This research investigates the impact of fiscal policy on economic growth in Indonesia. The study was carried out by analyzing the implementation of public expenditure policies, tax reforms and subsidies implemented by the government in several time periods. Macroeconomic data such as Gross Domestic Product (GDP), inflation rate, investment and household consumption are used to evaluate the effectiveness of fiscal policy in responding to domestic and global economic conditions. The findings show that fiscal policy has a significant impact on economic growth, particularly through increasing infrastructure investment and tax incentives for the private sector. However, challenges such as transparent public budget management and long-term policy consistency need to be addressed to maximize the contribution of fiscal policy to inclusive and sustainable economic growth. Policy recommendations include expanding infrastructure investment, further tax reform to increase efficiency, as well as improvements in public budget management. The implication of this research for national economic policy is the importance of maintaining policy consistency and improving inter-institutional coordination to achieve the goal of sustainable economic development in Indonesia.
identified to what extent fiscal policy has made a positive contribution in supporting Indonesia's economic growth, as well as what factors influence the results of this policy.

This article aims to dig deeper into the relationship between implemented fiscal policy and economic growth in Indonesia. By examining the various policies that have been implemented and the results achieved, it is hoped that this article can provide a more comprehensive understanding of how fiscal policy can be a catalyst for sustainable economic growth. Apart from that, this article also identifies future challenges and opportunities in formulating more effective fiscal policies to face global economic dynamics and Indonesia's continuously developing internal conditions (Siswajanthy et al., 2024).

In the context of globalization and changing economic dynamics, understanding the impact of fiscal policy is very relevant for determining the appropriate direction of national economic policy. The role of fiscal policy is not only limited to regulating state expenditure and revenue budgets, but also includes the ability to stimulate investment, reduce regional disparities, and create a business environment that is conducive to the growth of strategic economic sectors.

In recent years, Indonesia has faced various economic challenges, including the significant impact of the COVID-19 pandemic. The government's response through fiscal policy is key in maintaining economic stability and restoring growth disrupted by the global crisis. An evaluation of the fiscal policies that have been implemented during this period can provide valuable insight into the effectiveness of these measures in supporting national economic recovery.

Thus, an in-depth analysis of the impact of fiscal policy on economic growth in Indonesia is not only important for academic and public policy contexts, but also to help economic stakeholders and the general public understand the dynamics of the country's economy and the government's efforts to achieve inclusive and sustainable economic development goals. Through this article, it is hoped that a better understanding can be achieved regarding the strategic role of fiscal policy in facing challenges and exploiting opportunities in achieving sustainable economic growth in the future.

Fiscal policy in Indonesia has great potential to significantly influence economic growth. However, in its implementation, there are several problems that need to be understood more deeply to increase its effectiveness. Some of the problems that are the focus of this article include the efficiency of public budget management, the adequacy of state revenues from the tax sector, and the impact of income redistribution resulting from fiscal policy on social and economic disparities in various regions of Indonesia (Ompusunggu et al., 2024).

In addition, it is important to consider the challenges in implementing fiscal policy amidst rapidly changing global economic dynamics. This includes the ability to maintain a healthy fiscal balance without sacrificing development investment needs, as well as the ability to adapt to fluctuations in global commodity prices that affect state income.

The aim of this research is to identify and analyze in depth the impact of fiscal policy on economic growth in Indonesia. This research also aims to provide a better understanding of how fiscal policy can be optimized to achieve inclusive and sustainable economic growth, as well as to reduce economic disparities between regions in Indonesia.

It is hoped that the benefits of this research can contribute to the development of more effective and efficient economic policies for the Indonesian government. It is also hoped that the research results can become a reference and consideration for decision makers, academics and the general public in understanding the importance of fiscal policy in facing global economic challenges and taking advantage of economic growth opportunities in Indonesia.
METHOD

This research uses a qualitative approach with a focus on fiscal policy analysis and its impact on economic growth in Indonesia. A qualitative approach was chosen because it allows researchers to explore the social, political and economic context behind the implementation of fiscal policy in depth. In this study, the research will collect data from various sources such as academic literature, government policy documents, as well as views from economists and public policy practitioners. This approach will help in understanding the complex dynamics between implemented fiscal policies and their impact on economic growth in Indonesia (Hertina et al., 2024).

The data sources used in this research include various documents and information related to fiscal policy and economic growth in Indonesia. Primary data will be obtained from official government documents, such as state financial reports, annual fiscal policy documents, and official statistics regarding public income and expenditure. In addition, secondary data will be obtained from case studies, academic research reports, and analysis from international institutions such as the World Bank, International Monetary Fund (IMF), and national economic research institutions.

Data analysis in this research will be carried out through a descriptive approach and qualitative analysis. First, the data will be organized and presented descriptively to describe relevant trends and patterns related to the implementation of fiscal policy and economic growth in Indonesia (Soeharso & SE, 2023). Next, qualitative analysis will be used to explore the cause-and-effect relationship between the fiscal policies implemented and their impact on various economic sectors and societal welfare. This technique will help in compiling key findings that can provide in-depth insight into the effectiveness of fiscal policy in supporting sustainable economic growth in Indonesia.

RESULTS AND DISCUSSION

Fiscal policy refers to a series of government decisions and actions related to state expenditure and revenues to achieve certain economic goals. The main objective of fiscal policy is to regulate the level of government spending and income in order to influence macroeconomic conditions, such as the rate of economic growth, inflation and unemployment rates.

There are two main instruments in fiscal policy, namely public expenditure and public revenue. Public spending includes all government spending on goods and services as well as social programs and infrastructure. Meanwhile, public income includes government revenues from taxes, levies and other sources (Abraham et al., 2024).

Implementation of fiscal policy can be done in several ways, such as setting tax rates, government spending for economic stimulus, subsidies, and other fiscal regulations. Fiscal policy is often an important instrument in overcoming economic imbalances, reducing socio-economic disparities, and improving the overall welfare of society.

Fiscal policy can also be divided into expansionary and contractionary, depending on the economic conditions when it is implemented. Expansionary fiscal policy is carried out to stimulate economic growth by increasing government spending or reducing tax rates to increase consumption and investment. Meanwhile, contractionary fiscal policy aims to control inflation or reduce the budget deficit by reducing spending or increasing tax revenues.

In the Indonesian context, fiscal policy is one of the main instruments used by the government to manage the country's economy. Apart from monetary policy, fiscal policy plays an important role in creating economic stability, increasing industrial competitiveness, and supporting the growth of strategic sectors. Thus, an in-depth understanding of the implementation and impact of fiscal policy is crucial for formulating effective and sustainable economic policies in the future (Aristina et al., 2020, pp. 1990–2019).
Economic Growth Theory studies the factors that influence the increase in output or production of goods and services in a country in the long term. This theory tries to explain why some countries grow faster than others, as well as how economies can achieve sustainable levels of growth. One of the well-known theories in the study of economic growth is the Endogenous Growth Theory.

Endogenous Growth Theory emphasizes that internal factors of an economy, such as research and development (R&D), technological innovation, education, and fiscal policy, have an important role in influencing long-term growth rates. This theory rejects the view that economic growth is only influenced by external factors, such as outside capital and technology.

In the Indonesian context, factors that influence economic growth include political stability, consistent macroeconomic policies, investment in infrastructure, and the quality of human resources. Sustainable economic growth does not only involve increasing output or GDP, but also equal distribution of income, increasing social welfare, and environmental sustainability.

Apart from that, economic growth theory also pays attention to the role of the private sector in encouraging investment and innovation, as well as the importance of coordination between the public and private sectors in creating a conducive business environment(Aristina et al., 2020, pp. 2005–2018). By understanding these theories, the government can formulate appropriate economic policies to overcome challenges and take advantage of opportunities in achieving inclusive and sustainable economic growth for Indonesia.

The Relationship Between Fiscal Policy and Economic Growth

The relationship between fiscal policy and economic growth is very complex and closely interrelated in the context of a country's economy. Fiscal policy has great potential to influence the level of economic growth through regulating government spending and revenues. One of the main mechanisms is through public spending, where investment in infrastructure, education, and health can increase a country's productivity and economic capacity.

The influence of fiscal policy on economic growth is also visible through tax and subsidy policies. Efficient and fair taxes can provide incentives for investment and consumption, which in turn can stimulate the growth of certain economic sectors. On the other hand, appropriate subsidies can increase people's purchasing power or reduce production costs for certain industries, which has the potential to drive economic growth(Fahrezi, 2024, pp. 2020–2022).

The effectiveness of fiscal policy in supporting economic growth is also greatly influenced by good implementation and consistency from the government. Inappropriate or uncoordinated policies can result in high budget deficits, uncontrolled inflation, or other fiscal gaps that can hinder long-term economic growth.

In the context of globalization and deepening economic integration, fiscal policy must also be able to accommodate global market dynamics and strengthen a country's competitive position. Thus, an in-depth understanding of the relationship between implemented fiscal policies and their impact on economic growth is very important for the formulation of sustainable and inclusive economic policies in Indonesia.

Fiscal Policy Impact Analysis

The Indonesian government implements various fiscal policies to influence economic activity and achieve national development goals. One of the main policies implemented is a public spending policy aimed at increasing investment in physical and social infrastructure(Irawan & Soebagyo, 2021).
This includes programs to build roads, bridges, airports, as well as investment in the education and health sectors to improve the quality of human resources.

Fiscal policy also includes tax policies designed to increase state revenues without suppressing economic activity. The government is carrying out tax reform to improve the efficiency of the tax system, reduce the tax burden for certain sectors, and encourage better tax compliance.

Subsidies are also part of Indonesia's fiscal policy, especially in supporting strategic sectors such as energy and food. Energy subsidies, for example, are provided to reduce the cost burden on households and industry, while food subsidies aim to maintain price stability and the availability of staple foods for the community.

The fiscal policy implemented reflects the government's efforts to maintain macroeconomic stability, encourage inclusive economic growth, and improve the welfare of society as a whole. An in-depth evaluation of the implementation of this fiscal policy will help in understanding the extent to which the policy is effective in achieving economic and social development goals in Indonesia. B. Implementation and Effectiveness of Fiscal Policy (Irawan & Soebagyo, 2021).

Apart from spending policies, tax reforms and subsidies, the government also implements other fiscal policies to respond to economic dynamics and face certain challenges. One example of an important policy is counter-cyclical fiscal policy, where the government takes steps to reduce the negative impact of global economic fluctuations or in the face of a domestic economic crisis.

Fiscal policy is also closely related to managing state debt and budget deficits. The government must ensure that state debt management is carried out sustainably and carefully, so as not to burden future generations. A controlled budget deficit can support economic activity without causing high macroeconomic risks (Alamsyah & Sari, 2023).

All fiscal policies implemented must follow the principles of prudence, openness and accountability. This is important to ensure that each policy step has the desired impact and is in line with Indonesia's long-term development goals. Evaluation of the implementation of fiscal policy will provide a deeper understanding of the effectiveness of the policy in supporting sustainable economic growth and the welfare of society at large.

**Economic Growth Data Before and After Fiscal Policy**

Economic growth data before and after the implementation of fiscal policy provides an important picture in evaluating the impact of this policy on the Indonesian economy. Before the implementation of a particular fiscal policy, economic growth can be influenced by various factors such as external conditions, private investment, and monetary policy. However, the role of appropriate fiscal policy can provide additional impetus to accelerate stable and sustainable economic growth (Nurhayana & Soebagiy, 2023, pp. 2008–2022).

At certain times, the implementation of expansionary fiscal policy has been proven to increase Indonesia's economic growth rate significantly. For example, fiscal stimulus launched during a period of global economic crisis or the COVID-19 pandemic can support domestic consumption, stimulate investment and support directly affected sectors. Thus, economic growth data after the implementation of this fiscal policy reflects the effectiveness of government intervention in overcoming the economic challenges faced (Juneldi & Sentosa, 2022).

On the other hand, evaluating economic growth data before fiscal policy provides an important basis for comparison. This helps in distinguishing between pre-existing long-term growth trends and the direct impact of implemented fiscal policies. By comparing these two periods, it can be identified to
what extent fiscal policy contributed to changes in economic growth, as well as what factors influenced the results of this policy.

Analysis of economic growth data before and after the implementation of fiscal policy is crucial in evaluating the effectiveness of the policy in supporting macroeconomic stability and achieving national economic development targets. This data is not only a reflection material for the government in formulating future policies, but also provides better insight for market players and the general public regarding the dynamics of the Indonesian economy (Prasetyo, 2022, pp. 2000–2020).

Economic growth data before and after the implementation of fiscal policy also provides insight into the response of the economic sector to government measures. For example, fiscal policies that lead to increased spending in the infrastructure sector can have a positive impact on the growth of the construction sector and related industries. Likewise, policies that support the education and research sectors have the potential to increase labor productivity and innovation in various economic sectors.

Apart from that, economic growth data also reflects the extent to which fiscal policy has succeeded in reducing economic disparities between regions. Equitable development through appropriate fund allocation can reduce the gap between urban and rural areas, as well as between islands in Indonesia. Thus, this data analysis not only measures overall economic growth, but also the distributional impact of fiscal policy on economic and social equality in Indonesia.

It is important to note that economic growth data before and after fiscal policy also needs to be considered in the context of global economic conditions and other factors that may influence domestic economic performance (Rustandi, 2022). In-depth analysis of this data will provide a more holistic understanding of the success of fiscal policy in achieving long-term development goals, including supporting macroeconomic stability, reducing unemployment rates, and improving the welfare of society at large.

Statistical Analysis and Main Findings

In analyzing the impact of fiscal policy on economic growth in Indonesia, various statistical methods are used to identify patterns and relationships between the variables involved. Macroeconomic data such as Gross Domestic Product, inflation rate, investment, household consumption, and other indicators are analyzed comprehensively to evaluate the effectiveness of fiscal policy (Ibadurrohman, 2022).

The analysis results show that the fiscal policy implemented by the government has a significant impact on economic growth. For example, public spending policies in infrastructure have succeeded in increasing investment and productivity in related sectors. In addition, the tax reforms carried out also encouraged private investment and domestic consumption, which contributed to more stable economic growth.

However, the analysis also identifies several challenges that need to be overcome in implementing fiscal policy. One of them is the need to strengthen public budget management to make it more efficient and transparent, as well as ensuring that the allocation of funds can provide maximum impact for inclusive economic growth.

The main findings from this analysis show that the success of fiscal policy in supporting economic growth is highly dependent on careful planning, coordination between sectors, and responsibility in managing state resources. By considering these findings, recommendations can be provided to the government to improve and optimize fiscal policy in the future in order to achieve sustainable and equitable economic growth throughout Indonesia (SINAGA, 2022).
Discussion

A. Interpretation of Research Results

Interpretation of research results shows that fiscal policy has a significant impact on economic growth in Indonesia. The use of public spending policies to increase investment in infrastructure and public services has succeeded in stimulating certain economic sectors and improving people’s quality of life. Tax reform also provides incentives for private investment and increases state fiscal revenues, supporting long-term economic stability (Alviandi et al., 2024).

However, this interpretation also highlights that the effectiveness of fiscal policy is strongly influenced by global economic conditions, policy consistency over time, and the government’s ability to manage resources efficiently. A successful fiscal policy is one that can adapt to rapidly changing economic dynamics and take into account the long-term impact on sustainable economic growth.

B. Supporting and Inhibiting Factors for the Success of Fiscal Policy

Factors that support the success of fiscal policy include the government’s commitment to prioritizing infrastructure development, education and health as motors for economic growth. Apart from that, support from the private sector and cooperation between government agencies are also crucial in supporting the implementation of effective fiscal policy.

On the other hand, there are several inhibiting factors that need to be overcome, such as challenges in transparent and accountable public budget management, as well as risks from global economic uncertainty and commodity price fluctuations (Berqilillah et al., 2024). Apart from that, policy consistency from various sectors and levels of government is also needed to ensure the sustainability of implemented fiscal policies.

By understanding the supporting and inhibiting factors, the government can take strategic steps to improve fiscal policy and increase its contribution to inclusive and sustainable economic growth in Indonesia. This step can also improve the overall welfare of society and reduce economic disparities between regions.

CONCLUSION

This study reveals that fiscal policy plays an important role in driving economic growth in Indonesia. Public spending policies focused on infrastructure and public services have succeeded in increasing investment and productivity in key sectors. Tax reform also provides a boost to private investment and increases state fiscal revenues. However, the effectiveness of fiscal policy is also influenced by global economic conditions and long-term policy consistency.

Based on these findings, several policy recommendations for the future can be proposed. First, the government needs to continue to strengthen infrastructure in a sustainable manner as the foundation for long-term economic growth. Second, further tax reform is needed to improve the efficiency of the tax system and support private sector investment. Third, it is necessary to manage the public budget in a more transparent and accountable manner to reduce the risk of high budget deficits.

The implication of the results of this research for national economic policy is the importance of maintaining consistency in the implementation of fiscal policy, as well as integrating fiscal policy with monetary and other structural policies. The government also needs to strengthen inter-agency coordination to ensure that the policies taken contribute optimally to achieving sustainable development targets, including reducing regional disparities and improving overall community welfare.
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