

ABSTRACT

The objective of this study is to identify the impact local revenue, the general allocation fund, and special allocation fund to Human Development index with capital expenditure as an intervening variable. Two-Stage Least Squares was used to analysed panel data from 35 regencies and cities in Central Java from 2013 to 2021.

This study finds that local revenue, the general allocation fund, and special allocation fund positively influence capital expenditure. In addition, Gross Regional Domestic Product and capital expenditure as an intervening variable positively influence Human Development Index. While poverty negatively influence Human Development Index.

Keywords: *Human Development Index, Capital Expenditure, Local Revenue, General Allocation Fund, Special Allocation Fund, Gross Regional Domestic Product, Poverty*