

ABSTRACT

This research aims to study the flypaper effect phenomenon on local own-source revenue, general allocation fund, and local financing revenue on local government expenditure in Indonesia during the Covid-19 period. Testing the influence between variables in the study was analyzed using quantitative methods. The population in this study is all local governments in Indonesia consisting of district, city, and provincial governments totaling 552 local governments in the period 2020-2022. The research sample was taken using purposive sampling method. The total number of local governments sampled was 354 local governments. The analysis method used in this research is multiple linear regression analysis. The results showed that local own-source revenue (PAD) during the Covid-19 period had a significant positive effect on local government expenditure. The general allocation fund (DAU) during the Covid-19 period had a significant positive effect on local government expenditure. Local financing revenue during the Covid-19 period had a significant positive effect on local government expenditure. There was a flypaper effect during the Covid-19 period on local government expenditure in Indonesia.

Keywords: PAD, DAU, Local Financing Revenue, Flypaper Effect, Covid-19