



Comparison the Autonomic Regional Financial Performance in Southeast Sulawesi Province

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Abstract

The consequence of the implementation of regional autonomy is that the regions must have their own abilities to implement government affairs and regional development. There is some research on the financial performance of the area but is still done in a partial autonomic region only. This research compares the financial performance between the autonomic regions of the expansion and the parent area. Based on this, study aims to compare the financial performance of the parent regency and the expanded district. In this study financial performance is measured based on Regional Financial Independence (KKD) ratio, Fiscal Decentralization Degree (DDF) ratio and the Regional Financial Effectiveness Ratio (EKD). Overall, secondary data are used, namely the realization of Regional Original Revenues (PAD), PAD targets, Balancing Funds, Loan Funds, and Regional Expenditures. To answer the research problem, the data is processed using ratio analysis. The results showed that the Regional Financial Performance measured by the ratio of KKD and DDF in the parent regency was still higher than the KKD and DDF in the expanded districts. Both the parent district and the expanded districts of KKD and DDF are included in the Instructive category. The role of the central government is still very dominant in regional financing. In general, the expanded district EKD ratio was very effective while the parent district EKD ratio was generally included in the quite effective category. The financial performance of the regional results is better than the parent region due to the existence of autonomous regions to promote maximum income sources.

INTRODUCTION

The purpose to giving of regional autonomy is to reduce the dependence of regional governments on the central government. With regional autonomy, autonomous regions have the opportunity to implement the development in order to improve the welfare of their communities (Wekan, R.J, Madris, & Harryanto, 2019). In the last few years many developing countries have to implement inefficient and effective governance, economic growth and a number of other macroeconomic variables have been unstable by the reason they have changed the form of government into a fiscal decentralized system. (Richard M. Bird, François Vaillancourt, 1999). Regions must be more independent, one of the indicators is the

increase in the contribution of Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) in regional financing.

Regional government is expected to be able to explore financial resources optimally, especially to meet the financing needs of government and development in the region. Fiscal decentralization policies make local governments have the authority to generate revenue and manage regional finances independently for public services and public welfare (Zahari, M., Tan, S., Haryadi, H., & Syaparuddin, S. 2018). The development of the acceptance of Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) in several parent districts and the districts expanded in Southeast Sulawesi Province is shown in Table 1.

Table 1. Regional Original Revenues Receipts From Several Parent Districts and Districts Expanded in Southeast Sulawesi Province, 2015-2019 (Million Rupiah)

Years	Kolaka	North Kolaka	East Kolaka	Konawe	South Konawe	Noth Konawe	Buton	North Buton	Bombana
2015	66,37	40,53	12,28	56,04	43,85	9,26	24,78	15,26	9,65
2016	72,21	40,25	15,51	57,70	48,03	14,81	39,14	12,83	31,27
2017	55,45	55,45	34,38	97,59	52,59	21,69	48,26	26,05	54,51
2018	46,07	46,07	38,87	76,71	61,32	15,61	27,64	15,27	65,54
2019	112,25	49,28	47,84	142,42	66,04	12,76	47,03	32,74	84,89

Source : Regional Financial Statistics of Southeast Sulawesi Province, 2019

Aras (2019) states that in general, the objectives of decentralization can be classified into two important variables, namely: increasing the efficiency and effectiveness of governance (structural efficiency approach) and increasing community participation in governance and development (local democracy approach or political approach).

The purpose of regional autonomy is not merely delegating central government authority to local governments, but more importantly is the desire to improve the efficiency and effectiveness of financial resource management in order to improve welfare and services to the community as stipulated in Government Regulation No. 58 of clause 4 of 2005 concerning regional financial management, regional finances are managed in an orderly, compliant with statutory regulations,

efficient, economical, effective, transparent, and accountable with regard to the principles of justice, politeness, and benefits for the community (Gousario and Harmastuti, 2015). Fiscal decentralization is expected to create regional independence and can reduce local government dependence on the central government. The independence of regional finance is reflected by the comparison of the amount of Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) to total regional income (Febiandani, R, Suseno, D. A, 2016).

The implementation of regional autonomy in Indonesia has not shown performance as mandated by Law No. 32 of 2004 concerning Regional Government and and Law Number 33 of 2004 concerning financial balance between the Central Government and Regional

Governments. The implementation of regional autonomy is not yet optimal due to the still low contribution of PAD in Regional Revenues. Varlitya, C. R., Masbar, R, Jamal, A & Nasir, M. (2018) from the results of their research concluded that the effect of fiscal decentralization on poverty alleviation is still very small. The expected effect on poverty reduction is greater, bearing in mind that after that decentralization must be the reach of local governments to pay closer attention to the poor and be able to immediately do so to overcome the problem of poverty. area. Fiscal decentralization in Indonesia which began in 2001 has proven to be effective and efficient, however its implementation still needs to be evaluated (Sasana, H. 2019).

Several study results explained that there were several obstacles in the implementation of regional autonomy, for example: (Mulatsih, E, S, 2014) explaining that regional expansion caused high regional expenditure costs, while Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) could not increase because both parent regions and expanded areas needed some adjustments. The results of the study (Sabilana, A. 2016) concluded that the degree of decentralization in Blitar was still very small with high fiscal dependence. Supporting factors and obstacles to the implementation of fiscal decentralization include the potential of natural resources, the potential of human resources, the potential of artificial resources, and the potential of institutional resources. Blitar Regency should be further improved in utilizing the potential resources, and the optimal resources should be maintained. In addition, funds need to be further optimized to hold capital expenditures that are more productive than operating expenses.

Based on the objectives of regional autonomy, financial management should be implemented into an integrated system that is realized in the budget established annually by regional regulations. On that basis, it will be necessary to measure regional performance. One measure of regional financial performance is the analysis of financial ratios derived from a predetermined and implemented budget. There

are a number of regional financial ratios that can be developed, namely the ratio of independence (fiscal autonomy), the ratio of effectiveness and efficiency, as well as a harmonious expenditure ratio (Halim, 2007).

This study aims to analyze and find out the financial performance comparison between the parent district and the district resulting from the division based on the Regional Finance Ministry (KKD), the Degree of Fiscal Decentralization (DDF) and the Regional Financial Effectiveness Ratio (EKD).

According to (Halim, 2017) KKD analysis is one of the tools to analyze the performance of local governments. Some parties that need the results of the KKD analysis are: the Regional Representative Council (DPRD), the central and regional government and the community. The DDF is the ability of local governments to finance their own governance, development and public service activities. The percentage ratio of independence shows the ratio between the amount of regional income with the help of the central government and loans.

Halim (2001) argues about the relationship between the central and regional governments in the implementation of regional autonomy, specifically the application of a law on financial balance between the central and regional governments, as follows: (1) The pattern of instructive relations, the role of the central government is more dominant than the independence of local governments, the ratio of independence (0-25%), (2) The pattern of consultative relations, the intervention of the central government has begun to decrease and more on providing consultations, the ratio of independence (> 25% -50%), (3) Pattern of participatory relations, the role of government central government decreases because the level of autonomy of autonomous regions is getting closer to being able to carry out autonomy affairs (> 50% -75%), (4) Pattern of discretionary relations, that is, without the intervention of the central government because regional governments have been able to carry out regional autonomy (> 75% -100 %). If carefully noted previous research focuses on the analysis of

financial performance of certain autonomous regions and the financial relations of central and local governments, but this research compares the financial performance of the regional results and the parent region.

RESEARCH METHODS

This research is a descriptive study, a research that will describe the regional financial performance based Regional Finance Ministry, the Degree of Fiscal Decentralization (DDF) and the Regional Financial Effectiveness Ratio. For parent districts and expanded districts from quantitative data, namely PAD, Balance Funds, Regional Loans, and Regional Expenditures, using of Suseno, D ratio analysis, A. 2013). To calculate the Regional Financial Independence (KKD) formulation is used:

$$KKD = \frac{PAD}{(Balance\ Funds + Loand\ funds)} \times 100\% \dots\dots\dots (1)$$

The KKD ratio will be interpreted based on the scale as in Table 2.

Table 2. Scale of Regional Financial Independence Ratios

Regional Independence Ratio (%)	Financial Relationship Pattern
0 – 25	Instructive
> 25 – 50	Concultative
> 50 -75	Participatory
> 75 -100	Discretionary

To determine the degree of fiscal decentralization (DDF) formulations were used:

$$DDF = \frac{PAD}{(Regional\ Expenditure)} \times 100\% \dots\dots\dots (2)$$

Table 3. Scale Ratio of Fiscal Decentralization Degrees

Degrees of Fiscal Decentralioization (%)	Regional Financial Capability
00,00 – 10,00	Very Less
10,01 – 20,00	Less
20,01 – 30,00	Enough
30,01 – 40,00	Middle
40,01 – 50,00	Good
> 50,00	Very Good

Source: Litbang Depdagri, Tim Fisipol UGM, 1991

The DDF ratio will be interpreted based on the scale as in Table 3. To find of the effectiveness of Regional Finance (EKD) formulations are used:

$$EKD = \frac{(Realization\ of\ PAD)}{(Targets\ of\ PAD)} \times 100\% \dots\dots\dots (3)$$

Furthermore, the EKD ratio will be interpreted based on the scale as in Table 4.

Table 4. Regional Financial Effectiveness Scale

Effectiveness Ratio (%)	Effectiveness of Regional Finances
> 100,00	Very effective
90,01 – 100,00	Effective
80,01 – 90,00	Enough effective
60,00 – 80,00	Less effective
< 60	Ineffective

Source : Kepmendagri, 1996

RESULTS AND DISCUSSION

Independence of Regional Finance (KKD) of Kolaka Regency and its division results calculated based on the ratio of PAD to Total Regional Revenue (TPD) in the last five years is presented in Table 5. In Table 5 it appears that the KKD of the parent district (Kolaka Regency) is higher than the expanded districts (Kolaka North Regency and East Kolaka Regency). The ratio of KKD in Kolaka Regency is 6.24 greater than the ratio of KKD in Kolaka North Regency which is 5.57 and the ratio of KKD in East Kolaka Regency is 4.55. By using a measurement scale (Halim, 2001), the KKD of Kolaka, North Kolaka and East Kolaka regencies have an instructive relationship, namely the role of the central government is more dominant than the regional government.

The results of this study are supported by research results (Zahari, M., Tan, S., Haryadi, H., & Syaparuddin, S. 2018) which concludes that the level of fiscal decentralization, namely the ratio of PAD to total regional income (TPD) in each district / city in Jambi Province is relatively low, while for Jambi Province is in the good category.

Table 5. Regional Financial Independence of Kolaka Regency, Kolaka North and East Kolaka, 2015-2019

Year	Kolaka			North Kolaka			East Kolaka		
	PAD (IDR Million)	PD (IDR Million)	KKD	PAD (IDR Million)	PD (IDR Million)	KKD (%)	PAD (IDR Million)	PD (IDR Million)	KKD
2015	66.365,25	1.051.038,97	6,31	40.531,45	748.022,01	5,42	12.282,73	531.799,79	2,31
2016	72.205,07	1.060.128,47	6,81	40.246,18	817.539,82	4,92	15.510,55	645.555,90	2,40
2017	55.454,85	1.083.491,77	5,12	55.454,85	761.873,95	7,28	34.381,36	658.749,60	5,22
2018	46.066,84	1.084.199,61	4,25	46.066,84	822.266,61	5,60	38.873,56	651.335,08	5,97
2019	112.252,73	1.285.755,15	8,73	49.276,62	894.614,12	5,51	47.841,60	699.770,55	6,84
Mean			6,24			5,75			4,55

Source : Regional Financial Statistics of Southeast Sulawesi Province, data processed

The development of KKD in both Kolaka Regency and Kolaka North and East Kolaka Districts was quite fluctuating, influenced by PAD and Regional Revenue (PD) which also fluctuated. In 2015 the KKD of Kolaka Regency by 6.31 rose to 6.81 in 2016 but fell to 5.12 in 2017. Fluctuations in KKD did not only occur in the parent districts but also occurred in the districts resulting from the division. Not different from Konawe District, Konawe Regency KKDs and the resulting districts which were calculated based on the ratio of PAD to Total Regional Revenue (TPD) in the last five years are presented in Table 6. In Table 6 it appears that the KKD of the parent district (Konawe Regency) is higher than in the newly created districts (South Konawe Regency and Konawe North Regency). The Konawe Regency KKD

ratio of 6.41 is greater than the South Konawe Regency KKD ratio of 4.34 and the Konawe North Regency KKD ratio of 1.92. By using a measurement scale (Halim, 2001), KKD in Konawe, South Konawe and Konawe North districts have an instructive relationship, namely the role of the central government is more dominant than the independence of local government. The results of the study are the same as the results of the study (Kamaroellah, R. A, 2017) that the ratio of KKD in Pamekasan Regency is very low and has an instructive relationship pattern. The ability of the Pamekasan Regency Government to meet the funding requirements for the implementation of Government, Development and Social Services community tasks is still relatively low even though it has increased and decreased from year to year.

Table 6. Regional Financial Independence of Konawe, South Konawe and Konawe North Regencies, 2015-2019

Year	Konawe			South Konawe *			North Konawe*		
	PAD (IDR Million)	PD (IDR Million)	KKD (%)	PAD (IDR Million)	PD (IDR Million)	KKD	PAD (IDR Million)	PD (IDR Million)	KKD (%)
2015	56.039,77	1.076.320,16	5,21	43.850,46	1.055.373,29	4,15	9.255,77	680.708,87	1,36
2016	57.702,18	1.174.856,95	4,91	48.028,70	1.225.185,45	3,92	14.806,65	816.648,20	1,81
2017	97.586,84	1.256.254,77	7,77	52.590,87	1.254.862,03	4,19	21.690,02	742.535,26	2,92
2018	76.707,52	1.239.526,90	6,19	61.320,15	1.333.195,38	4,60	15.614,20	753.317,92	2,07
2019	142.421,22	1.780.355,82	8,00	66.039,52	1.366.858,35	4,83	12.757,53	885.596,00	1,44
Mean			6,41			4,34			1,92

Suorch: Regional Financial Statistics of Southeast Sulawesi Province, data processed
District expanded

The development of KKD in Konawe and South Konawe districts tends to increase from

year to year, this is influenced by the consistent increase in PAD and PD which increases from

year to year. The Konawe North Regency KKD fluctuated even in the last two years (2018-2019), which was due to a decrease in PAD revenue.

Regional Financial Independence (KKD) of Buton District and district as a result of the division which is calculated based on the ratio of PAD to Total Regional Income (TPD) in the last five years is presented in Table 7. It appears that the KKD of the parent district (Buton Regency) is higher than the district resulting from the division (Buton North Regency), while the Bombana Regency KKD is bigger than Buton Regency. Buton District KKD ratio of 4.93 is greater Buton North Regency KKD ratio of 3.29

but smaller than the Bombana Regency KKD ratio of 5.68. By using a measurement scale (Halim, 2001), KKD in Buton, Bombana and Buton North districts have an instructive relationship, namely the role of the central government is more dominant than the independence of local governments.

The degree of fiscal autonomy (DDF) calculated based on the ratio between PAD and total regional expenditure illustrates the ability of autonomous regional governments to finance governance and development in their regions. The results showed that the DDF of the parent district was greater than the result of the division.

Table 7. Regional Financial Independence of Buton, Bombana and Buton North Regencies, 2015-2019

Year	Buton			Bombana			North Buton		
	PAD (IDR Million)	PD (IDR Million)	KKD (%)	PAD (IDR Million)	PD (IDR Million)	KKD (%)	PAD (IDR Million)	PD (IDR Million)	KKD (%)
2015	24.778,97	604.603,45	4,10	9.646,97	722.197,46	1,34	15.256,54	565.278,59	2,70
2016	39.141,77	777.193,14	5,04	31.274,21	850.047,40	3,68	12.828,35	621.108,51	2,07
2017	48.262,95	731.272,82	6,60	54.510,47	852.646,80	6,39	26.049,22	622.117,32	4,19
2018	27.641,92	789.843,90	3,50	65.544,25	838.855,73	7,81	15.266,64	625.421,75	2,44
2019	47.027,24	870.531,51	5,40	84.885,50	923.640,24	9,19	32.737,03	647.457,68	5,06
Mean			4,93			5,68			3,29

Source : Regional Financial Statistics of Southeast Sulawesi Province, data processed

The degree of fiscal autonomy of Kolaka Regency was 6.23 greater than the DDF of Kolaka North Regency which was 5.75 and Kolaka North was 4.53.

Table 8. Degree of Fiscal Decentralization of Kolaka Regency, North Kolaka and East Kolaka, 2015-2019

Year	Kolaka			North Kolaka			East Kolaka		
	PAD (IDR Million)	BD (IDR Million)	DDF (%)	PAD (IDR Million)	BD (IDR Million)	DDF	PAD (IDR Million)	BD (IDR Million)	DDF (%)
2015	66.365,25	1.046.447,93	6,34	40.531,45	754.213,70	5,37	12.282,73	512.990,14	2,39
2016	72.205,07	1.055.207,53	6,84	40.246,18	872.676,62	4,61	15.510,55	621.370,71	2,50
2017	55.454,85	1.081.752,24	5,13	55.454,85	745.708,55	7,44	34.381,36	669.561,77	5,13
2018	46.066,84	1.084.199,61	4,25	46.066,84	779.038,13	5,91	38.873,56	644.780,40	6,03
2019	112.252,73	1.308.472,35	8,58	49.276,62	912.741,62	5,40	47.841,60	727.988,31	6,57
Mean			6,23			5,75			4,53

Source : Regional Financial Statistics of Southeast Sulawesi Province, data processed

If referring to the Litbang Depdagri measurement scale (1991), the DDF in Kolaka, Kolaka North and East Kolaka Districts is in the very low category, meaning that the role of the central government is still very dominant in the

implementation of government and development tasks in autonomous regions. The low degree of autonomy for autonomous regions is due to the fact that new regions have done a lot of infrastructure development which requires huge

costs while PAD is only used for routine expenditure and that is not enough.

As in Kolaka district, DDF in Konawe district was 6.06 also greater than DDF in South Konawe District which was 4.25 and North Konawe District was 1.92. The degrees of Fiscal Decentralization in Konawe, South Konawe and North Konawe districts are shown in Table 9. If

referring to the Litbang Depdagri measurement scale (1991) the DDF in Konawe, South Konawe and North Konawe Districts is very low, meaning the role of the central government still very dominant in the implementation of government and development tasks in the autonomous region.

Table 9. Degree of Fiscal Decentralization in Konawe, Suoth Konawe and North Konawe Regencies, 2015-2019

Year	Konawe			South Konawe			North Konawe		
	PAD (IDR Million)	BD (IDR Million)	DDF (%)	PAD (IDR Million)	BD (IDR Million)	DDF (%)	PAD (IDR Million)	BD (IDR Million)	DDF (%)
2015	56.039,77	1.051.693,54	5,33	43.850,46	1.003.732,92	4,37	9.255,77	700.206,29	1,32
2016	57.702,18	1.189.502,02	4,85	48.028,70	1.191.086,98	4,03	14.806,65	805.117,99	1,84
2017	97.586,84	1.377.460,24	7,08	52.590,87	1.276.218,97	4,12	21.690,02	737.952,05	2,94
2018	76.707,52	1.585.935,67	4,84	61.320,15	1.464.126,57	4,19	15.614,20	760.513,86	2,05
2019	142.421,22	1.732.186,43	8,22	66.039,52	1.451.489,04	4,55	12.757,53	872.535,42	1,46
Mean			6,06			4,25			1,92

Source : Regional Financial Statistics of Southeast Sulawesi Province, data processed

The degree of Fiscal Decentralization of Buton Regency of 4.95 is greater than the DDF of Buton North Regency of 3.25 but smaller than the DDF of Bombana Regency of 5.71. The degrees of Fiscal Decentralization of Buton, Bombana and Buton North districts are shown in Table 10. The Bombana DDF ratio that is greater than the Buton DDF ratio shows that Bombana District's ability to finance government and development is greater than the ability of Buton District. Although it can be said that the three regions still have a very large dependency from

the central government. The consequence of regional expansion is the increased cost of regional autonomy which is high, while PAD has not been able to increase because both the parent region and the expanded area, need some adjustments and build various infrastructures. Sabilana, A (2016) suggested that the success in implementing fiscal decentralization was influenced by supporting and inhibiting factors, namely the potential of Natural Resources (SDA), the potential of Human Resources (HR), and the potential of institutional resources.

Table 10. Degree of Fiscal Decentralization of Buton, Bombana and Buton North Regencies, 2015-2019

Year	Buton			Bombana			North Buton		
	PAD (IDR Million)	BD (IDR Million)	DDF (%)	PAD (IDR Million)	BD (IDR Million)	DDF (%)	PAD (IDR Million)	BD (IDR Million)	DDF (%)
2015	24.778,97	732.928,75	3,38	9.646,97	723.296,14	1,33	15.256,54	563.829,60	2,71
2016	39.141,77	787.226,00	4,97	31.274,21	860.382,99	3,63	12.828,35	638.194,93	2,01
2017	48.262,95	714.165,21	6,76	54.510,47	834.587,06	6,53	26.049,22	626.105,02	4,16
2018	27.641,92	805.707,18	3,43	65.544,25	849.393,85	7,72	15.266,64	640.415,09	2,38
2019	47.027,24	758.472,35	6,20	84.885,50	910.945,53	9,32	32.737,03	657.064,27	4,98
Mean			4,95			5,71			3,25

Source : Regional Financial Statistics of Southeast Sulawesi Province, data processed

When referring to the Litbang Depdagri measurement scale (1991), DDF in Buton, Bombana and North Buton districts fall into the very low category, meaning that the role of the central government is still very dominant in the implementation of government and development tasks in autonomous regions. The low DDF at this research location is the same as the results of the study (Kamaroellah, R. A, 2017) who conducted the Pemekesan Regency research and (Sabilana, A. 2016) who conducted the research in Blitar Regency. Sabilana, A (2016) concluded that the degree of decentralization in Blitar was still very small with high fiscal dependence. Besides (Kamaroellah, R. A, (2017); Sabilana, A (2016) & Sianturi, A., Sjamsuddin, S., & Domai, T. 2014) with different research locations but put

forward the same conclusions that local revenue Kota Batu still has a low degree of fiscal decentralization, a high level of dependence on the central government. Regional financial performance measurements aside from using the KKD ratio, DDF ratios are also prevalent using the EKD ratio. EKD ratio is the ratio between the realization of Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) revenue against the Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) target. The results showed that the EKD of the split districts was largely more effective than the parent district. This shows that the government in the newly blooming region has better ability to realize Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) targets.

Table 11. Regional Financial Effectiveness Ratios of Kolaka, Kolaka North and East Kolaka Regencies, 2015-2019

Year	Kolaka			North Kolaka*			East Kolaka*		
	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)
2015	66.365,25	55.881,28	118,76	40.531,45	35.075,87	115,55	12.282,73	10.045,18	122,27
2016	72.205,07	72.581,08	99,48	40.246,18	42.953,82	93,70	15.510,55	14.880,82	104,23
2017	55.454,85	80.163,29	69,18	55.454,85	39.711,80	139,64	34.381,36	17.304,14	198,69
2018	46.066,84	83.636,91	55,08	46.066,84	40.501,05	113,74	38.873,56	37.145,07	104,65
2019	112.252,73	107.044,26	104,87	49.276,62	41.805,35	117,87	47.841,60	36.706,78	130,33
Mean			89,47			116,10			132,04

Source : Regional Financial Statistics of Southeast Sulawesi Province, data processed

The EKD ratio of Kolaka Regency is 89.47 smaller than the EKD ratio of Kolaka North Regency which is 116.10 and East Kolaka Regency is 132.04. This shows that the region resulting from the division is more effective in managing Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) than the parent district.

The EKD ratios of Kolaka, Kolaka North and East Kolaka Regencies are shown in Table 11. If related to the measurement scale (Halim, 2001: 16), the EKD ratios of the split districts (North Kolaka and East Kolaka) are very effective while the EKD ratios of the parent districts (Kolaka Regency)) effective enough. Sianturi, A., Sjamsuddin, S., Domai, T. (2014)

suggests that the supporting and inhibiting factors in optimizing the role of Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) are: (1)

communication to the public through the socialization and counseling of taxpayers and compulsory retribution; (2) Presence of Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) source objects; (3) public awareness to pay taxes and fees; (4) availability of information systems and technology; (5) apparatus resource competence. As in Kolaka District, the EKD ratio of Konawe Regency was 84.05 smaller than the EKD ratio of South Konawe Regency which was 96.97 and Konawe North Regency was 105.12. This shows that the region resulting from

the division is more effective in managing Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) than the parent district. The EKD ratio of Buton Regency is 195.29 greater than the EKD ratio of Bombana Regency (104.08) and Buton North Regency (137.10).

Table 12. Regional Financial Effectiveness Ratios of Konawe, South Konawe and North Konawe Regencies, 2015-2019

Year	Konawe			South Konawe*			North Konawe*		
	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)
2015	56.039,77	70.610,00	79,37	43.850,46	40.730,45	107,66	9.255,77	18.743,15	49,38
2016	57.702,18	59.715,82	96,63	48.028,70	46.331,80	103,66	14.806,65	10.000,00	148,07
2017	97.586,84	127.726,10	76,40	52.590,87	52.424,87	100,32	21.690,02	12.750,00	170,12
2018	76.707,52	113.078,10	67,84	61.320,15	68.908,75	88,99	15.614,20	16.097,31	97,00
2019	142.421,22	142.421,22	100,00	66.039,52	81.314,57	81,21	12.757,53	20.902,50	61,03
Mean			84,05			96,37			105,12

Source : Regional Financial Statistics of Southeast Sulawesi Province, data processed

The Regional Financial Effectiveness Ratios of Buton, Bombana and Bombana North are shown in Table 13. In Table 13 it appears that all districts have an ECD ratio > 100% (very effective). The regency has an EKD ratio above 100% because the real regency of Butun is also the division of Bau Bau City. Based on these it can be concluded that the region resulting from the division is effective in managing Regional Original Revenues (*Pendapatan Asli Daerah*, PAD).

Table 13. Financial Effectiveness Ratio of Buton, Bombana and North Bombana Regencies, 2015-2019

Year	Buton			Bombana			North Buton		
	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)	PAD_real (IDR Million)	PAD_plan (IDR Million)	EKD (%)
2015	24.778,97	16.253,53	152,45	9.646,97	38.380,74	25,13	15.256,54	11.753,94	129,80
2016	39.141,77	17.133,54	228,45	31.274,21	37.011,71	84,50	12.828,35	12.881,08	99,59
2017	48.262,95	16.624,93	290,30	54.510,47	37.895,37	143,84	26.049,22	12.961,40	200,98
2018	27.641,92	46.232,63	59,79	65.544,25	81.253,74	80,67	15.266,64	25.505,59	59,86
2019	47.027,24	19.157,62	245,48	84.885,50	45.578,92	186,24	32.737,03	16.727,38	195,71
Mean			195,29			104,08			137,19

Source : Regional Financial Statistics of Southeast Sulawesi Province, data processed

CONCLUSION

Based on the analysis, results and discussion above, it is concluded that (1). The financial performance of the parent district is still better than the district results of pemekoran. Although it is better, it is still classified in the instructive category. Autonomous regions, both

core regencies and regencies resulting from the division still have a very high dependency on the central government. (2) Districts resulting from the division are more effective in realizing Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) targets than in the core districts. To increase the degree of regional fiscal decentralization, the potential for Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) must be optimized.

Some important steps that can be taken by local governments are: (1) socialization about the responsibility to pay regional taxes and fees; (2) mapping the potential of Regional Original Revenues (*Pendapatan Asli Daerah*, PAD); (3) Development of Regional Original Revenues (*Pendapatan Asli Daerah*, PAD) information systems; (4) increasing the competence of the apparatus, and (5) applying sanctions for those who do not pay taxes and fees.

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