



An Analysis of Financial Performance and Regional Capability Mapping in Regencies and Cities of Nusa Tenggara Barat Province (2018-2022)

Sadaruddin Sadaruddin ^{1*}, Abdul Manan ¹, Siti Sriningsih ¹, Driss Tsouli ², Samuel Asuamah Yeboah ³, Bazira Bigawa Abel ^{4,5}, Mohammed Ahmar Uddin ⁶, Farid Ahmad ⁷, Falah Abdul Redha Al Kharassani ⁸

¹ Development Economics Study Program, Universitas Mataram, Indonesia; ² Vocational training institute, OFPPT, Morocco; ³ Faculty of Business and management studies, Sunyani technical university, Sunyani Ghana; ⁴ Faculty of Economics and Management Sciences (FSEG), University of Burundi (UB), Bujumbura, Burundi; ⁵ Business School (ISCO), University of Burundi, Bujumbura, Burundi; ⁶ Department of Finance and Economics, College of Commerce and Business Administration, Dhofar University, Salalah, Oman; ⁷ School of Economics, Shri Mata Vaishno Devi University, Katra, Jammu and Kashmir, India; ⁸ College of Administration and Economics, University of Baghdad, Iraq;

Abstract. The successful implementation of regional autonomy is closely linked to financial performance, which serves as a key indicator in assessing the effectiveness of regional autonomy. The relatively low Local Original Revenue (PAD) in the regencies and cities of Nusa Tenggara Barat Province is attributed to limited capacity in exploring income sources compared to their potential. This study employs a descriptive quantitative approach, using secondary data sourced from the Ministry of Finance's official portal for the years 2018-2022. The data analysis techniques used include Financial Performance Analysis, Financial Capability Index (IKK) Analysis, and the Quadrant method for mapping regional financial capability. The findings reveal that the average Independence Ratio of regencies and cities during the five-year period remains in the instructive (very low) category, with only Mataram City demonstrating a consultative (low) relationship pattern. Mataram City also exhibited the highest degree of fiscal decentralization, at 26.74%. The PAD Effectiveness Ratio is categorized as highly effective for Lombok Barat Regency, Dompu Regency, Sumbawa Barat Regency, Mataram City, and Bima City. However, regional financial performance in most districts/cities of Nusa Tenggara Barat Province from 2018 to 2022 is relatively inefficient. Six districts/cities, including Lombok Timur Regency, Mataram City, and Bima City, are categorized as having high financial capability, with an IKK above 43%. According to the Quadrant method, three districts/cities—Lombok Timur Regency, Lombok Barat Regency, and Mataram City—are positioned in Quadrant I, with a Share value greater than 12.1% and a Growth value greater than -0.6%.

Keywords: Regional Autonomy, Financial Performance, Financial Capability Map.

1. INTRODUCTION

Regional development is an effort to enhance local governments' financial capacity and regional services, as well as to manage regional wealth in both the economic and resource sectors, in order to advance the region and improve the welfare of its community [1]. One approach used by the government to achieve regional development is decentralization, which involves the delegation of central government authority to local governments. This allows regions to optimize their resources more effectively and efficiently. According to Talitha et al. [2], decentralization is expected to encourage increased community participation and creativity in utilizing regional resources, reducing dependence on the central government.

In line with the implementation of regional autonomy, Moonti [3], promotes quality spending reforms. These reforms aim to strengthen fiscal decentralization by encouraging the allocation of national resources in a transparent, accountable, and equitable manner, ensuring the fair distribution of welfare. Under this framework, local governments are increasingly responsible for managing their own finances, with routine and development budgets sourced more from regional revenues rather than the central government [4]. The purpose of the regional autonomy law is to promote equitable development, enhance public services, and improve the welfare of the community. This law grants regions broader financial authority to manage their finances, enabling them to implement real, responsible, and effective autonomy [5].

Article Info

Submitted: 30 Mar. 2024

Accepted: 31 Mar. 2024

Approve: 21 Sept. 2024

Published: 21 Sept. 2024

Access this Articles



*Correspondence Author: S. Sadaruddin

Program Studi Ekonomi Pembangunan, Universitas Mataram,

Jl. Majapahit No.62, Gomong, Kec. Selaparang, Kota Mataram, Nusa Tenggara Barat, Indonesia 83115. | Email:

sadaruddin737@gmail.com

Sari et al. [6] defines fiscal autonomy as the performance and ability of local governments to increase Local Original Revenue (PAD). Financial capability is a key benchmark for regions in executing their autonomous responsibilities, in line with the development trilogy, which calls for professional revenue distribution from the central government to the regions. As a logical consequence of autonomy, local governments receive authority and responsibility for the use of funds from both the central and regional sources [7]. To enhance local revenue, Dzigbede et al. [8] suggest that local governments have implemented various strategies, such as intensification (boosting existing revenues) and extensification (expanding existing sources and exploring new revenue potentials). Article 157 of Law 32 of 2004 on local governments outlines that regional income sources consist of PAD, Balance Funds, and other legitimate regional revenues.

Among these, PAD is the primary source for implementing regional development. Local governments strive to increase PAD every year, as it is the key supporting factor for regional development. Hasyim et al. [9] state that increasing PAD is crucial for enhancing local governments' financial capacity to fund routine and development expenditures. The higher the contribution of PAD to total regional revenue, the greater the region's ability to implement autonomy. A region's financial capacity is one measure of its ability to execute autonomy.

The success of regional autonomy is closely tied to financial performance, a crucial indicator for regions facing autonomy. During the 2011-2019 fiscal years, the regencies and cities in Nusa Tenggara Barat Province remained heavily dependent on the central government [1]. Maulia et al. [10] found that, from 2013 to 2017, only Sumbawa Barat Regency and Mataram City achieved a "Low" financial capacity category, while the other districts were categorized as "Very Low" in terms of PAD. The realization of PAD and Balance Funds in the regencies and cities of NTB Province for the fiscal years 2018-2022 is presented in **Tables 1** and **Table 2**.

Table 1. PAD Realization for Fiscal Year 2018 to 2022 in (Billion) [11]

District/City	PAD				
	2018	2019	2020	2021	2022
Lombok Barat Regency	216.92	247.12	219.04	294.9	268.8
Lombok Tengah Regency	187.32	204.51	206.42	163.08	349.18
Lombok Timur Regency	261.72	289.62	328.11	386.85	349.18
Sumbawa Regency	143.94	163.93	181.31	202.86	116.53
Dompu Regency	93.29	105.46	110.68	125.82	107.72
Bima Regency	120.34	135.87	131.59	141.71	131.27
West Sumbawa Regency	66.81	72.87	119.96	141.79	122.27
North Lombok Regency	131.07	146.77	103.45	87.4	146.44
Mataram City	358.83	373.95	363.17	392.56	438.04
Bima City	46.12	50.42	47.28	46.99	57.36
NTB	1,660.42	1,807.48	1,815.69	1,888.46	2,292.22

Table 2. Central Government Transfer Realization for Fiscal Year 2018 to 2022 in (Billions) [12]

District/City	Transfer				
	2018	2019	2020	2021	2022
Lombok Barat Regency	1,272.33	1,464.76	1,301.97	1,271.50	1,370.59
Lombok Tengah Regency	1,620.96	1,744.52	1,696.62	1,717.53	1,653.23
Lombok Timur Regency	2,061.55	2,174.11	1,959.26	2,079.95	2,317.59
Sumbawa Regency	1,345.70	1,482.36	1,167.33	1,300.91	1,129.65
Dompu Regency	893.41	967.45	822.42	849.36	988.97
Bima Regency	1,329.97	1,534.44	1,488.97	1,496.71	1,507.18
West Sumbawa Regency	894.84	765.7	674.5	823.38	998.84
North Lombok Regency	603.59	823.44	671.58	687.76	705.95
Mataram City	919	928.59	886.68	881.77	941.15
Bima City	668.44	656.96	607.03	624.04	696.74
NTB	3,239.64	3,379.21	3,349.72	3,414.31	2,976.61

The data in **Tables 1** and **Table 2** illustrate the comparison between locally generated revenue (PAD) and central government transfers across regencies and cities in the NTB Province from the fiscal years 2018 to 2022. It highlights the significant reliance of these regions on central government transfers, which remain the dominant source of funding for development in NTB. This dependency is evident from the larger proportion of balance funds compared to the total PAD in each regency/city. Furthermore, PAD development saw a marked decline in 2019 and 2020, attributed to the local governments' limited financial performance in managing regional resources efficiently. The impact of the COVID-19 pandemic further hindered the realization of revenue targets and regional potential. Only Sumbawa Barat Regency and Mataram City showed stable growth during this period, while eight other regencies/cities experienced a decrease in PAD.

As noted by Putra et al. [13], the financial capacity of a region is closely tied to the growth of PAD. Regions that are financially autonomous are characterized by strong financial performance. However, regencies and cities in NTB struggle with limited revenue generation due to inadequate efforts to explore and optimize their revenue sources. Targets for PAD are often set through data collection and projections, but a more thorough and in-depth analysis of potential revenue sources is needed to enhance regional income. The local governments should make better use of their authority in managing regional finances to increase the contribution of PAD to the regional budget (APBD). This would enable regions to meet both administrative and public expenditure needs independently [12].

To assess the financial performance and capacity of the regions, financial ratio analyses of the APBD are conducted. These include the Independence Ratio, Fiscal Decentralization Degree Ratio, Effectiveness Ratio, and Efficiency Ratio, along with calculations of Share and Growth, a Regional Financial Capability Map, and the Financial Capability Index (IKK) [14]. Comparing these ratios over time provides insights into trends in regional financial performance. Given these challenges, eight regencies/cities in NTB Province need to better optimize and utilize their regional assets to improve financial performance and capacity. This study aims to evaluate the financial performance and capacity of the region and provide recommendations for improvement.

2. METHOD

This research is a quantitative descriptive study that aims to describe regional financial performance in districts/cities in Nusa Tenggara Barat (NTB) during the 2018 to 2022 fiscal year period. The data collection method used is the case method, focusing on the analysis of the Regional Budget (APBD) and regional financial performance indicators such as the degree of fiscal decentralization, financial independence, financial effectiveness, and financial efficiency. Data was collected through documentation and literature studies from various relevant agencies such as the NTB Province Central Bureau of Statistics (BPS), NTB Province BAPPEDA, and the Directorate General of Fiscal Balance of the Ministry of Finance. The types of data used include quantitative and qualitative data. Quantitative data is in the form of numbers that can be measured and calculated with certainty, while qualitative data is expressed in certain categories or properties. The data source used is secondary data obtained from relevant agencies.

The main variables in this study are regional financial performance and regional financial capability. Regional financial performance is measured through financial ratios such as the degree of fiscal decentralization, financial independence, financial effectiveness, and financial efficiency. Meanwhile, regional financial capability is identified through the financial capability index (IKK) and quadrants based on the share of PAD to expenditure and PAD growth. The analysis procedure involves six analytical tools to evaluate regional financial performance, including summary statistics and data mapping to visualize regional financial capability.

2.1 Fiscal Decentralization Degree Ratio Analysis

The degree of decentralization is the ratio between the amount of local revenue and total local revenue in (percent). The higher the contribution of PAD to total local revenue, the higher the ability of local governments to carry out decentralization.

To measure regional financial capability, the Degree of Fiscal Autonomy is used [15]:

$$RDDF = \frac{\text{Local Original Revenue}}{\text{Total Regional Revenue (TPD)}} \times 100 \quad (1)$$

Table 3. Criteria for Assessing the Level of Regional Financial Performance [16], Relationship pattern and level of regional independence [18], Financial effectiveness of autonomous regions [20], Relationship Pattern of Regional Financial Efficiency [22], Relationship Pattern of Financial Capability Index

Criteria	Performance	Percentage/Ratio (%)	Relationship Pattern
Regional Financial Performance	Very Less	0-10	-
	Less	10.1-20	
	Fair	20.1-30	
	Medium	30.1-40	
	Good	40.1-50	
	Very Good	>50	
Regional Independence	Very Low	0%-25%	Instructive
	Low	25%-50%	Constructive
	Medium	50%-75%	Participative
	High	75%-100%	Delegative
Financial Effectiveness	Highly Effective	>100	-
	Effective	100	
	Moderately Effective	90-99	
	Less Effective	75-89	
	Not Effective	<75	
Financial Efficiency	Not Efficient	100% and above	-
	Less Efficient	90%-100%	
	Moderately Efficient	80%-90%	
	Efficient	60%-80%	
	Very Efficient	Below 60%	
Financial Capability Index	Low	0.00-0.33	-
	Medium	0.34-0.43	
	High	0.41-1.00	

2.2 Regional Financial Independence Ratio Analysis

Financial Ratio Analysis is used to measure performance which aims to show the financial ability of the Regional Government in self-financing government activities, as measured by the ratio of Regional Original Revenue (PAD) to the amount of Central Government assistance and loans [17].

$$RKKD = \frac{\text{Local Original Revenue}}{\text{Balancing Fund}} \times 100 \quad (2)$$

2.3 Regional Financial Effectiveness Ratio Analysis

The Effectiveness Ratio describes the local government's ability to realize planned local revenue (PAD) compared to the target set based on the real potential of the region. The higher the effectiveness ratio [19], the better the ability of the region.

$$\text{Effectiveness Ratio} = \frac{\text{Local Original Revenue}}{\text{Original Regional Income Target}} \times 100\% \quad (3)$$

2.4 Financial Efficiency Ratio Analysis

The efficiency ratio illustrates the level of the government's ability to economize on the costs incurred by the government. According to Liu et al. [21] which states that the smaller the efficient ratio, the better the local government performance. The equation used to calculate this ratio is as follows:

$$\text{Efficiency Ratio} = \frac{\text{Realization of Regional Expenditure}}{\text{Realization of Regional Income}} \times 100\% \quad (4)$$

To find out how the map pattern and the amount of regional financial capacity in the Regency/City in NTB in the 2018 to 2022 budget year, this study used two analytical tools, namely:

1. Regional financial capability index (IKK)

The index method is used to determine the size and pattern of the regional financial capability map. The index method is measured through the Regional Financial Capability Index (IKK) [23]. To determine the IKK, the following steps are taken calculation and analysis of PAD capacity through share [24], growth [25], and elasticity measures [18].

$$\text{Share PAD} = \frac{\text{PAD}}{\text{Regional Income}} \times 100\% \quad (5)$$

$$\text{Growth PAD} = \frac{\text{PAD}_1 - \text{PAD}_{t-1}}{\text{PAD}_{t-1}} \times 100 \quad (6)$$

$$\text{PAD elasticity} = \frac{\text{PAD}}{\text{Total Belanja}} \times 100\% \quad (7)$$

Description:

PAD : Original Regional Income for the year under review

PART-1 : Original Regional Income for the previous year,

Compiling the Index for each component of the Financial Capability Index is obtained using the following equation [23]:

$$X \text{ Index} = \frac{X \text{ value of measurement result} - \text{Minimum condition } X \text{ value}}{X \text{ Value Minimum condition}} \quad (8)$$

From Equation (8), then calculate the Financial Capability Index (IKK) obtained from the following equation [23]:

$$\text{IKK} = \frac{X_S + X_G + X_E}{3} \quad (9)$$

Description:

X_S: PAD Share Index to Regional Income

X_G: PAD Growth Index

X_E: PAD Elasticity Index to Expenditure

If the regional financial capability index value has been obtained, it can then be grouped into the criteria for the level of regional financial capability, in Table 3[17]. Prepare a map of regional financial capability based on the IKK obtained from equation (5). Based on the range of the highest IKK and the lowest IKK, a map of financial capability is then compiled which is divided into three categories, namely high, medium and low,

2. Quadrant

The quadrant method is one way of displaying a map of regional financial capability. Each quadrant is determined by the amount of growth and share values. With the value of growth and share, each Regency/City can be known where it is located (in I, II, III, IV) the conditions in each Quadrant can be explained in the table below:

Table 4. Map and Classification of Regional Financial Capability Status Based on Quadrant Method (Midpoint of Regency/City Average) [26]

Quadrant	Conditions
I	The most ideal condition. PAD plays a large role in total expenditure, and regions have the ability to develop local potential. This condition is indicated by high share and growth values.
II	This condition is not ideal, but regions have the ability to develop local potential so that PAD has the opportunity to play a large role in total expenditure. The contribution of PAD to total expenditure is still low but the growth of PAD is high.
III	This condition is also not ideal. The large role of PAD in total expenditure has a small opportunity because PAD growth is small. PAD contribution to total expenditure is high, but PAD growth is low.
IV	This condition is the worst. The role of local own-source revenues (PAD) has not yet taken a large role in total expenditure, and the region does not have the ability to develop local potential. In this quadrant, PAD growth and contribution are low.

3. RESULT AND DISCUSSION

3.1 Result

1. Financial Performance Measurement in Regency/City in Nusa Tenggara Barat

The ratio of regional financial independence (fiscal autonomy) is a ratio that indicates the ability of local governments to self-finance government activities, development, and community services (Halim, 2012), the results of the calculation of the independence ratio are presented in **Table 5**.

Table 5. Ratio of Financial Independence at Regency/City in NTB 2018 to 2022

District/City	RKD					Average	Categories
	2018	2019	2020	2021	2022		
Lombok Barat Regency	17.05	16.87	16.82	23.19	19.61	18.71	Very Low
Lombok Tengah Regency	11.55	11.72	12.17	9.50	21.12	13.21	Very Low
Lombok Timur Regency	12.70	13.32	16.75	18.60	15.07	15.28	Very Low
Sumbawa Regency	10.70	11.06	15.53	15.59	10.32	12.63	Very Low
Dompu Regency	10.44	10.90	13.46	14.81	10.89	12.11	Very Low
Bima Regency	9.05	8.85	8.84	9.47	8.71	8.983	Very Low
Sumbawa Barat Regency	7.47	9.52	17.79	17.22	12.24	12.84	Very Low
Lombok Utara Regency	21.72	17.82	15.40	12.71	20.74	17.67	Very Low
Mataram City	39.05	40.27	40.96	44.52	46.54	42.26	Very Low
Bima City	6.90	7.67	7.79	7.53	8.23	7.625	Very Low
NTB	51.25	53.49	54.20	55.31	77.01	58.25	-

Between 2018 and 2022, no district/city in NTB Province achieved a high level of self-reliance. On average, each Regency/City has a level of independence below 20%, indicating that the independence of each region is still low. The only exception is Mataram City, which shows an increase in its independence every year, with an average of 42.26%. Analysis of Table 6 shows that the average self-reliance ratio of districts/cities over the five-year period is still in the instructive category (very low), with a percentage of self-reliance below 20%. This was caused by a decrease in the growth of Local Own Revenue (PAD) of -28.49% in 2018, due to the impact of the earthquake that hit all regions in NTB. Although PAD grew by 9.70% in 2019, from 2020 to 2022, several regions showed a significant decline, with the average PAD growth over the last five years below zero.

The fluctuating development of PAD from 2018 to 2022 was followed by fluctuating growth in Fiscal Balance Fund. For example, in 2019, PAD grew by 9.70%, followed by growth in Fiscal Balance Fund of 6.47%. However, in 2020, there was a decrease in PAD of -0.13%, followed by a decrease in Fiscal Balance Fund of -12.34%. In 2022, although PAD decreased by -1.32%, Fiscal Balance Fund grew by 5.01%, indicating that PAD growth has not been able to keep up with transfers from the central government. Only Mataram City showed a consultative (low) relationship pattern of 42.26%. This is due to the average growth of Mataram City's PAD of 2.7% during the period, although it decreased in 2018 by -7.3%. This shows that Mataram City is more independent compared to other districts/cities. Meanwhile, NTB province in general shows a participative relationship pattern of 58.25, indicating that the role of the central government through the Balance Fund is decreasing, while regional independence is increasing.

Based on the instructive relationship pattern in most districts/cities in NTB, it can be concluded that the role of the central government is still very large in implementing regional autonomy. Regional Original Revenue and Balancing Funds in the Regency/City in NTB Province show fluctuating developments every year, indicating that the Regency/City Government of the NTB Regional Province has not been optimal in exploring the potential of the region. Thus, regional financial performance at the Regency/City in NTB Province from 2018 to 2022 can be categorized as very low based on the Regional Financial Independence Ratio which is below 25%-75%, showing an instructive relationship pattern that illustrates a high level of dependence on the central government in financing development in the region.

The PAD Effectiveness Ratio illustrates the local government's ability to realize the planned Regional Original Revenue (PAD) compared to the target set based on regional potential. The results of the PAD Effectiveness Ratio calculation can be seen in **Table 6**.

Table 6. Financial Effectiveness Ratio at Regency/City in NTB 2018 to 2022

District/City	Effectiveness					Average	Category
	2018	2019	2020	2021	2022		
Lombok Barat Regency	72.03	88.47	79.80	281.47	88.53	122.06	Highly Effective
Lombok Tengah Regency	103.51	102.52	91.40	70.18	110.55	95.63	Effective
Lombok Timur Regency	88.67	98.20	101.60	94.39	79.56	92.48	Effective
Sumbawa Regency	99.95	110.48	105.52	116.26	57.29	97.90	Effective
Dompu Regency	105.03	104.38	101.22	120.09	137.73	113.69	Highly Effective
Bima Regency	61.61	97.38	85.67	91.97	87.63	84.85	Less Effective
Sumbawa Barat Regency	116.86	106.52	156.32	152.35	177.74	141.96	Highly Effective
Lombok Utara Regency	65.35	79.22	47.02	74.70	88.14	70.89	Ineffective
Mataram City	102.45	110.01	87.09	111.59	110.07	104.24	Highly Effective
Bima City	138.29	100.82	115.31	80.82	83.38	103.73	Highly Effective
NTB	96.58	107.45	98.42	96.63	89.13	97.64	Highly Effective

In 2019 to 2020, a number of districts/cities in NTB Province showed varying levels of financial effectiveness. Lombok Tengah Regency, Dompu Regency, Bima City, Sumbawa Barat Regency, Sumbawa Regency, and Mataram City showed effectiveness levels above 100% due to positive growth in Regional Original Revenue (PAD). On the other hand, other districts/cities showed less effective financial performance with percentages below 90%. In 2021, a significant change occurred. Lombok Barat district recorded a significant improvement with the effectiveness level reaching 281.47% due to strong PAD growth. However, Bima City, Lombok Tengah, and Lombok Timur experienced a decrease in effectiveness due to a decrease in PAD realization. In 2022, several districts/cities experienced decreases and increases. Dompu Regency, Lombok Tengah Regency, and Mataram City continue to experience an increase in effectiveness, while the others experience a decrease, supported by a decrease in PAD. The average PAD Effectiveness Ratio at districts/municipalities in NTB Province from 2018 to 2022 includes the criteria of "Very Effective" for several regions such as Lombok Barat Regency, Sumbawa Barat Regency, Mataram City, and Bima City, with effectiveness levels above 100%. This indicates a positive performance in optimizing local revenue.

However, some districts/cities showed lower levels of effectiveness, below 90%, such as Bima and North Lombok districts, indicating suboptimal financial performance in exploring the potential and realizing the Regional Original Revenue target. This result confirms the need to improve the ability of each region to optimize existing local revenue. Districts/cities that have demonstrated effective performance can be used as examples for others, while those that have not reached the expected level of effectiveness need to improve their ability to achieve the set targets. The ratio of the degree of fiscal decentralization is a measure that shows the level of authority and responsibility given by the central government to local governments to carry out development. The measurement of regional financial performance in the Regency/City in NTB during 2018 to 2022 which is proxied by the calculation of the Fiscal Decentralization Degree Ratio is presented in **Table 7**.

Table 7. Ratio of the Degree of Decentralization in Regency/City in NTB 2018 to 2022

District/City	DDF					Average	Category
	2018	2019	2020	2021	2022		
Lombok Barat Regency	13.13	12.95	12.98	17.25	15.52	14.37	Less
Lombok Tengah Regency	9.48	9.51	10.00	7.73	16.14	10.57	Less
Lombok Timur Regency	10.30	10.74	12.93	14.13	12.38	12.10	Less
Sumbawa Regency	8.97	9.14	11.12	12.36	7.00	9.72	Very Less
Dompu Regency	8.78	9.07	10.89	11.81	7.01	9.51	Very Less
Bima Regency	6.90	7.49	7.55	8.00	7.39	7.47	Very Less
Sumbawa Barat Regency	6.15	7.14	16.76	13.39	10.05	10.70	Less
Lombok Utara Regency	14.46	14.00	12.03	10.64	16.04	13.44	Less
Mataram City	25.30	25.56	26.01	27.64	29.19	26.74	Simply
Bima City	6.00	6.51	6.60	6.44	7.12	6.53	Very Less
NTB	33.60	34.77	35.09	35.45	43.22	36.43	-

From 2018 to 2022, districts/cities in NTB did not show a high level of decentralization. The average level of Fiscal Decentralization is below 20%, or the "Very Poor" category, except for Mataram City which

shows a fairly good percentage of Fiscal Decentralization above 20% each year, showing positive developments from year to year. Based on the data in Table 7, the Ratio of the Degree of Fiscal Decentralization in the Regency/City in NTB Province from 2018 to 2022 experienced fluctuations. Despite a decrease in 2021 to 2022 in several regions such as Lombok Timur Regency, Sumbawa Regency, and Dompu, as well as fluctuations in PAD growth in 2020, only Mataram City recorded a sufficient level of decentralization, at 26.74%.

This condition is caused by positive PAD growth in Mataram City from 2018 to 2022, with an average growth of 2.7% each year or an average PAD of Rp. 385.31 billion per year. Positive PAD growth was followed by an increase in Total Regional Revenue of 1.2% from 2019 to 2022, or an average Total Regional Revenue of Rp. 1,439.58 Billion, so that Mataram City reached the "Fair" category in decentralization. However, most districts/cities in NTB show decentralization levels below 20%, indicating the low level of authority and responsibility given by the central government to local governments. The dependence of local governments on the central government is still quite large, indicated by the contribution of local revenue of less than 20% in supporting local revenue.

Mataram City is an exception due to its position as the center of government, education, and health in NTB, which has an impact on better financial management compared to other districts/cities in NTB. Thus, it can be concluded that Mataram City has sufficient financial performance when viewed from the Fiscal Decentralization Degree Ratio. Other supporting factors include the position of Mataram City as the center of government, education, and health in NTB, which affects financial management that is superior compared to other regions in NTB.

The Regional Financial Efficiency Ratio describes the comparison between the amount of costs incurred to obtain revenue and the realization of revenue received. The Regional Financial Efficiency Ratio (REKD) can be seen in **Table 8**.

Table 8. Regional Finance Efficiency Ratio at Regency/City in NTB 2018 to 2022

District/City	REF					Average	Category
	2018	2019	2020	2021	2022		
Lombok Barat Regency	99.40	97.61	105.70	97.19	100.52	100.08	Inefficient
Lombok Tengah Regency	102.64	102.18	99.85	100.42	102.36	101.49	Inefficient
Lombok Timur Regency	98.30	102.53	102.31	99.83	109.61	102.52	Inefficient
Sumbawa Regency	104.96	102.91	98.69	101.74	109.06	103.47	Inefficient
Dompu Regency	102.10	98.54	101.04	98.13	81.08	96.18	Inefficient
Bima Regency	104.28	100.58	100.57	98.94	104.27	101.73	Inefficient
Sumbawa Barat Regency	111.44	107.48	136.70	95.23	79.90	106.15	Inefficient
Lombok Utara Regency	98.58	103.66	101.14	99.61	100.00	100.60	Inefficient
Mataram City	101.21	99.06	104.41	97.35	97.67	99.94	Inefficient
Bima City	111.05	103.10	111.36	98.22	92.97	103.34	Inefficient
NTB	106.04	99.39	100.49	104.26	116.51	105.34	

In the range of 2018 to 2022, the average Regional Expenditure in Regency/City in NTB fluctuated. In 2019, there was a growth of 4.2% with average regional expenditure reaching Rp. 1,603.42 billion. However, in 2020, there was a significant decrease of -18%, to Rp. 1,496.39 billion. The decline continued in 2021 with a decrease of -1.14% to Rp. 1,494.18 billion. Then, in 2022, there was an increase of 5.37% to IDR. 1,587.95 Billion. Table 8 shows that the average percentage of efficiency ratios in districts/cities in NTB during this period was not efficient, because it had a percentage above 100%, except for Sumbawa Barat and Dompu districts in 2022. Sumbawa Barat district reached a percentage of 79.90%, while Dompu district reached 81.08%, indicating good efficiency in reducing regional expenditure so that regional revenue is greater than regional expenditure.

However, overall, the average Regional Financial Efficiency Ratio in all regions is still greater than 100%, indicating inefficient financial performance. Although Dompu and Sumbawa Barat districts show an efficient level of financial performance in 2022, overall, they are still inefficient. The main cause of this inefficiency is the realization of regional expenditure, which is relatively large compared to regional revenue. This shows that the use of expenditure has not been proportional to the regional income generated. Factors such as

operational expenditure, capital expenditure, unexpected expenditure, and transfer/profit sharing expenditure also influence the amount of expenditure.

2. Map Analysis of Regional Financial Capability in Regency/City in Nusa Tenggara Barat

The financial capability index describes the level of regional financial capability by compiling three components, namely the average count of the growth index (growth), elasticity index, and role index (share). The index must determine the maximum and minimum values of each component. The criteria for a high level of regional financial capability will be better. Share Index Regional Original Revenue to Total Regional Revenue shows its contribution to Regional Revenue. The following are the results of the calculation of the Share Index in the Regency/City in NTB in 2018-2022.

Tabel 9. Share Index PAD in Regency/City in NTB 2018 to 2022

District/City	Share Index					average
	2018	2019	2020	2021	2022	
Lombok Barat Regency	13.1	13.0	13.0	17.2	15.5	14.4
Lombok Tengah Regency	9.5	9.5	10.0	7.7	16.1	10.6
Lombok Timur Regency	10.3	10.7	12.9	14.1	12.4	12.1
Sumbawa Regency	9.0	9.1	11.1	12.4	7.0	9.7
Dompu Regency	8.8	9.1	10.9	11.8	7.0	9.5
Bima Regency	6.9	7.5	7.5	8.0	7.4	7.5
Sumbawa Barat Regency	6.2	7.1	16.8	13.4	10.1	10.7
Lombok Utara Regency	14.5	14.0	12.0	10.6	16.0	13.4
Mataram City	25.3	25.6	26.0	27.6	29.2	26.7
Bima City	6.0	6.5	6.6	6.4	7.1	6.5

Based on Table 9, it can be seen that the average share index during 2018 - 2022 in the Regency/City in NTB experienced development every year, although there were several regions that experienced a decrease in the level of PAD share in 2022, namely Sumbawa, Bima, Dompu and Sumbawa Barat districts, which averaged 5%. Meanwhile, other districts/cities continue to show positive developments.

The calculation of the Growth Index shows how the growth of Local Revenue from year to year. The following are the results of the calculation of the Growth Index in the Regency/City in NTB Fiscal Years 2018 to 2022:

Tabel 10. Growth Index PAD in Regency/City in NTB 2018 to 2022

District/City	Share Index					average
	2018	2019	2020	2021	2022	
Lombok Barat Regency	-25.2	13.9	-11.4	34.6	-8.9	0.6
Lombok Tengah Regency	-34.7	9.2	0.9	-21.0	114.1	13.7
Lombok Timur Regency	-34.3	10.7	13.3	17.9	-9.7	-0.4
Sumbawa Regency	-42.4	13.9	10.6	11.9	-42.6	-9.7
Dompu Regency	-30.9	13.0	4.9	13.7	-14.4	-2.7
Bima Regency	-36.0	12.9	-3.2	7.7	-7.4	-5.2
Sumbawa Barat Regency	-61.1	9.1	64.6	18.2	-13.8	3.4
Lombok Utara Regency	-13.2	12.0	-29.5	-15.5	67.6	4.3
Mataram City	-7.3	4.2	-2.9	8.1	11.6	2.7
Bima City	-88.1	9.3	-6.2	-0.6	22.1	-12.7

Based on **Table 10**, it can be seen that the average Growth index during 2018 - 2022 in the Regency/City in NTB experienced fluctuating growth, this was definitely caused by the 2018 earthquake phenomenon which showed a negative index then a decline in growth in 2020 in several regions in NTB, namely North Lombok Regency by -17.5%, Mataram City -2.7% and Bima Regency by -8.8%. This was caused by the covid-19 pandemic that hit all regions in NTB.

Elasticity Index of Local Revenue to Local Expenditure to see the elasticity or sensitivity of Local Revenue in financing Local Expenditure. The following is the calculation of the Elasticity Index in the Regency/City in NTB from 2018 to 2022:

Table 11 Elasticity Index in Regency/City in NTB 2018 to 2022

District/City	Share Index					average
	2018	2019	2020	2021	2022	
Lombok Barat Regency	13.2	13.3	12.3	17.8	15.4	14.4
Lombok Tengah Regency	9.2	9.3	9.9	7.7	16.1	10.4
Lombok Timur Regency	10.5	10.5	12.6	14.2	11.3	11.8
Sumbawa Regency	8.5	8.9	11.3	12.1	6.9	9.6
Dompu Regency	8.6	9.2	10.8	12.0	8.6	9.8
Bima Regency	6.6	7.5	7.5	8.1	7.1	7.3
Sumbawa Barat Regency	5.5	6.8	12.3	14.1	12.6	10.2
Lombok Utara Regency	14.7	13.5	11.9	10.3	16.0	13.3
Mataram City	25.0	25.8	24.9	28.4	29.9	26.8
Bima City	5.4	6.3	5.9	6.6	7.7	6.4

Table 11 above shows the development of the elasticity index from 2018 to 2022 in several regions. This development shows fluctuations, especially in the 2021 to 2022 timeframe. Some regions experienced a decrease in the elasticity index, namely Lombok Tengah Regency by 2.2%, Lombok Timur by 2.1%, Sumbawa Regency by 5.1%, and Sumbawa Barat by 1.3%. Meanwhile, other districts/cities, such as Mataram City, show stable growth from year to year. Based on Table 11, it can be seen that the average elasticity index during 2018 - 2022 in the Regency/City in NTB averaged 11.91%, the elasticity index above shows fluctuating developments every year this is due to two main phenomena that disrupt the development process in the region namely Covid-19 and the earthquake in 2018.

Table 12 Financial Capability Index of Regency/City in NTB

District/City	S index	G index	E index	IKK	IKK (%)
Lombok Barat Regency	0.33	0.43	0.39	Medium	38.08
Lombok Tengah Regency	0.34	0.40	0.33	Medium	35.55
Lombok Timur Regency	0.47	0.65	0.36	High	49.31
Sumbawa Regency	0.21	0.58	0.27	Medium	35.15
Dompu Regency	0.22	0.43	0.30	Low	31.93
Bima Regency	0.21	0.40	0.30	Low	30.44
Sumbawa Barat Regency	0.41	0.32	0.35	Medium	36.00
Lombok Utara Regency	0.30	0.32	0.32	Low	31.28
Mataram City	0.47	0.53	0.38	High	46.10
Bima City	0.27	0.40	0.30	Low	32.41

In **Table 12** above, the results of the calculation of the Financial Capability Index scale in the Regency/City in NTB for Fiscal Years 2018 to 2022 show that there are two districts/cities with a Financial Capability Index Scale included in the high category, namely Lombok Timur Regency, and Mataram City with the acquisition of IKK above 43%, it can be seen in the table above that the two districts/cities have an average Index of Financial Capability Growth PAD is above 50% then the average Share Index or PAD Contribution to Regional Revenue is above 40% and the average acquisition of the Elasticity Index is above 30%.

High IKK indicates that the region is able to optimally explore regional potential and reduce dependence on the central government in the region, this is indicated by the PAD growth index and the contribution of PAD in Regional Revenue and Regional Expenditure which continues to show positive developments, namely the average index of PAD in the region Share, Growth and PAD elasticity above 43% which indicates that even though in the period 2018 to 2022 in NTB experienced the phenomenon of Earthquake and Covid -19 which makes almost all economic activities disrupted but the region is able to optimize the potential that exists in the region. There are four districts with a Financial Capability Index scale "Sedang" namely Lombok Barat, Lombok Tengah, Sumbawa and Sumbawa Barat districts with an average score of points. Growth, Share and Elasticity between 35-40%, this indicates that the region has been able to explore the potential owned in the region, but not optimally, the factors that make the region's ability to explore and optimize PAD from the local tax sector in the period 2018 to 2022 occur covid 19 phenomenon which makes the tourism and mining sectors in the area unable to run optimally.

Meanwhile, the districts of North Lombok, Bima, Dompu and Bima City which show a low Financial Capability Index Scale with an IKK of 30%, the average acquisition of the Growth index and a small PAD Share

or below 35% this happens because North Lombok Regency is famous for its natural and cultural tourism and is supported by resort and hotel facilities as a support for PAD from the regional tax and levy sector, but in 2018 to 2022 there was a decrease in PAD revenue caused by the 2018 Earthquake which caused North Lombok PAD to decrease by -13.2% and the Covid 19 phenomenon in 2020 to 2021 which decreased by -29.5%. this shows that North Lombok Regency has not been able to optimize the potential of its region when compared to other districts/cities. This shows that North Lombok Regency has not been able to optimize the potential in its area when compared to other regencies/cities.

Similarly, Bima, Dompu and Bima City with low IKK are still highly dependent on the central government to finance regional development. These regions are known as regions that rely on the agricultural sector as the central sector in the economy, so the lack of potential owned by these regions is one of the reasons why these regions are classified as low IKK. The regional financial capability map illustrates the ability of regions to develop local potential, which is classified from the results of share and growth calculations using regional financial capability mapping based on the Quadrant Method. Based on the results of the Share and Growth calculation of the Regional Revenue and Expenditure Budget Summary in the Regency/City in NTB from 2018 to 2022, it will appear as in the figure below.

Table 13. Share and Growth of PAD in Regency/City in NTB

District/City	Share	Growth
Lombok Barat Regency	14.4	0.6
Lombok Tengah Regency	10.6	13.7
Lombok Timur Regency	12.1	-0.4
Sumbawa Regency	9.7	-9.7
Dompu Regency	9.5	-2.7
Bima Regency	7.5	-5.2
Sumbawa Barat Regency	10.7	3.4
Lombok Utara Regency	11.4	4.3
Mataram City	26.7	2.7
Bima City	6.5	-12.7
Average	12.1	-0.6

From the calculation results, the average Share data is 12.1% and Growth is -0.6%. These results are classified by mapping the ability of regional finances based on the Quadrant Method, then the ability of regional finances in the City District in NTB will appear as in the diagram below.

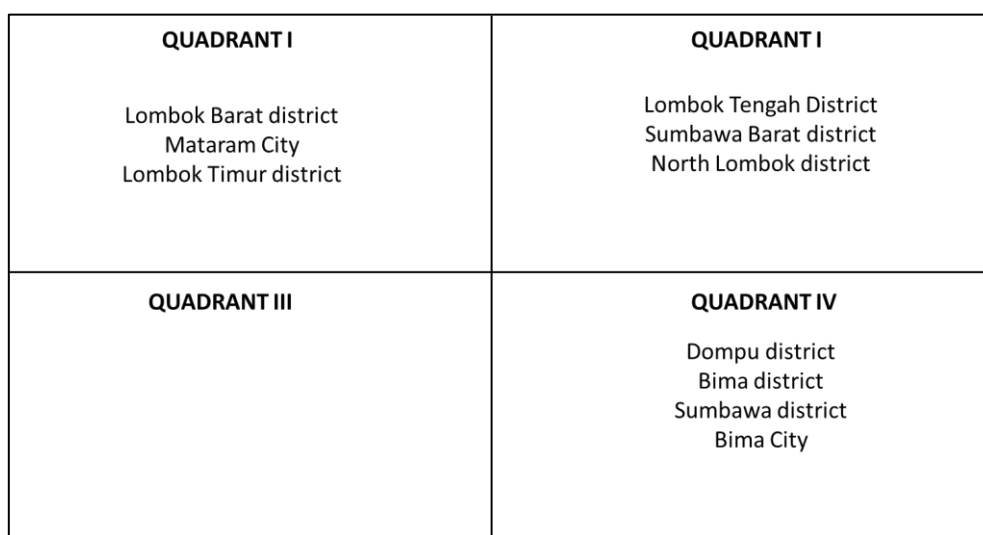


Figure 1. Map Diagram of Financial Capability in Regency/City in NTB

The results of mapping financial capability based on the Quadrant method can be seen in the diagram above which shows that there are three districts/cities that occupy Quadrant I, namely Lombok Timur Regency, Lombok Barat, and Mataram City, with a Share value > 12.1% and a Growth value > -0.6%. This means that PAD has a large role in the APBD, and these regions have the ability to develop local potential. The

position in Quadrant I also illustrates that the three districts/cities are relatively better prepared to face the era of regional autonomy.

Lombok Timur, Lombok Barat and Mataram City can be said to be regions that are ready to face autonomy due to their more strategic position, especially as tourist destinations and government centers. The governments of the three districts/cities have a great opportunity to increase revenue from various taxes that can be collected. This is supported by attractive tourist destinations and modern trade centers that are visited by many tourists. On the other hand, there are four districts that occupy Quadrant II, namely Sumbawa Barat, North Lombok, and Lombok Tengah, with a Share value $< 12.1\%$ and a Growth value $> -0.6\%$. This shows that this condition is not ideal, but the region has the ability to develop local potential so that PAD has the potential to have a large role in the APBD. Although PAD contribution to APBD is still low, PAD growth is high, but these regions are not fully prepared to face the era of regional autonomy.

Sumbawa Barat Regency is famous for its mining sector, Lombok Tengah Regency is famous for its natural tourism and Moto GP circuit, and North Lombok Regency is famous for natural and cultural tourism. These potentials can be a source of local revenue through the collection of local taxes and levies, but the management has not been maximized due to various factors such as the impact of the Covid-19 pandemic and earthquakes. It can be seen that the contribution of PAD to local revenue is still low, but the growth of PAD from 2018 to 2022 shows a positive development. This shows that local governments need to further maximize the potential that exists in the region. Meanwhile, there are four regions that occupy Quadrant IV, namely Dompu Regional, Bima, Sumbawa, and Kota Bima, with a Share value $< 12.1\%$ and a Growth value $< -0.6\%$. These conditions indicate that PAD has not played a major role in the APBD, and these regions have not had the ability to develop local potential. The contribution of PAD to the APBD is low, as is the growth of PAD. This suggests that these regions need greater efforts to increase local revenue and optimize local potential.

All four Regional/Cities are located on the island of Sumbawa with similar geographical characteristics, which is famous for its agricultural sector. However, they also have other potentials such as nature tourism and the mining sector. However, the management of this potential is still not optimal, and the financial condition of the region is still poor in utilizing it. Factors such as the impact of the earthquake and the Covid-19 pandemic contributed to the decline in PAD, but poor regional financial performance is also to blame. It can be seen that PAD growth from 2018 to 2022 is still negative for all four districts/cities.

3.2 Discussion

1. Financial Performance Measurement in Regency/City in Nusa Tenggara Barat

The analysis of regional financial independence and effectiveness in the Province of West Nusa Tenggara (NTB) between 2018 and 2022 reveals persistent challenges in achieving fiscal self-reliance across the majority of its districts and cities. On average, the financial independence ratio of districts/cities in NTB remains below 20%, categorizing the region's fiscal autonomy as low and heavily reliant on central government transfers. A notable exception to this trend is Mataram City, which exhibits a gradual improvement in its financial independence, with an average self-reliance ratio of 42.26%. This upward trend in Mataram suggests more robust local revenue generation capabilities and a lesser dependence on central government funds compared to other regions.

The general fiscal condition of NTB can be attributed to several factors. Firstly, the region was severely affected by the 2018 earthquake, resulting in a significant decline in Local Own Revenue (PAD) by -28.49% . Although recovery was seen in 2019 with a 9.70% increase in PAD, subsequent years, particularly from 2020 to 2022, were marked by declines in several areas, indicating that local governments struggled to maintain consistent revenue growth. The fluctuating nature of PAD was mirrored by changes in the Fiscal Balance Fund, which in some years displayed a negative growth trajectory, further underscoring the dependence on central government transfers for fiscal stability. The only city that demonstrated a "consultative" (low) fiscal relationship with the central government was Mataram, where the PAD growth averaged 2.7% over the five-year period. In contrast, most districts and cities in NTB exhibited an "instructive" relationship pattern, where the role of the central government remained dominant. This indicates that despite efforts to increase local revenue, most regions in NTB have not yet achieved a significant level of fiscal autonomy and continue to depend on central transfers for development financing.

The results of this study align with earlier research by Xiao and Bialowolski [27], which emphasizes the persistent reliance of Indonesian local governments on central government transfers, particularly in regions with limited economic resources. Potocki and Cierpiat-Wolan [28] further support these findings, arguing that PAD generation remains a critical challenge for most regions outside major cities in Indonesia. The earthquake's impact on NTB's economic infrastructure also parallels findings from Mashum and Marlina [29], who noted that regions hit by natural disasters often struggle to recover economically, leading to long-term fiscal instability. From a fiscal effectiveness perspective, there are notable discrepancies between regions. For instance, Lombok Barat Regency showed remarkable financial effectiveness in 2021, achieving an efficiency level of 281.47%, primarily due to strong PAD growth. Other regions, including Bima City, Lombok Tengah, and Lombok Timur, experienced a decline in effectiveness due to a reduction in PAD realization. These fluctuations indicate that while some regions have succeeded in optimizing local revenue, others continue to face difficulties in achieving effective financial management.

The findings on financial effectiveness in this study are consistent with those of Hasim et al. [30], who found that regions with stronger local economic bases and more diversified revenue streams tend to exhibit higher levels of financial effectiveness. Conversely, Arkaanjani [31] argue that many regions, particularly those with limited economic diversity, struggle to meet their revenue targets and thus display lower financial effectiveness, as is the case with several districts in NTB. The study further highlights the low level of fiscal decentralization across most regions in NTB, with the exception of Mataram City. The Degree of Fiscal Decentralization remains below 20% in most districts/cities, indicating that local governments have not been able to exercise full fiscal autonomy and remain heavily dependent on central government transfers. This aligns with Liu et al. [21] findings, which show that fiscal decentralization remains unevenly distributed across Indonesian provinces, with only a few major cities, such as Mataram, demonstrating sufficient levels of fiscal autonomy.

However, the study also underscores the inefficiency in regional financial management, with most districts/cities in NTB exhibiting financial efficiency ratios above 100%. This indicates that regional expenditures exceed local revenues, reflecting suboptimal financial planning and management. Although some regions, such as Dompu and Sumbawa Barat, showed efficient financial performance in 2022, overall inefficiency persists across NTB. This observation concurs with Amar and Pratama [32], who argue that many Indonesian regions struggle to balance their budgets due to high operational and capital expenditures relative to their income.

2. Map Analysis of Regional Financial Capability in Regency/City in Nusa Tenggara Barat

The analysis of the financial capability index (IKK) across the regencies and cities in West Nusa Tenggara (NTB) for the fiscal years 2018 to 2022 reveals significant trends in local revenue generation and regional economic resilience. The financial capability index, derived from the Share Index (S index), Growth Index (G index), and Elasticity Index (E index), serves as a vital indicator of a region's ability to mobilize financial resources and optimize local potential.

From the results summarized in Tables 13 to 16, it is evident that while some regions like Lombok Timur and Mataram City exhibit high financial capability indices, indicating robust local revenue growth and contributions to regional budgets, other areas such as Bima, Dompu, and Sumbawa struggle with low indices. The disparities in financial capability can be attributed to various socio-economic factors, including regional dependency on external funding sources and the impact of natural disasters. The observed fluctuation in the Growth Index, particularly following the 2018 earthquake and the COVID-19 pandemic, aligns with findings from previous studies. For instance, Rudiarto et al. [33] highlighted that natural disasters can severely disrupt local economic activities and revenue streams, causing significant negative growth in regions heavily reliant on tourism and agriculture. Similarly, our findings indicate that Lombok's local economies, which rely on tourism and agriculture, experienced substantial setbacks due to these external shocks.

Comparing our results with earlier research, such as that conducted by David et al. [7], which explored financial dependency among local governments in Indonesia, we see consistent patterns. David et al. found that regions with higher local revenue generation capabilities were better positioned to recover from economic shocks. This is corroborated by our analysis, where regions like Mataram City, with a strong local revenue framework, demonstrated resilience amidst the economic disruptions of 2020-2022. Furthermore,

the classification of districts into different quadrants based on the Quadrant Method reflects varying levels of preparedness for regional autonomy. Quadrant I regions (Lombok Timur, Lombok Barat, Mataram City) show promising local revenue capabilities and growth potential, while Quadrant IV regions (Dompu, Bima, Sumbawa) require substantial improvements to enhance their financial resilience. This mirrors the findings of Malinowski and Smoluk-Sikorska [34], who emphasized the necessity for local governments to adopt more strategic fiscal policies to enhance local revenue generation and minimize dependence on central government funding.

4. CONCLUSION

Based on the results of the analysis that has been presented, regional financial performance still shows challenges in achieving financial independence. The average Independence Ratio in most districts/cities is still low, signaling the need for further efforts to increase sources of local own-source revenue (PAD) and reduce dependence on external sources of funds. The degree of fiscal decentralization in NTB tends to be low, with the majority of districts/cities showing a pattern of less or very less relationship. This suggests the need for more effective strategies in local financial management to increase the contribution of own-source revenue to total local revenue. The effectiveness of local own-source revenues (PAD) shows variation between districts/cities, with most showing moderately or highly effective levels of effectiveness. However, there is still room to improve efficiency in the utilization of local revenue, especially in the context of the comparison between realized expenditure and total local revenue. The financial capability index highlights significant differences between districts, suggesting inequalities in financial capability between regions. This indicates the need for special attention to regions that are still lagging behind in terms of financial capability.

Based on these conclusions, it is recommended that the NTB local government pay more attention to strategies to increase local revenue, manage expenditure more efficiently, and develop local potential. Collaborative efforts between local government, central government, and local stakeholders are also needed to achieve more inclusive and sustainable development goals in NTB.

5. AUTHOR DECLARATION

Author contributions and responsibilities - The authors made major contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

Funding - This research did not receive external funding.

Availability of data and materials - All data is available from the author.

Competing interests - The authors declare no competing interests.

Did you use generative AI to write this manuscript? - We do not use AI assistance in the script.

Declaration of generative AI and AI-assisted technologies in the writing process - During the preparation of this work the author did not use AI for writing, editing, or anything else related to the manuscript.

6. REFERENCES

- [1] R. R. Aulia, W. Wahyunadi, and E. Agustiani, 'The Influence of Capital Expenditures and Investment on Economic Growth in West Nusa Tenggara Province 2012-2022', *Economy and Finance Enthusiastic*, vol. 2, no. 1, Art. no. 1, Mar. 2024, doi: 10.59535/efe.v2i1.188.
- [2] T. Talitha, T. Firman, and D. Hudalah, 'Welcoming two decades of decentralization in Indonesia: a regional development perspective', *Territory, Politics, Governance*, vol. 8, no. 5, pp. 690–708, Oct. 2020, doi: 10.1080/21622671.2019.1601595.
- [3] R. M. Moonti, 'Regional Autonomy in Realizing Good Governance', *Substantive Justice International Journal of Law*, vol. 2, no. 1, pp. 43–53, 2019.
- [4] A. Arifin, N. Hamzah, and M. Nasir, 'The Influence of Original Local Government Revenue and Human Development Index on Economic Growth in Kabupaten Gowa', *Quantitative Economics and Management Studies*, vol. 4, no. 5, pp. 994–1002, Aug. 2023, doi: 10.35877/454RI.qems1952.
- [5] A. E. Alfian, S. Hadi, and Ismail, 'Mandalika Special Economic Zone and the Potential for Regional Economic Development of Central Lombok Regency through Investment', *JER*, vol. 5, no. 2, Art. no. 2, Sep. 2022, doi: 10.57178/jer.v5i2.371.
- [6] N. Sari, S. Abdullah, and L. Maryasih, 'The Effect of Fiscal Stress on Changes in Social Aid Shopping with Legislature Size as Moderating Empirical Evidence from Regency/City Governments in Sumatra', *Riset Akuntansi dan Keuangan Indonesia*, vol. 7, no. 3, Art. no. 3, Apr. 2023, doi: 10.23917/reaksi.v7i3.19823.
- [7] A. David *et al.*, 'Understanding Local Government Digital Technology Adoption Strategies: A PRISMA Review', *Sustainability*, vol. 15, no. 12, Art. no. 12, Jan. 2023, doi: 10.3390/su15129645.

- [8] K. D. Dzigbede, S. B. Gehl, and K. Willoughby, 'Disaster Resiliency of U.S. Local Governments: Insights to Strengthen Local Response and Recovery from the COVID-19 Pandemic', *Public Administration Review*, vol. 80, no. 4, pp. 634–643, 2020, doi: 10.1111/puar.13249.
- [9] S. Hasyim, S. R. Juniati, I. Noor, and K. Insan, 'Implementation of Public Policy Regarding the Collection of Regional Taxes and Levies at the Sinjai Regency Regional Revenue Agency', *Socio-Economic and Humanistic Aspects for Township and Industry*, vol. 1, no. 4, Art. no. 4, 2023, doi: 10.59535/sehati.v1i4.191.
- [10] W. Maulia, P. Basuki, and E. Salmah, 'Analysis of Community Perspectives on the Development of Green Open Space to Support the Growth of MSMEs in Pagutan, Mataram City', *Journal of Social and Humanities*, vol. 2, no. 1, Art. no. 1, Mar. 2024, doi: 10.59535/jsh.v2i1.244.
- [11] N. Salsabila, A. Daeng, A. B. Singandaru, and N. D. Poudel, 'The Influence of Quality Work of Life, Workload, Work Stress, Lifestyle and Environment on the Productivity of the Millennial Workforce in Mataram City', *International Journal of Management Science*, vol. 2, no. 1, Art. no. 1, Feb. 2024, doi: 10.59535/ijms.v2i1.223.
- [12] S. Handayani, S. Suharno, and L. S. Badriah, 'The Effectiveness of Local Government Spending on Poverty Rate Reduction in Central Java, Indonesia', *Eko-Regional: Jurnal Pembangunan Ekonomi Wilayah*, vol. 17, no. 1, 2022.
- [13] S. M. Putra, A. Manan, and T. Yuniarti, 'Analysis of the Influence of Local Revenue Balancing Fund and Gross Regional Domestic Product on the Human Development Index in West Nusa Tenggara Province in 2008-2022', *Socio-Economic and Humanistic Aspects for Township and Industry*, vol. 1, no. 3, Art. no. 3, Dec. 2023, doi: 10.59535/sehati.v1i3.155.
- [14] N. N. A. Mahitna, A. Manan, and E. Agustiani, 'Analysis of the Financial Performance of the Regional Government of West Lombok Regency', *Socio-Economic and Humanistic Aspects for Township and Industry*, vol. 1, no. 3, Art. no. 3, Dec. 2023, doi: 10.59535/sehati.v1i3.153.
- [15] L. R. de Mello, 'Fiscal Decentralization and Intergovernmental Fiscal Relations: A Cross-Country Analysis', *World Development*, vol. 28, no. 2, pp. 365–380, Feb. 2000, doi: 10.1016/S0305-750X(99)00123-0.
- [16] A. Garcia-Bernabeu, J. M. Cabello, and F. Ruiz, 'A Multi-Criteria Reference Point Based Approach for Assessing Regional Innovation Performance in Spain', *Mathematics*, vol. 8, no. 5, Art. no. 5, May 2020, doi: 10.3390/math8050797.
- [17] B. U. Paradintya and H. H. Fauzi, 'The Effect Of Regional Financial Performance On Regional Financial Independence In The Province Of Central Java', *JOURNAL OF MANAGEMENT, ACCOUNTING, GENERAL FINANCE AND INTERNATIONAL ECONOMIC ISSUES*, vol. 2, no. 1, Art. no. 1, Sep. 2022, doi: 10.55047/marginal.v2i1.386.
- [18] Mubarakah and A. Munandar, 'Analysis of Regional Financial Management Performance and Level of Regional Independence in the Era of Regional Autonomy: Case Study of Semarang City in 2009-2013', *1*, vol. 5, no. 2, Art. no. 2, Mar. 2022, doi: 10.37275/oaijss.v5i2.112.
- [19] A. Sessu and Imaduddin, 'Financial Ratio Analysis of Regional Revenue and Expenditure Budgets on Financial Performance in Regional Governments', *JER*, vol. 5, no. 1, Art. no. 1, Mar. 2022, doi: 10.57178/jer.v5i1.280.
- [20] G. E. Putri, A. Ismaya, M. Taqi, and I. A. Hanifah, 'Does Regional Autonomy Guarantee a Good Financial Performance?', presented at the International Conference on Sustainability in Technological, Environmental, Law, Management, Social and Economic Matters (ICOSTELM 2022), Atlantis Press, Dec. 2023, pp. 175–189. doi: 10.2991/978-2-38476-112-8_17.
- [21] J. Liu, X. Hu, and J. Wu, 'Fiscal decentralization, financial efficiency and upgrading the industrial structure: an empirical analysis of a spatial heterogeneity model', *Journal of Applied Statistics*, vol. 44, no. 1, pp. 181–196, Jan. 2017, doi: 10.1080/02664763.2016.1252733.
- [22] J. Liu, X. Hu, and H. Tang, 'Fiscal Decentralization and Regional Financial Efficiency: An Empirical Analysis of Spatial Durbin Model', *Discrete Dynamics in Nature and Society*, vol. 2016, no. 1, p. 6597138, 2016, doi: 10.1155/2016/6597138.
- [23] D. Antoni, M. Siregar, and S. Heno, 'Financial Capability Analysis in Central Kalimantan Province Before and After Regional Autonomy', *Journal Magister Ilmu Ekonomi Universtas Palangka Raya : GROWTH*, vol. 4, no. 2, Art. no. 2, Dec. 2018, doi: 10.52300/grow.v4i2.2264.
- [24] M. Nugroho, A. Halik, and D. Arif, 'Effect of CAMELS Ratio on Indonesia Banking Share Prices', *The Journal of Asian Finance, Economics and Business*, vol. 7, no. 11, pp. 101–106, 2020, doi: 10.13106/jafeb.2020.vol7.no11.101.
- [25] M. S. Alam, M. J. Ali, A. B. Bhuiyan, M. Solaiman, and M. A. Rahman, 'The impact of covid-19 pandemic on the economic growth in Bangladesh: a conceptual review', *American Economic & Social Review*, vol. 6, no. 2, pp. 1–12, 2020.
- [26] S. Rohima, M. Riswan, Liliana, and M. K. Yusuf, 'Mapping of Human Development Index in Regencies/City Over South Sumatera', presented at the 5th Sriwijaya Economics, Accounting, and Business Conference (SEABC 2019), Atlantis Press, May 2020, pp. 120–126. doi: 10.2991/aebmr.k.200520.021.
- [27] J. J. Xiao and P. Bialowolski, 'Consumer Financial Capability and Quality of Life: a Global Perspective', *Applied Research Quality Life*, vol. 18, no. 1, pp. 365–391, Feb. 2023, doi: 10.1007/s11482-022-10087-3.
- [28] T. Potocki and M. Cierpiał-Wolan, 'Factors shaping the financial capability of low-income consumers from rural regions of Poland', *International Journal of Consumer Studies*, vol. 43, no. 2, pp. 187–198, 2019, doi: 10.1111/ijcs.12498.
- [29] A. H. Mashum and M. Marlina, 'Nusantara Syariah Economy (Construction of Economic Cooperation between The Indonesian Muslim Community)', *IQTISHODUNA: Jurnal Ekonomi Islam*, vol. 9, no. 2, pp. 197–224, Oct. 2020, doi: 10.36835/iqtishoduna.v9i2.490.
- [30] H. Hasim, M. Mediaty, and A. I. Anwar, 'Implementing Accrual-Based SAP and Promoting Good Financial Governance More Effectively in South Buton Regency', *Journal of Social and Humanities*, vol. 1, no. 2, Art. no. 2, Sep. 2023, doi: 10.59535/jsh.v1i2.107.
- [31] M. D. Arkaanjani, 'The Influence of Poverty Levels, GRDP Per Capita and Number of Schools on School Enrollment Rates in West Nusa Tenggara Province', *Socio-Economic and Humanistic Aspects for Township and Industry*, vol. 1, no. 2, Art. no. 2, Nov. 2023, doi: 10.59535/sehati.v1i2.136.
- [32] S. Amar and I. Pratama, 'Exploring the link between income inequality, poverty reduction and economic growth: An ASEAN perspective', *International Journal of Innovation, Creativity and Change*, vol. 11, no. 2, pp. 24–41, 2020.

- [33] I. Rudiarto, R. Hidayani, and M. Fisher, 'The bilocal migrant: Economic drivers of mobility across the rural-urban interface in Central Java, Indonesia', *Journal of Rural Studies*, vol. 74, pp. 96–110, Feb. 2020, doi: 10.1016/j.jrurstud.2019.12.009.
- [34] M. Malinowski and J. Smoluk-Sikorska, 'Spatial Relations between the Standards of Living and the Financial Capacity of Polish District-Level Local Government', *Sustainability*, vol. 12, no. 5, Art. no. 5, Jan. 2020, doi: 10.3390/su12051825.



This work is licensed under a Creative Commons Attribution 4.0 International License. Any further distribution of this work must maintain attribution to the author(s) and the title of the work, journal citation and DOI. Published under licence by Tinta Emas Publisher