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PHYTOCHEMICAL CHARACTERIZATION AND EVALUATION OF ITS ANTI-CATARACT ACTIVITY IN A GOAT LENS MODEL

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### ANALYSIS OF POTENTIAL REGIONAL ORIGINAL INCOME (PAD) TANJUNG JABUNG EAST DISTRICT

PDF

#### Keywords:

Potential Local Original Income (PAD), Taxation, Revenue

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#### Abstract

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local governments on the central government. The goal to be achieved in this study is to determine the tax power index, regional retribution index, and BUMD profits as a result of economic growth. The methods used for research include surveys, observation, and documentation. The average ratio of PAD to APBD in East Tanjung Jabung Regency in the last five years is 3. This 45 percent shows that the region's ability in regional development is deficient and highly dependent on the provincial and central government. Based on the results of this study, several main findings are as follows: Economic growth is mainly in the service sector, including trade, hotels, restaurants/restaurants, transportation, communications, electricity, finance, leasing, financial services, and other services have a positive and significant effect of increasing local revenue. Meanwhile, economic growth from the industrial and mining sectors has a positive effect on the local revenue of East Tanjung Jabung Regency. The contribution of original regional income (PAD) to the income of the region in the 2017-2021 period is an average of 37.99% per year. Additionally, the proportion of local revenue to regional income in 2012 was 37.02 percent. It is expected to receiving large amounts of original regional revenues sourced from third-party donations.

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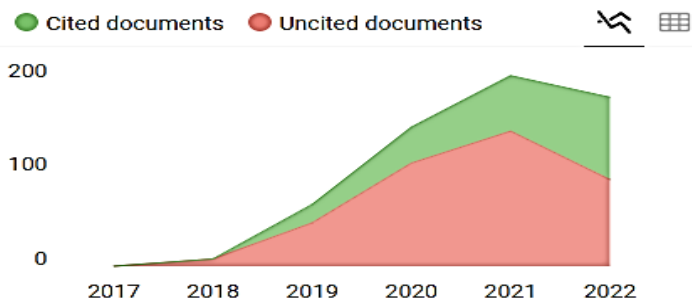
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# ANALYSIS OF POTENTIAL REGIONAL ORIGINAL INCOME (PAD) TANJUNG JABUNG EAST DISTRICT

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## Abstract

Regional Revenue (PAD) is a reflection of the independence of a region in managing regional finances. Regional financial independence can be measured through the independence ratio, namely comparing the realization of PAD revenue with transfer receipts from the center. The ratio of regional financial independence illustrates the level of dependence of local governments on the central government. The goal to be achieved in this study is to determine the tax power index, regional retribution index, and BUMD profits as a result of economic growth. The methods used for research include surveys, observation, and documentation. The average ratio of PAD to APBD in East Tanjung Jabung Regency in the last five years is 3. This 45 percent shows that the region's ability in regional development is deficient and highly dependent on the provincial and central government. Based on the results of this study, several main findings are as follows: Economic growth is mainly in the service sector, including trade, hotels, restaurants/restaurants, transportation, communications, electricity, finance, leasing, financial services, and other services have a positive and significant effect of increasing local revenue. Meanwhile, economic growth from the industrial and mining sectors has a positive effect on the local revenue of East Tanjung Jabung Regency. The contribution of original regional income (PAD) to the income of the region in the 2017-2021 period is an average of 37.99% per year. Additionally, the proportion of local revenue to regional income in 2012 was 37.02 percent. It is expected to receiving large amounts of original regional revenues sourced from third-party donations.

**Keywords: Potential Local Original Income (PAD), Taxation, Revenue**

**JEL Classification: G5, H1, H2, H5**

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## 1. Introduction

[1](Law No 33 of 2004) states that the sources of PAD are (1) Local Taxes, namely obligations to contribute to the areas that belong to individuals or organizations that, in accordance with the law, are coercive by not receiving direct payment and are utilized to meet regional requirements for the greatest the well-being of the people.

This definition is contained in the [2](Law on Regional Taxes and Regional Levies Number 28 of 2009), (2) Regional Levies, namely payments made by the public to the regions for services received directly or for permits obtained. In contrast to taxes that are imposed not based on direct service, levies can only be imposed if the regional government provides services directly to the community or the local government permits to carry out certain activities, (3) the earnings of regionally owned businesses and the outcomes of the executives of regionally owned assets are separated, namely, Revenue areas originating from



the results of regional-owned companies and the management of separated regional-owned assets.

PAD is a reflection of the independence of a region in managing regional finances. Regional financial independence can be measured through the independence ratio, namely comparing the realization of PAD revenue with transfer receipts from the center. The proportion of financial independence in the region illustrates the degree of reliance of nearby governments regarding the federal government. The ratio is higher when of independence, the lower the level of dependence of the region on the central government. Research conducted by [3] explains that PAD impacts regional financial independence.

Financial independence indicates success in implementing regional autonomy in regional economic development and equity. Regional autonomy is assumed to be the best way to encourage regional development. [4], The success of the development of a region can be measured by the economic growth rate in the area. The region's financial capacity in financing regional expenditures can be measured through the contribution of each source or component of PAD.

Local governments are expected to be able to maximize the value of their PAD [5]. The higher the value of the ratio of PAD to total income, the less dependent an area is on transfers of funds from external parties, the federal government as well as other regional governments [6]. PAD is sourced from regional taxes, regional levies, and regional wealth management results separated from other legitimate regional original income[7] and [8] Aragon (2009), the funds used to finance government spending are obtained by local governments, mostly from local taxes, regional levies, and funds from the government of the country.

Tax is a financial obligation the State imposes on taxpayers to finance public expenditures. Income is subject to tax [9]. Regional tax revenue is one source of PAD, which is very important for financing development in an area. Regional tax is one of the revenue receipts used to finance regional development. Optimizing regional tax revenues can finance development and advance the region. [10][10] Tax is a compulsory contribution of the wealth of a person or body of persons for service of the public power. [11], Taxes are the transition of wealth from the citizen to the coffers of the state to finance the public saving that is the main source for spend public investment

The hotel tax is one of the regional taxes whose potential is growing along with the increasing attention to the service sector in development policies which causes trade, service, and tourism businesses to develop [12](Zulhuda, 2015). Hotel tax is a regional tax whose potential is growing with increasing attention to the service and tourism sector components in development policies. It can support the original regional income of East Tanjung Jabung Regency, so it is necessary to collect hotel taxes optimally.

The ratio of independence, relationship pattern, and regional financial capacity of South East Tanjung Jabung Regency from 2017-2021 can be seen in Table 01 as follows:

Table 1

Constellation East Tanjung Jabung Regional Financial Independence 2017-2021

Year	PAD (Billion/Rp)	Transfer Receipts from Central and Province (billion/Rp)	Independence Ratio %	Relationship Pattern
2017	76,384.82	896.259.00	8.52	Instructive
2018	49,959.71	905.488.09	5,51	Instructive

2019	53,974.77	1,109,949.87	4.87	Instructive
2020	49,654.02	965,997.52	5,15	Instructive
2021	60,280.96	1,018,534.34	5.91	Instructive

Source: Bakauda Tanjabtim, 2022 (data processed)

The Instructive relationship pattern means the central government's interference is more significant or dominant. It shows that the regional government cannot carry out regional autonomy financially. It can be seen from the average regional independence for the last five years, which was 5.99 percent and was very volatile.

Regional taxes make the most significant contribution to the formation of PAD, while regional levies make the most negligible contribution to the formation of PAD. It can be seen in Table 2 below:

Table. 02

Contribution of Local Taxes and Levies to PAD of East Tanjung Jabung Regency for 2017-2021

Year	Local tax (billion/Rp)	%	Retribution (billion/Rp)	%	PAD (billion/Rp)
2017	16,624.74	21.77	7008.54	0.91	76,384.82
2018	17,711.53	35,46	1526.93	0.30	49,959.71
2019	16,647.63	30.85	1586.25	0.29	53,974.77
2020	15,859.28	31.94	1752,10	0.36	49,654.02
2021	19,776.69	32.80	1855.56	0.30	60,280.96

Source: Bakauda Tanjabtim, 2022 (data processed)

Table 02 above explains the role played by local taxes and fees to forming PAD in East Tanjung Jabung Regency from 2017-2021. In the last five years, provincial taxes that significantly contributed to PAD formation in East Tanjung Jabung Regency were in 2018, namely 35.46 percent of the total PAD. In contrast, in 2017, its contribution to the formation of PAD was only 21.77 percent less than in previous years. Afterward.

Levies also contributed to the formation of PAD in East Tanjung Jabung Regency, where in 2017, there was a 0.9 percent contribution to the formation of PAD in East Tanjung Jabung Regency, while in 2019, the contribution of fees to the formation of PAD only 0.29 percent much lower than the year 2017.

## 2. Formulation of the problem

As explained in the background above, regional autonomy grants broader authority to the regions to regulate and manage their households. In this regard, the role of local government in managing regional finances determines the success or failure of creating the independence that has always been coveted.

The main problems in this research are as follows:

1. How big is the regional tax power index on economic growth in East Tanjung Jabung Regency
2. How big is the index of regional retribution on economic growth as reflected in the Gross Regional Domestic Product
3. To what extent is the level of effectiveness between the realization and the target of regional tax revenues, regional levies, BUMD profits, and other legitimate PAD?

4. What is the level of elasticity of changes in local taxes and regional levies from changes in Gross Regional Domestic Product?
5. How significant is the potential for taxes and fees?

### **3. Research purposes**

The objectives to be achieved in this research are to:

1. To determine the potential of the regional tax power index as a result of economic growth
2. To determine the potential of the regional levy power index as a result of economic growth
3. To find out the level of effectiveness of collecting local taxes, regional levies, BUMD profits, and other legitimate PAD
4. To determine the elasticity of changes in local taxes and regional levies resulting from changes in GRDP.
5. To find out the potential for taxes and fees in East Tanjung Jabung Regency.

### **4. Theoretical basis**

#### **4.1. Regional autonomy**

According to [13], in the CSIS analysis put forward by Syarif Hidayat, the purpose of regional autonomy is distinguished from two sides of interest, namely the interests of the Central Government and Regional Governments. From the interests of the Central Government, the main objectives are political education, leadership training, creating political stability, and realizing the democratization of the government system in the regions. Meanwhile, when viewed from the side of the interests of the Regional Government, there are three objectives, namely:

1. To realize what is known as political equality, meaning that through regional autonomy, it is hoped that it will open up more opportunities for the community to participate in various political activities at the local or regional level.
2. Autonomy will increase the local government's ability to pay attention to community rights to create local accountability.
3. To realize local responsiveness, meaning that regional autonomy is expected to make it easier to anticipate various problems that arise and, at the same time, increase the acceleration of regional social and economic development.

Regional autonomy can mean natural and dynamic. Objective means that granting autonomy to the regions is based on calculation factors, actions, and policies guaranteeing that the regions concerned can care for their households. While dynamic is based on development conditions and development, being responsible grants autonomy, which seeks to expedite development in remote parts of the country.

#### **4.2. Regional Financial Management Policy**

The general policy of regional financial management is adapted to the situation and conditions and the regional potential based on Law No. 32 of 2004 as a refinement of Law Number 22 of 1999 pertaining to the Regional Government. Law No. 33 of 2004 is also a refinement of Law Number 25 of 1999 concerning Financial Balance between the Central and Regional Governments and Government Regulation (Number 105 of 2000) concerning Regional Financial Management and Accountability.

### **4.3. Locally-generated revenue**

Talking about the sources of Regional Original Revenue (PAD) cannot be separated from regional income as a whole. According to Law no. 32 of 2004 concerning Regional Government and Law no. 33 of 2004 concerning Financial Balance between the Central and Regional Governments, regional revenue sources consist of:

1. Regional Original Income, namely:
  - a. Local Tax Results
  - b. Results of Regional Retribution
  - c. Proceeds of Regional Owned Companies, aftereffects of provincial abundance the executives
  - d. Other legitimate Regional Original Revenues
2. Fund for Balancing
3. Regional Loans
4. Other legal regional income.

From the classification above, it can be said that what is meant by The revenue that a region collects from sources within its territory in accordance with regional regulations is known as regional original revenue.

Regional Original Income Potential is the strength in an area to generate several PAD revenues. Finding out the potential sources of PAD requires knowledge about the analysis of the development of several controllable variables (i.e., economic variables) that can affect the strength of PAD revenue sources.

## **5. Expected Output**

The expected output in this study is as follows.

1. For the government, it can be used as information material and input to the East Tanjung Jabung Regency government in formulating policies and seeking practical solutions for managing East Tanjung Jabung regional original income, especially in increasing Regional Original Income.
2. For researchers, it can be used as an indicator to evaluate the success and failure of the management of local revenues implemented in Tanjung Jabung Timur.

## **6. Research methods**

### **6.1. Research Area and Time**

This research was carried out in East Tanjung Jabung Regency, hoping that implementing regional autonomy will increase regional income and manage regional finances effectively and efficiently. At the same time, the time used in this study was for 6 (six) months.

### **6.2. Method of collecting data**

- a. The survey, namely conducting direct observation of the place or object of research to obtain information or data related to this research.
- b. Observation, namely direct research on research objects, especially regarding local taxes, regional levies, Regional Owned Enterprises, other legitimate regional

original revenues, as well as regional financial management by agencies related to this research in East Tanjung Jabung Regency

- c. Documentation, namely the collection of data obtained through existing reports or documents and other information related to this research, including East Tanjung Jabung in Figures, Jambi in Figures, Report on Realization of PAD East Tanjung Jabung Regency, Realization of APBD East Tanjung Jabung Regency.

### 6.3. Data Types and Sources

The type of data used in this research is in the form of secondary data. At the same time, secondary data are supporting data obtained from external parties or other sources related to local taxes, regional levies, profits of regionally owned enterprises, other legitimate PAD, and regional financial management carried out by related parties or agencies in East Tanjung Jabung Regime, Jambi Area. The information utilized in this study were sourced from the Regional Revenue Service, Regional Finance and Asset Services, and the Central Bureau of Statistics in East Tanjung Jabung Regency, Jambi Province, as well as other related agencies that can support this research.

### 6.4. Analysis Method

The analytical method used in this study is as follows:

- a. Qualitative Analysis explains the potential sources of local taxes, regional levies, regional operating profits, and other legitimate PAD.
- b. Quantitative Analysis is used to explain the potential for receiving the types of original regional income, namely as follows:

1. Frequency Distribution Table

Explain the index of change and or the contribution of research variables.

2. Analysis of Regional Taxes and Levies

One indicator that can be used to determine the ability to pay people is the Gross Regional Domestic Product (GRDP). Listen to the formula:

$$\text{Tax/Retribution Power} = \frac{(\text{tax revenue/levies}) \times 100 \text{ percent}}{\text{GRDP}}$$

3. PAD Effectiveness Analysis

Effectiveness is measuring the relationship between the results of a levy and the potential levy itself or with the formula:

$$\text{Effectiveness} = \frac{(\text{tax revenues/fees}) \times 100 \text{ percent}}{\text{Potential Taxes / Levies}}$$

4. Analysis of Regional Tax and Levies Elasticity

Elasticity analysis is intended to determine the level of sensitivity to changes in a type of revenue if there is a change in the amount of GRDP, namely by the formula:

$$\text{epdrd} = \frac{(\% \text{ of tax revenue / levies}) \times 100 \text{ percent}}{\% \text{ GRDP}}$$

5. Analysis of the Level of regional independence

$$\text{TKD} = \frac{\text{PAD}}{\text{TPT}}$$



## 7. Results and Discussion

### A. Revenue Realization of East Tanjung Jabung Regency

Local taxes and regional levies are the primary source of local revenue, which will later be used to organize the wheels of government.

#### 1. Regional Revenue Realization

The APBD consists of the Revenue Budget (Regional Own Revenue (PAD), which includes Regional Taxes, Regional Levies, Regional Wealth Management Results, and other Revenues), Managing the Money Part, which incorporates Income Sharing Assets, General Distribution Funds (DAU), and other Special Allocation Funds legitimate incomes such as Grants, Emergency Funds for Tax Revenue Sharing from other Provinces and Regional Governments, Adjustment Funds and Special Autonomy, Financial Assistance from Provinces or Other Regional Governments and Other Income.

The average realization of regional revenue development for East Tanjung Jabung Regency is -0.14 percent per year; the realization of Regional Revenue for East Tanjung Jabung Regency should be visible in the table below:

Table. 03  
Realization of Regional Government Budget of East Tanjung Jabung Regency  
Year 2017 – 2021 (Million Rupiah)

Year	Budget realization	Development (%)
2017	1,048,124,828,576.43	-
2018	1,054,547,262,263.74	0.61
2019	1,147,710,916,643.83	8.83
2020	925,350,925,137.44	(19,37)
2021	1,012,021,740,769.23	9.37
Average		-0.14

Source: Bakauda Tanjabtim, 2021 (data processed)

#### 2. Local Own Revenue (PAD)

Regional Own Revenue is the right of the regional government, which is recognized as an addition to the value of net assets obtained from Regional Taxes, Regional Levies, Results of Separated Regional Wealth Management, and Other Legitimate Regional Original Revenues. The average realization of East Tanjung Jabung Regency Regional Original Revenue in the last five years was -2.60. It tends to be found in the table below:

Table. 04  
Realization of PAD Regional Government of East Tanjung Jabung Regency  
Year 2017 – 2021 (Million Rupiah)

Year	PAD realization	Development (%)
2017	43,876,278,552.26	-
2018	38,391,973,368.33	(12.50)
2019	37,761,045,664.93	(1.65)
2020	33,684,507,000.16	(10,80)
2021	38,580,552,612.23	14.54

Average	-2.60
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Source: Bakauda Tanjabtim, 2022 (data processed)

### 3. Local tax

Tax Contributions are obligatory contributions to the state made by people or organizations that are coercive under the law because they don't get paid directly and are used to meet the needs of the state so that the people can live their best lives. The average annual tax development over the last five years in East Tanjung Jabung Regency is 4.71 percent per year. It can be seen in the table below:

Table. 05  
Realization of Regional Tax Regional Government of East Tanjung Jabung Regency  
Year 2017 – 2021 (Million Rupiah)

Year	Local Tax Realization	Development (%)
2017	16,624,742,998.10	-
2018	17,711,538,820.42	6,54
2019	16,647,635,508.94	(6.00)
2020	17,173,312,712.50	3,16
2021	19,776,698,793.50	15,16
Average		4.71

Source: Bakauda Tanjabtim, 2022 (data processed)

### 4. Regional Retribution

Regional levies for East Tanjung Jabung Regency in 2017-2021 with an average development of -14.50 percent per year

Table. 06  
Realization of Regional Government Levies of East Tanjung Jabung Regency  
Year 2017 – 2021 (Million Rupiah)

Year	Retribution Realization	Development (%)
2017	7,008,545,133.14	-
2018	1,526,938,455.14	(78,21)
2019	1,586,254,225.29	3.89
2020	1,752,106,753.00	10.46
2021	1,855,564,808.43	5.90
Average		-14.50

Source: Bakauda Tanjabtim, 2022 (data processed)

### 5. Acquisition of Land and Building Rights (BPHTB)

Land and Building Rights Acquisition Fees (BPHTB) is a tax imposed on acquiring land and/or building rights, namely legal acts or events on and/or buildings by individuals or entities. The average realization of BPHTB in East Tanjung Jabung Regency in the last five years was 165.09 percent per year.

Table. 07  
Realization Land and Building Rights Acquisition Fee (BPHTB) Regional Government of East Tanjung Jabung Regency Year 2017 – 2021 (Million Rupiah)

Year	Realization of BPHTB	Development (%)
2017	3,149,150,037.00	-
2018	2,704,849,899.00	(14,10)
2019	367,801,375.00	(86,40)
2020	367,820,590.00	0.00
2021	3,166,545,979.00	760.90
Average		165.09

Source: Bakauda Tanjabtim, 2022 (data processed)

## 6. Unseparated Assets Sales Proceeds

Regional revenue from capital participation is one of the contributions to the formation of Regional Revenue, where in the last five years, the average regional revenue from the sale of regional assets in East Tanjung Jabung Regency is 9.38 percent per year. It can be seen in the table below:

Table. 08  
Realization Results of Sales of Regional Assets That Are Not Separated Regional Government of East Tanjung Jabung Regency Year 2017 – 2021 (Million Rupiah)

Year	PADYTD realization	Development (%)
2017	1,514,087,003.00	-
2018	979,181,875.00	(35,32)
2019	1,350,406,700.00	37,91
2020	1,695,508,050.00	25,56
2021	-	-
Average		9,38

Source: Bakauda Tanjabtim, 2022 (data processed)

## B. East Tanjung Jabung Regency Potentials

### 1. Tax Power

The ratio between tax revenue and the capacity or ability of the community to pay taxes in East Tanjung Jabung Regency Taxes in 2017-2021. The average is 40.17 percent

Table. 09  
Tax Power in Tanjung Jabung Timur  
The year 2017 – 2021

Year	%
2017	11,27
2018	48,10
2019	42,51
2020	50,26
2021	48,70
Average	40,17

Source: Processed data, 2022

## 2. PAD effectiveness

The effectiveness of regional revenues in East Tanjung Jabung Regency, with an average of 116.02, shows a very effective revenue trend.

**Table 10**  
**The effectiveness of PAD in Tanjung Jabung Timur**  
**The year 2017 – 2021**

Year	%	Criteria
2017	105.74	Very effective
2018	112.84	Very effective
2019	106.45	Very effective
2020	127.82	Very effective
2021	127.26	Very effective
Average	116.02	Very effective

Source: Processed data, 2022

## 3. The elasticity of Regional Taxes and Levies

The average sensitivity of the people paying taxes and fees is 0.53 or less than 1. It shows that the people's sensitivity in East Tanjung Jabung Regency to changes in price is still low.

**Table.11**  
**The elasticity of Taxes and Regional Levies of East Tanjung Jabung Regency**  
**The year 2017 – 2021**

Year	Mark	Criteria
2017	0.77	In elastic
2018	0.47	In elastic
2019	0.31	In elastic
2020	0.56	In elastic
2021	0.51	In elastic
Average	0.53	In elastic

Source: Processed data, 2022

## 4. Regional Revenue Ratio

The high role of transfer funds in forming the APBD in East Tanjung Jabung Regency in 2017-2021, with an annual average of 83.05 percent.

**Table. 12**  
**The ratio of Transfer Funds to the APBD of East Tanjung Jabung Regency**  
**The year 2017 – 2021**

Year	Transfer Funds	APBD	%
2017	896,259,003,727.00	1,080,633,374,003.43	82.94
2018	905,488,095,447.00	1,093,853,240,228.19	82.78
2019	959,088,814,692.00	1,195,803,242,812.10	80.20
2020	833,566,346,360.00	1,052,612,778,826.01	79.20
2021	1,050,089,360,137.00	1,164,679,495,736.45	90.17
Average			83.05

Source: East Tanjung Jabung Regency Regional Finance Agency, 2022

## 5. Regional Tax Ratio to APBD

The table below shows that Tanjung Jabung Timur Regency is dominant in including tax elements from the central government. Table 5.17 shows that the average tax ratio in East Tanjung Jabung Regency is 1.57 percent. It shows the low level of public compliance to pay taxes.

Table 13  
Regional Tax Ratio to the Regional Budget of East Tanjung Jabung Regency  
The year 2017 – 2021

Year	Local tax	APBD	%
2017	16,624,742,998.10	1,080,633,374,003.43	1.54
2018	17,711,538,820.42	1,093,853,240,228.19	1.61
2019	16,647,635,508.94	1,195,803,242,812.10	1.40
2020	17,173,312,712.50	1,052,612,778,826.01	1.64
2021	19,776,698,793.50	1,164,679,495,736.45	1.70
Average			1.57

Source: East Tanjung Jabung Regency Regional Finance Agency, 2022

## 6. Levy Ratio to APBD

Contribution Retribution to the formation of the APBD in East Tanjung Jabung Regency with a trend that is relatively decreasing with an annual average of 0.25 percent. It shows meager state revenue from direct taxes or levies.

Table. 14  
The ratio of regional levies to the APBD of East Tanjung Jabung Regency  
The year 2017 – 2021

Year	Regional Retribution	APBD	%	Criteria
2017	7,008,545,133.14	1,080,633,374,003.43	0.65	Very low
2018	1,526,938,455.14	1,093,853,240,228.19	0.14	Very low
2019	1,586,254,225.29	1,195,803,242,812.10	0.14	Very low
2020	1,752,106,753.00	1,052,612,778,826.01	0.17	Very low
2021	1,855,564,808.43	1,164,679,495,736.45	0.16	Very low
AVERAGE			0.25	

Source: East Tanjung Jabung Regency Regional Finance Agency, 2022 (data processed)

## 7. The ratio of PAD to APBD

Over the last five years, the average ratio of PAD to APBD in East Tanjung Jabung Regency was 3.45 percent. It shows that the region's regional development ability is deficient and highly dependent on the provincial and central governments.



**Table 15**  
**The ratio of PAD to APBD of East Tanjung Jabung Regency**  
**The year 2017–2021**

Year	PAD	APBD	%
2017	43,876,278,552.26	1,048,124,828,576.43	4.07
2018	38,391,973,368.33	1,054,547,262,263.74	3.51
2019	37,761,045,664.93	1,147,710,916,643.83	3.16
2020	33,684,507,000.16	925,350,925,137.44	3.21
2021	38,580,552,612.23	1,012,021,740,769.23	3.32
AVERAGE			3.45

Source: East Tanjung Jabung Regency Regional Finance Agency, 2022

## 8. Regional Dependency Ratio

The regional dependency ratio of East Tanjung Jabung Regency is a financial performance with poor fiscal dependence, with an annual average of 16.94 percent.

Table. 16  
The ratio of Regional Dependence Level of East Tanjung Jabung Regency  
The year 2017 – 2021

Year	Transfer Funds	TPD	%	Information
2017	896,259,003,727	1,080,633,374,003.43	17.07	Fiscal Dependence / Financial Performance is not good
2018	905,488,095,447	1.093.853.240.228.19	17,22	Fiscal Dependence / Financial Performance is not good
2019	959,088,814,692	1,195,803,242,812.1	19.80	Fiscal Dependence / Financial Performance is not good
2020	833,566,346,360	1,052,612,778,826.01	20,81	Fiscal Dependence / Financial Performance is not good
2021	1,050,089,360,137	1,164,679,495,736.45	9,83	Fiscal Dependence / Financial Performance is not good
Average			16.94	Not good

Source: East Tanjung Jabung Regency Regional Finance Agency, 2022

## 9. Regional Independence of East Tanjung Jabung Regency

One of the measurements of the level of regional capability in regional development is the level of ability or independence of a region. In the 2017-2021 period, the level of regional independence is an annual average of 6.71 percent, while the role of the central government towards the regional government of Tanjung Regency East Jabung is 93.29 percent with an instructive annual relationship pattern.

Table. 17  
Regional Independence Ratio of East Tanjung Jabung Regency  
2012 – 2016

Year	PAD	Transfer Funds	%	Relationship Patterns	Information
2017	76,384,823,979.26	896,259,003,727	8.53	Instructive	Very low
2018	49,959,713,636.78	905,488,095,447	5.52	Instructive	Very low
2019	53,974,771,833.20	959,088,814,692	5.63	Instructive	Very low
2020	49,654,020,387.85	833,566,346,360	5.96	Instructive	Very low
2021	83,151,030,599.45	1,050,089,360,137	7.92	Instructive	Very low
Average			6.71	Instructive	Very low

Source: Bakauda Tanjabtim, 2022 (data processed)

In view of the computations on the table above, East Tanjung Jabung Regency, Jambi Province's financial capacity in the last five years, when viewed from the Regional Financial Independence Ratio, is classified as very low. The relationship pattern includes an instructive relationship pattern where the role of the central government is more dominant than independent Local government. The lowest value occurred in 2018, where the value was 5.52%, and the highest in 2021 was 7.92%, with an annual average of 6.71%.

## 8. Conclusion

Based on the results of this study, several main findings are as follows:

1. The economic growth of East Tanjung Jabung Regency is based on constant prices during the 2016-2020 period at an average of 1.80% per year. The most significant contribution comes from the agricultural, manufacturing, trade, hotel, restaurant, mining, and excavation sectors.
2. Primary economic growth in the service sector, including trade, hotels, restaurants/eateries, transportation, communications, electricity, finance, leasing, financial services, And service others, positively and significantly increase local revenue. Meanwhile, economic growth from the industrial and mining sectors has a positive influence on the local economy of East Tanjung Jabung Regency.
4. The original regional income (PAD) contribution to regional income during 2017-2021 was an average of 37.99% per year. For 2012, the commitment of original regional income regional income was 37.02 percent. It is due to receiving large amounts of original regional revenues sourced from third-party donations.
5. By and large, during the 2012-2016 period, the ability/power of local taxes was relatively low when it was related to the Gross Regional Domestic Product. Meanwhile, when connected with the Gross Regional Domestic Product, the regional retribution power is still relatively low but has increased yearly. It shows that the management of regional retribution revenue management has increased.

## 9. Recommendation

To improve regional financial management, especially those related to increasing Regional Own Revenue in East Tanjung Jabung Regency, at the end of the report, the consequences of this research are advised as follows:

1. For more effective management of regional finances, including management of regional taxes and fees, the East Tanjung Jabung Regency government needs to form a kind of Regional Work Unit (SKPD) which is integrated, integrative, and comprehensive to manage regional finances, both from the revenue side and from the expenditure side area and reporting. It follows what is mandated by Law Number 17 of 2003.
2. It is considered necessary to significantly amend the Regional Regulation on Retribution to increase the scope of its imposition as mandated by Law No. 28 of 2009 concerning Regional Taxes and Regional Levies and optimizing revenue according to predetermined targets through the oversight function and improvement of the database administration.
4. Improving supervision and coordinating with the Offices and Agencies implementing project activities to provide/inform each project data to the Financial in the Region Board of East Tanjung Jabung Regency involvement of the District Government to assist the Public Works Office in providing services.

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