



**Analysis of Local-Owned Revenue (PAD)  
Toward Local Autonomy Implementation  
In Padang City**

Thesis

*Submitted in partial fulfillment of the requirement for undergraduate degree in  
Economics Faculty*

By:

**PARHIUTANTA**

**02153105**

**Accounting Department**

**Faculty of Economics**

**Andalas University**

**2010**



No. Alumni Universitas:

Parhiutanta

No. Alumni Fakultas:

**BIODATA**

a) Tempat/ Tgl Lahir: Padang/ 15 Mei 1984 b).Nama Orang Tua: Nazwir Lubis (Alm) dan Syahyuni c).Fakultas: Ekonomi d).Jurusan: Akuntansi e).No.BP: 02 153 105 f).Tgl Lulus: g).Predikat Lulus: Memuaskan h).IPK: 2.88 i).Lama Studi: 7 tahun 6 bulan j). Alamat Orang Tua: Jln. Sirsak V Blok d2 no.158 Perumnas Belimbing-Padang.

**Analysis of Local Owned Revenue (PAD)  
Toward Local Autonomy Implementation in Padang city**

Skripsi S1 oleh : Parhiutanta  
Pembimbing : Dr. Efa Yonnedi, SE, MPPM, Ak

**ABSTRACT**

The research is aimed to identify and analyze the development of Padang Local Owned Revenue (PAD) toward Local Autonomy implementation. This research also analyzes the strategies conducted by Padang as municipal in strengthening its Local Owned Revenue, the barriers faced and also Fiscal Autonomy Leverage. Data is taken from Padang Local Owned Revenue Report from year 1998 to 2008. The development of local owned revenue is analyzed by comparing the development from years before the implementation of Act no 22/1999 in 2001 and the years after. The result of the research shows that before the implementation of Act no 22/1999 which is currently revised to Act no 32/2004, Padang local owned revenue showed an increasing rate and the fluctuated rate occurred in structure of local owned revenue. Years after the implementation, almost yearly, the local owned revenue of Padang is increased and shows the fluctuated rate occurred in the structures of local owned revenue. The fiscal autonomy leverage, based on the criteria set by the Ministry of Internal Affairs Republic of Indonesia cooperated with Gadjah Mada University, Padang Fiscal Autonomy Leverage is on average under 20 %. This percentage describes Padang has bad condition in financial stability to finance its infrastructures.

*Key words: local owned revenue, local autonomy*

Abstrak telah disetujui oleh Pembimbing.

Tanda Tangan	
Nama Terang	Dr. Efa Yonnedi, SE, MPPM, Ak

Skripsi telah dipertahankan di depan sidang penguji dan dinyatakan lulus pada tanggal 7 Mei 2010 Abstrak telah disetujui oleh penguji :

Tangan			
Terang	Dra. Husna Roza, M.Com(Hons), Ak	Drs. Amsal Djunid, M. Bus, Ak	Sulhernita, SE, M ForAcc, Ak

Mengetahui  
Ketua Jurusan: Dr. H. Yuskar, SE, MA, Ak

Alumnus telah mendaftar ke Fakultas/ Universitas Andalas dan mendapat Nomor Alumnus:

		Petugas Fakultas/ Universitas	
		Nama	Tanda Tangan
No. Alumni Fakultas	:		
No. Alumni Universitas	:		



## CHAPTER 1

### INTRODUCTION

#### **I.1 Background**

Development is a process to achieve national objectives. This process is certainly done by private, government or society. Society becomes player of development meanwhile government roles in directing, guiding and providing supported proper circumstances to reach the vision.

Local government and its authorities have played an important role in encouraging development. Decentralization brings related policies which focuses local government to set plans, policies, procedures, rules, structures, report, and information flow. Due to this, to encourage its realization, governmental policies are needed to maximize the function of local government to set the governmental needs.

Although local owned revenue (PAD) and its related factors have always been problematic either past or present. As the matter of fact, some problematic factors related to local autonomy in Indonesia (Oberlin, *Majalah Perencanaan Pembangunan*, 1997) are as follows:

1. Limited authority in local autonomous.

Municipal or regency level is the closest level of government to society. In fact, this local autonomous is limited to its authority which all governmental activities and development are still under central government authority.

2. Uncertainty of local autonomous task force.

As municipal or regency has limited authority, the condition become complicated since no exact task force is handed to this level of local ruled. This condition impacted to an overlapping toward task forces executed between provincial and municipal.

3. Local autonomous limited source of fund

In Indonesia financial system, most of potential financial sources are under control of central government.

4. Limited human resources

Most of qualified human resources are in central government. The more qualified the human resources, the more tendentious to be involved in central government. This condition is due to the unpromising career development provided by municipal or regency.

5. Limited infrastructures

This condition can be showed by improper infrastructures belonged to municipal or regency as local government office building because of limited capacity of local ruled to finance its infrastructures.

The prevailing Act no. 32/2004 and No.33/2004 stress on the true meaning of local autonomy in order to organize the government and fulfill local needs as local policy and authorities. This circumstance provide authority to local government to organize its government functions, covers all governmental needs exclude rights of foreign affair politics, national security and guard, justice, monetary, fiscal, religion, and rights for others specific sectors.

## CHAPTER 5

### CONCLUSIONS AND RECOMMENDATIONS

The preceding chapters have presented the analysis and result. This Chapter provides conclusion from the findings and discussion in previous chapter. Some recommendation for the further study is also presented in this chapter.

#### 5.1 Conclusions

This study comes with the purpose to analyze the role of Local owned revenue to the local autonomy implementation in Padang city. This is analyzed as the implementation of act no 22/1999 in 2001 which is revised to act no 32/2004.

In perspective of Local owned revenue, there is an increase almost yearly, which is also supported by Fiscal Autonomy Leverage, based on the criteria set by the Ministry of Internal Affairs Republic of Indonesia cooperated with Gadjah Mada University, Padang Fiscal Autonomy Leverage is on average under 20 %. This percentage describes Padang has bad condition in financial stability to finance its infrastructures.

Therefore, this condition has not showed that Padang as local autonomous has significant rate of fund to finance its infrastructures needs. This is due to there are some barriers that emerge. This is resulted to Padang still needs support from central government to encourage its financial to finance the infrastructures needs.

In perspective of local autonomy, Padang as municipal and local autonomous is remarked to be good in implementing the local autonomy. This is showed by the increase of local owned revenue generated almost yearly from the last ten years, in spite of it has not showed significant numbers, but the condition



### References

- Davey, K.J.,1988, *Pembiayaan Pemerintah Daerah – Praktek-praktek Internasional dan Relevansinya bagi Dunia Ketiga*, UI Press, Jakarta.
- Devas, N., 1997. Indonesian “What do we mean by Decentralization” *Public Administration and Development*. Vol. 17, 351 – 367.
- FISIPOL-UGM, 1991, “Pengukuran Kemampuan Keuangan Daerah Tingkat II Dalam Rangka Otonomi Daerah Yang Nyata dan Bertanggung Jawab”, Badan Litbang Depdagri, Jakarta.
- Gaffar, A., 2000, “Kebijaksanaan Otonomi Daerah dan Implikasinya terhadap Penyelenggaraan Pemerintahan di Masa Mendatang”, *Wacana*, Edisi 5, Tahun II, 31 – 46.
- Hirawan, Susiati B, 1987. Analisis tentang Keuangan Daerah di Indonesia, *EKI*, Vol. XXXIV No. 1, 94 – 95.
- Hoessein, B., 2000, “Otonomi Daerah Dalam Negara Kesatuan Sebagai Tanggap Terhadap Apresiasi Kemajemukan Masyarakat dan Tantangan Globalisasi”, *Usahawan*, Tahun XXIX, Nomor 04, 3 – 13.
- Jaya, W.K, 1996, “Analisis Potensi Keuangan Daerah”, *Modul Program Penataran Manajemen Sektor Ekonomi Strategis*, Kerjasama Ditjen PUOD dengan Pusat Penelitian dan Pengkajian Ekonomi dan Bisnis Universitas Gadjah Mada, Yogyakarta.
- Kaho, Yosef Riwu, 1997. *Prospek Otonomi Daerah di Negara Republik Indonesia; Identifikasi Beberapa Faktor yang Mempengaruhi Penyelenggaraannya*, Penerbit Raja Grafindo Persada, Jakarta.
- Kuncoro, Mudrajat, 1995. “Desentralisasi Fiskal di Indonesia”, *Prisma* No. 4 : 3 – 17, Jakarta.
- Kuncoro, Mudrajat, 1997. Otonomi Daerah Dalam Transisi, Temu Alumni dan Seminar Nasional Manajemen Keuangan Daerah Dalam Era Global, KKD- FE UGM, 12 April 1997, Yogyakarta.
- Koswara, E., 2000. Menyongsong Pelaksanaan Otonomi Daerah Berdasarkan Undang-Undang Nomor 22 Tahun 1999: Suatu Telaahan dan Menyangkut Kebijakan, Pelaksanaan dan Kompleksitasnya, *CSIS* XXIX No. 1, 51 – 52.
- Lains, Alfian, 1995. “Pendapatan Daerah Dalam Ekonomi Orde Baru” , *Prisma* No. 4.