Analysis of Flypaper Effect and Fiscal Performance in Regional / Regency Spending in West Sumatra

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ABSTRACT
This study aims to analyze 1) whether there is influence between the Locally Generated Revenue (PAD), General Allocated Fund (DAU), Revenue Sharing Fund (DBH) and Special Allocation Fund (DAK) against local expenditure in regencies / cities in West Sumatra, 2) What happens flypaper in the province of West Sumatra, and 3) How is the financial condition of the area in the District / cities in West Sumatra. The data in this research is secondary data from 2016 - 2018. The model used Panel Regression Model. The results showed that 1) there is positive and significant correlation between PAD, DAU, DBH and DAK to Shopping Area. 2) Detected symptoms flypaper on Regional Shopping in West Sumatra, this happens because the comparison of regression coefficient regression coefficient of PAD to the number of DAU, DBH, DAK> 1, 3) That in the period 2016-2018 fiscal capacity is still low since there are 9 area in Quadrant IV. This means that should be considered a policy to support the sector in the region while maintaining management rational budget expenditure management.

Keywords: Flypaper effect, Regions Financial Capability

1. INTRODUCTION
West Sumatra is a province that most of the region experiencing the expansion process indirectly impact on the process of receiving funds transfers (grants) from the center. Given this expected local governments are better able to innovate and explore the natural resources contained in their respective territories. So slowly dependence on the center can be removed, along with the additional revenue. Revenues in Regency / City in West Sumatra and the amount of increase in the contribution of PAD have a role in plans to increase the ability of the financial terms that do not have to always rely on the central government.

Clarified by Mardiasmo (2004), that the weakness of expenditure planning, as has been described, eventually led to the possibility of under-financing or over-financing, all of which affect the level efisinesi and effectiveness of local government development program. The problem faced by local governments related to planning shopping areas is the low capability of programs to meet the needs and demands of the public and the level of efficiency of the implementation of regional spending is low. To overcome the problems of financial management, local governments should be able to play its role as an instrument of policy and optimal management. As an instrument of policy,
local governments should be able to perform its functions and its role efficiently.

So in rangaka implementation of regional autonomy and fiscal decentralization, an important step that must be done is to calculate the potential revenue (PAD) and an increase in local fiscal capacity. Therefore, in order to optimize the development budget it is expected that local government acts as a facilitator and motivator in moving development in the region (Osborne and Gaebler 2014).

Based on data from the Central Statistics Agency of West Sumatra from years 2015-2018, shows that shopping districts / cities in West Sumatra province has increased. This is because the government provides public services such as facilities and infrastructure in the public interest and also due to the increase in direct expenditure, supported by an increase in indirect spending. In 2015, total expenditure districts / cities in West Sumatra reached 15193.41 million and increased to 19236.50 million in 2018. In 2018, the district / city with the highest regional spending seen in the area of Padang at 2017, 52 million rupiah. While the local shopping area with the lowest seen in the region in 2018 amounted to 896.03 million Sijunjung rupiah. Darwanto (2007) states that the use of spending should be allocated for productive things, for example to carry out development activities. In line with these returns, Stine (1994) in Darwanto and Yustikasari (2007) states that government revenues should be more for public service programs. Both this opinion implies the importance of allocating expenditure for various public purposes.

To see if there are indications in the efficient transfer of funds can be seen from the response of government spending government more familiar with the theory of flypaper. The response here is a direct response from menyingkapi local government in the transfer of funds as grants especially equalization fund are realized on a local budget. When the response to the larger shopping areas to transfer, then called the flypaper (Oates 1999).

Flypaper Effect itself a response that is not symmetric or asymmetric to the increase and decrease in the use of funds transfers from the central government, where Tresch (2002) states that the transfer of funds is given for a specified period with indication of the parties who benefit from the receipt of transfers (grants) which tends to increase. In other words, the discovery of flypaper on the allocation of expenditure, it is expected that the government will be minimum minimize excessive response to the shopping areas.

The research result Setiaji & PH Adi (2007) mentions the implementation of fiscal decentralization actually increase the level of local fiscal dependence on the central government as a form of helplessness revenue (PAD) in expenditure area. Other research by Susanto (2014), Widodo (2011) then Herath & Supratiwi (2013), on average, illustrates the weakness of local independence and the high dependence on central assistance.

The lack of autonomy that even evenly occur also in Eastern Indonesia (KTI). Research Pilat & Jenny Morasa (2017) concluded that the pattern of relationships eg the level of independence of Manado is still very low for social services. The pattern of relations with the central government is also instructive, as well as Susanto (2014) and Dethan (2015) related to the same research loci are the provinces of West Nusa Tenggara (NTB). Slightly different results expressed by Ulumudin (2014) which assesses the financial performance evaluation Pekalongan residency regions throughout 2007-2011. In conclusion, Ulumudin mention that in Pemalang, Tegal, Tegal City, Batang, Pekalongan and proved to have a fiscal capacity index is high.
2. METHODS

This type of research includes descriptive and associative research types. The form in this study is the data of research in 19 districts in West Sumatra from 2016 to 2018. The independent variables in this study are PAD, DAU, DBH, DAK. The dependent variable is BD. This research method uses the data panel multiple regression techniques.

\[ BD = \beta_0 + \beta_1 \cdot PAD_{it} + \beta_2 \cdot DAU_{it} + \beta_3 \cdot DBH_{it} + \beta_4 \cdot DAK_{it} + U_{it} \]

Where:

- \( BD_{it} \) = Shopping Area
- \( PAD_{it} \) = Local Revenue
- \( DAU_{it} \) = General Allocation Fund
- \( DBH_{it} \) = DBH
- \( DAK_{it} \) = Special Allocation Fund
- \( U_{it} \) = Disturbance term

2.1 Determination flypaper

flypaper Effect calculated using the formula:

\[ BD = \frac{PAD}{DAU + DAK + DBH} \]

If the PAD regression coefficient comparison with total regression coefficient DAU, DAK and DBH > 1 then there is no flypaper or can be independent of the area. However, if the ratio of revenue to total regression coefficient regression coefficient DAU, DAK and DBH then their flypaper or to say the region is not independent.

2.2 Determination of Fiscal Conditions

2.2.1. Quadrant method

This method is used to view the condition of local financial capacity. This is done by looking at the performance of state revenue through share, growth and elasticity. Share is the ratio of PAD in regional spending. This ratio is used to view the PAD’s ability to finance the budget of a region. Besides growth is revenue growth year on year \( i \) \(-i\). Map of the area of financial capability can be seen from the value of the share and growth districts / cities in West Sumatra province on the value of the share and the growth of the province. The financial condition of the area is presented in the quadrant method based on the level of financial capability provinces.

2.3. Share Locally Generated Revenue (PAD)

Share PAD is the percentage ratio of fiscal revenue to the shopping area. Share reflects the fiscal capacity to finance the regional budget.

\[ Share \, PAD = \frac{PAD}{PAD} \]

2.4. Fiscal Growth

Growth fiscal area is the rate of change of fiscal year-on-year baseline study that describes the end of the fiscal growth conditions of decentralization. Fiscal growth reflects the potential capacities of fiscal region.

\[ Growth \, Fiscal = \frac{PAD_i - PAD_{i-1}}{PAD_{i-1}} \times 100\% \]
Table 1. Classification Status of Regional Financial Capability Methods based Quadrant

<table>
<thead>
<tr>
<th>Growth</th>
<th>Share</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Independent Condition and Potential</td>
<td>Share value and high growth. PAD has a big role in their budgets so that the area has the ability to develop local potential.</td>
<td>However, Independent condition Less Potential, Low share value and high growth. Area have opportunities to develop local potential so that the regions potentially increase the share of revenue.</td>
</tr>
<tr>
<td>Low</td>
<td>Conditions Not Independent Potential</td>
<td>Share PAD high and low growth. Area has little chance to improve PAD because the level of lower revenue growth.</td>
<td>Conditions Not Ideal. Share and lower revenue growth. The area has not been able to develop local potential.</td>
</tr>
</tbody>
</table>

3. RESULTS AND DISCUSSION
3.1 The Panel Data Model Selection Test

3.1.1 Chow Test (likelihood ratio test)

Chow Test is conducted to compare or choose the best models between common effect and fixed effect. Assuming if the probability value is > 0.05 then the chosen models is the common effect model and no Hausman test is needed. However, if the probability is > 0.05 then the chosen models is the fixed effect model and continued with the Hausman test. By using EViews 9, the following results are obtained:

Table 2. Chow Test

<table>
<thead>
<tr>
<th>Effects Test</th>
<th>statistics</th>
<th>df</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section F</td>
<td>1.661160</td>
<td>(18.34)</td>
<td>0.0990</td>
</tr>
<tr>
<td>Cross-section Chi-square</td>
<td>35.965436</td>
<td>18</td>
<td>0.0071</td>
</tr>
</tbody>
</table>

Source: Results of Data Processing with EViews 9

Based on the results of the chow test, the probability of a cross-section F is 0.00. In testing the error rate used is 0.05. The obtained results indicate that the probability value of 0.00 < 0.05. Because the Hausman test is conducted to compare or choose the best models between fixed models other than fixed models, the selected models is the common effect model.

3.1.2. Test Hausman Test

Husman test is conducted to compare or choose the best models between fixed and common effect. The selected models is the common effect model. The selected models is the fixed effect model and continued with the Hausman test. By using EViews 9, the following results are obtained:

Table 2. Hausman Test

<table>
<thead>
<tr>
<th>Effects Test</th>
<th>statistics</th>
<th>df</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>cross-section chi-square</td>
<td>35.965436</td>
<td>18</td>
<td>0.0071</td>
</tr>
</tbody>
</table>

Source: Results of Data Processing with EViews 9
effects and random effects. This test is done with the assumption if the probability value is > 0.05 then the selected models is random effect, but if the probability is > 0.05 then the selected models is fixed effect. By using EViews 9, the following results are Obtained:

**Table 3. Hausman Test Results**

<table>
<thead>
<tr>
<th>Correlated Random Effects - Hausman Test</th>
<th>Test cross-section random effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equation: Untitled</td>
<td></td>
</tr>
<tr>
<td>Test Summary</td>
<td>Chi-Sq. statistics</td>
</tr>
<tr>
<td>Cross-section random</td>
<td>17.288594</td>
</tr>
</tbody>
</table>

*Source: Results of Data Processing with Eviews 9*

Based on the thirsty test using Eviews 9, a random cross section of 0048 is Obtained probability. The probability value is smaller than the significant level of 0:05 so that a better estimate is used in this model of the Fixed Effect.

**Table 4. LaGrange Multiplier Test**

<table>
<thead>
<tr>
<th>Lagrange Multiplier Tests for Random Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Null hypotheses: No effects</td>
</tr>
<tr>
<td>Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (All others) alternatives</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hypothesis Test</th>
<th>Cross-section</th>
<th>Time</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breusch-Pagan</td>
<td>0.045986</td>
<td>34.94660</td>
<td>34.99259</td>
</tr>
<tr>
<td>Honda</td>
<td>-0.214442</td>
<td>5.911565</td>
<td>4.028474</td>
</tr>
<tr>
<td>King-Wu</td>
<td>-0.214442</td>
<td>5.911565</td>
<td>5.540390</td>
</tr>
<tr>
<td>standardized Honda</td>
<td>0.253030</td>
<td>10.94728</td>
<td>1.636817</td>
</tr>
<tr>
<td>Standardized King-Wu</td>
<td>0.253030</td>
<td>10.94728</td>
<td>6.271620</td>
</tr>
</tbody>
</table>

3.1.3. LaGrange Multiplier Test

Table 4 shows the test results lagrange multiplier by using e-views 9, the importance of the P-value of 0.8302 Breusch Pagan. Then the model will be used in this research is the Common Effect Model.
3.2. Classic assumption test

3.2.1. Test Normality

![Histogram of Standardized Residuals]

Figure 1. Normality Test

From the figure above it can be seen that the probability of the Jarque-Bera amounted to 0.798107 where alpha is greater than 0.05 (5%) it can be concluded residuals are normally distributed and classical assumptions about normality are met.

3.2.2 Test Multicollinearity

Table 5. Test Multicollinearity

<table>
<thead>
<tr>
<th></th>
<th>PAD</th>
<th>DAU</th>
<th>DBH</th>
<th>DAK</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAD</td>
<td>1.000000</td>
<td>0.744520</td>
<td>0.781342</td>
<td>0.191624</td>
</tr>
<tr>
<td>DAU</td>
<td>0.744520</td>
<td>1.000000</td>
<td>0.622298</td>
<td>0.526968</td>
</tr>
<tr>
<td>DBH</td>
<td>0.781342</td>
<td>0.622298</td>
<td>1.000000</td>
<td>0.122839</td>
</tr>
<tr>
<td>DAK</td>
<td>0.191624</td>
<td>0.526968</td>
<td>0.122839</td>
<td>1.000000</td>
</tr>
</tbody>
</table>

Source: e-views 9 (data processed in 2019)

From the table 5, test results using correlation methods. In the table of correlation between the independent variables > 0.8 it can be said that our model does not contain multicollinearity. This means that in this model there is a strong relationship between the independent variables.

3.3.3 Test heterokedastisitas

From test heteroskedasticities used gletser test found that the probability variable X1 (0.3243), X2 (0.5467), and X3 (0.2713) greater than 0.05, it can be concluded that this model is free from problems heteroskedasticities.
Table 6. Heterokedastisitas Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>14152.41</td>
<td>12444.99</td>
<td>1.137</td>
<td>0.2607</td>
</tr>
<tr>
<td>PAD</td>
<td>-0.157988</td>
<td>0.088100</td>
<td>-1.793273</td>
<td>0.0787</td>
</tr>
<tr>
<td>DAU</td>
<td>0.030021</td>
<td>0.031441</td>
<td>0.954831</td>
<td>0.3441</td>
</tr>
<tr>
<td>DBH</td>
<td>0.650715</td>
<td>0.494425</td>
<td>1.316105</td>
<td>0.1939</td>
</tr>
<tr>
<td>DAK</td>
<td>-0.014909</td>
<td>0.057767</td>
<td>-0.258083</td>
<td>0.7974</td>
</tr>
</tbody>
</table>

R-squared | 0.062819 | Mean dependent var | 30336.80 |
Adjusted R-squared | -0.009272 | SD dependent var | 23875.79 |
Akaike information | |
SE of regression | 23986.22 | criterion | 23.09198 |
Sum squared resid | 2.99E + 10 | Schwarz criterion | 23.27119 |
Log likelihood | -653.1214 | Hannan-Quinn criter. | 23.16163 |
F-statistic | 0.871390 | Durbin-Watson stat | 2.524554 |
Prob (F-statistic) | 0.487425 | |

Source: e-views 9 (data processed in 2019)

3.3.4. Estimation Regression Panel

From this research it can be determined the effect of PAD, General Allocation Fund, DBH, the Special Allocation to Local Shopping. Regression in Table 5 is the regression using a common approach Effect Model. Approach common effect of classical models require asusmsi test, so the results of the regression models using the approach common effect can not be interpreted directly. So from Table 5 substituted into equation form as follows:

Equation 6 also shows the effect of revenue (X1) to local expenditure within the period 2016-2018 is positive with a regression coefficient of 1.2147. The figure can be interpreted when the original income increases, local expenditure will also increase by 1.21%.

Then in the equation 4.2 also shows the influence of the General Allocation Fund (X2) on local expenditure within the period 2016-2018 has a positive coefficient with a regression coefficient of 1.4518. From these figures can be interpreted if the General Allocation Fund increases, local expenditure will also increase by 1.45%.

Then in the equation 6 also shows the influence of DBH (X3) on local expenditure within the period 2016-2018 has a negative coefficient with a regression coefficient of 0.3670. From these figures can be interpreted when the DBH increases, local expenditure will also increase by 0.36%.

Equation 6 also shows the effect of revenue (X1) to local expenditure within the period 2016-2018 is positive with a regression coefficient of 1.2147. The figure can be interpreted when the original income increases, local expenditure will also increase by 1.21%.

Then in the equation 4.2 also shows the influence of the General Allocation Fund (X2) on local expenditure within the period 2016-2018 has a positive coefficient with a regression coefficient of 1.4518. From these figures can be interpreted if the General Allocation Fund increases, local expenditure will also increase by 1.45%.

Then in the equation 6 also shows the influence of DBH (X3) on local expenditure within the period 2016-2018 has a negative coefficient with a regression coefficient of 0.3670. From these figures can be interpreted when the DBH increases, local expenditure will also increase by 0.36%.

Results of panel regressions are substituted into the above equation shows that the value of the independent variables, namely: revenue (X1), General Allocation Fund (X2), DBH (X3), the Special Allocation Fund (X4) equal to zero then the value of local expenditure is 10.99.
Table 7. Estimation of Common Effect Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-109916.8</td>
<td>20900.39</td>
<td>-5.259078</td>
<td>0.0000</td>
</tr>
<tr>
<td>PAD</td>
<td>1.214796</td>
<td>0.147957</td>
<td>8.210441</td>
<td>0.0000</td>
</tr>
<tr>
<td>DAU</td>
<td>1.451808</td>
<td>0.052803</td>
<td>27.49505</td>
<td>0.0000</td>
</tr>
<tr>
<td>DBH</td>
<td>-0.367003</td>
<td>0.830348</td>
<td>-0.441987</td>
<td>0.6603</td>
</tr>
<tr>
<td>DAK</td>
<td>0.815445</td>
<td>0.097015</td>
<td>8.405337</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

R-squared 0.989300Mean dependent var 908195.3
Adjusted R-squared 0.988477SD dependent var 375266.8
Akaike information criterion 40282.97
Sum squared resid 8.44E + 10
Schwarz criterion 24.30809
Log likelihood -682.6730
Hannan-Quinn criter. 24.19853
F-statistic 1201.970
Durbin-Watson stat 2.144284
Prob (F-statistic) 0.000000

Source: e-views 9 (data processed in 2019)

Then in the equation 6 also shows the influence of Special Allocation Fund (X4) against local expenditure within the period 2016-2018 has a positive coefficient with a regression coefficient of 0.8154. From these figures can be interpreted if the Special Allocation Fund increases, local expenditure will also increase by 0.81%.

3.3.5 The possibility of flypaper in the province of West Sumatra

Flypaper Effect Detection

In the detection of flypaper to find whether there whether flypaper, the ratio of regression coefficient of PAD to the number of regression coefficients DAU, DBH and DAK < 1 then this condition indicates the occurrence of flypaper. (Wulansari, 2015), (Sagbas and Sarus, 2004), (Maimunah, 2006), (Murniasi and Mulyadi, 2011), and (Abdul Halim, 2002).

Based on the equation 6, then substituted into equation form as follows:

\[
\text{flypaper} = \frac{\text{Regression Coefficients PAD}}{\text{Regression Coefficients DAU, DBH, and DAK}} < 1
\]

Based on the model results by comparing the regression coefficients of the regression coefficients PAD DAU, DBH and DAK can value < 1, which means the province of
West Sumatra found their flypaper, which means that the area of West Sumatra is still said to be independent.

Based on these regional governments seem never done optimally efforts in exploring the potential that they have. Mngoptimalkan local government should contribute and their revenue growth to be self standing area without constantly relying on transfers from the central government to finance regional development. Such is the purpose of the devolution of power between the central government and local governments are as implementasi autonomy and fiscal decentralization

The occurrence of flypaper on regional spending implicitly cause lameness fiscal gap (fiscal gap) will remain. Fiscal gap is the policy framework for the central government in providing the DAU to the region. If there flypaper means the achievement of optimal funding less transfer. It is apparent that with a background like that there should be government’s efforts to find ways to optimize and trying to explore potential revenue without having to think about the allocation of central government transfers, since it does not in the government’s financial performance District / city of West Sumatra seen from several major influence DAU, DBH and DAK to shopping areas will always depend on the central government transfers funds for subsequent years.

1. Detection of Local Financial Ability
To make the detection in this study attempted to look at the characteristics of the regions respectively. To simplify the analysis diferensi and the results of the regional elections based on the results of the study (Martawarday, et al., 2015) is comprehensive enough to be used as reference basis of this study.

It is based on the validity of the data used, completeness of indicators, the research methodology used at the same time the problems associated. To pass this detection we can see in the picture below:

a. Quadrant I: Padang, Bukittinggi, Padang Panjang, Payakumbuh and Kota Sawahlunto into the category of regions in quadrant I. That is the only ideal region with shared values and the highest growth of the average of all the District / city overall research focus among others. It also illustrates that the relatively high local independence with economic development prospects are still positive. The government is obliged to maintain this achievement coupled with the preparation of the development strategy of the next period, given the results of a partial analysis of the value of growth. Various policies and charges that are likely counter-productive to the spirit of supporting the development of sectors should be reformed before they become barriers that are structural.

b. Quadrant II: Tanah Datar, Sijunjung, Pasaman and West Pasaman included in quadrant II area. Thus the area considered to have sufficient independence but has great growth potential. The low aspect caused the region’s autonomy over the management burden of a large shopping areas. Given the challenges of economic growth in the future the greater the advance from the external side, the areas included in the category of quadrant II is likely to need to take a radical policy in the management of the budget expenditure management. The policy can be a savings of shopping in the area or strengthening reform expenditures that are productive and growing impact on the other sectors.


<table>
<thead>
<tr>
<th>Quadrant</th>
<th>Share</th>
<th>Quadrant III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Padang city</td>
<td></td>
<td>Solok</td>
</tr>
<tr>
<td>Sawahlunto</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Padang Panjang</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bukittinggi city</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payakumbuh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regency. Sijunjung</td>
<td></td>
<td>Kab.Kep Mentawai</td>
</tr>
<tr>
<td>Regency. flatland</td>
<td></td>
<td>Regency. South coast</td>
</tr>
<tr>
<td>Regency. Pasaman</td>
<td></td>
<td>Regency. Solok</td>
</tr>
<tr>
<td>Regency. West</td>
<td></td>
<td>Regency. Padang</td>
</tr>
<tr>
<td>Pasaman</td>
<td></td>
<td>Regency. Pariaman</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regency. Agam</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regency. Fifty Cities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regency. South Solok</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regency. Dharmasraya</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kota Pariaman</td>
</tr>
</tbody>
</table>

**Figure 2.** Detection of Local Financial Ability

d. Quadrant III: Solok, meaning that the growing regions have a high share of its growth but little or interpreted as a fairly independent regions but less potential. As discussed earlier, a small growth due to the nature of the industry based on unsustainable and have no substantial leverage both the upstream and downstream industries.

e. Quadrant IV: Mentawai Islands, South Coastal District, the District of Solok, Padang Pariaman, Agam, District 50 City, South Solok, Dharmasraya and Pariaman City area included in this study. Quadrant IV is the truth is the category most areas is not ideal because it is defined as the area with the value of the share and growth low. Transfer to Regional Policy seems to be directed to target areas that get in quadrant IV like this so that the future in making the leap into the quadrants other more positive meaning. Can policy choices through improved management of budget expenditure.

From the picture it can be concluded that each District / City have the respective quadrants. Regency / City which occupies the first quadrant is an ideal area. This illustrates that the independence of the region in the first quadrant are relatively high with the prospect of positive economic development.
Furthermore Regency / City, who finished second kudran deemed not to have sufficient independence but has great growth potential. The lack of autonomy of the area due to the presence of a large shopping area. Given the challenges of economic growth in the future the greater the advance from the external side, the areas included in the category of quadrant II is likely to need to take a radical policy in the management budget expenditure management. The policy can be a savings of shopping in the area or strengthening reform expenditures that are productive and growing impact on the other sectors.

In quadrant III is a self-contained area, but less potential. For the areas that are in kudran III get out of this trap and develop other industries using the area as a wealth of development investment. In quadrant IV is a category that is not ideal, it seems the transfer of regional policy should be directed to local public kudran IV so that the future in making the leap into the quadrants other more positive meaning.

4. CONCLUSIONS

The results showed that; (1) There is a positive and significant influence between the PAD to Shopping Area, (2) There is a positive and significant influence between the DAU to Shopping Area, (3) influences of the negative and not significant between the DBH to Shopping Area, (4) There is a positive and significant effect between DAK to regional expenditure. (5) there is a correlation between PAD, DAU, DAK to Shopping area, (6) Whereas in periods 2016-2018 by using panel regression model, detected symptoms of flypaper on Regional Shopping in West Sumatra, this comparison of regression coefficients occurs because the PAD to the number of regression coefficients DAU, DBH, DAK> 1, (7) Whereas in the period 2016-2018 fiscal capacity using the quadrant method showed that the conditions of regional capabilities that are in the first quadrant are five regions, where the PAD took a major role in the budget and the region has the ability to take on local potential. In kudran II there are only 4 regions, only one area in quadrant III, and 9 regions in quadrant IV, meaning that should be considered a policy in order to support the sector in the region while maintaining budget expenditure management rational.

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