

ABSTRACT

The implementation of regional autonomy will affect financial management in autonomous regions, related to the granting of authority, discretion, and power to regulate the use of funds. Regional funds are sourced from Regional Original Revenue (PAD) and Balance funds which are composed of Special Allocation Funds (DAK), General Allocation Funds (DAU), Revenue Sharing Funds (DBH). Governments that are more responsive to transfers from the center than local revenues resulting in increased spending are referred to as the flypaper effect phenomenon. Nusa Tenggara, which is included in the Poor area, is indicated to experience the flypaper effect phenomenon which is characterized by the amount of transfer funds that are greater than local revenue. This study aims to analyze the effect of balancing funds, local revenue and economic growth on regional spending and analyze the existence of the flypaper effect phenomenon in districts / cities in Nusa Tenggara.

This study uses panel data regression analysis to analyze the effect of local revenue balancing funds, economic growth on regional spending and to analyze the flypaper effect phenomenon. This research also uses descriptive analysis method to answer the research objectives.

The results of this study indicate that the General Allocation Fund, Special Allocation Fund, Revenue Sharing Fund, Regional Original Income, economic growth have a significant positive effect simultaneously and partially. flypaper effect phenomenon only occurs in regional spending through the General Allocation Fund. In the Special Allocation Fund and Revenue Sharing Fund, the flypaper effect phenomenon does not occur.

Keywords: Regional autonomy, Balance Fund, Regional Original Revenue, Regional Expenditure, flypaper effect.