

THE EFFECT OF REVENUE ON CAPITAL EXPENDITURE, INFRASTRUCTURE FINANCING, GOVERNMENT ACCOUNTABILITY PERFORMANCE SYSTEM AND BUDGET REFOCUSING IN CENTRAL JAVA PROVINCE

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DURING PANDEMIC

by Desy Meliawati

THE EFFECT OF REVENUE ON CAPITAL EXPENDITURE, INFRASTRUCTURE FINANCING, GOVERNMENT ACCOUNTABILITY PERFORMANCE SYSTEM AND BUDGET REFOCUSING IN CENTRAL JAVA PROVINCE DURING PANDEMIC

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Abstract: The COVID 19 pandemic has an effect on regional income and expenditure in Central Java Province. The efforts made by the government is to refocus the budget aimed at Emergency Spending. This study aims to examine the Effect of Local Revenue (PAD) on Capital Expenditure, Infrastructure Financing, Accountability Performance System and Budget Refocusing. The research method used is quantitative. The sampling technique used was saturated samples and obtained data on districts and cities in Central Java. Data analysis techniques use simple regression analysis. The results of this study show that the variable of Local Revenue has a positive impact on Capital Expenditure, Infrastructure Financing and Budget Refocusing while the variable of Local Revenue negatively affects Government Accountability System

Keywords: Local Revenue, Capital Expenditure, Infrastructure Financing, Accountability Performance, Refocusing

1. Introduction

At the end of 2019 the world was faced with the emergence of a new virus, namely COVID 19 (Corona Virus). On March 11, 2020, the World Health Organization (WHO) has officially designated the COVID 19 outbreak as a Global pandemic. As a result of this pandemic, it has impacted local revenues and regional expenditure. Local revenue or PAD is all local revenues comes from Local Taxes, Regional Levies, Segregated Local Equity and others legitimate local original income. Local Revenue or Regional Original Income (PAD) in Central Java Province was decrease amount to Rp. 1.9 trillion which came from decrease in motor vehicle tax (bappeda.jatengprov 2020). In order to overcome this, the government is faced the challenge of continuing to strive for maintaining the stability of regional spending so as not to hinder services to the community. There are 11 regions and cities in Central Java that experienced a decline local revenue during 2019-2020. On average, the regional budget in districts and cities in Central Java Province has also decreased. The revenue budget was 11.01%. The components that experienced a decrease were the Regional/Local Levy down by 25.93% and other legitimate local revenue down by 15.83%. (Central Java Province Economic Report Page 36). In addition, the pandemic also had an impact on the realization of capital expenditure which decreased from 92.02% to 89.92%. This is due to refocusing the budget to finance the impact of covid, so that infrastructure financing activities have decreased (Economic Report of Central Java Province February 2021 p. 39). The amount of provincial and local government spending in 2019 averaged less than 0.1% of total expenditure, but for 2020 this figure has decreased, due to an increase in emergency spending of 3.32% of total provincial and regional expenditure. (Annual Report of the Directorate General of Budget 2020). Data from the Directorate General of Budget (DJA) shows that the increase in emergency spending for handling COVID has increased to Rp. 122,250,716,000 and absorbed by

Rp. 118,364,523,299, which is used for personal expenses, goods expenditures and capital expenditures.

The transfer of infrastructure expenditure¹⁶ such as physical development (construction activities) for emergency spending is in line with the Minister of Finance Regulation number 43 / PMK.05 / 2020 concerning the mechanism of expenditure charged to the State Budget to deal with the COVID-19 pandemic (Director General of Budget p. 36). Finance Minister Sri Mulyani also stated that the Government will *recofusing* the budget in 2021 for handling COVID 19 which is used for vaccination, tracing, testing the cost of health workers and patient care of Rp. 26.2 trillion for handling the COVID 19 pandemic. (Publication Kemenkeu.go.id). *The refocusing* of the budget has an impact on the capital expenditure used to encourage local revenue, so that some regions experienced a decrease in the performance of local governments. One of them is a decrease in the level of regional independence base⁴ on Look Out 2020 data, which is characterized by the increasing number of transfer funds from the center government both in the form of Grants and Special Allocation Funds as bailouts for handling the pandemic.

There is a change in this budgeting pattern, based on research from Ozili (2020), Andrew et.al. (2020), Curristine et.al.,(2020), De Villiers et.al.,(2020), Ahrens & Ferry (2020) and Borroy (2020) who concluded that budget behavior during this pandemic is a form of economic response to situations that occur suddenly, and is a form of adjustment to budget pressure conditions. This information was obtained from the results of research during the pandemic in Australia, several European countries and in Africa. In a *ceteris paribus* economic condition, the increase in local revenue will be followed by an increase in other budget item, such as an increase in capital expenditure and infrastructure expenditure, which in turn will be able to improve the accountability performance of local governments (Andrew et.al. ,2020). This is due to the increasing local revenue will provide flexibility for the region to set aside revenue sides outside of routine operational financing to be allocated into productive matters (Nkundabanyanga, et.al. ,2021).

The phenomenon of unique budgeting patterns during the pandemic, until now, there is still little empirical support that can explain the causality factor. The average of previous existing research, using the framework of each increase in Local Revenue will flow additional to capital and infrastructure expenditures, because the unexpected expenditures that drive the increase in budget diversions are relatively stagnant (Auerbach, A. J., & Gale, W,2020).

This is shown in a study conducted by Juniawan in 2018 stating that local revenue has a positive affect on capital expenditure. This is in line with research conducted by Jouzar Farouq Ishak in his journal "Local revenue toward capital expenditure 2022". As for the local revenue variable on infrastructure financing, it has also been studied by Wong in 2004 and stated that industrial infrastructure development has a very real impact on local tax increases, this is also in line with the 2018 Main research which stated that local revenue has a positive influence on short-term infrastructure financing, this proves that local revenue has a positive effect on Infrastructure Financing. Several previous studies on the effect of local revenue on Accountability Performance System have also been conducted by Sari & Wati in 2021 and revealed that Local Revenue has a positive influence on accountability performance system. The research conducted (Maulina et al., 2021) also stated that local revenue has a positive effect on accountability performance. While research on local revenue variables on Budget Refocusing has been carried out by Hatulistiwa 2021 and reveals that Local Revenue has a positive impact on Budget Refocusing, this is in line with the research of Bahri, et al in 2020 which stated that budget refocusing due to Covid-19 have an impact on local revenue, especially regional budget realization. The annual report of the Directorate General of Budget 2020 also explains that budget refocusing was affected regional revenues, including the realization of capital expenditures.

The purpose of this study is to empirically examine the impact of Local Revenue on Capital Expenditure, Infrastructure Financing, Government Accountability Performance System and Budget Refocusing during pandemic as well as provide theoretical support in a new perspective, namely Pierre Bourdieu's Habitus Theory which views budget behavior during economic pressure as a response to power relations that will determine the performance of local governments.

Literature Review

Contingency Theory

Theory Contingency (Fiedler) is a leadership theory in which a leader exerts influence depending on the situation of his group, leadership style and personality and the approach that proper his group. (Harrison, 2020). In a brief sense according to Fiedler the leader is not based on his personality but also because of the factors of the situation and the way the leader mixes with his group. This theory is often referred to as situational theory because leadership is very dependent on the situation (Fiedler 1967). The high and low of a group's work achievements is influenced by the leadership style and the way the leader copes with the situation (Harrison, 2020). Jorge, S., Mattei, G. (2018).

Pierre Bourdieu's Theory of Habitus

At the heart of Bourdieu's theory of cultural sociology is a "theory of human behaviour" that combines *agent-centered theory* with an explanation of objectivism that emphasizes the structural dimensions of shaping social life.

The basis for the formation of his theory cannot be separated from Bourdieu's own experience which later influenced the building of his theory in his works, namely his experience while in Algiers, Algeria who conducted research in the Algiers society while serving as a teaching assistant, after he graduated from a leading philosophy school in Paris, France, namely *Lycée Louis le Griaud* and *École Normale Supérieure* in 1951. While at this second college, Bourdieu met and became acquainted with Michel Foucault, Jacques Derrida and Emmanuel Le Roy Ladurie. Personal experiences in the family also shaped Bourdieu's habitus and also influenced his work. Born Pierre Félix Bourdieu (1930 – 2002), in a small village called Denguin, in the Béarn region of Pyrénées, France on August 1, 1930. He came from an ordinary and large family in a lower-middle-class environment, and later broke through to an elite college with a bourgeois-style environment. This striking change in habitus and arena also influenced his work which later led him to become a cultural sociologist, ethnologist, anthropologist and philosopher to be reckoned with

Pierre Bourdieu's applied theory of habitus in regional budgeting views that capital can be obtained if one is in the right habitus, which allows one to gain knowledge, experience and other capital that facilitates one's opportunity. The habitus of regional financial managers generates knowledge and experience capital, while emotional attachment because they share the same preferences, and the long-lasting socialization process, generates cultural capital for local government structures. It is through this greater power of capital that local governments have power to operate in the realm of decision-making. They have ability to control other forces in the budget discussion arena.

This is inseparable from the budget politics associated with the attention of local government organizers to compile budgets based on the interests of the community. Although it must be realized that it is impossible for all people's aspirations to obtain the allocation and distribution of budgets, due to the limited resources owned by the regions. In certain situations, where there is certain political pressure, either from the internal local government itself or regulations from the central government driven by the economic situation, encourage local governments to change their existing financing priorities. This has resulted in the emergence of a *budget refocusing* program, where part of the budget will be diverted to certain sectors that are urgent to be financed. The

consequences of the emergence of *budget refocusing* include an impact on the resilience of the government's budget. It caused the shift source of Regional Revenue is not proportional to the number of programs that must be financed, while infrastructure financing and capital expenditure as part of productive expenditure must continue, in order to generate regional revenue streams from (Ozili, 2020; De Villiers et.al., 2020). In the end, such a budgeting pattern will impact the performance of the government. The financial resilience of local governments is determined by capability the regions for mapping needs and allocating resources according to target (Padovani, E., et al 2021). In the allocation process, the local government's view of budget as an "arena" in the context of Pierre Bourdieu's Habitus theory became the main determinant for maintaining the performance of local government. It gives consequence to the budgeting process that there is a tug-of-war of interests, and, parties who have stronger power relations will be the determinants of budget policy. The mindset of power relations holders will determine the direction of alignment of budget patterns during economic pressure. If the allocation of the budget during a period of economic pressure prioritizes the interests of the community while still considering efficiency, effectiveness and economic level (*value for money oriented*), then the government's financial resilience will still be maintained so that the government's performance does not decrease. However, if it is the other hand, the potential for a decrease in performance will be even greater (Ahrens & Ferry, 2020 and Borroy, 2020).

For local governments that have high Local Revenue and already have an adequate capital expenditure and infrastructure budgeting formula, through an e-government-based budget planning mechanism, power relations can be suppressed in such a way, that the implementation of an all-measurable performance-based budget can be achieved (Andrew et.al. ;2020, and Curristine et. al;2020). Similarly, the existence of high Local Revenue will make it easier for local governments to divert budgets during economic pressure (Klimanov V, Kazakova S, Mikhaylova A .et al,2021).

Hypothesis Development

- Effect of Local Revenue on Capital Expenditure

Local Revenue affects capital expenditure, if Local Revenue increases, Capital Expenditure will also increase. Jaya and Dwirandri (2014) stated in their research that high ammount in Local revenue acquisition in an area will be used by local governments to provide public services through increasing capital expenditure. Nabukeera Madinah 2021 stated that Local Revenue is a significant positive effect on Capital Expenditure. Ishak 2022 also stated the same thing, Local Revenue has a significant positive effect on Capital Expenditure. According to Contingency Theory and Habitus Pierre Bourdieu, who views that budgeting practices during economic pressure can change budget orientation according to the conditions faced by the regions, Local Revenue will be able to have a positive impact on Capital Expenditure if stakeholders in the regions are able to implement performance-based budgeting, taking into account the allocation in terms of budget productivity (Andrew, et.al. 2020).

H₁ : Local Revenue Positively Affects Capital Expenditure

- The Effect of Local Revenue on Infrastructure Financing

Infrastructure Assets are significantly dominant in government assets. According to Contingency, Local Revenues affects capital expenditures, in which capital expenditures are included infrastructure financing. If the macroeconomic conditions are stable, then the government will allocate a budget in the form of an overpaid Unsuspent Funds or SILPA which is stored in the form of a reserve fund, and one day it can be used for infrastructure financing to support infrastructure, for resulting productive programs. This is in line with the Theory of Contingencies and Habitus, which states that the budget is a response of budget policymakers to the economic situation they face. If local governments are able to maintain budget resilience by maintaining the stability of SILPA overpayments in the period before economic pressures, then when local government flows during economic pressure decrease, infrastructure financing will still be able to continue, relying on SILPA funds in the previous year (Dzili, 2020, Andrew et.al, 2020). Research conducted by Setyowati and Himawan in 2021 stated that Local Revenue has a positive effect on short-term infrastructure.

H2 : Local Revenue positively affects infrastructure in the short term

- The Effect of Local Revenue on Accountability Performance

Local Revenue has an important role for a region to meet its needs. The more the amount of Local Revenue increases, will produce the better local government welfare realization. Local Revenue also has an important role in total revenue growth so that local governments do not depend on the central government (Sari & Wati, 2021). Performance Accountability is the final comprehensive assessment of budget implementation from various aspects. In Pierre Bourdieu's Habitus theory and Contingency theory, the accountability performance of local governments is a description of the budget behavior of budget actors. The accuracy of budget allocation in during economic pressure can be seen from the local government accountability performance achievement. This is included how the efforts of local governments in flowing Local Revenue into various sources of expenditure and financing effectively and efficiently, so as to be able to produce the set achievement targets, this is what will be able to improve the performance of accountability during economic pressure. According to the condition that all existing spending and financing is carried out with measurable planning (Andrew et.al. ,2020, and Churistine, 2020). In the 2021 Sari & Wati stated that Local Revenue has a positive influence on accountability performance. The research conducted (Maulina et al., 2021) also stated that Local Revenue has a positive influence on accountability performance.

H3: Local Revenue positively affects Accountability Performance

- Effect of Local Revenue on Budget Refocusing

Local Revenue comes from the income of various sources within their respective regions which are taken based on local regulations and complies with applicable laws and regulations. The Local Government budget refocusing is an adjustment to the predetermined target but must be refocused for one reason or another (Nellyanti, 2016). In this case, Local Revenue is very important for regions, if the Local Revenue is high, the local government can set aside a part of the income to be stored as a reserve fund, which at any time when conditions are urgent can be used to increase financing or expenditure in certain sectors (Andrew,et. al,2020). The form of budget changes can be into manys form such as adding financing to all expenditure items or diverting part of the allocation of expenditure and financing in one sector that is considered to be delayed implementation to sectors that are urgent to be funded immediately. The higher Revenue will be potential for sifting a big ammount of budget for refocusing. According to the 2021 Khatulistiwa

research, Budget Refocusing was affected by Local Revenues. According to Bahri, et al in 2020 stated that the budget refocusing due to covid 19 had an impact on Local Revenues, especially the realization of the Regional Budget. The annual report of the Directorate General of Budget 2020 also explains that budget refocusing affect local revenues, including the realization of capital expenditures.

H4 : Local Revenue positively affects Budget Changes

2. Research Methods

This study is a quantitative research. This study's population was all districts and cities government in Central Java Province during 2019-2020. The sampling technique in this study is a saturated sample, which takes all 35 Regencies and Cities Governments in Central Java Province. This research uses the documentation method, namely reading, studying and processing data for this study. The data used in this study is secondary data, consist of Local Government Financial Statements (LKPD) sourced from BPK PPID and Regional Regulations from the Legal Documentation and Information Network (JDIH). The analysis tool used is simple regression, it is caused the purpose of this research is to predict the impact of one variable X, namely Regional Original Income on several variables Y partially.

Operational Definition of Variables

- Local Revenue (X)

According to Government Regulation Number 12 of 2019 Article 30 Local Revenue is regional revenues derived from local economic sources consisting of local regional levies, taxes, the results of regional equity management that are separated and other legitimate income. Local Revenue has an important role because from this sector it can be seen the power of regions to finance local development and government (Law No. 12 of 2019) Local Revenue is obtained from Regional Tax Proceeds, Regional Levies, Management of Segregated Regional Equity and other legitimate income.

- Capital Expenditures (Y1)

In Government Regulation Number 19 of 2019 in article 55, it is explained that Regional Expenditures are classified into 4, namely operating expenditures, capital expenditures, unexpected expenditures and transfer expenditures. Meanwhile, capital expenditure is a budget expenditure in the form of fixed assets that have benefits of more than 1 year accounting periode. Capital Expenditure is derived from land expenditure, equipment and facilities, building and construction expenditure, road, irrigation and network expenditure, other expenditure and Intangible Asset Expenditures.

- Infrastructure Financing (Y2)

Infrastructure development is an important part of driving economic growth. Infrastructure also has an important role in increasing investment and increasing the number of community participation and in equitable distribution of development outcomes. Infrastructure also has an influence in improving the quality of life and welfare of the community such as an increase in the value of people's consumption, labor productivity and access to employment. Infrastructure itself is calculated from the amount of Network Spending, Roads and Irrigation.

- Performance Accountability System(Y3)

Accountability is a form of obligation to report progress on successes or failures in the implementation of the organization's mission in achieving the goals and objectives that have been set through a medium of accountability that is carried out periodically (Yesinia 2018). . To measure accountability performance in a government, SAKIP data is needed.

- Budget Refocusing (Y4)

Etymologically recofusing a budget has the meaning of concentrating or refocusing the budget. Meanwhile, in terminology (according to the term) budget recofusing is to concentrate or refocus the budget for activities that were previously budgeted through budget changes. Budget refocusing is closely related to the Local Government Budget or APBD which consist of 3 divisions, namely local revenue, expenditure and financing.

3. Results and Discussion

3.1. Result

A. Descriptive Statistics

Table 3 Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standart Deviations
LOCAL REVENUE	70	21277743 5294.00	206633341 8588.00	408545999 876.0143	299511038432.770 57
CAPITAL EXPENDITURES	70	10208305 4523.00	105476142 9772.00	319000268 561.0001	155312708715.962 70
INFRASTRUCTURE	70	14746387 201.00	403203658 651.00	127512222 008.3286	84287893369.7197 9
PERFORM. ACCOUNTABILITY SYSTEM	70	55.61	74.96	64.9443	4.37632
BUDGET REFOCUSING	70	.00	224114359 2000.00	182941412 540.1142	302590714394.268 74
Valid (listwise)	70				

- Local Revenue variable has a minimum value of 212,777,435,294.00 from Pekalongan City in 2019 and a maximum value of 2,066,333,418,588.00 from Semarang City in 2019, a mean 40,8545,999,876.0143 and a standard deviation value of 299,511,038,432.77057
- The Capital Expenditure variable has a minimum value of 102,083,054,523.00 from Temanggung Regency in 2020 and a maximum value of 1,054,761,429,772.00 from Semarang City in 2019, a mean of 319,000,268,561,0001 and a standard deviation value of 155,312,708,715,96270.
- The Infrastructure Financing Variable has a minimum value of 14,746,387,201.00 from Temanggung Regency in 2020 and a maximum value of 403,203,658,651.00 from

Wonogiri Regency in 2019, a mean value of 127,512,222,008,3286 and a standard deviation value of 84,287,893,369.71979.

- The Performance Accountability System Variable has a minimum value of 55.61 from Jepara Regency in 2020 and a maximum value of 74.96 from Banyumas Regency in 2020, a mean of 64.9443 and a standard deviation value of 4.37632.
- The Budget Refocusing Variable has a minimum value of 0.00 from Jepara Regency, Boyolali Regency, Wonosobo Regency, Tegal City and Pekalongan City in 2019 and a maximum value of 2,241,143,592,000.00 from Sukoharjo Regency in 2020, a mean value of 182,941,412,540,1142 and a standard deviation value of 302,590,714,394,26874.

Normality Test

Normality of Kolmogorov Smirnov

Kolmogorov-Smirnov test one sample	
	Non-Standard Residuals
22	70
Asymp. Sig. (2-tail)	.200

Based on the table above, it is known that the results of the normality test using the One-Sample Kolmogorov-Smirnov Test show an Asymp Sig (2-tailed) value of 0.200 > 0.05 this shows that the data above is distributed normally.

REGRESSION TEST RESULTS

- Effect of Local Revenue (X) on Capital Expenditure (Y1)

The calculation results from the table above obtained the significance value of Capital Expenditure of $0.000 < 0.05$ and the calculated t value of $> t$ table ($6,316 > 1,996$) which means that Capital Expenditure has a positive and significant effect on Local Revenue. The results of this study support Nabukeera Medina's research in 2021 which states that Local Revenue has a positive effect on Capital Expenditure and this is in line with Ishak's research in 2022 stating that Local Revenue has a positive effect on Capital Expenditure. Thus, the first hypothesis stating that Local Revenue has a positive effect, **accepted**.

- Effect of Local Revenue (X) on Infrastructure Financing (Y2)

The calculation result from the table above obtained the significance value of Infrastructure Financing of $0.044 < 0.05$ and the value of t count $> t$ table ($2,056 > 1,996$) which means that Infrastructure Financing have a positive significant impact on Regional Income. The results of this study support the research conducted by Setyowati and Himawan in 2021 which states that Local Revenue has a positive effect on short-term infrastructure.

Thus, the second hypothesis stating that Local Revenue has a positive effect on Capital Expenditure, is **accepted**

- Effect of Local Revenue (X) on Accountability Performance (Y3)

The calculation results from the table above obtained the significance value of Accountability Performance of $0.130 > 0.05$ and the value of $t_{count} < t_{table}$ ($1.531 < 1.996$) which means that Local Revenue has a negative and significant effect on Accountability Performance System. Thus, the third hypothesis stating that Local Revenue negatively affects Accountability Performance, is **rejected**. The results of this research are in line with Pierre Bourdieu's Habitus Theory, which when applied to budget practice considers that the financial resilience of local governments is determined by how capable the regions are in mapping needs and allocating resources on target (Padovani, E., Iacuzzi, S., Jorge, S., & Pimentel, L, 2021). In the allocation process, the local government's view of the budget as an "arena" in the context of Pierre Bourdieu's Habitus theory became the main determinant for maintaining the performance of local government. This is because in the budgeting process there is a tug-of-war of interests, and, parties who have stronger power relations will be the determinants of budget policy. The mindset of power relations holders is what will determine the direction of alignment of budget patterns in times of economic pressure. If the allocation of the budget during a period of economic pressure prioritizes the interests of the community while still considering efficiency, effectiveness and economic level (*value for money oriented*), then the government's financial resilience will still be maintained so that the government's performance does not decrease. However, if it is the other way around, then the potential for a decrease in performance will be even greater (Ahrens & Ferry, 2020 and Borroy, 2020).

This research is in line with the results of a study from Ozili (2020) that used several African countries as a sample, which showed that the government's inability to maximize revenue had a serious impact on budget resilience as seen from the government's financial performance.

- Effect of Local Revenue(X) on Budget Refocusing (Y4)

The calculation results from the table above obtained the significance value of the Budget Change of $0.022 < 0.05$ and the calculated t value of the $t_{count} > t_{table}$ ($2.349 > 1.997$) which means that the Local Revenue has a positive significant effect on Budget Refocusing. The results of this study support the 2021 Khatulistiwa research which states that Local Revenue has a positive effect on Budgeting Refocusing. Thus, the fourth hypothesis stating that variable Local Revenue has a positive effect on Budget Refocusing, is **accepted**.

Discussion

1. Local Revenue effect on Capital Expenditure

Pattern	Non-Standard Coefficient		Standard Coefficient Beta	t	Sig.
	B	Std. Error			
1 (Constant)	190177412237.305	25226051320.223		7.539	.000
Local revenue	.315	.050	.608	6.316	.000

a. Dependent Variable: Capital Expenditure

The Capital Expenditure Coefficient shows a figure of 0.315. The sig value is 0.000 and the calculated t value is 6.316 > t table is 1,996. The interpretation is that if the Regional Original Revenue budget increases by 1 rupiah, then Capital Expenditure will increase by 0.315 rupiah.

2. Local Revenue effect On Infrastructure Financing

Patter n		Non-Standard Coefficient		Standard Coefficien t Beta	t	Sig .
		B	Std. Error			
1	(Constant)	99691897187.1	16732141256.3		5.958	.000
	Pad	.068	.033	.242	2.056	.044

a. Dependent Variable: Infrastructure Financing

The Infrastructure Financing Coefficient shows a figure of 0.068. The sig value is 0.044 and the t value is 2,056 > t table is 1,996 The interpretation is that if the Local Revenue budget increases by 1 rupiah, then Infrastructure financing will increase by 0.068.

3. Local Revenue effect On Accountability Performance System

				Standard Beta Coeffi cient	T	Sig
ModelB		Non-Standard Coefficient	Std. Error			
1	(Constant)	63.863	.884		72.236	.000
	Pad	2,679E-12	.000	.183	1.531	.130

a. Dependent Variables: Accountability Performance

The Coefficient of Accountability Performance System shows a figure of 2,679E-12. The sig value is 0.130 and the calculated t value is 1.531 < t table is 1.996. The interpretation is that if the Local Revenue budget increases by 1 rupiah, then the Accountability Performance System will decrease by 2,679E-12.

4. Local Revenue effect on Budget Refocusing

Pattern		Non-Standard Coefficient		Standard Coefficient	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	69879352602.908	59539636251.570		1.174	.245
	Pad	.277	.118	.274	2.349	.022

a. Dependent Variables: Budget Refocusing

The Coefficient of Budget Refocusing shows a figure of 0.277. The sig value is 0.022 and the calculated t value is 2,349 > t table is 1,996. The interpretation is that if PAD increases by 1 rupiah, the Budget Refocusing will increase by 0.277.

4. Conclusion

This study used 70 data samples from the Local Government Financial Statements year 2019 and 2020 and Regional Regulations obtained from the Financial Audit Agency (BPK) and the Legal Documentation and Information Network (JDIH). Based on the research results of the hypothesis test using regression analysis, conclusions can be taken from this research is:

1. Local Revenue has a positive effect on Capital Expenditure
2. Local Revenue has a positive effect on Infrastructure Financing
3. Local Revenue negatively affects Accountability Performance System
4. Local Revenue positively affects Budget Refocusing

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