# Comparison of Regional Original Income and Capital Expenditures have an effect on Human Dvelopment

Kabul Putra Imanuel Mone [1], Nurafni Eltivia [2], Nur Indah Riwajanti [3]

[1] Information System Accountancy, State Polytechnic of Malang, Malang, Indonesia
[2]Information System Accountancy, State Polytechnic of Malang, Malang, Indonesia
[3] Information System Accountancy, State Polytechnic of Malang, Malang, Indonesia
*

## ABSTRACT

*The goal of this study is to see how regional original income and capital expenditure affect the Comparative Human Development Index of East and West Nusa Tenggara Provinces. Secondary data was collected in the form of Human Development Index figures obtained from the Central Statistics Agency's official website and Report Realization of Regency/City Regional Government Budgets in East Nusa Tenggara Province 2016-2018 obtained from the Ministry of Finance's official website. Multiple linear regression was used to analyze the data in Microsoft Excel. According to the findings of the partial t-test, Regional Original Income in West Nusa Tenggara Province has a negative and insignificant effect on the Human Development Index, whereas Regional Original Income in East Nusa Tenggara Province has a positive and significant effect on the Human Development Index, and Capital Expenditures in East Nusa Tenggara Province and West Nusa Tenggara Province have no effect on the Human Development Index. Meanwhile, it is determined that Regional Original Income and Capital Expenditures have a positive and significant effect on the Human Development Index using the F (simultaneous) test. This means that the increase in Regional Original Income received by the Regional Government will boost Capital Expenditures issued to fund community welfare initiatives, resulting in an increase in the Human Development Index in the Provinces of East and West Nusa Tenggara..*

**Keyword: -** *Capital Expenditure word1 , Human Development Index2, Regional Original Income 3*

---

## 1. INTRODUCTION

If a country's or region's economic development improves through time, it is said to have developed. One of the instruments used to see the expression of success in growing growth and economic development is development Mirza (2012). Economic growth is an indicator of a country's development performance, and development is a tool for accomplishing national development goals. The goals of the Indonesian nation are also stated in the preamble of the 1945 Constitution. The fundamental goal of emerging countries in terms of development is to achieve high economic growth. This is due to the fact that economic growth is strongly linked to the increase in goods and services produced by the community, and the more goods and services produced, the greater the country's degree of success, as well as an increase in income for each community. This is in agreement with's viewpoint Adiputra (2015). The core of national development is the development of the Indonesian people as a whole. Human resources are at the heart of the development process, as this statement demonstrates.

The Human Development Index in East Nusa Tenggara Province continues to rise, according to data issued by the Central Statistics Agency. However, the continuous improvement in each period has not been able to conclude that the province of East Nusa Tenggara has experienced very good economic growth. This is due to the fact that there are still gaps between the province of East Nusa Tenggara and the province of West Nusa Tenggara, where the province's HDI percentage value is still high. The province of West Nusa Tenggara is higher than the province of East Nusa Tenggara. When viewed from a different perspective, though, The climatic conditions in West and East Nusa Tenggara are nearly identical, as evidenced by the presence of nearly identical natural circumstances in the area, such as the presence of huge grasslands that influence the existing climate.

East Nusa Tenggara Province and West Nusa Tenggara Province have arid climates, which are characterized by a minimal amount of rainfall that is not evenly distributed, among other things. Furthermore, as compared to West Nusa Tenggara Province, the East Nusa Tenggara Province has a bigger area and population. This suggests that the province of East Nusa Tenggara's human resource quality and population welfare are still relatively low.

According to data from the Central Statistics Agency, there is a discrepancy in the Human Development Index between the provinces of East and West Nusa Tenggara, with only one district/city in East Nusa Tenggara falling into the "high" human development group, namely Kupang City at 78.,84. Meanwhile, there is only one district in the "low" human development group, namely Sabu Raijua Regency at 57.02, in contrast to West Nusa Tenggara Province, which has three regencies/cities, including Sumbawa Regency, in the "high" human development group. West, Mataram City, and Bima City had scores of 71.63, 78.91, and 75.81, respectively. The others, on the other hand, are classified as having "moderate" human development.

To address regional inequities, the government passed Law No. 32 of 2004 on Regional Government, which was later revised into Law No. 23 of 2014. Local governments are granted the right, jurisdiction, and responsibility to oversee and manage their own government activities under this law. If a country's or region's economic development improves through time, it is said to have developed. One of the instruments used to see the expression of success in growing growth and economic development is development Mirza (2012). Economic growth is an indicator of a country's development performance, and development is a tool for accomplishing national development goals. The goals of the Indonesian nation are also stated in the preamble of the 1945 Constitution. The fundamental goal of emerging countries in terms of development is to achieve high economic growth. This is due to the fact that economic growth is strongly linked to the increase in goods and services produced by the community, and the more goods and services produced, the greater the country's degree of success, as well as an increase in income for each community. This is in agreement with's viewpoint Adiputra (2015). The core of national development is the development of the Indonesian people as a whole. Human resources are at the heart of the development process, as this statement demonstrates.

The Human Development Index in East Nusa Tenggara Province continues to rise, according to data issued by the Central Statistics Agency. However, the continuous improvement in each period has not been able to conclude that the province of East Nusa Tenggara has experienced very good economic growth. This is due to the fact that there are still gaps between the province of East Nusa Tenggara and the province of West Nusa Tenggara, where the province's HDI percentage value is still high. The province of West Nusa Tenggara is higher than the province of East Nusa Tenggara. When viewed from a different perspective, though, The climatic conditions in West and East Nusa Tenggara are nearly identical, as evidenced by the presence of nearly identical natural circumstances in the area, such as the presence of huge grasslands that influence the existing climate.

East Nusa Tenggara Province and West Nusa Tenggara Province have arid climates, which are characterized by a minimal amount of rainfall that is not evenly distributed, among other things. Furthermore, as compared to West Nusa Tenggara Province, the East Nusa Tenggara Province has a bigger area and population. This suggests that the province of East Nusa Tenggara's human resource quality and population welfare are still relatively low.

According to data from the Central Statistics Agency, there is a discrepancy in the Human Development Index between the provinces of East and West Nusa Tenggara, with only one district/city in East Nusa Tenggara falling into the "high" human development group, namely Kupang City at 78.,84. Meanwhile, there is only one district in the "low" human development group, namely Sabu Raijua Regency at 57.02, in contrast to West Nusa Tenggara Province, which has three regencies/cities, including Sumbawa Regency, in the "high" human

development group. West, Mataram City, and Bima City had scores of 71.63, 78.91, and 75.81, respectively. The others, on the other hand, are classified as having "moderate" human development.

To address regional inequities, the government passed Law No. 32 of 2004 on Regional Government, which was later revised into Law No. 23 of 2014. Local governments are granted the right, jurisdiction, and responsibility to oversee and manage their own government activities under this law.

The effectiveness of achieving regional development success is heavily reliant on government budgetary support. The regional budget formula in the BudgetRegional Revenue and ExpenditureRegional Revenue and ExpenditureRegional Revenue and ExpenditureRegional Revenue and ExpenditureRegional Revenue and ExpenditureReg (APBD). Without limiting central government assistance, regional governments must be allowed to make the best use of possible resources and assign them to regional priorities. Only a portion of the central government's revenue is given to the regions, necessitating a sufficient source of funding, particularly from the Original Regional Revenue (PAD), to carry out governance and development activities. Local governments then employ sufficient revenues to sponsor components that support community welfare. One of these is the distribution of the capital expenditure budget, which is used to fund fundamental services such as education, health, and other infrastructure, and has an impact on the Human Development Index's rise. The main source of regional finance to fund regional expenditures is local revenue, as indicated by (Putra & Ulupui, 2015). (PAD). Regional tax revenues, regional membership dues, revenues from independent regional administrations, and other lawful PAD make up regional original income. The PAD is a measure of a region's financial independence in terms of regional development. Regional income through PAD is intended to boost local government fixed-investment spending, resulting in better public service quality. Improving the quality of public services will almost surely improve community wellbeing and raise the Human Development Index.

The PAD is a measure of a region's financial independence in terms of regional development. Regional income through PAD is intended to boost local government fixed-investment spending, resulting in better public service quality. Improving the quality of public services will almost surely improve community wellbeing and raise the Human Development Index.

## 2. LITERATURE REVIEW

### 2.1 Locally Genarated revenue

Regional Original Revenue (PAD) is income that is sourced and collected by the regional government itself, according to Warsito (2001: 128). Local taxes, regional levies, income from regionally held firms (BUMD), and other acceptable local revenue sources are all used. In an era of regional autonomy, regional original revenue (PAD) should be the primary source of revenue for regions, reducing regional reliance on the central government by balancing budgets and allowing regions to satisfy all of their associated demands. Meanwhile, according to Nuarisa (2013), local governments must set a big PAD target in order to meet public services and community interests by increasing capital expenditure. This is because the rise in capital expenditure is proportional to the size of the PAD. This is also in line with Soekarwo's (2003: 95) opinion that the APBD's independence is inextricably linked to PAD, because the greater the source of the increase in regional blood potential, rather than assistance from the central government, the easier it will be to fulfill the community's interests without having to act on behalf of the government. a community center that does not meet the needs of the local community.

### 2.2 Capital Expenditure

After obtaining sufficient funds from available sources, the regional government uses them to pay government affairs that fall under the jurisdiction of the region, often known as regional expenditures. Regional expenditure is divided into operational expense, capital expenditure, unexpected expenditure, and transfer expenditure under Government Regulation No. 12 of 2019. "Capital expenditure is a regional government expenditure that increases regional assets or wealth, where capital expenditure is assigned to be used by regional governments in creating infrastructure in their area," Halim (in Yanto, et al, 2018:126) adds.

Regional Original Revenue (PAD) is income that is sourced and collected by the regional government itself, according to Warsito (2001: 128). Local taxes, regional levies, income from regionally held firms (BUMD), and other acceptable local revenue sources are all used. In an era of regional autonomy, regional original revenue (PAD) should be the primary source of revenue for regions, reducing regional reliance on the central government by balancing budgets and allowing regions to satisfy all of their associated demands. Meanwhile, according to Nuarisa(2013), local governments must set a big PAD target in order to meet public services and community interests by increasing capital expenditure. This is because the growth in capital expenditure is proportional to the size of the PAD. This is also in line with Soekarwo's (2003: 95) opinion that the APBD's independence is very closely related to PAD, because the greater the source of the increase in regional blood potential, rather than assistance from the central government, the easier it will be to fulfill the community's interests without having to act on behalf of the government. center that is not in accordance with what the local community needs.

### 2.3 Human Development Index

The United Nations Development Program (UNDP) created a development model called Human Development in 1990, which places persons at the center of development goals. A measuring instrument, the Human Development Index, is used to determine whether or not this aim has been met. The Human Development Index describes how people might obtain development outcomes such as income, health, and education. The Human Development Index is a significant indicator in gauging performance in efforts to improve human life quality, according to the Central Bureau of Statistics (2015:10-11). The Human Development Index can be used to determine a region's or country's ranking or level of development. Indonesia is a country in Southeast Asia.

### 2.4 Previous Research

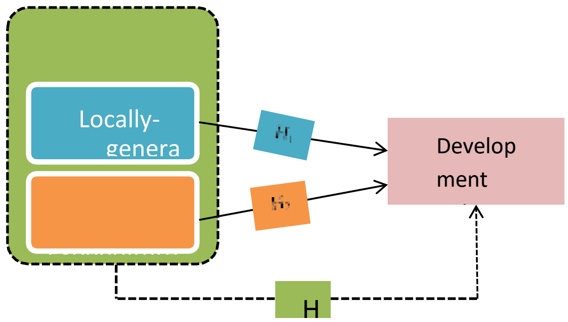
Several past studies with a relationship to this study were used as reference material in generating the material for this study, with the rationale for this research being the inconsistency of research outcomes in earlier studies. The variables, methods, and data analysis techniques used in thisstudy are identical to those used in Sari and Supadmi's (2016) research; and Yanto, et al (2018), which uses the variables of Regional Original Income (X1), Capital Expenditures (X2), and the Human Development Index (Y) and employs quantitative research methods; the only difference is the study's location and time span. This is distinct from the previous study, which was conducted in 2016 in the provinces of East and West Nusa Tenggara.

### 2.5 Hypotesis

The following theories will be proposed in this study:
H1: The Human Development Index is influenced by regional original income.
H2: The Human Development Index is influenced by capital expenditure.
H3: The Human Development Index is influenced by regional original income and capital expenditure (IPM).

### 2.6 Framework

Because there are still gaps in human development success between regions, Indonesia's human development concerns deserve careful attention. Regional autonomy is supposed to help autonomous regions accelerate their growth. Local governments must be able to appropriately construct regional development strategies by prioritizing the money on priority activities that boost community welfare in order for them to be implemented. The government must be able to allocate Regional Original Income, which is the main source of regional income, for capital expenditures required to fund investment activities (growing assets) in this case infrastructure. Regional Original Income (PAD) and capital expenditures are the two independent variables in this study. The Human Development Index is the study's dependent variable (dependent) (IPM). The research framework will be presented as follows, based on the theoretical foundation and past study descriptions.




## 3. RESEARCH METHODOLOGY

Secondary data from the Central Statistics Agency (BPS East Nusa Tenggara Province and BPS West Nusa Tenggara Province) as well as financial data from http://www.djpk.kemenkeu.go.id, particularly data from 2016 to 2018, were used in this study. Several variables, including PAD and Capital Expenditures, influence the Regency/City Human Development Index in East Nusa Tenggara Province and West Nusa Tenggara Province Province from 2016 to 2018. With the use of the Microsoft Excel 2019 program, the next analysis technique employs multiple linear regression models to determine the relationship between variables X and Y (Rahmawati in Pratama Bagas Brian, 2021) with the help of the Microsoft Excel 2019 program. The regression model used is as follows:

Y = a + b1X1 + b2X2 + e

Where :

Y : Human Development Index
B1, b2 : Coefficients of regression
X1 : Regional Gross Domestic Product.
X2 : Capital Expenditure.
e : Standard deviation.

## 4. RESULTS AND DISCUSSION

### 4.1. RESULTS

Quantitative research utilizing multiple linear regression data analysis is used in this study. The program used for this analysis is Microsoft Excel.

### A. Descriptive Statistics

**TABLE 1:** RESULTS OF WEST NUSA TENGGARA PROVINCE DESCRIPTIVE STATISTICS

| | **Minimum** | **Maximum** | **N** | **mean** | **St. Deviation** |
|---|---|---|---|---|---|
| **HDI** | 62.24 | 78.43 | 30 | 67.74 | 4.72 |
| **PAD** | 30,524,799,756 | 398,088,460,541 | 30 | 179,350,656,872 | 100,805,152,734 |
| **Capital Expenditure** | 209,505,008,067 | 469,901,093,898 | 30 | 333,707,013,765 | 69,784,434,725 |

**TABLE 2:** RESULTS OF EAST NUSA TENGGARA PROVINCE DESCRIPTIVE STATISTICS

| | Minimum | Maximum | N | mean | St. Deviation |
|---|---|---|---|---|---|
| **HDI** | 54.16 | 78.84 | 69 | 62.51 | 4.249836269 |
| **PAD** | 22,142,086,431 | 229,137,473,529 | 69 | 72,814,191,443.49 | 41271625714 |
| **Capital Expenditure** | 94,261,785,071 | 409,656,705,681 | 69 | 206,652,494,879.96 | 55212371504 |

The PAD of Regency/City in West Nusa Tenggara Province has a mean of Rp.179,350,656,872 with a minimum of IDR 30,524,799,755.78 and a maximum of Rp. 398,088,460,541. This is based on the data processing results in table 1 and table 2. PAD in East Nusa Tenggara Province Province, on the other hand, has a mean of Rp. 72,814,191,443, with a low of Rp. 22,142,086,431 and a maximum of Rp. 229,137,473,529. Based on these findings, it can be seen that the West Nusa Tenggara Province has the highest PAD, with an average (mean) PAD that is higher than the East Nusa Tenggara Province, indicating that the West Nusa Tenggara Province government has managed Regional Resources better than the East Nusa Tenggara Province government.

The highest capital expenditure allocation in the West Nusa Tenggara Province is Rp. 469,901,093,898, while the lowest capital expenditure allocation is Rp. 209.505,008,067. The higher the PAD in an area, the larger the allocation of regional expenditures. As a result, if the district/city administration in East Nusa Tenggara Province can manage PAD well, the PAD obtained will increase, which will have a positive influence because the Capital Expenditure Allocation will increase. As achieved in the West Nusa Tenggara Province's Regency/City.

The average HDI achievement in West Nusa Tenggara Province districts/cities is 78.43, which is lower than the average HDI achievement in East Nusa Tenggara Province districts/cities of 78.84. There is a 0.41 percent difference. However, the average value of these three variables in West and East Nusa Tenggara Provinces is higher than the standard deviation, indicating that the results are pretty satisfactory. This is because the standard deviation represents a large data deviation, resulting in a data distribution that is normal and free of bias.

### B. Multiple Linear Regression Analysis

The following are the results of the multiple linear regression analysis:

**TABLE 3:** WEST NUSA TENGGARA REGRESSION ANALYSIS RESULTS

| | *Coefficients* | *Standard Error* | *t Stat* | *P-value* |
|---|---|---|---|---|
| ***Intercept*** | 76.081221 | 4.03 | 18.89 | 0.00 |
| **PAD (x1)** | 1.697E-11 | 0.00 | 1.80 | 0.08 |
| **Capital Expenditure (x2)** | -3.41E-11 | 0.00 | (2.50) | 0.02 |

**TABLE 4:** RESULTS OF THE PROVINCE OF EAST NUSA TENGGARA'S REGRESSION ANALYSIS

| | *Coefficients* | *Standard Error* | *t Stat* | *P-value* |
|---|---|---|---|---|
| ***Intercept*** | 57.4440221 | 1.65 | 34.90 | 0.00 |

| | | | | |
|---|---|---|---|---|
| **PAD (x1)** | 5.7186E-11 | 0.00 | 4.96 | 0.00 |
| **Capital Expenditure (x2)** | 4.3819E-12 | 0.00 | 0.51 | 0.61 |

In the West Nusa Tenggara Province, a linear regression equation can be constructed based on the results of table 3 above, namely: IPM = 76.08 + 1.69 PAD - 3.41 Capital Expenditure + e. Then, in the East Nusa Tenggara Province, a linear regression equation can be constructed as follows: HDI = 57.44 + 5.71 PAD + 4.38 Capital Expenditure + e HDI = 57.44 + 5.71 PAD + 4.38 Capital Expenditure + e HDI = 57.44,it can be understood as follows based on the regression equation's results.

The interpretation of the regression equation above is that if Regional Original Income and Capital Expenditure are 0, then the HDI in West Nusa Tenggara Province is 76.08 while in East Nusa Tenggara Province Province is 57.44. Furthermore, if PAD increases by Rp1 while other variables are constant, then the Human Development Index in West Nusa Tenggara Province will increase by 1.69 East Nusa Tenggara Province will increase by 5.71. Finally, if Capital Expenditures increase by Rp.1, while other variables are constant, then the Development Index number will decrease by 3.41, this change is different from East Nusa Tenggara Province which has increased by 4.38.

### C. Anova Test

**TABLE 5:** ANOVA Test in West Nusa Tenggara Province

| | *df* | *SS* | *MS* | *F* | *Significance F* |
|---|---|---|---|---|---|
| Regression | 2 | 126.8522117 | 63.426 | 3.30 | 0.05 |
| Residual | 27 | 518.533575 | 19,205 | | |
| Total | 29 | 645.3857867 | | | |

**TABLE 6:** ANOVA Test in East Nusa Tenggara Province

| | *df* | *SS* | *MS* | *F* | *Significance F* |
|---|---|---|---|---|---|
| Regression | 2 | 417.67 | 208.84 | 17.01 | 0.00 |
| Residual | 66 | 810.48 | 12.28 | | |
| Total | 68 | 1,228.16 | | | |

The results of the F test above show that the independent variable has a significant effect in both the Province of West Nusa Tenggara and the Province of East Nusa Tenggara, as evidenced by the significant value of F 0.05, where the significant value of the Province of West Nusa Tenggara is 0.05 0.05 and the significant value of the Province of East Nusa Tenggara is 0.00<0.05, implying that the Regional Ordnance has a significant effect in both.

**D. Coefficient of Determination Test (R2)**

**TABLE 7:** Regression Statistics In West Nusa Tenggara Province

| *Regression Statistics* | |
|---|---|
| Multiple R | 0.44 |
| R Square | 0.20 |
| Adjusted R Square | 0.14 |
| Standard Error | 4.38 |
| Observations | 30 |

**TABLE 8:** Regression Statistics In East Nusa Tenggara Province

| *Regression Statistics* | |
|---|---|
| Multiple R | 0.58 |
| R Square | 0.34 |
| Adjusted R Square | 0.32 |
| Standard Error | 3.50 |
| Observations | 69 |

Tables 7 and 8 show that R square in West Nusa Tenggara Province is 0.20, indicating that this variable can only explain 20% of the variance, with the remaining 80% explained by other variables, whilst R square in East Nusa Tenggara Province can only explain 34% of the variance. Other variables account for the remaining 66 percent.

## 4.2. DISCUSSION

**A. The Effect of Regional Original Income on the Human Development Index.**

The first hypothesis (H1) on the effect of Regional Original Income on the Human Development Index in West Nusa Tenggara Province can be described as 1.80 with a significant value of $0.08 \geq 0.05$ based on the findings of statistical testing with the t test. As a result, the first hypothesis is rejected, indicating that the PAD value has no significant impact on the Human Development Index. This research is consistent with that of (Fadhly, 2018), who found that Regional Original Income has no significant impact on the Human Development Index in West Sumatra. The link between Regional Original Income and the Human Development Index is negative, meaning that when Regional Original Income rises in West Sumatra's Regencies/Cities, the Human Development Index falls.

The first hypothesis (H1) on the influence of Regional Original Income on the Human Development Index in East Nusa Tenggara Province may be explained by the findings of statistical testing with the t test, which show that the effect is 4.96 with a significant value of 0.00 0.0. As a result, the first hypothesis, that Regional Original Income has a positive and significant effect on the Human Development Index, is accepted. The higher the value of Regional Original Income in a certain area, the higher the Human Development Index will be. As a result, it can be inferred that Local Government Revenue in the East Nusa Tenggara Province was able to raise the Human

Development Index throughout the 2016-2018 period. This is in line with the findings of a study (Ayu Candra Yunita Sari & Luh Supadmi, 2016; Pradnyantari & Dwirandra, 2019; Yanto & Fattah, 2018)

**B. The Effect of Regional Original Income on the Human Development Index.**

The results of statistical testing with the t-test, the second hypothesis (H2) regarding the effect of Capital Expenditure on the Human Development Index in Regional Governments in East Nusa Tenggara Province and West Nusa Tenggara Province for the 2016-2018 period showed that there was no effect on the value in West Nusa Tenggara Province of (2.50) while in East Nusa Tenggara Province it was 0.51 . Thus, it can be concluded that the second hypothesis is rejected, which means that there is no significant effect of Capital Expenditure on the Human Development Index. The results of this study are the same as previous research conducted by(Sasti & Latrini, 2019) as well as(Pradnyantari & Dwirandra, 2019)) which found that Capital Expenditure has no effect on the Human Development Index, but this study has not succeeded in proving the research conducted by Mirza (2012); Edi Yanto, et al (2018); and Sari and Supadmi (2016) who explain that capital expenditure affects the Human Developmen For the 2016-2018 period, the results of statistical testing with the t-test, the second hypothesis (H2) regarding the effect of Capital Expenditure on the Human Development Index in Regional Governments in East Nusa Tenggara Province and West Nusa Tenggara Province revealed that there was no effect on the value of (2.50) in West Nusa Tenggara Province, while it was 0.51 in East Nusa Tenggara Province. As a result, the second hypothesis is rejected, implying that capital expenditure has no meaningful impact on the Human Development Index. The findings of this study are similar to those of previous research (Sasti & Latrini, 2019)and (Pradnyantari & Dwirandra, 2019)that found that Capital Expenditure has no effect on the Human Development Index. However, this study did not succeed in proving the findings Mirza (2012); Edi Yanto, et al (2018); and Sari and Supadmi (2016) that capital expenditure has an effect on the Human Development Index.

**C. The Effect of Regional Original Income and Capital Expenditure on the Human Development Index.**

The F test results show that the Regional Original Income and Capital Expenditure variables (independent) have a simultaneous positive and significant influence on the Human Development Index variable (dependent) with a value of 3.30 in West Nusa Tenggara Province and 17.01 in East Nusa Tenggara Province and a significance level of 0.05 in both provinces. This means that the higher the Regional Original Income, the more money will be spent on capital projects to build public facilities for the community that will improve their quality of life. Because the supporting factors have been met, this increase in Regional Original Income and Capital Expenditures will likewise increase the Human Development Index.

The findings of this study agree with those of Edi Yanto et al. (2018), who found that an increase in Regional Original Income and Capital Expenditures can influence the increase in the Human Development Index in Central Sulawesi Regencies/Cities. The findings of this study corroborate those of Sari and Supadmi (2016), who discovered that Regional Original Income had an impact on the Human Development Index. The Human Development Index will rise as the realized value of Regional Original Income and Capital Expenditures increases.

## 4. CONCLUSIONS

Based on the findings of the analysis and discussion conducted on the effect of Regional Original Income and Capital Expenditure on the Human Development Index in the Provinces of East Nusa Tenggara and West Nusa Tenggara, it can be concluded that Regional Original Income has no significant impact in the Province of West Nusa Tenggara, but has a significant impact in the Province of East Nusa Tenggara. As a result, an increase in Regional Original Income has no discernible impact on the Human Development Index. This conclusion is supported by the findings of an examination of regional original income in the Province of West Nusa Tenggara, which show that regional original income has no substantial or no effect on the increase in the Human Development Index, which rises steadily over time.

Capital expenditures in the provinces of West Nusa Tenggara and East Nusa Tenggara have no impact on the Human Development Index. This is due to a number of factors, including a lack of feasibility research and planning by the regional government, resulting in capital expenditures that are not optimal, capital expenditures that have been realized but are not managed optimally, and a capital expenditure budget allocated.

The Regional Original Income and Capital Expenditure variables have an effect on raising the Human Development Index, according to the F test. Even though it has an effect, the R square value obtained indicates that it is less than 50%. The findings of this study show that other factors have a greater impact on the increase in the Human Development Index. As a result, it is suggested that future studies include more variables.

## 5. ACKNOWLEDGEMENT

In this study, the researcher would like to thank Ms. Nurafni Eltivia as the first supervisor and Ms. Nur Indah Riwajanti as the second supervisor who never tire of providing very useful directions and suggestions. I would also like to express my gratitude to my parents, namely my beloved father Yusuf Mone and my beloved mother Sumaryani Boimau and Iksan and Risma's younger brothers who always provide prayers. Thank you also to my classmates at MTSIA Polynema who have helped each other in the process of doing this research.

## 6. REFERENCES

[1]. Adiputra, IM P, Dwiyantari, NKD, & Darmada DK (2017). The Influence of PAD, Balancing Fund and SiLPA on the Quality of Human Development with Capital Expenditure Allocation as an Intervening Variable (Study on Regency/City Governments in Bali). JIMAT (Scientific Journal of S1 Accounting Students), 5(3), 1–34

[2]. Central Bureau of Statistics. (2015). 2014 Human Development Index. Central Bureau of Statistics, Jakarta.

[3]. Central Bureau of Statistics. (2015). New Method Human Development Index. Central Bureau of Statistics, Jakarta.

[4 Central Bureau of Statistics. (2020). 2018 National Data Human Development Index New method. URL:https://ipm.bps.go.id/data/nasional

[5]. Mirza, DS (2012). The Influence of Poverty, Economic Growth, and Capital Expenditure on the Human Development Index in Central Java in 2006-2009. Economics Development Analysis Journal, Vol.1, No.1, p.1-15, Semarang State University, Semarang. Available on:http://journal.unnes.ac.id./sju/index.php/edaj

[6]. Pradnyantari, PM and AANB Dwirandra. (2017). The Effect of Regional Original Income and Capital Expenditure on HDI with Moderating Variables of General Allocation Funds. E-Journal of Accounting, Udayana University, Vol.19, No.1, p.536-564. Availableat:https://ojs.unud.ac.id/index.php/Accounting/article/view/27313

[7]. Pratama Bagas Brian, Nurafni Eltivia, and Nur Indah Riwajanti (2021) Do Covid-19 And Mass Mobility Restriction Affect Inflation Rate? Empirical Evidence From Indonesia.

[8]. Putra, Putu Gede Mahendra and I Gusti Ketut Agung Ulupui. 2015. Local Revenue, General Allocation Fund, Special Allocation Fund to Improve Human Development Index. Udayana University Accounting E-Journal 11.3 (2015): 863 -877

[9]. Rahmawati, FI, Riwajanti, NI, & Eltivia, N. (2019). The Factors Influencing Accounting Students' Interest to Become Islamic Banks' Customers. 1st Annual Management, Business and Economic Conference.

[10].Republic of Indonesia. (2010). Government Regulation Number 71 of 2010 concerning Government Accounting Standards.

[11].Republic of Indonesia. (2019). Government Regulation Number 12 of 2019 concerning Regional Financial Management.

[12].Sari, IACY and NL Supadmi. (2016). The Effect of Regional Original Income and Capital Expenditure on Increasing the Human Development Index. EJurnal of Accounting, Udayana University, Vol.15, No.3, p.2409-2438. Available at: https://ojs.unud.ac.id/index.php/Akuntansi/article/view/16283.

[13].Sasti, IATP and MY Latrini. (2019). The Effect of Operational Expenditure Allocation and Capital Expenditure on the Human Development Index. E-Jurnal of Accounting, Udayana University, Vol.26, No.2, p.1632-1659. DOI: https://doi.org/10.24843/EJA.2019.v26.i02.p29

[14]. Sumiyati, Euis Eti. 2011. Effect of Capital Expenditure on Increasing Human Development Index in West Java Province.

[15]. Warsito, 2001. Tax Law. Jakarta: Publisher PT. Rajawali Grafindo Persada

[16].Yanto, E., Ridwan and V. Fattah. (2018). The Effect of Regional Original Income (PAD) and Capital Expenditures on the Human Development Index (Survey of Regencies/Cities in Central Sulawesi). E-Jurnal Katalogis, Vol.6, No.2, pp.125-135, Tadulako University, Palu. Available at: https://jurnal.untad.ac.id/jurnal/index.php/katalogis/article/download/10101/8040