

CHAPTER V

CONCLUSIONS

1.1. Conclusion

This research was conducted to examine several factors that influence Public Welfare. These factors include Locally-Generate Revenue, General Allocation Fund and Special Allocation Fund and Capital Expenditure as Intervening variable. Based on the results of the data analysis that has been collected and processed, the following conclusions of this research results are made.

From the results of the study, the relationship between three independent variables (locally-generated revenue, general allocation funds and special allocation funds) to capital expenditure results, with the data population of regions and cities in Sumatra in 2015-2017. It could be conclude that Locally-Generated Revenue and Special Allocation Fund has a significant effect on Capital Expenditure. While the General Allocation Fund doesn't have a significant effect on Capital Expenditure in regions and cities in Sumatra in 2015-2017.

As for the result of the relationship between three independent variables (locally-generated revenue, general allocation funds and special allocation funds) to public welfare are, all the three independent variable, namely Locally-Generate Revenue, General Allocation Fund and Special Allocation Fund has a significant effect on Human Development Index,

while Capital Expenditure also has a significant effect on Human Development Index in regions and cities in Sumatra in 2015-2017.

The indirect effect of Capital Expenditure as Intervening Variable to the relationship of the independent variable (locally-generated revenue, general allocation funds and special allocation funds) to dependent variable (public welfare), with the data population of regions and cities in Sumatra in 2015-2017. From the result of the study it could be concluded that Capital Expenditure as Intervening Variable indirectly affect the Locally-Generate Revenue relationship with Public Welfare. While for General Allocation Fund and Special Allocation Fund, a Capital Expenditure as Intervening Variable indirectly not affecting their relationship with Public Welfare of regions and cities in Sumatera in 2015-2017.

1.2. Implication

This research has implications for several parties both for government and academics. For the government, the results of this study are useful for consideration and correction in decision making for a policy. Especially for the central government in its allocation and regional governments in the use of funds. It is hoped that the government will prioritize the allocation of funds to further improve infrastructure development and better and more adequate public facilities and infrastructure and also for matters that will have more impact on public welfare.

For academics, the results of this study are useful to provide knowledge and understanding of locally-generated revenue, general allocation funds, special allocation funds, capital expenditure, and the quality of public welfare. In addition, this research can be used as a reference for other studies in conducting further research

1.3. Limitation

There are some limitations that occur in this study. The first limitation is, the findings of this research cannot be implemented to other countries because each country has their own unique characteristics. Second is, the period taken in this research was limited, so this research was only carried out in a three-year period namely 2015-2017.

The next limitation occur is, this research only uses three independent variables, there are locally-generated revenue, general allocation fund, and special allocation fund. and the last limitation is this research only focuses on quantitative factors (financial variables) on the effect of the revenue component so that it is not yet known the qualitative factors (non-financial variables) such as the effects of poverty, economic growth, and government policies in an effort to improve Public Welfare as reflected in the Human Development Index.

1.4. Suggestion

According to the results of research determined, the suggestions from the authors for the future researchers in accordance with the limitation that occurs are, firstly the future researcher can examine more samples by including more regencies and cities in Indonesia and extending the period of research. And future researcher can examine data with longer period of time

The future researcher can examine other Quantitative factors that influence Public Welfare, other than factors used in this research such as Sharing Fund (DBH), Gross Domestic Product (GDP), and Income Tax (PPN). And for the last suggestion, the future researcher can examine qualitative factors that influence a Public Welfare. Qualitative factors such as the effects of poverty, economic growth, and government policies in an effort to improve Public Welfare that reflected in the Human Development Index.

