ABSTRACT

Public Sector brings an important role in providing public goods to society such as education, health, infrastructure, security, and other social services. This is very important for the government to engage because there are several society needs that cannot be fulfilled by market mechanisms. This study aims to analyze the level of public sector efficiency (PSE) and SiLPA as the main determining factors in the districts/cities of Aceh Province in 2017-2021.

This research method uses 2 stages of analysis. The first is using Data Envelopment Analysis as a tool to measure the level of technical efficiency in the regions. Then in the second stage using the tobit regression analysis method to analyze the effect of the variables SiLPA, Local Government Expenditure, and population on the efficiency of the public sector.

The results of this study indicate that the regions with the lowest relative efficiency scores are Bener Meriah and Nagan Raya. Meanwhile, Aceh Singkil and Pidie were the regions that were declared the most efficient relatively in Aceh province for 5 years. Based on the results of the Tobit regression, the Government Expenditure and Population variables have a significant positive effect on public sector efficiency, while the SiLPA variable has no significant negative effect on public sector efficiency.

Keyword: Public sector, efficiency, SiLPA, data envelopment analysis, Tobit regression