Characteristics and Political Connection To Local Government Performance

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Abstract. *The purpose of this research is to find empirical evidence about local government's characteristic and political connection to local government performance. Local government's characteristic which were: local government age; local government wealth, dependence level of local government and regional expenditure. Political connection measured by longer the head of local government holds & running the office. Local government performance measured by HDI (Human Development Index) score accessed from Indonesian Central Bureau of Statistics (BPS). The population from this research is the entire local government government in Indonesia on 2016. Total sample of this research is 80 municipal local government (kotamadya) using purposive sampling and using cross section regression analysis. The results of this research is shows that from characteristic, local government wealth and dependence level of local government has positive significant to local performance, while political connection also has positive significant to local performance. Meanwhile, local government age and regional expenditure has no significant effect to local government performance.*

Keywords: *capital expenditure; human development index; general allocation fund; regional original revenue*

Abstrak. Tujuan dari penelitian ini adalah untuk menemukan bukti empiris tentang karakteristik pemerintah daerah dan hubungan politik dengan kinerja pemerintah daerah. Karakteristik pemerintah daerah yang terdiri dari: usia pemerintah daerah; tingkat kekayaan pemerintah daerah, tingkat ketergantungan pemerintah daerah dan belanja modal pemerintah daerah. Hubungan politik diukur dengan lamanya kepala pemerintah daerah memegang dan menjalankan pemerintahan daerah. Kinerja pemerintah daerah diukur dengan skor IPM (Indeks Pembangunan Manusia) yang diakses dari Biro Pusat Statistik Indonesia (BPS). Populasi dari penelitian ini adalah seluruh pemerintah daerah di Indonesia pada tahun 2016. Total sampel dari penelitian ini adalah 80 pemerintah kota (kotamadya) menggunakan *purposive sampling* dan menggunakan analisis regresi *cross section*. Hasil penelitian ini menunjukkan bahwa dari karakteristik pemerintah daerah berupa tingkat kekayaan pemerintah daerah dan tingkat ketergantungan pemerintah daerah memiliki dampak signifikan positif terhadap kinerja pemerintah daerah, sementara koneksi politik juga memiliki signifikan positif terhadap kinerja pemerintah daerah. Sementara itu, usia pemerintah daerah dan belanja modal tidak berpengaruh signifikan terhadap kinerja pemerintah daerah.

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Kata kunci: belanja modal, dana alokasi umum, indeks pengembangan manusia, pendapatan asli daerah

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PENDAHULUAN

Since the reform era in 1999, Indonesia has begun to implement Regional Autonomy and as mandated by Law Number 17 of 2003 about State Finance, the Heads of regional work units as officials of regional budget / goods users have the task of preparing budgets, preparing budget implementation documents. , carry out the budget and compile and submit the financial statements of the work units of the regional units they lead. Power over the management of state finances is to manage regional finances and represent the regional government in the ownership of regional assets that are separated and used to achieve the objectives of the state. The delegation of authority is accompanied by the transfer of funding, facilities and infrastructure, and human resources (Sasmoyo, 2013).

In fact, according to Sumarjo (2010), the regional autonomy policy implemented by the central government has not been able to run well because there are still many gaps between regions arises with the contribution of the exploitation of resources to economic development. Research conducted by Saragih (2003) revealed that there is an imbalance of development between Java and other islands or between the Western Region of Indonesia and Eastern Indonesia. Besides assessing performance, the government must also account for the performance that has been achieved. The obligation of a government agency to account for the success or failure of the implementation of programs or activities in the context of achieving the stated goals is called performance accountability. Moreover, the issue of government performance is an important focus, because it is still considered not to show the optimum results felt by the people (Shah, 2006).

Performance measurement is one of the ways that local governments can use in achieving good governance. The regional budgeting discussed in Wardhani, Rossieta, Martani, & Djamaluddin (2017) is a fairly complicated process in public sector organizations including in the local government. The budget in the public sector is an instrument of accountability for the management of public funds and the implementation of programs financed from public money. Therefore Sumarjo (2010) performance measurement is an important component because it will provide feedback on organization plans that have been implemented which reveals that the function of performance measurement can explain about evaluation of how the program works, comparative facilities for services provided and communication tools with the public. And according Puspita & Martani (2013) and Brata (2002) government performance can be measured by the high index of human development. The higher economic performance affects human development, especially through household activities and government, in addition to the role of civil society such as through community organizations and non-governmental organizations. So that in this study will use HDI as a measurement of government performance.

Previous studies show that the financial performance of local governments can be influenced by government characteristic which contains various factors, such financial factors and environmental factors. The research conducted Patrick (2007) has examined regional characteristics applied to the Pennsylvania regional government. He examined the organizational components used as factors that influence administrative innovation. Variables used to proximate regional characteristics consist of (a) regional size; (b) functional differentiation; (c) age of the area; and (d) intergovernmental revenue. Research conducted by Suhardjanto & Lesmana (2010) examined the influence of local government characteristics on compliance with mandatory disclosures in local government financial reports. The study uses variable size (size), number of Regional Work Units (SKPD), and Regional Status to

proximate the characteristics of local governments. Mustikarini & Fitriasari (2012) uses regional size, level of regional wealth, level of dependence on the central government, and regional expenditure in explaining the characteristics of local government. Therefore, this reaserch useage of area, level of regional wealth, level of dependence on the central government and regional expenditure.

Meanwhile, politics is a strong factor in influencing all aspects of national performance. In Indonesia politics regulates all domestic affairs and reduces the benefits of financing as a whole (Leuz & Oberholzer-Gee, 2006). This means that political connection will cause consequences. Eaton & Nofsinger (2004) find evidence that political pressure also influences budget plans. The facts about political influence in many democratic countries, one of them in the United States which shows that companies that are connected with political parties will experience an increase in stock prices, this is very reasonable because of course the Government can take policies that benefit the company (Goldman, Rocholl, and So, 2006). This means that political connections can affect the performance of local governments. The longer the position of the head of local government, the stronger the connection relationship with the central party and other interested parties which will correlate with the performance growth in the area. The political connection in this study will be measured by the term of office of the head of the regional government which follow Prasetyo (2014) research measurement.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT
Agency Theory and Signalling Theory in Government Perspective

In agency theory there are two parties who made an agreement or contract, namely the party that gives authority the principal and the party receive authority called an agent (Halim and Abdullah 2006). Agency problem appears when the principal delegates decision making authority to agent (Zimmerman, 1977). This agency relationship causes problems,

namely there is asymmetric information, where one parties have more information than other parties. The implication of this theory is that the principles of the people directly need to supervise the agents, both the government and politicians. Politicians as a principle also need information to evaluate the course of the government.

Moe (1984) suggests that principal and agent relations can be seen in democratic politics. Society is the principal, politician (legislative) is their agent. Politicians (legislative) are principals, bureaucrats / governments are their agents. Government officials are principals, government officials are their agents. The whole of politics is composed of the flow of principal-agent relations, from society to the lowest level of government. Fadzil and Nyoto (2011) also stated that there was a principal-agent relationship between the central government and regional governments. The central government is the principal and the local government acts as an agent. This is because, as a unitary state, Indonesia is responsible to the community as voters and also to the central government.

In the context of signaling theory, the government tries to give a good signal to the people (Evans and Patton; 1987). The goal is that the people can continue to support the government that is currently running so that the government can run well. Financial reports can be used as a means to give signals to the people. Good governance performance needs to be informed to the people both as a form of accountability and as a form of promotion for political purposes. According to Fadzil and Nyoto (2011), agency relations give rise to information asymmetry that causes some behaviors such as opportunistic, moral hazard, and advesrse selection. Opportunistic behavior in the budgeting process, for example, (1) budgets include public-oriented programs but actually contain the interests of the government to finance their short-term needs and (2) program allocations into the budget that make the government stronger in political positions, especially before the election process, namely

programs that appeal to voters and the public can participate in them.

Local Government Performance

In general, performance is an illustration of the achievement of the implementation of an activity or program in realizing the goals, objectives, vision and mission of the organization. However, according to Government Rules No. 8 of 2006 about Reports of the Regional Administration Reports of the Regional Administration, performance is the output or outcome of activities or programs that will or have been achieved in relation to the use of the budget with measurable quantity and quality. Thus the performance reflects the results or work performance that can be achieved by a person, work unit, and or an organization in a certain period in accordance with the authority and responsibility in an effort to achieve goals legally and morally and ethically (Khikmah, 2014).

One way to measure local government performance is by looking up the the growth of human development (Martani & Pramudya, 2015). Because the concept of human development is human as a process to multiply the choices that humans have. Among the many choices, the most important choice is to live long and healthy, to have knowledge, and to have access to the resources needed to live properly (Rusydi & Rossieta, 2015). One measure of human development is the Human Development Index (HDI). The Human Development Index measures human development outcomes based on a number of basic components of quality of life. As a measure of quality of life, the HDI is built through a basic three-dimensional approach. These dimensions include longevity and health; knowledge, and a decent life.

Local Government Characteristic

The characteristics of local government in this study use the proxy of age of local government, the portion of local revenue to total revenue of local government, portion of general allocation funds to total income, total regional expenditure. The greater age of the local government, the level of government wealth, the level of dependence on the central government, regional spending, should be expected to have more resources to provide good performance from the local government to the public (Mustikarini & Fitriasari, 2012).

Political Connection

This study tried to measure political connections with the length of duration head local government. The longer the head of local govenrment holds & running the office, is related to conservatism and risk avoidance (Ellis and Child, 1973), then it will be able to know and relate more to central political actors and the impact of the relationship so that the local government will have more capital to finance its work activities and ultimately will affect the performance of the local government (Wang, Chen, Lung, & Zheng, 2017)

Previous Research & Hypothesis Development

The age of an organization can be interpreted as how long the organization took place since its establishment. Local government age is the year when a government was formed as regional government based on Law Invite the establishment of the area (Setyaningrum & Syafitri, 2012). Local governments that have longer administrations age will have an increase of experience and better capable to manage. Lesmana (2010) show that legally the establishment of a local government is stipulated in a law. The longer the existence of a local government, the experience is superior to the new regional government. The age of an organization can be interpreted as how long the organization has taken place since its establishment. According to Puspita & Martani (2013) good financial performance will arise with the disclosure of financial statement information. Long-standing local governments will disclose their financial statement information and lead to better financial performance. The longer the local government stands, the more experienced it will be to manage finances. Thus, the longer the administrative life of the local government will affect the performance of local governments. Based on the description above can be developed in the study are:

H₁: Local government age positively affect local government performance

Local Government wealth illustrates the level prosperity of the area (Sinaga, 2011). Local government wealth is proxied by ratio of regional original revenue to total revenue. Regional original revenue as one of revenue from its own region which reflecting level of regional independence (Santosa and Rahayu, 2005). The main source of regional original revenue are regional taxes and levies originating from the community of each region. Thus, the greater the regional original revenue hence the higher community participation in paying regional taxes and levies, so that the regional original revenue is actually an access to economic growth. Positive growth will encourage investment which also encourages improvements in regional infrastructure. Improving regional infrastructure is expected to improve the quality of public services which reflects the performance of the local government (Sumarjo, 2010). Research on local government was conducted by Indrarti (2011) and Virgasari (2009) which revealed that there was a positive correlation between regional original revenue and regional performance. So that it can be concluded that the greater the regional original revenue can improve the performance of local governments. From the description, the hypothesis can be developed:

H₂: Local government wealth positively affect local government performance

The level of dependence on the central government can be seen from the ratio receipt of the General Allocation Fund to total revenue of local government. Based on the Law No. 33 of 2004 about Financial Considerations Between The Center Government And Regional Government, general allocation funds is a fund sourced from State Revenue and Expenditure Budget allocated with the aim of equal distribution of financial capabilities between regions to fund regional needs in the context of implementing decentralization. The general allocation funds is given by the central government to finance the shortcomings of the regional government in utilizing its regional original revenue. This general allocation fund

is a "Block Grant" which means the use of general allocation fund is handed over to local governments in accordance with the priorities, interests and needs of each region which aims to improve public services in the context of implementing regional autonomy. The central government will monitor the implementation of the general allocation fund allocation so that it can spur regional governments to improve their performance. This is in line with the results of research conducted by Indararti (2011) which revealed that there was a correlation between general allocation fund and regional performance. Likewise with Virgasari (2009) research which concluded that general allocation fund had a significant correlation to the performance of local governments. From the description, the hypothesis can be developed:

H₃: Dependence level of local government positively affect local government performance

Law No. 32 of 2004 about Local Government in Article 167 paragraph 1 stated that regional expenditures are used to protect and improve the quality of life of the community which is realized in the form of increased service for obligatory affairs and other services in the fields of education, health, provision of social facilities, public facilities, and development of a social security system. Mustikarini & Fitriasari (2012) found that there was a significant relationship between regional expenditure and the performance of local government. Based on the description above can be developed in the study are:

H₄: Regional expenditure positively affect local government performance

Political connections often occur in developing countries with weak property rights protection, including in Indonesia (Pranoto & Widagdo, 2015). In Indonesia, political connections have become a common thing. The practice of political connections in general is to place people who are close to the center of government. Research conducted by Faccio (2006) shows that the financial performance of the city government in the country will decrease when political parties are too tight in regulating government, on the contrary if the

Variables	Minimum	Maximum	Mean	Std. Deviation
Local Gov't Performance	62.92	85.32	75.53	74.47
Age (X_1)	8.00	811.00	166.63	197.09
Wealth (X_2)	0.04	0.55	0.18	0.11
Depend (X_3)	0.08	2.79	0.50	0.35
Expenditure (X_4)	0.04	0.44	0.24	0.71
Connect (X_5)	2.00	8.00	3.13	1.34

Government is held by conservatives, the government finances will be better. So that politics has a multidimensional impact on governance in a country, therefore political connections are an important factor in the regulation of a government in the region. The purpose of the connection is to get benefits, namely quick access to capital / income assistance from the central government

(Zhang, Li, Zhou, & Zhou, 2013). This study tried to measure political connections with the length of office of the regional head. The longer the head of local government holds office, is related to conservatism and risk avoidance (Ellis and Child, 1973), then it will be able to know and relate more to central political actors and the impact of the relationship so that the local government will have more capital to finance its work activities and ultimately will affect the performance of the local government.

H5: length of duration local government head positively affect local government performance

RESEARCH METHODS
Data Analysis

The sample of this study using Indonesia local government level municipality or city (Kotamadya) for the 2016 fiscal year that has been audited by Badan Pemeriksa Keuangan Republic Indonesia (Audit Board of the Republic of Indonesia) and have complete data related to the variables used in this study.

Based on purposive sampling, the samples

Coefficient Variables	Proxy
PRFM (local government performance)	human development index (Martani & Pramudya, 2015)
AGE	year when a government was formed as regional government based on Law Invite (Setyaningrum & Syafitri, 2012)
WEALTH	ratio of regional original revenue to total revenue (Setyaningrum & Syafitri, 2012)
DEPEND	ratio of the General Allocation Fund to total revenue of local government (Marfiana & Kurniasih, 2013)
EXPENDITURE	ratio capital expenditure to total expenditure of local government (Marfiana & Kurniasih, 2013)
CONNECT	length of duration local government head (Rochmatullah & Probohudono, 2014)

selected and used in this study were as many as 80 city local government financial reports on several islands in Indonesia, namely Java, Sumatra, Sulawesi, Kalimantan, Nusa Tenggara and Bali. Data for this study were obtained from various sources. Data on the Human Development Index is obtained from the Badan Pusat Statistik (Central Bureau of Statistics). The characteristics of local governance are derived from official reports Inspection Results Report issued by the Audit Board of the Republic of Indonesia. While political relations are obtained from information on the websites of each local government. This study uses multiple regression analysis using cross section data analysis.

Research Model
PRFM = α + β_1 AGE + β_2 WEALTH + β_3 DEPEND + β_4 EXPENDITURE + β_5 CONNECT + e (1)

Operationalization Variabels

The following Table 1 are operationalization variabels in this research:

Table 1
Operationalization Variables

RESULTS & ANALYSIS
Descriptive Statistic

Descriptive statistics for each variables show in table 2 following.

Table 2
Statistic Descriptive

Based on statistic descriptive, dependent variable is government performance obtain 85,32 which is Yogyakarta city while the lowest is Cianjur city with score 62.92. According to BPS (2018), if the human development index is in a score of 70-80 it is included in the high category. So from an average value of 75.53 this indicates a high index score, meaning that the local government has succeeded in providing to residents & people to be able to access development results in obtaining income, health, education and it become an important indicator to measure success in efforts to build quality human life (community / population).

For independent variable age, the oldest city on sample is Banda Aceh city is 811 years old while the youngest is Tangerang Selatan city is 8 years old with average is 166 years old it means, average city use for sample has been established for quite sometime. For wealth, the highest score is 0.55 while the lowest is 0.04 with average 0.18 or only 18% it reflect regional original revenue to total revenue. For dependence, the highest score is 2.79 while the lowest is 0.08 with average is 0.5 it means on the average city half of sample are indepent and half is dependent to central

government. For expenditure, the highest score is 0.04 while the lowest is 0.44 with average 0.24 means on the average only 24% from expenditure is spent to capital. For political connection, mayor with the long position running the office is 8 years goes to Surabaya city mayor, while the shortest is only 1 years Depok city mayor.

OLS Testing

This research is using regression analysis, therefore all assumption should met for the study. After satisfying all three assumptions, this study concludes the data is free from autocorrelation, there is no problem with heteroscedasticity and that there is no multicollinearity problems between independent variables and regression analysis can be performed (*refer appendix*).

Hypotheses Testing

Table 3 below are summary for hypothesis testing.

Table 3
Hypotheses Testing

Variables	Coefficient	*p* value	Hypotheses
Constanta	74.111	0.000	-
Age	0.003	0.277	*Not accepted*
Wealth	12.675	0.010*	*Accepted*
Dependence Level	1.460	0.002**	*Accepted*
Regional Expenditure	2.765	0.525	*Not Accepted*
Political Connection	0.342	0.006**	*Accepted*
R-Squared	0.0915		
Adjusted R-Squared	0.2796		
Prob(F-Statistic)	0.0000		

Notes: Significance at *5%, **1%, respectively; see equation (1); Age:

year when a government was formed as regional government; wealth: ratio of regional original revenue to total revenue; dependence level : ratio of the general allocation fund to total revenue; regional expenditure: ratio capital expenditure to total expenditure; political connection: length of duration local government head

Regression result is presented in Table 3 (shows local government performance as dependent variable). F-statistic of panels shows that it is significant means all of the independent variables affecting local government performance and from Adj R-Square (Adj R^2), the model able to explain significantly the variation of dependent variables about 27,96%.

Panels show relatively inconsistent results. Local government age, measured by year when a government was formed as regional government based on Law Invite, has a positive but not significant effect on local government performance (H_1 is rejected). This suggests that the longer the establishment of a city, could not be determined to reflect good performance. Because of the older establish of a local government, means it has passed several periods of head local government from time to time and also the experience through differences in leadership of previous head local government. Hence the performance of local government changes following the work program of head local government leadership, not necessarily caused by the length of time the local government was established. Regional Expenditure, which measured by ratio capital expenditure to total expenditure local government has a positive but not significant effect on local government performance (H_4 is rejected). This indicates that the regional expenditure has not been realized for the use of improved government performance to a better direction, as shown on the average there are only 24% from total expenditure local government spent on capital.

Meanwhile, for wealth and dependence level, respectively measure by ratio of regional original revenue to total revenue local government and ratio of the general allocation fund to total revenue local government has positive significant effect on local government performance (H_2 and H_3 is accepted). The local government wealth affects the local government performance. These results indicate that the role of regional original revenue can function properly in improving the performance of local governments (Sumardjo, 2010) and the results are in line with Mustikarini & Fitriasari (2012) that an increase in regional original revenue will supporting factor of macroeconomic performance. Positive growth encourages investment so that at the same time these investments will encourage improvements in regional infrastructure therefore good regional infrastructure and high investment in an area should be supported by improving the quality of public services where good quality public services will reflect the good performance of a local government. The dependence level of local government affects the local government performance. General allocation fund that provided by the central government has been used to finance government administration so that services to the residents and people are implemented. The central government will monitor the implementation of General allocation fund so that this motivates local government to perform better. Thus, the higher the dependence of local government to the central government, the better local government service performance to the community were expected. This result also consistent with finding of Mustikarini & Fitriasari (2012) and Puspita & Martani (2013).

Political connection variable has positive significant effect on local government performance (H_5 is accepted). This is means, the longer head of local government running holds office they will able to know and relate more to central political actors and the impact of the relationship so that the local government will have more capital to finance its work activities and ultimately will affect the performance of the local government. This result in line with Rochmatullah & Probohudono (2014).

CONCLUSION

This study examines the characteristics of local governments and political connection affect to the performance of local governments with the conclusion: The age of local governments and capital expenditure have no significant effect on the local government performance level of municipal (city-*Kotamadya*) in Indonesia. While the level of dependence on the central government; regional wealth; and political connection have a significant positive effect on local government performance. This conclusion has implications for municipal / city governments in Indonesia that:

1. The longer the establishment of a city, could not be determined to reflect good performance. Because of the older establish of a local government, means it has passed several periods of head local government from time to time and also the experience through differences in leadership of previous head local government. Hence the performance of local government changes following the work program of head local government leadership, not necessarily caused by the length of time the local government was established.

2. The role of regional original revenue can function properly in improving the performance of local governments. An increase in regional original revenue will supporting factor of macroeconomic performance. Positive growth encourages investment so that at the same time these investments will encourage improvements in regional infrastructure therefore good regional infrastructure and high investment in an area should be supported by improving the quality of public services where good quality public services will reflect the good performance of a local government.

3. General allocation fund that provided by the central government has been used to finance government administration so that services to the residents and people are implemented. The central government will monitor the implementation of General allocation fund so that this motivates local government to perform better. Thus, the higher the dependence of local government to the central government, the better local government service performance to the community were expected.

4. The regional expenditure has not been realized for the use of improved government performance to a better direction, as shown on the average there are only 24% from total expenditure local government spent on capital.

5. The longer head of local government running holds office they will able to know and relate more to central political actors and the impact of the relationship so that the local government will have more capital to finance its work activities and ultimately will affect the performance of the local government. This could indicate the occurrence of collusion problems in the state government.

LIMITATION

1. This research only use 80 cities from 98 cities, while in Indonesia there are 416 districts in 34 province. Next researcher should include districts for comprehensive data.

2. For local government performance, this research only use human development index score in only one year. Further researchers are expected to see in terms of financial and non-financial performance.

3. The political connection proxy is only use length of length of duration local government head, another measurement should be used for more accurate data.

4. The model only explain 27,96%, means there are 72.04% variables not include to the model. Further researchers are expected to include another variables.

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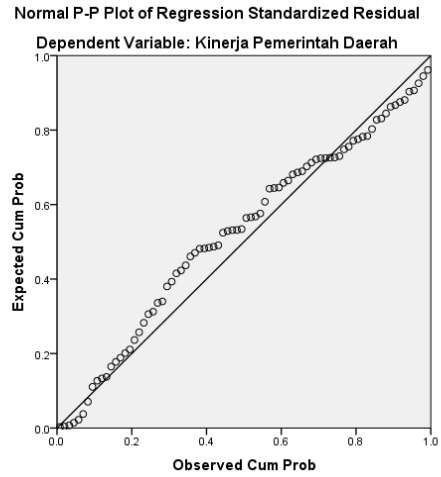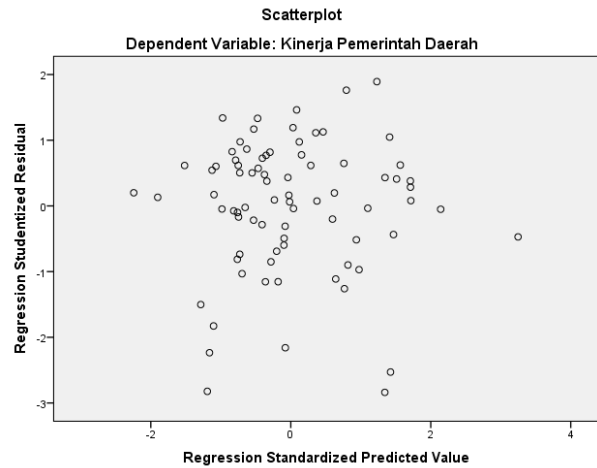
APPENDIX

List of Sample:

No	Island	Municipal (City)
1	Jawa	Kota Banjar
2	Jawa	Kota Tasikmalaya
3	Jawa	Kota Cimahi
4	Jawa	Kota Depok
5	Jawa	Kota Bekasi
6	Jawa	Kota Cirebon
7	Jawa	Kota Bandung
8	Jawa	Kota Sukabumi
9	Jawa	Kota Bogor
10	Jawa	Kota Surakarta
11	Jawa	Kota Blitar
12	Jawa	Kota Malang
13	Jawa	Kota Probolinggo
14	Jawa	Kota Pasuruan
15	Jawa	Kota Mojokerto
16	Jawa	Kota Madiun
17	Jawa	Kota Tangerang
18	Jawa	Kota Cilegon
19	Jawa	Kota Serang
20	Jawa	Kota Tangerang Selatan
21	Jawa	Kota Surabaya
22	Jawa	Kota Batu
23	Jawa	Kota Yogyakarta
24	Jawa	Kota Semarang
25	Jawa	Kota Pekalongan
26	Jawa	Kota Tegal
27	Sumatera	Kota Lubuk Linggau
28	Sumatera	Kota Pagar Alam
29	Sumatera	Kota Palembang
30	Sumatera	Kota Prabumulih
31	Sumatera	Kota Banda Aceh
32	Sumatera	Kota Langsa
33	Sumatera	Kota Sabang
34	Sumatera	Kota Tebing Tinggi
35	Sumatera	Kota Tanjung Balai
36	Sumatera	Kota Lhoksemawe
37	Sumatera	Kota Solok
38	Sumatera	Kota Subulussalam
39	Sumatera	Kota Padang
40	Sumatera	Kota Padangpanjang
41	Sumatera	Kota Payakumbuh
42	Sumatera	Kota Pariaman
43	Sumatera	Kota Sawahlunto
44	Sumatera	Kota Sungai Penuh
45	Sumatera	Kota Dumai
46	Sumatera	Kota Pekanbaru
47	Sumatera	Kota Jambi
48	Sumatera	Kota Bengkulu
49	Sumatera	Kota Metro
50	Sumatera	Kota Bandar Lampung
51	Sumatera	Kota Tanjung Pinang
52	Sumatera	Kota Sibolga
53	Sumatera	Kota Pematang Siantar
54	Sumatera	Kota Medan
55	Sumatera	Kota Batam
56	Sumatera	Kota Binjai
57	Sumatera	Kota Gunung Sitoli

58	Kalimantan	Kota Singkawang
59	Kalimantan	Kota Palangkaraya
60	Kalimantan	Kota Banjarmasin
61	Kalimantan	Kota Banjarbaru
62	Kalimantan	Kota Balikpapan
63	Kalimantan	Kota Pontianak
64	Kalimantan	Kota Samarinda
65	Kalimantan	Kota Bontang
66	Sulawesi	Kota Manado
67	Sulawesi	Kota Bitung
68	Sulawesi	Kota Tomohon
69	Sulawesi	Kota Kotamabogu
70	Sulawesi	Kota Palu
71	Sulawesi	Kota Makassar
72	Sulawesi	Kota Pare-Pare
73	Sulawesi	Kota Palopo
74	Sulawesi	Kota Kendari
75	Sulawesi	Kota Baubau
76	Sulawesi	Kota Gorontalo
77	Nusa Tenggara	Kota Denpasar
78	Nusa Tenggara	Kota Bima
79	Nusa Tenggara	Kota Kupang
80	Nusa Tenggara	Kota Mataram

OLS Test
Normality test – P Plot

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Kinerja Pemerintah Daerah

Heterocedasticity Test

Scatterplot
Dependent Variable: Kinerja Pemerintah Daerah

Multicollinearity Test

Variabel	Collinearity Statistics	
	Tolerance	VIF
Umur Administratif (X_1)	0.858	1,166
Tingkat Kekayaan Daerah (X_2)	0.692	1,445
Tingkat Ketergantungan (X_3)	0.816	1,225
Belanja Modal (X_4)	0.945	1,058

Koneksi Politik (X_5)	0.938	1,066