Contribution of Balanced Funds Transfer, Regional Original Income, Other Legal Income and Their Impact on Regional Financial Independence in Maluku Province

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Abstract

This research aims to determine how much the contribution of the transfer of balancing funds, regional original income, and other legitimate income to the regional financial independence of Maluku Province (APBD) is contained in the accountability report for implementing the regional revenue and expenditure budget (APBD) for the Maluku province's 2015 – 2019 fiscal year. The analytical tool used is multiple linear regression. The results show that the level of financial independence of the Maluku province for the 2015 – 2019 fiscal year is relatively low seen from the data that has been processed. The percentage of 18.33% is deficient or is included in the instructive pattern category, namely, where the role of the Central Government is more dominant than the independence of the Regional Government.

I. Introduction

The embodiment of regional development is followed by regional autonomy, marked by decentralization, namely that regional governments are given the freedom to implement regional financial management.

The period of autonomy requires each local government to be independent and creative in seeking financing sources, actively seeking various opportunities that can be used as sources of regional treasury income. Through regional autonomy, the development of an area that residents carry out is a strategy or method that is very efficient compared to the development strategy with a centralistic character that is carried out by the center (Juli Paranglima Saragih, 2003).

Regional Revenue and Expenditure Budget (APBD) is a regional government fiscal plan determined by regional regulations for one year. After coordinating with the legislature, the APBD can be used to communicate between local governments and their communities. The APBD consists of three main parts, namely regional revenues, regional expenditures, and regional financing. Regional income includes local revenue (PAD), the position of balancing funds and other legitimate regional income positions. Balanced fund transfers are funds obtained by regional governments from the central government to implement fiscal decentralization.

1.1 Formulation Problem

How significant is the contribution of balancing fund transfers, regional original income, other legitimate income, as well as the impact of increasing the contribution approach between PAD receipts and balancing fund transfers for regional financial independence in Maluku Province in 2015-2019.

1.2 Research purposes

The study aimed to determine the contribution of balancing fund transfers, regional original income, other legitimate income, and the impact of increasing the contribution approach between PAD receipts and fund transfers balance for regional financial independence in Maluku Province in 2015-2019

II. Review of Literature

2.1 Regional Finance

In general, investment in Indonesia can be divided into two, namely, PMDN or Domestic Investment and PMA or Foreign Investment. In Law No. 6 of 1968, PMDN uses the wealth of the Indonesian people (including rights and objects owned by the State or private parties domiciled in Indonesia). In Law No. 1 1967, PMA is capital or funds originating from abroad. Suyatno (2003:72)

Regional financial management is an entire activity that includes planning, implementation, administration, reporting, accountability and supervision of regional finances (Government Regulation No. 58 of 2005). The ability of local governments to manage finances contained in the APBD directly or indirectly reflects the ability of local governments to finance the implementation of government tasks, development, and community social services.

Halim (2012) revealed that "regional financial management is a financial activity that includes planning, management, reporting, accountability, and supervision." In Government Regulation of the Republic of Indonesia Number 58 of 2005, regional financial management is the right and obligation of all regions. As well as the implementation of regional government valued with the available money, including all forms of wealth related to the rights and obligations of the region, within the framework of the Regional Revenue and Expenditure Budget (APBD).

2.2 Regional Financial Independence
a. Definition of Regional Financial Independence

In the context of Law No. 32 of 2004, regional financial independence means that the government can carry out financing and is also responsible for its finances, carrying it out itself in the context of the framework of the principle of decentralization as well as services for the people who have paid taxes and levies as an injection of sources of funds needed by the region. Financial performance is a measuring instrument to know the process of implementing the company's financial resources (Ichsan, R. et al. 2021). Regional financial independence is determined by the size of the original regional income, with regional income originating from other sources of income injection, such as transfer assistance by the central government or loans. Central government transfer assistance in part of a regional autonomy can be a General Allocation Fund (DAU) or a Special Allocation Fund (DAK).

From the above definitions, it can be concluded that regional financial independence is the ability of local governments to explore and manage their regional resources or potentials effectively and efficiently as the primary source of regional finance that is useful for financing regional government activities.

b. Factors Influencing Regional Financial Independence
Tangkilisan said that the factors that affect regional financial independence include:
1. Regional economic potential the indicator widely used for regional economic potential is the regional Gross Domestic Product (GRDP).
2. The ability of the regional tax bureau means the ability or performance of an innovative institution or institution that can be used to increase regional income and increase regional financial independence in a planned manner.

c. Relationship Pattern and level of independence
It can be seen from the ability of the Regional Government to finance the activities of the government itself, development and services to its people who have paid and paid taxes and are obedient to paying user fees as an injection of income sources needed by the regions themselves. Regional financial independence is indicated by the size of the original regional income compared to existing regional income from other sources, such as injections of funds and transfers of central government assistance or loans.
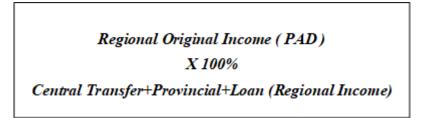
Table 1. Relationship Pattern and Regional Ability Level

Financial Ability	Independence (%)	Relationship Pattern
Very low	0 % - 25%	Instructive
Low	25% - 50%	Consultative
Currently	50% - 75%	Participatory
Tall	75% - 100%	Delegative

d. Regional Financial Independence Ratio
According to Mahmudi (2015), "The ratio of Regional Financial Independence can be calculated by the formula comparing the amount of revenue from Original Regional Revenue (PAD) divided by the total transfer income from the central and provincial governments as well as regional loans. The higher this ratio, the higher the level of regional financial independence.

The formula that can be used in this independence ratio, according to Mahmudi (2015), is:

$$\frac{Regional\ Original\ Income\ (PAD)}{Central\ Transfer + Provincial + Loan\ (Regional\ Income)} \times 100\%$$

Hamzah (2007) argues that "the higher the proportion of regional independence, the lower the degree of foreign dependence of a region. Conversely, the lower the proportion of regional independence, the higher the degree of foreign dependence on a region. The party is getting higher. "According to the Regional Government Law no. 32 of 2004, regional income refers to all regional rights recognized as an increase in the value of net worth within a certain budget period.

2.3 APBD

According to Law Number 23 of 2014 concerning Regional Government, APBD is an annual regional financial plan determined by regional regulations. The regional revenue and expenditure budget can be defined as a regional government's financial operating plan. On the one hand, it describes the maximum expenditure budget used to fund regional activities and projects in a given fiscal year. On the other hand, it describes the regional budget and its sources. Revenue is used to pay related costs (Halim & Kusufi (2012).

Regulations in the era of regional financial reform show that financial reports have more information. Therefore, the new form of APBD consists of three parts, namely income, expenditure, and financing.

The APBD structure based on the type of regional income, expenditure, and financing can be classified as follows.

a. Regional Income

Regional income budgeted in the APBD is an estimate measured rationally and has certainty, and has a legal basis for receiving it. Regional Revenue Components consist of Regional Original Income (PAD), Balancing Funds, and Other Legitimate Regional Income.

b. Regional Shopping

Regional expenditures must be used to carry out government affairs that are under the authority of the provincial government and district (city) governments, including mandatory and optional matters regulated by law. Mandatory expenditures are prioritized in order to ensure and improve the quality of life of the community, fulfill regional obligations, and realize improvements in essential services, education, health, social facilities and proper public facilities, as well as the development of a social security system. Regional spending includes indirect spending and direct spending.

c. Regional Financing

Regional Financing is the total revenue that must and needs to be repaid, or expenses received back, either in the relevant fiscal year or in the following fiscal years. Regional Financing Components are Financing Receipts, Financing Expenditures, Excess Funding Remaining (SILPA) for the Current Year.

2.4 PAD

Regional original income is income derived from regional taxes, regional taxes, the results of separate regional wealth management, and other legitimate regional revenues, aiming to provide flexibility for regional governments in funding the implementation of regional autonomy based on the potential of a decentralized region. The income of a region is a form of expression of the region's ability to realize its potential. The greater the PAD generated, the more independent the region is financially in financing its government and providing services to the community. The considerable PAD revenue is also a measure of the success of regional autonomy.

According to Law no. 33 of 2004 concerning the Financial Balance between the Central Government and Regional Governments, it is stated that Regional Original Revenue comes from:

a. Local tax

Regional Tax is a mandatory contribution to the region owned by an individual or entity that is coercive based on the law, without getting direct compensation and is used for regional needs for the greatest prosperity of the people (UU No. 28 of 2009).

Regional Taxes are broken down into Provincial Taxes and Regency/City Taxes. Provincial Taxes consist of Motor Vehicle Tax, Motor Vehicle Transfer Fee, Motor Vehicle Fuel Tax, Surface Water Tax, Cigarette Tax. Meanwhile, Regency/City Taxes consist of Hotel Tax, Restaurant Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, Non-Metal Mineral and Rock Tax, Parking Tax, Groundwater Tax, Swallow's Nest Tax, Rural and Urban Land and Building Tax, Land and Building Rights Acquisition Fee

b. Regional Retribution

Regional levies are regional levies as payments for services or the granting of specific permits expressly provided and granted by the regional government for the benefit of individuals or entities (Law No. 28 of 2009).

The types of regional levies consist of general service levies, business services levies, and specific licensing fees

c. Results of Separated Regional Wealth Management

The management of separated regional assets results from the management of regional assets that are separated from the management of the regional budget. Suppose there is a BUMD profit distributed to the regional government due to the regional government's capital participation. In that case, it is PAD obtained from the management of separated regional assets. Local government equity participation is not limited to regionally-owned enterprises (BUMD) but can be state-owned enterprises (BUMN), privately-owned companies, or community business groups (Bawono & Novelsyah, 2012).

d. Other Legitimate Local Revenue

The Minister of Home Affairs Regulation Number 13 of 2006 states that other types of legitimate regional original income are provided to regional budget revenues that are not included in the types of regional taxes, regional levies, and separated regional wealth management results, broken down by income object which includes:
1. Unseparated proceeds from the sale of regional assets;
2. current account service;
3. Interest income;
4. Receipt of profits from the difference in the exchange rate of the rupiah against foreign currencies;
5. Acceptance of commissions, discounts, or other forms due to the regions' sale and procurement of goods or services.

2.5 Balancing Fund

The balancing fund is a source of regional income originating from the injection of APBN funds to support the implementation of the authority of local governments in achieving the objectives of granting autonomy to the regions, namely primarily for improving services and improving the welfare of the community.

Thus, in line with its primary objectives, the balancing fund empowers and enhances the capacity of the regional economy, creates a fair, proportional, rational, transparent, participatory, responsible (accountable) payment system, and provides certainty of regional financial sources originating from regional areas that are concerned. The Balancing Fund is

an allocation fund from the central government to encourage regional autonomy. For some regions that have relatively small PAD, the running of the wheels of government will depend on the availability of Balancing Funds.

By Article 2 of Government Regulation Number 55 of 2005, the components of the balancing fund consist of:

a. Profit-Sharing Fund (DBH)
b. General allocation fund (DAU)
c. Special Allocation Fund (DAK)

2.6 Other income

A legitimate regional government receives other legitimate regional income consisting of grant income and emergency fund income. Grant income is assistance in money and services originating from the Government, the community, and domestic or foreign business entities. Emergency fund income is assistance from the Central Government from the APBN to Regional Governments to fund urgent needs caused by certain events that the APBD cannot handle.

For regions, the input of regional treasury from other income contributions is not so significant. However, expected to be able to finance development expenditures to be implemented. Other income includes demand deposits, official housing installments, installments for two-wheeled and four-wheeled motorized vehicles, receipt of compensation for regional assets, advertising auctions, and deposits for regional financial institutions' development and other income.

2.7 Previous Research

Several previous studies will be described briefly because this study refers to previous research. Although the scope is almost the same, the objects and periods are different so that they can be used as references.

There is a summary of previous research that is a reference in this study as follows:

Table 2. Previous Research

Name Researcher	Title Study	Variable Study	Results Study	Differences in Research by Researchers
Baihaqi, (2011)	Analysis of the contribution of Regional Original Opinion (PAD) to Regional Revenue in Bengkulu Province	Independent variables: Taxes, levies, results of regional wealth management, etc. Legitimate PAD. Dependent variable: Regional Income	The realization of the contribution of PAD to regional income in Bengkulu Province has not played a significant role, as can be seen from the fluctuations in the percentage increase and decrease in the contribution of PAD to regional income during the 2005-2008 period.	This study only focuses on the contribution of PAD to regional income. The researchers calculate the three components of regional income to regional financial independence.

Juliati (2012)	Effect of PAD and Balancing Fund on government financial performance regencies/cities in Aceh Province.	Independent Variables: PAD, PAD Components, and Balancing Funds Dependent variable: districts/cities in Aceh Province	This part shows that PAD and balancing funds affect the government's financial performance in the Aceh Province.	This research focuses on financial performance, influenced by PAD and Dana balance.
Assyurriani (2015)	The Influence of Regional Independence Ratio, Effectiveness Ratio, Efficiency Ratio, Activity Ratio, and Growth Ratio on Capital Expenditures in Regency and City Governments in Riau Islands in 2010 - 2013.	Independent Variables: Independence Ratio, Effectiveness Ratio, Efficiency Ratio, Activity Ratio, and Dependent Growth Ratio: Capital Expenditure	The independence, effectiveness, and efficiency ratios do not affect capital expenditure, while the activity and growth ratios affect capital expenditure.	This study examines the bathing ratio, effectiveness, efficiency, activity, and growth ratio. At the same time, the researcher only focuses on regional financial independence, which is influenced by the three components of Regional Income.
Marizka (2013)	The Effect of Effectiveness Ratio of Regional Original Income, Profit Sharing Funds, General Accordations Fund, and Special Allocation Funds on the Level of Regional Financial Independence (Empirical Study on Regencies and Cities in West Sumatra)	Independent variables: PAD, DBH, DAU, DAK Dependent variable: Regional financial independence	Whereas general allocation funds have no significant effect on regional financial independence, special allocation funds harm the level of regional financial independence.	This study only focuses on the level of influence of PAD and the Components of Transfer Funds on Regional Financial Independence. At the same time, the researcher calculates the amount of contribution and its impact on the level of Regional financial independence.

2.8 Framework

The independent variables in the framework of thinking are Balanced Funds (X1), Regional Original Income (X2), and Other Legitimate Income (X3), while the Dependent Variable in the above framework is Regional Financial Independence (Y).

In measuring the level of regional financial independence, we look at the increase and decrease between the regional independence ratio and the regional dependence ratio.

III. Research Method

3.1 Research Variables

The variables used in this research are the dependent and independent variables. The dependent variable (bound) is the variable that is influenced or the result of the independent variable. While the independent variable (free) is a variable that affects or causes changes in the dependent variable. Soegiyono (2003). The dependent variable in this research is regional financial independence, while the independent variables are balancing funds, PAD, and other income.

Variable Operational Definition

This study uses one dependent variable and three independent variables. The operational definition of each variable in this study is as follows:

a. Financial Independence

The level of regional financial independence where, the level of regional financial independence is the ability of local governments to finance their government activities, development and services to people who have paid taxes and levies as a source needed by the region (Muliana, 2009).

b. Balancing Fund

The balancing fund is an injection of funds sourced from APBN revenues allocated to regions to fund all regional needs in the context of implementing decentralization Inflation.

c. PAD

Regional Original Revenue is revenue extracted from sources within its territory collected based on its regional regulations by applicable laws.

d. Other income

Other income is revenue that aims to provide opportunities for regions to earn income apart from PAD, Balancing Funds and Regional Loans.

3.2 Data Types and Sources

Data can be obtained by measuring the value of one or more variables in the sample (population) and classified into quantitative and qualitative data. Kuncoro (2001). The type of data used in this research is quantitative data, which is data that is measured on a numerical scale. Quantitative data here is in the form of time-series data, namely data arranged according to a specific time.

This study uses secondary data, namely data that has been provided by data collection institutions and published to the public using data. The data in this research were obtained from BAPENDA and BPKAD Maluku Province from 2015-to 2019

3.3 Method of collecting data

The collection technique used is the documentation technique. This method is carried out by observing, studying, and researching activities in Government Agencies through the documents and data used by the Maluku Provincial Office in carrying out budget planning obtained from PAD and the Balancing Fund.

3.4 Data analysis

The data analysis used in this research is as follows:
a. Descriptive analysis, using pictures
b. Quantitative analysis was carried out by making a regression equation with regional financial independence as the dependent variable and balancing funds, PAD, and other income as the independent variable.

3.5 Analysis Method

Regression analysis aims to determine the extent of the influence of the independent variable on the dependent variable. This study uses multiple linear regression models (multiple linear regression). The data that has been obtained will be processed using the SPSS program. In order to obtain accurate final results, several tests are needed that underlie a regression model, such as the classical assumption test.

3.6 Classic assumption test
a. Normality test

The normality test is used to test whether, in the regression, the confounding or residual variables have a normal distribution or not. The analytical model used to perform the test is the one-sample Kolomogrov-Smirnov Test. The regression model is said to have a normally distributed residual if Asymp. Sig (2-tailed) above the significance of 0.05.

b. Autocorrelation Test

The autocorrelation test was conducted to determine whether, in this regression model, there is a correlation between the error term in period t1 and the error term in period t2 (Gujarati, 1995:63-64).

Autocorrelation can occur if the value of the disturbance in a certain period is related to the previous disturbance. A good regression model is a regression that is free from autocorrelation so that it is more efficient. The autocorrelation assumption was tested using the Durbin Watson test. Durbin Watson's value is the basis for determining whether there has been autocorrelation. To get the Durbin Watson value, data processing is carried out through SPSS. After that, a comparison is made between the Durbin Watson value obtained and the Durbin Watson value from the table. If the Durbin Watson value obtained is greater than the table value, it can be concluded that there is no autocorrelation in the regression model.

c. Multicollinearity Test

The multicollinearity test tests whether the regression model found a correlation between the independent variables (independent). A good regression model should not correlate with the independent variables. In this study, multicollinearity testing was carried out using the VIF (Variance Inflation Factor) value and the Tolerance value. The limit for the occurrence of multicollinearity is the VIF value > 10 and the Tolerance value < 0.10.

d. Heteroscedasticity Test

A heteroscedasticity test was conducted to test whether there was an inequality of variance from the residual of one observation to another observation in the regression model. If the variance from the residual observation to another observation remains, it is called Homoscedasticity, and if it is different, it is called heteroscedasticity. A good regression model is a homoscedasticity or not heteroscedasticity. The heteroscedasticity test in this study was tested using scatter plots.

IV. Results and Discussion

4.1 The Effect of Balancing Fund Transfers on Regional Financial Independence in Maluku Province

Balancing funds are funds sourced from APBN revenues, dialokasikan, to the regions to fund regional needs in the context of implementing decentralization, by the mandate of Law no. 33 of 2004 concerning the Financial Balance between the Central Government and Regional Governments (HKPD). Based on the results of multiple linear regression, the t table value is -20.233, which is damaging, and a significance value of 0.031 is smaller than 0.05. These results indicate that H0 is rejected and Ha is accepted, which means that the transfer of balancing funds has a significant adverse effect on the regional financial independence of Maluku Province. If the transfer of balancing funds increases, financial

independence decreases. Vice versa, if the transfer of balancing funds decreases, regional financial independence will increase.

4.2 The Effect of Regional Original Income on Regional Financial Independence of Maluku Province

Regional original income is revenue sourced from regional taxes, regional levies, the results of separated regional wealth management, and other legitimate regional revenues, which aim to provide flexibility to local governments to fund the implementation of regional autonomy by regional potential as a manifestation of decentralization. Regional original income is a form of representation of the ability of the region to explore its potential. The greater the PAD generated, the more independent the region is financially in financing its government and providing services to the community. Based on the results of multiple linear regression, the t table value of 6.463 is positive, and a significance value of 0.098 is more significant than 0.05. These results indicate that Ha is rejected and H0 is accepted, which means that local revenue has a positive but not significant effect on the regional financial independence of Maluku Province. If local revenue increases, financial independence will also increase but not significantly. Moreover, if the original regional income decreases, the regional financial independence will decrease but not significantly.

4.3 Other Influence of Legal Income on Regional Financial Independence of Maluku Province

Other legitimate regional income is income received by Legitimate local government consists of grant income and emergency fund income. Grant income is assistance in money or services originating from the government, community, and domestic or foreign business entities. Emergency fund income is assistance from the central government from the APBN to regional governments to fund urgent needs caused by certain events that the APBD cannot handle. Based on the results of multiple linear regression, the t table value of -10.087 is negative, and a significance value of 0.063 is more significant than 0.05. These results indicate that Ha is rejected and H0 is accepted, which means that other legitimate income has a negative and insignificant effect on the regional financial independence of Maluku Province. If other legitimate income increases, financial independence decreases but not significantly. Vice versa, if other legitimate income decreases, regional financial independence will increase but not significantly.

4.4 The Effect of Transfer of Balancing Funds, Regional Original Income, and Other Legitimate Income on Regional Financial Independence of Maluku Province

Based on the simultaneous F test results, the F table value of 355.109 is positive, and a significance value of 0.039 is smaller than 0.05. These results indicate that H0 is rejected and Ha is accepted, which means that the transfer of balancing funds, regional original income, and other legitimate income simultaneously has a positive and significant effect on regional financial independence in Maluku Province. A coefficient of determination that is R Adjusted Square of 0.996 indicates that all independent variables, namely the transfer of balancing funds, regional original income, and other legitimate income, affect the dependent variable, namely regional financial independence.

4.5 Contribution and Impact of Transfer of Balancing Funds, Regional Original Income, and Other Legitimate Income Towards Regional Financial Independence of Maluku Province

The data presented in the form of tables and previous diagrams, can be explained the financial independence of the Maluku Province in 2015 - 2019 is very low or is included in the instructive relationship category, namely where the role of the central government is more dominant than the independence of local governments. The most significant contribution to regional revenue for Maluku Province in 2015 – 2016 was the transfer of balancing funds by increasing more than 60% of total regional income and in 2017 – 2019, even contributing more than 80% of total regional income.

Regional PAD in Maluku Province in 2015 – 2016 only contributed about 15% of total regional income, and in 2017 – 2019 increased to 18% of total regional income. Other Legislative revenue Maluku Province in 2015 and 2016 contributed about 13% and 17% of the total regional revenue, and in 2017 – 2019 decreased to less than 1% of total regional income. This study provides empirical evidence of the three percentages of contributions. Then the impact that occurs is from the percentage of contribution of balance funds transfers that are increasing, the level of dependence increases—government program in the event of a deficit. The level of regional financial independence will continue to increase if the original regional income is greater than the balancing fund. The original regional income of the Maluku Province is decreasing. The regional financial independence is also decreasing. This results in low fiscal capacity. The Provincial Government should pay more attention to and optimize natural resource-producing regions so that they can be managed properly because if the local government wants a high profit-sharing transfer, the regional government must be able to optimize the tax potential and natural resources owned so that the contribution given by the profit-sharing fund to regional income can increase.

V. Conclusion

From the main problems and the results of the discussion of the research conducted, the conclusions that can be seen are as follows:

1. Based on data that has been processed and presented in tables and diagrams. The contribution of the realization of the transfer of balancing funds, as well as the components consisting of tax and non-tax proceeds, general allocation funds, special allocation funds, is seen in the presentation of the increase in each fiscal year from the total balancing fund, the percentage increase from the 2015 fiscal year of 68.14% until 2019 to 84.45 %.
2. Based on the results of the data that is processed and presented in the form of tables and diagrams of the contribution of PAD realization to the level of financial independence, which consists of components, namely: regional taxes, regional levies, separated regional assets, and other legitimate PAD. Judging from the presentation, there was an increase in each component. However, in the presentation, the ratio of regional financial independence decreased with the presentation interval in the 2015 fiscal year of 18.33% to 15.48% in the 2019 fiscal year.
3. Based on the results of data processed in the form of tables and diagrams of other legitimate income contributions, which consist of components, namely: grant funds, adjustment and autonomy funds, as well as other income, the percentage of the total realization of other legitimate income decreases every year with a presentation interval for the 2015 fiscal year of 13.53% to 0.07% in the 2019 fiscal year.

4. Based on the data that has been processed and presented in the form of tables and previous diagrams, it can be explained that the level of financial independence of the Maluku Province for the 2015-2019 fiscal year is shallow or is included in the category of instructive relationship patterns where the role of the central government is more significant than that of the central government. With local government independence in increasing PAD. The hypothesis test results are that the transfer of balancing funds has a significant negative effect on regional financial independence, PAD has a positive but not significant effect on regional financial independence, and other legitimate income has a negative and insignificant effect on regional financial independence.

Suggestion

The suggestions that researchers can give in connection with the results of this study are as follows:
1. The provincial government needs to pay attention to issues related to increasing PAD in terms of regional taxes and levies in various ways, including intensification and extensification and low public awareness of paying taxes to increase regional independence.
2. For further researchers, the results of this study can be used as reference material for conducting further research by including other independent variables and expanding the observation period with more accurate analysis, as well as considering other factors that affect the ratio of regional financial independence, one of which is the GDP factor.

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