

The Role of the State Budget in Realizing Public Welfare through Optimizing State Spending

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Abstract: The State Revenue and Expenditure Budget (APBN) serves as the primary instrument used by the Indonesian government to manage public finances and achieve national development goals. The structure of the APBN reflects the state's commitment to promoting public welfare through effective and targeted resource allocation. This article aims to examine the various types of state expenditures within the APBN, including personnel expenditures, goods expenditures, capital expenditures, debt interest payments, subsidies, grants, social assistance, other expenditures, and transfers to regions. Using a descriptive-analytical approach, the article explores the roles and functions of each expenditure category in supporting national development and public services. A clear understanding of the APBN expenditure structure is expected to contribute to fiscal policy evaluation and the strengthening of public financial management. The study concludes that optimizing budget allocation is key to achieving inclusive and sustainable development

Keywords: *APBN, State Expenditure, National Development, Fiscal Policy, Public Welfare.*

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Abstrak: Anggaran Pendapatan dan Belanja Negara (APBN) merupakan instrumen utama yang digunakan oleh pemerintah Indonesia dalam mengelola keuangan negara serta mencapai tujuan pembangunan nasional. Pengelolaan APBN mencerminkan komitmen negara dalam mewujudkan kesejahteraan masyarakat melalui alokasi sumber daya yang tepat sasaran. Artikel ini bertujuan untuk mengkaji berbagai jenis belanja negara dalam struktur APBN, yang meliputi belanja pegawai, belanja barang, belanja modal, pembayaran bunga utang, subsidi, hibah, bantuan sosial, belanja lainnya, serta transfer ke daerah. Melalui pendekatan deskriptif-analitis, artikel ini membahas peran dan fungsi masing-masing jenis belanja dalam mendukung pembangunan nasional dan pelayanan publik. Pemahaman terhadap struktur belanja negara diharapkan dapat memberikan kontribusi dalam evaluasi kebijakan fiskal dan penguatan tata kelola keuangan negara. Simpulan dari kajian ini menegaskan bahwa optimalisasi alokasi belanja negara menjadi kunci dalam mewujudkan pembangunan yang inklusif dan berkelanjutan.

Kata kunci: APBN, Belanja Negara, Pembangunan Nasional, Kebijakan Fiskal, Kesejahteraan Publik.

INTRODUCTION

The State Budget (APBN) is an annual financial plan established by the central government as a concrete manifestation of fiscal policy implementation. Through the APBN, the government strives to manage economic resources to achieve sustainable national development goals and equitable public welfare. As a policy instrument, the APBN not only reflects state revenues and expenditures but also reflects the government's fiscal policy direction and macroeconomic strategy.¹

The preparation and implementation of the State Budget (APBN) are regulated by Law Number 17 of 2003 concerning State Finances. This law

¹ Wawan Mulyawan, "APBN Dan Pendapatan Nasional," *Salam (Islamic Economics Journal)* 1, no. 2 (2020), <https://doi.org/https://doi.org/10.24042/slm.v1i2.7929>.

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stipulates that the APBN must be prepared based on the principles of transparency and accountability to ensure the efficiency and effectiveness of state financial management.² The structure of the state budget is generally divided into three main components: state revenue, state expenditure, and financing. This article focuses on state expenditure, which consists of various types of budgets, each with its own characteristics and objectives.³

A comprehensive understanding of the various components of the state budget is crucial because each component has direct implications for the national economy. For example, capital expenditure plays a role in creating public infrastructure, while social assistance serves as a means of protecting vulnerable groups.⁴ Therefore, analyzing the types of expenditures in the state budget is highly relevant for assessing the extent to which government fiscal policy is able to address development challenges and socio-economic inequality.⁵

In practice, state spending is the government's primary instrument for driving economic growth and improving public welfare. Effective and targeted spending allocation can accelerate infrastructure development, improve the quality of public services, and strengthen social protection for low-income

² Abdur Rahim et al., "Pengelolaan Keuangan Negara Berdasarkan Hukum Administrasi Negara Ditinjau Dari Undang-Undang Nomor 17 Tahun 2003," *JIIIP-Jurnal Ilmiah Ilmu Pendidikan* 6, no. 9 (2023): 7012–18, <https://doi.org/https://doi.org/10.54371/jiip.v6i9.2847>.

³ Muhammad Heru Akhmadi, Iyas Theresia Pasaribu, and Tangerang Selatan, "Peran Belanja Negara Dalam Program Penurunan Stunting" 6, no. 2 (2020): 161–74, <https://doi.org/https://doi.org/10.34204/jiafe.v6i2.2499>.

⁴ Yusriadi Ibrahim and Zulhamdi Zulhamdi, "Kebijakan Belanja Negara Dalam Tinjauan Fikih," *Al-Hiwalah: Journal Syariah Economic Law* 2, no. 2 (2023): 131–48, <https://doi.org/https://doi.org/10.47766/alhiwalah.v2i2.1551>.

⁵ Asyari Hasan et al., "Pendapatan Nasional Dalam Perspektif Ekonomi Islam," *Eco-Iqtishodi: Jurnal Ilmiah Ekonomi Dan Keuangan Syariah* 5, no. 1 (2023): 19–34, <https://doi.org/https://doi.org/10.32670/ecoiqtishodi.v5i1.3608>.

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communities. Therefore, state spending policy plays a strategic role in addressing the various economic and social challenges facing the country.⁶

On the other hand, the complexity of development needs and limited fiscal resources require the government to carefully prioritize spending and prioritize results. Analyzing the types of spending in the State Budget (APBN) is crucial for assessing the effectiveness of state budget use and ensuring that each spending component optimally contributes to achieving national development goals and reducing socio-economic inequality.

METHODS

This research uses a qualitative approach with a descriptive-analytical method. This approach was chosen to gain a comprehensive understanding of the types of state expenditures in the State Budget (APBN) and their implications for national development and public welfare. The type of data used in this study is secondary data, obtained through library research. Data sources include laws and regulations related to state finances, particularly Law Number 17 of 2003 concerning State Finances, APBN documents, official reports from the Ministry of Finance, and scientific literature in the form of books, journals, and articles relevant to the research topic. Data collection techniques were carried out through documentation and literature searches. The collected data were then analyzed using descriptive analysis techniques, namely by outlining, classifying, and interpreting the various types of state expenditures within the APBN structure. The results of the analysis are used to describe the role and function of each type of expenditure and its relevance in supporting fiscal policy and national development goals..

⁶ Arnetta Alisya Bahtiar et al., “Pengaruh Kebijakan Fiskal Terhadap Pertumbuhan Ekonomi Keuangan Di Indonesia,” *Musyteri: Jurnal Manajemen, Akuntansi, Dan Ekonomi* 20, no. 2 (2025): 91–100, <https://doi.org/https://doi.org/10.2324/7bkpr40>.

RESULTS AND DISCUSSION

The types of state budgets in the context of the Indonesian State Budget (APBN) can be categorized based on their nature and intended use. In this study, an examination of the APBN structure shows that the state budget is divided into several main types, all of which support each other in achieving fiscal stability and national development. Each type of budget has a different but complementary strategic role.⁷

This demonstrates that state spending in the State Budget (APBN) is the most strategic component in implementing the government's fiscal policy. State spending serves not only as a means of financing government administration but also as a primary instrument for driving economic growth, improving the quality of public services, and achieving equitable distribution of public welfare. Therefore, the structure and composition of state spending have direct implications for the success of national development.⁸

In general, state spending in the State Budget (APBN) is divided into several main categories: personnel spending, goods and services spending, capital spending, and social assistance spending. Each of these spending types has distinct objectives, characteristics, and impacts, but they are interrelated in supporting state functions. This division of spending reflects the government's efforts to balance operational government needs with long-term development needs.⁹

Personnel spending is a significant component of state spending in the state budget (APBN). This spending covers salaries, allowances, and other

⁷ Sindi Audia, "Makna Penyalahgunaan Kewenangan Dalam Perkara Tindak Pidana Korupsi," *Journal of Anti-Corruption*, 2025, 36–51, <https://doi.org/https://doi.org/10.30872/action.v1i1.1665>.

⁸ Dina Eva Silalahi and Rasinta Ria Ginting, "Strategi Kebijakan Fiskal Pemerintah Indonesia Untuk Mengatur Penerimaan Dan Pengeluaran Negara Dalam Menghadapi Pandemi Covid-19," *Jesya (Jurnal Ekonomi Dan Ekonomi Syariah)* 3, no. 2 (2020): 156–67, <https://doi.org/10.36778/jesya.v3i2.193>.

⁹ Rachmad Risqy Kurniawan, "Anggaran Pendapatan Dan Belanja Negara Dalam Perspektif Keuangan Syariah," *Jurnal Humaniora, Ekonomi Syariah Dan Muamalah* 2, no. 2 (2024): 38–51, <https://doi.org/https://doi.org/10.38035/jhesm.v2i2.176>.

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entitlements for civil servants, members of the Indonesian National Armed Forces (TNI), and the Indonesian National Police (Polri). Research shows that personnel spending plays a crucial role in maintaining bureaucratic stability and ensuring the continuity of public services. Apparatus who receive adequate welfare are expected to work professionally and accountably. However, the dominance of personnel spending also presents challenges, particularly related to limited fiscal space to finance development expenditures. Therefore, the effectiveness and efficiency of personnel spending are crucial issues in APBN management.¹⁰

In addition to personnel expenditures, goods and services expenditures are a component that functions to support government operational activities. This expenditure includes the procurement of goods, services, and other administrative needs required in the implementation of government programs and activities. Research results show that goods and services expenditures play a strategic role in ensuring the smooth running of public services, both at the central and regional levels. However, this expenditure is also vulnerable to inefficiency if not accompanied by careful planning and a transparent procurement system. Therefore, strengthening the governance of goods and services expenditures is one of the determining factors in the effectiveness of state spending.¹¹

Capital expenditure is a type of spending directed towards the formation of long-term state assets. This spending is used for the development of physical infrastructure, such as roads, bridges, ports, educational facilities, and healthcare facilities. Research shows that capital expenditure has a significant impact on economic growth and improving the quality of life of the community. Infrastructure development through capital expenditure can

¹⁰ Ibnu Hasan Karbila, "Politik Fiskal Serapan Anggaran Belanja Pegawai Dan Belanja Barang," *J-MIND (Jurnal Manajemen Indonesia)* 8, no. 2 (2023): 83–97.

¹¹ Putu Istarari Nirwayadhi and Nyoman Ayu Wulan Trisna Dewi, "Pengaruh Perencanaan Anggaran, Pelaksanaan Anggaran Dan Pengadaan Barang Jasa Terhadap Penyerapan Anggaran Belanja Pada OPD Kabupaten Buleleng," *Jurnal Ilmiah Akuntansi Dan Humanika* 15, no. 2 (2025): 371–85, <https://doi.org/https://doi.org/10.23887/jiah.v15i2.100846>.

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improve inter-regional connectivity, facilitate the distribution of goods and services, and create jobs. Furthermore, capital expenditure also plays a role in strengthening national economic competitiveness. Therefore, capital expenditure is often viewed as a state investment that provides long-term benefits to the economy.¹²

On the other hand, social assistance spending is a fiscal policy instrument that functions as a social safety net for the community. This spending is allocated to assist poor, vulnerable, and vulnerable groups affected by social and economic risks. Research shows that social assistance spending plays a crucial role in reducing poverty and social inequality. Through various social assistance programs, the government strives to ensure that disadvantaged groups continue to have access to basic needs. Social assistance spending also contributes to maintaining social stability, particularly during times of economic pressure or crisis.¹³

However, research also shows that the effectiveness of social assistance spending depends heavily on accurate targeting and distribution mechanisms. Inaccurate beneficiary data can diminish the positive impact of social assistance spending. Therefore, improving data collection and monitoring systems is crucial for increasing the effectiveness of this spending.¹⁴

Overall, the research results show that the success of state spending in achieving national development goals is determined not only by the size of the allocated budget, but also by the quality of planning, implementation, and

¹² Selvia Astuty, "Belanja Pegawai Dan Belanja Barang Dan Jasa Terhadap Belanja Modal," *JIEB: Jurnal Ilmiah Ekonomi Bisnis*, no. November (2022): 475–87, <http://ejournal.stiepancasetia.ac.id/index.php/jieb>.

¹³ Agus Budi Herlambang and Itok Wicaksono, "Evaluasi Kebijakan Bantuan Sosial Dalam Meningkatkan Kesejahteraan Masyarakat Di Kelurahan Slawu, Kabupaten Jember," *Interelasi Humaniora* 1, no. 4 (2025): 264–75, <https://journal.interelasi.org/index.php/interelasihumaniora/article/download/138/35>.

¹⁴ Agung Muhamad Sidik and Gatot Wahyu Nugroho, "Analisis Efektivitas Pengelolaan Bantuan Sosial: Studi Komparatif Bantuan Pangan Non Tunai Dan Dana Bantuan Langsung Tunai Di Dinas Sosial Kota Sukabumi," *Jurnal Masharif Al-Syariah: Jurnal Ekonomi Dan Perbankan Syariah* 10, no. 4 (2025), <https://doi.org/https://doi.org/10.30651/jms.v10i4.27403>.

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oversight. Properly designed and accountably managed state spending can have a significant positive impact on the economy and public welfare. Conversely, ineffective state spending has the potential to lead to budget waste and undermine public trust in government fiscal policy.¹⁵

The composition of state spending must be aligned with development priorities and the prevailing economic conditions. In certain situations, the government may need to increase social assistance spending to protect vulnerable populations, while in the long term, capital spending needs to be strengthened to encourage sustainable economic growth. Therefore, balancing expenditure types is key to effective state budget management.¹⁶

Based on these findings, it can be concluded that state spending in the APBN plays a central role as an instrument of fiscal and development policy. Analysis of the types of state spending provides a clearer picture of how the APBN is used to achieve national goals. Therefore, optimizing state spending management is a primary prerequisite for realizing inclusive, sustainable, and socially just development.

CONCLUSION

Based on the research findings, it can be concluded that state spending in the State Budget (APBN) plays a highly strategic role in implementing fiscal policy and achieving national development goals. Various types of state spending, namely personnel spending, goods and services spending, capital spending, and social assistance spending, are important, complementary instruments in supporting governance, public services, and economic development. Personnel spending plays a role in maintaining the stability and performance of the state apparatus, while goods and services spending supports

¹⁵ Ulfa Tarina et al., “Efektivitas Penyerapan Anggaran Belanja Negara Dalam Pemilihan Umum,” *Journal of Law, Administration, and Social Science* 4, no. 5 (2024): 785–97.

¹⁶ Marcella Nazmatul Lail, Dinar Dhia, and Ihsan Rizki Mansis, “Pengeluaran Negara Untuk Perlindungan Sosial Dalam Tinjauan Ekonomi Islam Telaah APBN 2023,” *Islamic Economics and Business Review* 3, no. 3 (2024), <https://doi.org/https://doi.org/10.59580/iesbir.v3i3.6009>.

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the smooth operation of government. Capital spending has been proven to have a long-term impact on economic growth through infrastructure development and improving the quality of public services. On the other hand, social assistance spending serves as an effective social safety net in protecting vulnerable groups and reducing social inequality. However, this research also shows that the effectiveness of state spending is not solely determined by the size of the budget allocation, but also depends heavily on the quality of planning, accurate targeting, and an adequate monitoring and evaluation system. Therefore, optimizing state spending management is key to ensuring the APBN's optimal function as an instrument for sustainable, inclusive, and socially just national development.

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