quantitative measures will provide a holistic picture of the efficiency of government spending. Unfortunately, there is hardly any literature that has developed an instrument capable of measuring the qualitative aspects of such spending. Hence, the present study makes use of literature survey and content analysis to develop a Maqasid Performance Pairwise Matrix (MPPM), as one of the tools of Islamic oriented public policy (*al-Siyasah al-Shar'iyah*); to measure the public perception on the extent to which government expenditure in Aceh conforms to Maqasid al-Shari'ah.



## GOVERNMENT SPENDING

In public policy implementation, governments provide a host of goods and services to their citizens in order to achieve various socio-economic objectives. Such policy could be done through various programs of public expenditure that include but not limited to social security, education, infrastructure, health, and economic area. These duties involve raising the revenues and public expenditure. It is the government spending on public goods to satisfy the collective social needs of the people. Pigou (1960) classified it as transfer and non-transfer expenditure. Transfer expenditure relates to the expenditure against which there is no corresponding return. Such expenditure includes public spending on national old age pension schemes, interest payments, subsidies, unemployment allowances, welfare benefits to weaker sections, etc. On the other hand, the non-transfer expenditure relates to spending which results in creation of income or output. It includes development as well as non-development expenditure that results in creation of output directly or indirectly, namely; economic infrastructure such as power, transport, irrigation, etc.; and social infrastructure such as education, health and family welfare, internal law and order and defence, public administration, etc.

Musgrave and Musgrave (1989) explains the major function of public expenditure are the provision for social goods, adjustment of distribution of income and wealth to ensure conformance with what society consider as a “fair” or “just” state distribution, and as a means of maintaining high employment, a reasonable degree of price level stability, and an appropriate rate of economic growth. Those functions are allocation function, distribution function and stabilization function. John Maynard Keynes as quoted by (Froyen, 2009) advocated the role of public expenditure in determination of level of income and its distribution through multiplier effects. It describes an increase government spending would be transmitted to the social benefit throughout the economy.

Thus, public expenditure has crucial rule to bridge the gap between the poor and rich in the societies and reduce inequality. Public expenditure is an important method of ensuring social justice through income redistribution in a society (Pramanik, 1997). Clearly, the government would become the protector of the interests of the poor, weak and underprivileged groups to the degree that their rights are restored and their needs are met.



## MEASURING THE EFFICIENCY OF PUBLIC SPENDING

Several studies have used macro quantitative yardsticks to measure the efficiency of government spending. For example, the size of public expenditure is measured as a ratio of GDP, since it is assumed that the expansion of the public sector always means a shift of resources away from the private sector. Dodson (2008) for instance, assessed the impact of public spending on growth toward seven fast developing countries namely Korea, Singapore, Malaysia, Thailand, Indonesia, Botswana, and Mauritius. He concluded that at the country level productive expenditures are clearly much more relevant in explaining growth changes than unproductive ones even in the short terms. Pramanik (1997) applied regression method to examine the public expenditure policy of Muslim-majority countries. He found that development activities in rural traditional sector through allocation of public expenditure in Muslim world as a whole and the resource-rich Muslim countries in particular after oil boom of the early 1970s have failed to involve most of the rural poor.

On the other hand micro approach or program approach is another method of measuring public expenditure. Mullard (1993) studied expenditure program disaggregated by economic category and then deflated by the appropriate price deflators provide an indicator of the factors that influenced changes at the programme level. He found that there have been large reductions in the housing capital programme, school buildings, roads and infrastructure expenditure over the past two decades.

Another approach to examine public spending is public expenditure incidence. It is a survey of the impact of expenditure policy on the distribution of household real income. Wee (2006) evaluated public expenditure in Malaysia by using budget incidence which consists of tax incidence, benefit incidence, and expenditure incidence. He examined government education services, government health financing, expenditure and access to health services. On education he concluded that scholarship and loans for tertiary education have benefited the better off more because of their higher enrolment. On the other hand, government health services have been highly subsidised and their utilisation by the poor has increased over time, but many among the poor, who required treatments, have failed to seek treatments due to private travel costs incurred to seek treatment has been high – higher than treatment costs and increasing faster than household income.

Halasa, Nassar, and Zaky (2010) observed public spending by using benefit–incidence analysis of government spending on Ministry of Health outpatient



services in Jordan. He observed whether government health care subsidies reach their target group, and the possible role these subsidies play in enhancing equity of access to basic health care services in Jordan. As expected, the poor were more likely than the rich to obtain health care from public facilities, suggesting that public spending on health may matter more to the poor. Lanjouw et al. (2001) studied who benefits from public spending in Indonesia and the result he suggested that there is a strong impact of education, particularly mother's education, on the nutritional status of children, and of parents' education on the education of children. He found that public spending in primary education is reasonably pro-poor.

The most used technique for assessing public spending is the cost-benefits analysis. The fundamental principle of social cost-benefit analysis is that an activity should be valued so they can be set against the corresponding cost. Kasliwal (1995) examined public expenditure for providing basic needs in less developed countries (LDCs). The task for policy is to design a delivery system to provide the minimum acceptable set of basic needs. One choice may be to make direct in-kind transfers of necessities such as free health care, subsidized basic food, fuels, and so on. But these expenditure programs restrict benefits to just the poor. Such problems may be avoided by a specially design program. For example, a public health program of preventive medicine can benefit the entire population, but aids the poor more than proportionately.

Another measure of efficiency for government spending is the applied welfare analysis. It uses standard neoclassical tools in the real world context of detailed policy choices. Applied welfare analysis is developed fully in the framework of social benefit-cost analysis. The goal of CBA is to move toward the highest attainable economic welfare for the overall economy. However, the benefit-cost tool is best suited to the analysis of concrete projects. According to Kasliwal (1995) in the social-cost analysis the choices are influenced by weighing project benefits according to the impact on various income groups. Thus, for in-kind transfer programs to be successful, careful thought must be given to their design. Public programs that address the basic needs requirement but have no ready substitutes in private expenditure are ideal. It is even better if the program serves to enhance productivity so as to provide redistribution-with growth.

The more scrutinize method to examine public spending is public expenditure tracking survey (PETS). It tracks the flows of public funds through the various levels of government bureaucracy, from the central government level to the frontline service providers, to determine how much of the allocated resources reach each level. PETS is useful a method for locating and quantifying political



and bureaucratic capture, leakage of funds and problems in the deployment of human and in-kind resource such as staff, textbooks and more generally how the system targets funding to different levels. According to Reinikka & Smits (2004) PETS method has been applied successfully in Uganda, Peru, Zambia and many others countries to enhance the understanding of why public resource devoted particularly to education often produce unsatisfactory results. Based on his finding in such three countries had shown that new fund and resource into improved educational outcomes cannot be taken for granted. Educational fund mostly has been stolen or converted to other purpose by bureaucrats and politicians. According to Koziol and Tolmie (2010) PETS have been shown to be effective in identifying delays in financial and in-kind transfers, leakage rates, and general inefficiencies in public spending.

### **GOVERNMENT SPENDING IN ACEH**

Aceh was called Islamic Kingdom in Asia since Islam arrived in Aceh during the 7<sup>th</sup> century CE. The Kingdom reached the pinnacle of power under Sulthan Iskandar Muda (1607-1636) due to economic and territorial expansion with Islam forming the backbone of rules on the land (Missbach, 2010). However, since 1873 the Dutch issued formal declaration of war against the independent sovereign state of Aceh and the Acehnese went into a prolong war to fight west colonization till 1945 (Thaib, 2002).

From 1945 Aceh was integrated as part of Indonesia, dominated in the central government by nationalists who were suspicious of Islam dominating Aceh province. Recently in 2006, the government of Aceh was granted a special authority by the Indonesian law No. 26/2006, for self-governance based on Islamic principles in all aspects of life. However, the functions of Aceh government spending were still based on the policy of Indonesia's Ministry of Finance (Kemenkeu, 2011). This policy, which constitutes guidelines for public expenditure for every province and regency in Indonesia, has eight functions, namely; (1) Education, (2) health, (3) Social Security, (4) Orderliness and Safety, (5) Housing and Public Facilities, (6) Economic, (7) Public Service and (8) Environmental, Tourism and Culture.

In terms of Education, the Aceh government commit to allocate 30% of its budget for education through a number of program such as vocational developmental, teacher training, scholarship, curriculum development, research, provision laboratories and new set up class rooms (Pemerintah\_Aceh, 2010). Meanwhile through a Health Department, the Aceh government has established hospitals in every region, provision hospital equipment, community health care



centres at sub district, and integrated health centres and village maternity post for each village. This is in addition to health insurance for poor family, doctor specialist training, healthy life promotion, enhancing nutrient service and surveillance epidemic tackling (Pemerintah\_Aceh, 2010). All these are expected to have impact and result in high standard of health for Aceh's citizens.

Aceh government also spends on Social Security. This payment is an entitlement, or a payment to which eligible citizens have right to receive based on Indonesian law. Entitlements are a huge share of the national budget because these payments are mandated by law and Shari'ah as well. According to Brux and Cowen (2001) social insurance is a good example of social security. A social insurance program is like a private insurance program, except that benefits are provided by the government instead of by private companies. Like a private life or health insurance, the purpose of social insurance programs is to pool risk of losses from such occurrences as death or illness.

Orderliness and Safety is another function where Aceh's government budget is allocated. The peace agreement signed between Aceh freedom movement and the government of Indonesia has made Aceh a safe area to visit and live in. However, illegal extortion and security issues are perceived a negative stigma in Aceh. Almost one in four businesses reports paying for extra security. Perceptions of increased risk can also translate into a lack of attraction for the private sector.

The other function for government spending is Housing and Public Facilities. Home ownership is a basic need. Due to prolong conflict and natural calamities such as earth quake and tsunami, many families lost their houses. It is very important for Aceh government to develop policies to promote home ownership and access to adequate housing. Without such policies, some families in Aceh cannot afford to buy house. The availability of low cost, adequate quality rental housing for low-income family is therefore important. The search for affordable rental housing has become more difficult for students who have poor families in the city. The high rental prices obviously harm the well-being of low-income families, because when families spend a large percentage of their incomes on housing, little remains for food, clothing, and other necessities. One situation is that low-income families are often crowded in old housing units that have physical problems and more often resulting in increasing homeless.

On the other hand, Public Facilities satisfy specific individual or community needs - including safety and security, worship, communication, recreation, sport, education, health, public administration, religious, cultural and social. Public



facilities, as the name implies, are generally regarded as the responsibility of the government, whether central, regional or local, and more often than not are provided by government institutions. However, public facilities are also provided privately, when the government-provided services are perceived to be inadequate.

### **Economic Programs**

The Aceh government provides several programs and allocates such budget to encourage economic development. Economic programs are very important in promoting small to big businesses, farmers, fishers, private sector, which will stand to benefit directly or indirectly from such programs to help raise their incomes. In fact, it is a continuation of such initiatives and policies that improve the quality of life of Acehnese. The growth is being fuelled by strong private investment, a robust construction sector. It should care much more for the lower income group who are facing great difficulties due to inflation and income disparity. The role economic programs have been playing is to ensure that the people's needs were taken care of. It continuously improves their livelihood. To implement those programs Aceh government established a number of boards and agencies such as Investment and Promotion Board to encourage foreign investors, Prosperous Village Financial Assistance Program, Baitul Maal, Community Empowerment Board, agro-business department, small-medium enterprise department and economic biro.

Public Service plays a critical role for enhancing the wellbeing of the people. Aceh government has been allocating huge spending to pay for salary and facilities with the expectation that civil servants will be prepared to change their mind-set and work ways to ensure that innovative services can be continuously produced and improved for the benefit of the people and the country. In modern concept, public service depends on the principle of good governance including transparency, accountability, respect, empowerment, freedom of expression, dignity of the human individual and cooperation all together in one practice.

### **Environment, Tourism and Culture**

The term “environment” relates to the concepts of ecology, environmental awareness, and sustainability. Today those terms are formulated in the face of growing concerns about the present state of the natural world around us. Increasing human activities in exploring natural resources to meet their wants have aggravated environmental problems. Consequently, public spending policies should effectively address the environment, tourism, and culture in a



wider perspective. Public spending on the environmental sector in Aceh province preserve ecological resources and cultural heritage, which plays an important role for the preservation of religion, life, intellect, lineage, and wealth. Aceh province takes a strong stand against pollution through regulation or by public expenditure for controlling the environment which is handled by Aceh Environmental Impact Management Board.

There are indications that increasing budget expenditures in Aceh do not translate into concrete results on the ground. For example, the World Bank (2007) on Aceh Public Expenditure Analysis (APEA) shows that Aceh Government spending on health has barely increased after special autonomy. It is found that despite the increase in revenue, Aceh's healthcare system remains woefully under-funded. Inadequate health care provision makes up total health expenditures of household. Meanwhile Aliasuddin and Dawood (2008) found a significant relationship between Aceh government spending and economic growth. But the response of such spending to economic growth is only significant in the short term. Meaning that through government spending the economy increased, but it was not reinvested in economic activities in Aceh. So the impact of the economy on government spending in the long term has negative relationship.

According to Mullard (1993) the analysis of public expenditure requires a multi-layered approach. It is difficult therefore to isolate the concerns of economics, politics and the social implications of public expenditure decisions. Economists might argue that the concern of economics is to provide the analysis of the costs and benefits of specific expenditure decisions and that their objective is to provide governments with the policy options thus allowing the final decision to be made by the politicians.

The view of Mullard (1993) of a multi-layered approach can also be extended to quantitative and qualitative measures of government spending. For instance, several studies show that the quantitative measures of economic growth and development such as GDP and Per capita income have ignored a lot of useful qualitative aspects of the two phenomena. Similarly, more meanings would be given to the quantitative measures of government spending discussed above if they are complemented with qualitative measures. This is more pertinent in the case of Aceh, which runs its administration based on the Shari'ah that is qualitatively value loaded. There is therefore a need to examine whether government spending in Aceh conforms to Maqasid al-Shari'ah.

## **THE THEORY OF MAQASID AL-SHARI'AH**



Maqasid al-Shari'ah was not fully conceptualized into theory until the time of al-Juwayni (d. 1085 A.D). He used the concept of *Maslahah* and *Mafsadah* to develop the first theory of al-Maqasid although he confined his theory to legal matters such as the method of determining Shari'ah principles and rulings (Al-Juwayni, 1979).

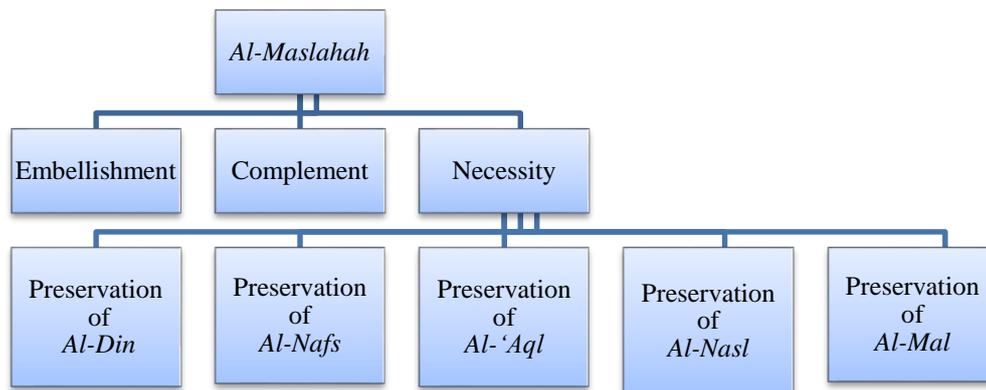


Figure 1. Al-Ghazali's Theoretical Framework of al-Maqasid

Al-Juwayni's theory was later refined by his student, Al-Ghazali (d.1111 A.D). He categorized *Maslahah* into three hierarchies: necessities (*Daruriyat*), complements (*Hajiyaat*) and embellishments (*Tahsiniyaat*) (Al-Ghazali, 1322 H). According to al-Ghazali, necessities are those elements without which the system of a nation will run into chaos. Complements are elements that facilitate human lives. Meanwhile embellishments are articles that are related to moral and ethical conducts. He further refined necessities into the preservation of five essential elements (*al-Dharuriyat al-Khams*), namely religion (*al-Din*), life (*al-Nafs*), intellect (*al-Aql*), progeny (*al-Nasl*) and wealth (*al-Mal*). These five essential elements are given priority according to this order. Al-Ghazali's theory has survived until today. Many Muslim scholars both past and present have extensively made use of al-Ghazali's theory in their works. The theoretical framework of al-Ghazali's Maqasid is illustrated in Figure1.

Prominent scholars in the recent past who have greatly benefited from al-Ghazali's theory include Ibn 'Ashur, al-Shatibi and Abu Zaharah. Modern scholars in the areas of economics and finance have also used al-Ghazali's Maqasid theory as bases for their studies. For example Chapra (2007) has used al-Ghazali's classification of the five essentials to develop a model of human development and wellbeing. Larbani and Mustafa (2009) developed a decision



making tool based on al-Ghazali's levels of *Maslahah* for the managers of firms to use in allocating their investible resources to vital sectors of the economy.

The present study makes use of al-Ghazali's original five essential elements or Maqasid and a modified version of al-Ghazali's three hierarchies of *Maslahah* to develop a conceptual framework and instrument for the Maqasid Performance Pairwise Matrix (MPPM). Attia (2008) citing Izz 'Abd Salaam has modified al-Ghazali's three hierarchies of *Maslahah* into five, namely Dire Necessity (*Ma Waraa Daruriyat*), Necessity (*Daruriyat*), complements (*Hajiyaat*), embellishments (*Tahsiniyaat*) and beyond Embellishment (*Ma Waraa Tahsiniyaat*). Furthermore, to suit the context of this study, the authors have adopted Auda's term of "development" rather than al-Ghazali's use of the word "preservation". Hence the development of the five essential elements, namely religion (*al-Din*), life (*al-Nafs*), intellect (*al-'Aql*), family (*al-Nasl*) and wealth (*al-Mal*).

### CONCEPTUAL FRAMEWORK OF MAQASID PERFORMANCE PAIRWISE MATRIX (MPPM)

The MPPM framework is essentially a combination of al-Ghazali's five Maqasid and Attia's five hierarchies of *Maslahah* that are arranged in Table 1. Where D=*al-Din*, N=*al-Nafs*, A=*al-'Aql*, NL=*al-Nasl* and M=*al-Mal* representing all the initials of the five essential elements (*Maqasid*) in the second column of Table 1. Whereas, DN= Dire Necessity, N=Necessity, C=Complement, E=Embellishment and BE=Beyond Embellishment are initials for the five hierarchies of *Maslahah*, column 3-7 from left.

Therefore, from Table 1, for example, NDN is a combination of *al-Nafs* and Dire Necessity. This is interpreted as, "What is the measure or to what extent is certain activity contributing to the development of human life at the level of dire necessity?" In the context of the present study, this combination is interpreted as, "What is the measure or to what extent is government expenditure, say on health, able to develop human life at the level of dire necessity?" Similarly, a combination of ME denotes *al-Mal* and Embellishment.



Table 1. Conceptual Framework of Maqasid Performance Pairwise Matrix (MPPM)

No	Essential Elements (Maqasid)	Hierarchies of <i>Mashlahah</i>				
		<i>Dire Necessity</i>	<i>Neces-sity</i>	<i>Comple-ment</i>	<i>Embellish-ment</i>	<i>Beyond Embellish-ment</i>
01	Development of Religion ( <i>al-Din</i> )	DDN	DN	DC	DE	DBE
02	Development of Life ( <i>al-Nafs</i> )	NDN	NN	NC	NE	NBE
03	Development of Intellect ( <i>al-'Aqal</i> )	ADN	AN	AC	AE	ABE
04	Development of Family ( <i>al-Nasl</i> )	NLDN	NLN	NLC	NLE	NLBE
05	Development of Wealth ( <i>al-Mal</i> )	MDN	MN	MC	ME	MBE

Hence, to what extent is government expenditure, say on the economy, able to develop wealth beyond necessity to the level of embellishment?" Figure 2 presents the MPPM framework in the form of a diagram. As can be seen in the diagram below, the combination of one element of Maqasid, *al-Din* with all the five hierarchies of *Mashlahah* as shown in Table 1 above are used to measure the eight areas or functions of Aceh government spending. These combinations are repeated for the remaining four elements of Maqasid [*al-Nafs*, *al-Aql*, *al-Nasl* and *al-Mal*] with all the five hierarchies of *Mashlahah*.

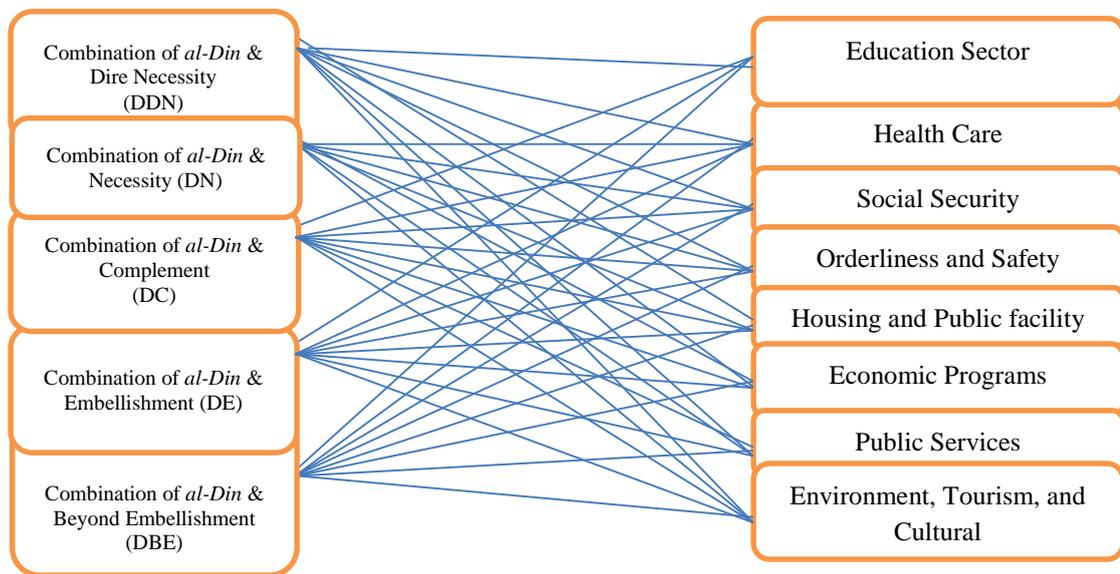


Figure 2. MPPM Conceptual Framework Based on Combinations of Maqasid and hierarchy of *Mashlahah*



As explained previously, the Maqasid Performance pairwise Matrix (MPPM) will be used to measure the extent to which government spending in Aceh conforms to al-Maqasid and hence Shari'ah oriented public policy or *al-Siyasah al-Shar'iyah*. MPPM will be used to gauge public perception on eight functions or areas of Aceh's government expenditure, namely (1) Education, (2) health, (3) Social Security, (4) Orderliness and Safety, (5) Housing and Public Facilities, (6) Economic, (7) Public Service and (8) Environmental, Tourism and Culture.

The subsequent section discusses the methodology used in research design: identifying the population, sample size and sampling method; developing the instrument, conducting the survey, data collection procedure and their analysis.

## METHODOLOGY

The Aceh public has been identified for the population of the study. Since there is no sampling frame and due to cost constraint, the authors have used convenience sampling. The primary objective of the study and the MPPM framework has been used as guidelines for developing the survey instrument – questionnaires.

The questionnaire had 40 items (5 items for each of the eight areas) covering range of issues aimed at gauging public perception on government spending in Aceh. The questionnaire comprised three sections. The first section focused on soliciting general information on the respondents' background, which included items on gender, age, marital status and social status. Section two was dedicated for gathering information on the respondents' level of awareness about al-Maqasid and whether they think Aceh government was committed in implementing Shari'ah Oriented Public Policy in government spending. The final section of the questionnaire was used to obtain public opinion on government expenditure in the eight functions. This part of the questionnaire used the Likert 5-point scale, namely; (1) Hardly Satisfactory, (2) Satisfactory, (3) Good, (4) Better and (5) More than Necessary. These scales were purposely chosen to correspond to the five hierarchies of *Maslahah*. Hence, Hardly Satisfactory corresponded to Dire Necessity, Satisfactory to Necessity, Good to Complement, Better to Embellishment and More than Necessary to Waste. Data collection was conducted from July to August 2012. The study used drop-off survey through self-administered questionnaire and an online method of data collection. A total of 300 sets of questionnaires were distributed, 114 through drop-off and 119 online. Out of the 300 questionnaires, a total of 233 (78%) were received. The data obtained from the survey were screened, validated and



analysed using SPSS version 18.0. The findings and their analysis are presented in the subsequent section.

## RESULTS

The results of the survey are presented and analysed in three subsections. The immediate subsection 8.1 presents the profile of the respondents and the related analysis. The subsequent subsection 8.2 discusses the findings on the level of the respondents' knowledge on Maqasid al-Shari'ah and their understanding to the extent of Aceh government's commitment in implementing Shari'ah oriented public policy in its spending. The final subsection 8.3 provides an analysis of the public perception on Aceh's government spending in the eight areas or functions.

### Profile of the Respondents

Table 2 shows the frequency distributions and their percentages for the respondents. Data collected for the respondents' background include gender, age, marital status and social status. From Table 2, the majority of the respondents in the sample are male (81.1%) who are youth where 61% of them are of age varying between 24-35 years old. In terms of marital status, 57.1% of the respondents are married and 42.9% are still single.

Table 2. Respondents' Background

	Variables	Frequency	Percentage (%)
<b>Gender</b>	Male	189	81.1
	Female	44	18.9
	<b>Total</b>	<b>233</b>	<b>100</b>
<b>Age</b>	< 18	4	1.7
	18 – 23	34	14.6
	24 – 29	73	31.3
	30 – 35	76	32.6
	>35	46	19.7
	<b>Total</b>	<b>233</b>	<b>100</b>
<b>Marital Status</b>	Single	100	42.9
	Married	133	57.1
	<b>Total</b>	<b>233</b>	<b>100</b>
<b>Social Status</b>	Politician	12	5.2
	Student	107	45.9
	Academician	58	24.9
	Trader	2	0.9
	Others	54	23.2
	<b>Total</b>	<b>233</b>	<b>100</b>

With regard to their social status, 45.9% of them are students, 24.9% are academicians, 5.2 % are politicians, only 0.9 % are traders, and 23.2 % are



others. Therefore, the profile shows that the respondents are matured, educated and of various background including a group from public policy departments in Aceh. This indicates that the choice for the respondents is appropriate for this study and reflects the opinion of the well informed and educated section of the society. This section provides informed decisions.

### Level of the Respondents Knowledge on al-Maqasid

As stated above, this subsection discusses the findings on the level of the respondents' knowledge on Maqasid al-Shari'ah and their understanding of Aceh government's commitment in implementing Shari'ah oriented public policy in its spending. Table 3 provides the respondents' responses on the two issues.

Table 3. Respondents' Knowledge on al-Maqasid and Aceh Governments' Commitment

Variables		Frequency	Percentage (%)
Do you think that Aceh Government is committed to applying Shari'ah principles in its public expenditure policies?	Not Committed at all	26	11.2
	Least Committed	126	54.1
	Quiet Committed	31	13.3
	Committed	44	18.9
	Very Committed	6	2.6
	<b>Total</b>	<b>233</b>	<b>Mean (2.48)</b> <b>S.D (1.005)</b>
How familiar are you with the concept of Maqasid al-Shari'ah?	Not Familiar at all	21	9.0
	Least Familiar	60	25.8
	Quiet Familiar	39	16.7
	Familiar	81	34.8
	Very Familiar	32	13.7
	<b>Total</b>	<b>233</b>	<b>Mean (3.18)</b> <b>S.D (1.220)</b>
How aware are you with the concept <i>Maslahah</i> as the development of religion, life, intellect, family, and wealth?	Not Aware at all	1	.4
	Least Aware	8	3.4
	Quiet Aware	8	3.4
	Aware	85	36.5
	Very Aware	131	56.2
	<b>Total</b>	<b>233</b>	<b>Mean (4.45)</b> <b>S.D (0.759)</b>

From Table 3, the majority of the respondents (54.1 %) are of the opinion that Aceh Government is least committed towards applying Shari'ah principles in its public expenditure policies, although there are variations in the view of the respondents (S.D=1.005). On the other hand, 65% of the respondents are familiar with the concept of Maqasid al-Shari'ah. Furthermore, almost all the



respondents (95%) are aware about the concept of *Maslahah* such as the development of religion, life, intellect, family, and wealth. In fact, more than half of them (56.2%) are very aware of this concept. This shows the respondents are in a position to answer the questionnaire appropriately minimizing any bias that could have arisen due to lack of knowledge on the subject.

### **Public Perception on Aceh Government Spending on the Eight Areas**

This subsection discusses in sequence the results of public perception on Aceh government spending on the eight areas, namely; (1) Education, (2) health, (3) Social Security, (4) Orderliness and Safety, (5) Housing and Public Facilities, (6) Economic, (7) Public Service and (8) Environmental, Tourism and Culture. The results are presented in Tables that resemble the MPPM framework for clear explanation.

Overall, the public perception on Aceh government spending on the eight areas is mixed. The majority of the respondents perceive as satisfactory government spending on six areas: Social Security, Orderliness and Safety, Housing and Public Facilities, Economic, Public Service and Environmental, Tourism and Culture. Since the level of Satisfactory on the Likert scale conforms to the *Maslahah* hierarchy of Necessity, this means that government spending in these six areas were only sufficient to develop the five Maqasid (*Din, Nafs, Aql, Nasl and Mal*) at the level of necessity. For example, Aceh government spending on Housing and Public Facilities was only able to cater for the necessities of life in terms of developing the quality of human life (*Nafs*), family necessities (*Nasl*), etc. On the other hand, Aceh government spending on Education and Health is perceived to be good, corresponding to the hierarchy of Complement. This means, government spending in these two areas has achieved the level of developing the five Maqasid beyond the basic needs. For example, government spending on Education has developed religious education beyond the necessity, intellect beyond the basic, etc.

Table 4 shows the extent to which government spending in the eight areas or sectors fulfils Maqsad (Shari'ah Objective) of *al-Din* relative to the five hierarchies of *Maslahah*. Where DDN= *al-Din* at the level of Dire Necessity, DN= *al-Din* at the level of Necessity, DC= *al-Din* at the level of Complement, DE= *al-Din* at the level of Embellishment, DBE= *al-Din* at the level of Beyond Embellishment

Table 4. Measuring Government Spending Based on al-Din and the Hierarchies of Maslahah



		Hierarchy of Maslahah (%)					
No	Sectors	DDN	DN	DC	DE	DBE	Mean (S.D)
01	Education	17.6	29.6	<b>36.5</b>	13.7	2.6	2.54 (1.017)
02	Health Care	11.2	30.0	<b>42.1</b>	14.2	2.6	<b>2.67 (0.941)</b>
03	Social Security	15.9	32.2	<b>37.3</b>	12.4	2.1	2.53 (0.974)
04	Orderliness and Safety	18.0	<b>36.1</b>	35.2	7.7	3.0	2.42 (0.971)
05	Housing and Public Facilities	19.3	<b>40.3</b>	28.8	9.0	2.6	2.35 (0.976)
06	Economic Programs	21.0	<b>34.8</b>	33.5	8.2	2.6	2.36 (0.987)
07	Public Services	21.5	<b>36.1</b>	31.8	8.6	2.1	2.34 (0.979)
08	Environment, Tourism, and Cultural	22.3	<b>36.1</b>	28.3	8.6	4.7	2.37 (1.068)

As shown in Table 4, 36.5% of the respondents are of the opinion that government spending in education in relation to developing *al-Din* has fulfilled Maqasid al-Shari'ah at the level of complement (*Hajiyat*), beyond the basic need (*Daruriyat*). Similarly, regarding health care and social security, 42.1% and 37.3% of the respondents respectively see government spending on developing religion achieving Maqasid at the level of *Hajiyat*. On the other hand, on average 37% (DN column) of public perception is that government spending on the remaining five sectors has only contributed to fulfilling people's religious needs at the level of basic necessity. Furthermore, 18% of the respondents on average (DDN column) think government spending that translate into developing *al-Din* are still very low at the dire necessity or survival level. Table 5 shows the extent to which government spending in the eight sectors fulfills Maqasid of *al-Nafs* relative to the five hierarchies of *Maslahah*. Where NDN= *al-Nafs* at the level of Dire Necessity, NN= *al-Nafs* at the level of Necessity, NC= *al-Nafs* at the level of Complement, NE= *al-Nafs* at the level of Embellishment, NBE= *al-Nafs* at the level of Beyond Embellishment

Table 5. Measuring Government Spending Based on *al-Nafs* and the Hierarchies of *Maslahah*

		Hierarchy of Maslahah (%)					
No	Sectors	NDN	NN	NC	NE	NBE	Mean (S.D)
01	Education	16.3	<b>36.9</b>	35.2	9.9	1.7	2.44 (0.936)
02	Health Care	12.9	33.5	<b>35.2</b>	15.5	3.0	<b>2.62 (0.993)</b>
03	Social Security	15.5	<b>35.6</b>	<b>35.6</b>	11.2	2.1	2.49 (0.956)
04	Orderliness and Safety	21.9	<b>37.3</b>	32.2	6.9	1.7	2.29 (0.943)
05	Housing and Public Facilities	20.6	<b>43.8</b>	29.2	4.7	1.7	2.23 (0.889)
06	Economic Programs	18.5	<b>40.3</b>	30.9	9.0	1.3	2.34 (0.925)
07	Public Services	22.7	<b>39.5</b>	27.9	27.9	7.3	2.27 (0.979)
08	Environment, Tourism, and Cultural	20.2	<b>38.6</b>	29.2	9.0	3.0	2.36 (0.999)

From Table 5 above, about 36-44% of the respondents are of the view that government spending on all the sectors, except health, in relation to human development have fulfilled Maqasid al-Shari'ah at the level of basic need



(*Daruriyat*) only. Thirty five per cent of them opine that spending on health care have contributed to human development beyond the basic need, at the level of *Hajiyat*. Yet there are quite a number of respondents, 19% on average (NDN column) who are of the opinion that government spending for developing human wellbeing was still at the level of dire necessity or survival.

Table 6. Measuring Government Spending Based on *al-'Aql* and the Hierarchies of *Maslahah*

No	Sectors	Hierarchy of <i>Maslahah</i> (%)					Mean (S.D)
		ADN	AN	AC	AE	ABE	
01	Education	15.9	33.5	<b>37.8</b>	10.7	2.1	2.50 (0.956)
02	Health Care	14.6	30.9	<b>39.1</b>	13.3	2.1	<b>2.58 (0.967)</b>
03	Social Security	15.0	<b>39.5</b>	32.2	11.6	1.7	2.45 (0.942)
04	Orderliness and Safety	18.0	<b>41.6</b>	31.8	7.3	1.3	2.32 (0.897)
05	Housing and Public Facilities	20.6	<b>43.3</b>	30.1	4.3	1.7	2.23 (0.884)
06	Economic Programs	18.0	<b>38.6</b>	32.2	9.9	1.3	2.38 (0.935)
07	Public Services	21.9	<b>39.5</b>	30.5	6.0	2.1	2.27 (0.942)
08	Environment, Tourism, and Cultural	21.5	<b>37.8</b>	29.2	9.0	2.6	2.33 (0.995)

Table 6 presents the extent to which government spending in the eight sectors fulfils Maqсад of *al-'Aql* relative to the five hierarchies of *Maslahah*. Where ADN= *al-'Aql* at the level of Dire Necessity, AN= *al-'Aql* at the level of Necessity, AC= *al-'Aql* at the level of Complement, AE= *al-'Aql* at the level of Embellishment, ABE= *al-'Aql* at the level of Beyond Embellishment

With reference to Table 6, on average a high percentage of 40% (AN column) of the respondents believe government spending in the five sectors in relation to developing *al-'Aql* is still at the level of necessity. In contrast an average of 38% of the respondents (AC column) is of the view that government spending in Education and Health care sectors have managed to develop the intellectual capital in Aceh beyond the necessity, at the level of complement. On the other hand, similar to the cases in the previous two Maqasid [*al-Din* and *al-Nafs*], there are also quite a number of respondents, 18% on average (NDN column) who are of the opinion that government spending for developing intellectual capital in Aceh was still at the level of dire necessity or survival.

Table 7 shows the extent to which government spending in the eight sectors fulfills Maqсад of *al-Nasl* relative to the five hierarchies of *Maslahah*. The term *Nasl* has been referred to in this study broadly to mean the family institution.

Table 7. Measuring Government Spending Based on *al-Nasl* and the Hierarchies of *Maslahah*



Hierarchy of <i>Maslahah</i> (%)							
No	Sectors	NLDN	NLN	NLC	NLE	NLBE	Mean (S.D)
01	Education	13.3	<b>35.2</b>	<b>35.2</b>	13.3	3.0	2.58 (0.980)
02	Health Care	9.9	35.2	<b>37.3</b>	14.6	3.0	<b>2.66 (0.948)</b>
03	Social Security	13.7	<b>40.8</b>	30.9	12.0	2.6	2.49 (0.961)
04	Orderliness and Safety	16.7	<b>39.1</b>	35.2	7.3	1.7	2.38 (0.907)
05	Housing and Public Facilities	17.6	<b>43.3</b>	28.8	7.7	2.6	2.34 (0.944)
06	Economic Programs	19.7	<b>36.1</b>	33.0	9.4	1.7	2.37 (0.962)
07	Public Services	18.5	<b>42.9</b>	29.6	6.0	3.0	2.32 (0.944)
08	Environment, Tourism, and Cultural	20.2	<b>38.2</b>	30.0	8.2	3.4	2.36 (1.004)

Where NLDN= *al-Nasl* at the level of Dire Necessity, NLN= *al-Nasl* at the level of Necessity, NLC= *al-Nasl* at the level of Complement, NLE= *al-Nasl* at the level of Embellishment, NLBE= *al-Nasl* at the level of Beyond Embellishment

In Table 7, on average a high percentage of 40% (NLN column) of the respondents see government spending in the six sectors in relation to developing *Nasl* (family institution) as still at the level of necessity. For example, spending on housing and public facilities could only improve the quality of family institution to the level of fulfilling basic necessities. Meanwhile the respondents are divided in the case of Education. About 35.2% of them think government spending on Education has improved the quality of family institution to the level of necessity while the same percentage (35.2%) believe the impact of the spending on Education has improved family life beyond the necessity. Meanwhile only 16% of the respondents on average (NDN column) are of the opinion that government spending for developing family institution in Aceh was still at the level of dire necessity or survival.

Table 8 shows the extent to which government spending in the eight sectors fulfills Maqсад of *al-Mal* relative to the five hierarchies of *Maslahah*. Where MDN= *al-Mal* at the level of Dire Necessity, MN= *al-Mal* at the level of Necessity, MC= *al-Mal* at the level of Complement, ME= *al-Mal* at the level of Embellishment, MBE= *al-Mal* at the level of Beyond Embellishment.

Table 8. Measuring Government Spending Based on *al-Mal* and the Hierarchies of *Maslahah*

Hierarchy of <i>Maslahah</i> (%)							
No	Sectors	MDN	MN	MC	ME	MBE	Mean (S.D)
01	Education	14.6	33.5	<b>37.8</b>	11.6	2.6	<b>2.54 (0.965)</b>
02	Health Care	13.3	<b>37.3</b>	35.6	12.9	0.9	2.51 (0.910)
03	Social Security	15.0	<b>39.5</b>	33.0	10.3	2.1	2.45 (0.942)
04	Orderliness and Safety	17.2	<b>38.6</b>	32.2	11.2	0.9	2.40 (0.928)



05	Housing and Public Facilities	17.6	<b>43.3</b>	28.8	7.3	3.0	2.35 (0.953)
06	Economic Programs	16.7	<b>39.9</b>	29.6	10.7	3.0	2.43 (0.990)
07	Public Services	18.5	<b>41.6</b>	31.8	5.2	3.0	2.33 (0.936)
08	Environment, Tourism, and Cultural	20.6	<b>36.1</b>	30.9	7.7	4.7	2.40 (1.046)

Table 8 shows, on average 39.5% (MN column) of the respondents see government spending in the seven sectors in relation to developing Mal as still at the level of necessity. For example, government spending on health care is translated into improving income and wealth situation at the level of fulfilling basic necessities. Meanwhile 37.8% of the respondents believe that impact of government spending on has improved public income and wealth to the level of complement, beyond the necessity. On the other hand, 17% of the respondents on average (NDN column) are of the opinion that government spending for increasing people's income and wealth in Aceh was still at the level of dire necessity or survival.

## CONCLUSION

The novelty of this study lies in its pioneering initiative of developing Maqasid Performance Pairwise Matrix (MPPM) Model to measure the extent to which government expenditure in Aceh fulfills Maqasid al-Shari'ah. MPPM has been used as a basis, within the context of Shari'ah Oriented Public Policy (*al-Siyasah al-Shar'iyah*), to develop survey research instrument to gauge public perception on Aceh's government spending. The results of the study show that government spending in Aceh has mostly developed the five Maqasid [Religion, human life, intellectual capital, family institution and income & wealth] to the extent of basic necessities. The spending has not improved the qualities of these five Maqasid to the other two higher levels in the hierarchy of *Maslahah*, namely Complement (*Hajiyyah*) and Embellishment (*Tahsiniyyah*). The results confirm early findings using quantitative measures, for example World Bank report (2007), and Aliasuddin and Dawood (2008), that government spending in Aceh do not translate into concrete results on the ground. Thus, Aceh government needs to improve its delivery of public spending to achieve higher hierarchy *Maslahah* for the Acehnese. On the other hand, the results of the study are indicative and cannot be generalized because of the sample size. Furthermore, the scope of the study has not enabled the authors to examine the reasons for the poor performance of Aceh government's spending. Therefore, future research can replicate the MPPM model using bigger samples and also examine the reasons why the impact of Aceh government spending is not felt by the citizens beyond the necessity level of *Maslahah* hierarchy.



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<sup>1</sup>Part of this paper has been presented at the 2<sup>nd</sup> International Conference on Islamic Economic and Economies of the OIC Countries (ICIE 2013) 29-30 January 2013, Kuala Lumpur.

