

The effect of Covid-19 pandemic on regional financial performance in Indonesia: Meta-analysis

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Abstract

This meta-analysis aims to analyze the impact of the Covid-19 pandemic on regional financial performance in Indonesia. The research method used by reviewing, summarizing data and analyzing some research results that have been published on google scholar and the ministry of education and culture's Sinta page with the keywords Covid-19 and regional financial performance. From the 45 articles collected, 18 articles were selected for further analysis according to this research topic. This type of research is a meta-analysis research where the steps taken include: data collection, coding, calculation of improving problem-solving ability and identifying the presence or absence of average differences, and drawing conclusions. Our findings show that Covid-19 pandemic in Indonesia has been shown to have an impact on regional financial performance in Indonesia. Although there are several provinces in Indonesia, it does not have an impact on its financial performance. Financial performance is measured from the regional financial independence, the ratio of local tax to paid allowance, the ratio of operational solvency of local governments, the ratio of pad effectiveness and capital expenditure. There is a budget policy from the central government to focus on handling the Covid-19 pandemic so that it impacts regional financial performance. Future research contributions are expected to be an opportunity for the development of research methodologies, especially in the aspect of data collection through questionnaires and data analysis techniques using PLS (Partial Least Square), Data Panel Analysis and Symbolic Interaction methods.

Introduction

The study of state finances is one of the important things and contributes greatly to the government. The broad scope of study of state finance relates to the study of economics in the public sector. The statement refers to Musgrave and Musgrave (1980), who viewed that the state's finances are related to the field of economics, in this case, both macro and microeconomic scopes. From another perspective, state finances are also related to the budget, especially in macroeconomic development, which impacts the targets of a program to increase economic growth, price control, and equity (Suparmoko, 2013). Several factors can affect the financial condition of the country. One of them is a certain event or event that has a massive impact on the budget and generally affects the country's finances. One of them is the Covid-19 pandemic that has befallen the world, and especially Indonesia since 2019 has impacted the state budget and financial management (Suparman, 2021).

In previous studies, the majority examined the impact of Covid-19 pandemic, which affected the business sector in Indonesia. Research findings have proven that the effects of the pandemic have an impact on reducing MSME turnover (Amri, 2020; Rosita, 2020; Thaha, 2020; Pakpahan, 2020; Nabilah et al., 2021; Nalini, 2021; Sugianti and Us, 2021; Utami, 2021; Faizi et al.,

2022; Siswanto, 2022). The Covid-19 pandemic has also had an impact on the Indonesian economy. This impact impacts the decline in the value of Indonesia's exports abroad (Nasution et al., 2020), as well as a decrease in the value of imports (Yamali & Putri, 2020).

Furthermore, several other studies have proven that the Covid-19 pandemic has affected Indonesia's capital market development. The number of Covid-19 cases and government policies related to Covid-19 impact the decline in the Composite Stock Price Index (Junaedi & Salistia, 2020; Saraswati, 2020; Shiyammurti, 2020). In addition, the banking sector was also affected due to the Covid-19 pandemic outbreak. Several research findings prove that the impact on the banking industry can be seen in the high number of Non-Performing Loans that occur at People's Credit Banks (BPR) in Indonesia (Tiwu, 2020). Furthermore, Effendi and Hariani (2020) proved that the resilience of Islamic banks from the Return on Assets (ROA), Non-Performing Finance (NPF), and Financing to Deposit Ratio (FDR) indicators also there has declined due to the Covid-19 pandemic. The results of other studies have been proven that the Covid-19 pandemic has an impact on reducing the profit ability of commercial banks (Kharisma, 2020) and the level of bank efficiency common in Indonesia (Sholihah, 2021).

However, the number of studies examining the effects of Covid-19 pandemic on state finances is smaller than studies in the private sector or business sector. Several studies have proven that the Covid-19 pandemic has an impact on reducing regional income and nationally has an impact on state income (Sofi et al., 2022). In addition, Covid-19 pandemic also impacts the Financial Audit Agency (BPK) as an examining apparatus in increasing the optimization of State financial examinations (Zakariya, 2020). The occurrence of this pandemic has an impact on regulations or policies taken by the government. This regulation especially has an impact on providing tax incentives for Tax Wajib (Aulawi, 2020). The impact of Covid-19 pandemic also affects other regulations, namely the issuance of Government Regulations in Law No. 1 of 2020 (Aulawi, 2020; Gunawan, 2020; Kharisma, 2020).

Furthermore, Covid-19 pandemic has also impacted regional financial performance in several provinces in Indonesia. The decline in regional financial performance is one of the impacts of the impact of Covid-19 pandemic that occurred in Southeast Minahasa Regency compared to the period before this pandemic (Onibala et al., 2021). The results of other studies also show that financial performance from the aspect of regional financial ratios, such as activity ratios, has also decreased in DKI Jakarta Province (Amal & Wibowo, 2022). Another effect of Covid-19 pandemic also has an impact on reducing transfer income and decreasing capital expenditures, especially in Subang Regency (Agnika & Putra, 2021).

Given the lack of research results explicitly examining the effects of Covid-19 pandemic on regional financial performance in Indonesia (Agnika & Putra, 2021; Onibala et al., 2021; Amal & Wibowo, 2022), it is still necessary to fill the gap by reviewing meta-analysis through literature related to this research topic. From the findings of this literature review, it is found that almost all studies that examine the impact of Covid-19 pandemic are still limited to descriptive analysis methods and have not yet conducted evidence through hypothesis testing. For this reason, one of the findings raised in this study is to try to make hypothesis testing based on research results from the effects of the pandemic on the performance of regional finance.

This assumption is strengthened by proving that there are significant differences before and during Covid-19 regarding regional financial performance from the effectiveness ratio of Local Revenue (PAD), the ratio of local tax contributions to PAD, and the ratio of capital expenditures (Rahmawati & Kiswara, 2022). Furthermore, it is also supported by the research of Habibi et al. (2021), Onibala et al. (2021) which have proven that there is a difference in the average ratio of regional financial liquidity and solvency ratio in Regencies and Cities in Central Java Province and North Minahasa Regency before and during Covid-19 pandemic.

Based on the results of research by Habibi et al. (2021); Rahmawati and Kiswara, (2022), this study tries to put forward a concept to examine in literature the influence of Covid-19 pandemic on regional financial performance as seen from five regional financial ratios, namely: regional financial independence ratio, local government operational solvency ratio, PAD effectiveness ratio, local tax contribution ratio, and ratio capital expenditures. The results of this

literature review are expected to provide direction for future research development, especially in assessing the effects of Covid-19 pandemic on state finances in Indonesia. The meta-analysis used 18 articles selected from 45 articles collected. In detail, the framework of this research can be illustrated in Figure 1. Our findings show that most of the research approaches use descriptive quantitative and qualitative. Covid-19 pandemic in Indonesia has been proven to impact regional financial performance in Indonesia. However, several provinces in Indonesia do not have an impact on their financial performance as measured by regional financial independence, ratio of local tax to PAD, ratio of operational solvency of local governments, ratio of PAD effectiveness, and capital expenditure.

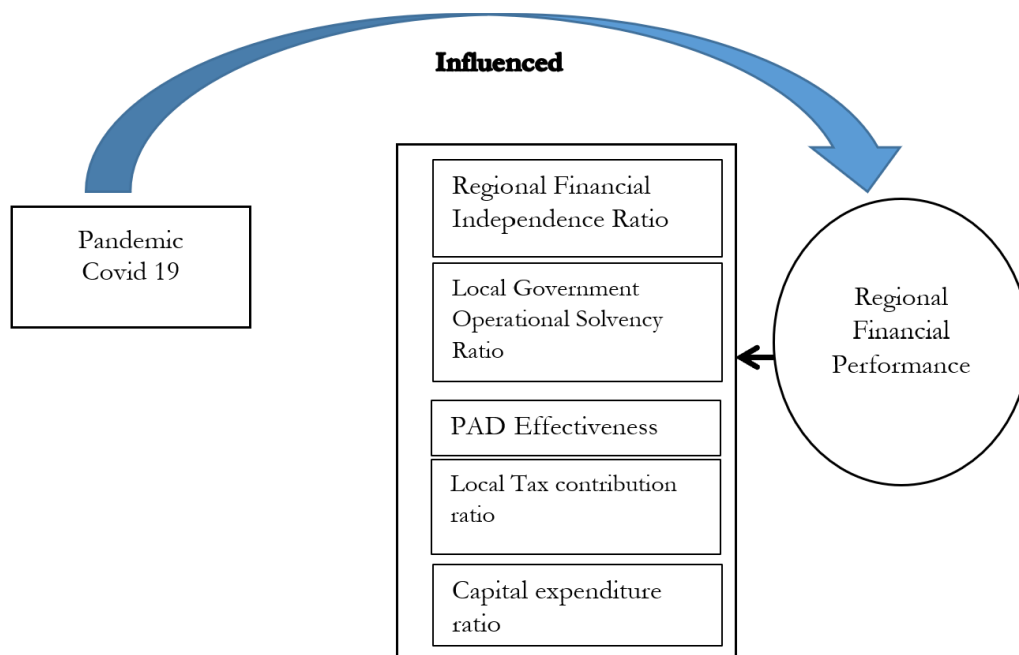


Figure 1. Conceptual Framework adopted from Previous Studies

Literature Review

Effect of Covid-19 Pandemic on Regional Financial Independence Ratio

The Regional Financial Independence Ratio (RKKD) shows the level of ability of a region to support its own government activities, development, and services to communities that have fulfilled their obligations to pay taxes and levies as a source of income needed by the region (Halim, 2007). In calculating the RKKD, referring to Mahmudi (2013) can be calculated by comparing the number of PAD receipts divided by the amount of transfer income from the central and provincial governments and regional loans.

Several previous studies have found that Covid-19 pandemic has reduced the regional financial independence ratio in several regions in Indonesia. Several regions such as in Central Java Province (Habibi et al., 2021); Subang district (Agnika & Putra, 2021); North Minahasa District (Onibala et al., 2021); DKI Jakarta Province (Amal & Wibowo, 2022); Gresik Regency (Rheswari & Akbar, 2022) and in Semarang City (Karina & Wibowo, 2022). The decline in the ratio of regional financial independence in various regions is one of the factors due to the reduction in transfer funds from the Central Government during Covid-19 pandemic. One of the impacts is on the Regency/City Government in Indonesia. For example, in the city of Batu, shows that the ratio of financial independence of its regions decreased during Covid-19 pandemic (Puspita & Pangastuti, 2022). In addition, Soraida (2022) has proven that a decrease in the ratio of regional financial independence also occurs in Banjarmasin City.

Furthermore, Syahara and Aufa (2022) found differences in the ratio of regional financial independence in East Java Province before and during the pandemic Covid-19. However, one of the other studies conducted by Rahmawati and Kiswara (2022) ratio of regional financial

independence to provincial governments in Indonesia there are no differences before and during Covid-19 pandemic.

Effect of Covid-19 Pandemic on Local Government Operational Solvency Ratio

The solvency ratio is used to see the ability of local governments to meet all their obligations, both short-term and long-term obligations (Halim, 2007). The Regulation of the Minister of Home Affairs Number 19 of 2020 Republic of Indonesia, obtain income from funds to meet government operational expenses' obligations in one budget period. The results of research by Habibi et al. (2021), it has been found that the solvency ratio of several Central Java districts, such as Cilacap, Wonogiri, and Pemalang regencies, has decreased during the Covid-19 pandemic, one of which is due to reduced transfer funds from the central government. Furthermore, Syahara and Aufa (2022) found that there were differences in the solvency ratio of local government operations before and during the Covid-19 pandemic in East Java Province.

Effect of Covid-19 Pandemic on PAD Effectiveness Ratio

The effectiveness ratio describes the ability of local governments to realize targeted local revenues and then juxtapose them with approved targets based on the real potential of the regions (Halim, 2007). Previous studies have shown that the impact of the Covid-19 pandemic has an impact on the effectiveness ratio of PAD. The results of the Rahmawati and Kiswara (2022) found that in 34 provincial governments in Indonesia, there are differences in the effectiveness ratio of PAD before and during the Covid-19 pandemic. Another study conducted by Agnika and Putra (2021) also showed that the Covid-19 pandemic did not have a significant impact on the effectiveness ratio of PAD in Subang Regency.

However, from several other research results, such as those researched by Agnika and Putra (2021), it has been proven that even though the Covid-19 pandemic occurred in 2020, there was no change in the effectiveness ratio of PAD in Subang Regency. This happened because budget adjustments have been made during Covid-19 pandemic. This condition is the same as what happened in DKI Jakarta Province. Based on the results of research by Amal and Wibowo (2022), it can be seen that the effectiveness ratio of PAD in DKI Jakarta is still relatively effective, which means it is not affected by Covid-19 pandemic. The same thing also happened in North Minahasa Regency, where Onibala et al. (2021) have proven that the effectiveness ratio of PAD is still relatively effective during Covid-19 pandemic.

Effect of Covid-19 Pandemic on Local Tax Contribution Ratio

Local tax contributions to PAD show how many local taxes support or contribute funds to PAD revenues (Halim, 2007). Based on the results of studies conducted by Fery (2021), Rahmawati and Kiswara (2022), and Safitri et al. (2022), it is proven that Covid-19 pandemic has an impact on reducing regional taxes in districts/cities in provinces in Indonesia. Pradiska and Prayudi (2021) found that the bad effects of Covid-19 pandemic caused 11 types of regional taxes in Buleleng Regency to experience a slowdown in realization. The findings of another study conducted Wicaksono et al. (2022) show that the effects of Covid-19 pandemic also have an impact on reducing regional tax revenues, especially those sourced from the tourism sector, as happened in Banyuwangi Regency. Furthermore, Wijaya et al. (2021) have found that Covid-19 pandemic condition has also caused a decrease in local taxes in Madiun City, mainly from hotel taxes and restaurant taxes. Then, Ismiyanti et al. (2022) have proven that Covid-19 pandemic has an impact on reducing parking taxes and hotel taxes in the city of Palembang.

Effect of Covid-19 Pandemic on Capital Expenditure

Capital expenditure shows how much the government incurs costs used to buy fixed assets with a use value of more than one fiscal year (Halim, 2007). The pandemic's effects turned out to impact capital expenditure in regencies/cities in Indonesia. This is in line with research of Rahmawati and Kiswara (2022) where it has been proven that there is a significant difference in capital expenditure

during Covid-19 pandemic compared to before the pandemic occurred. The regency/city government's capital expenditure budget in Indonesia was reduced during Covid-19 pandemic. It has been refocusing the capital expenditure budget in accordance with the conditions of the Covid-19 pandemic as happened in Tanjung Jabung Timur Regency (Ulfa, 2022) and in the city of Tidore Islands (Saifuddin & Abdullah, 2022) as well as in other districts in Indonesia as found in the research of Onibala et al. (2021) it has been proven that the allocation of capital expenditure was diverted to operational expenditure during Covid-19 pandemic in North Minahasa Regency.

Research Methods

Stages of Meta-Analysis

This study used a meta-analysis method based on stages, according to (Hunter & Schmidt, 2004). The stages of a meta-analysis are carried out through the following stages: collecting empirical research data, performing coding, calculating improved problem-solving capabilities and identifying the presence or absence of average differences, and drawing conclusions. In detail, the stages in the meta-analysis can be described as follows. First, using the collection of empirical studies through searching a combination of different keywords and phrases has been used to identify research examining the effects of Covid-19 pandemic on regional financial performance. Furthermore, the keywords used are "Covid-19", "state finance," "regional finance," "state financial performance," "regional financial performance," "local government," and "Indonesia". A complete search for this study was conducted using three databases: Google Scholar and the Ministry of Education and Culture's Sinta Accredited Indexation National Journal.

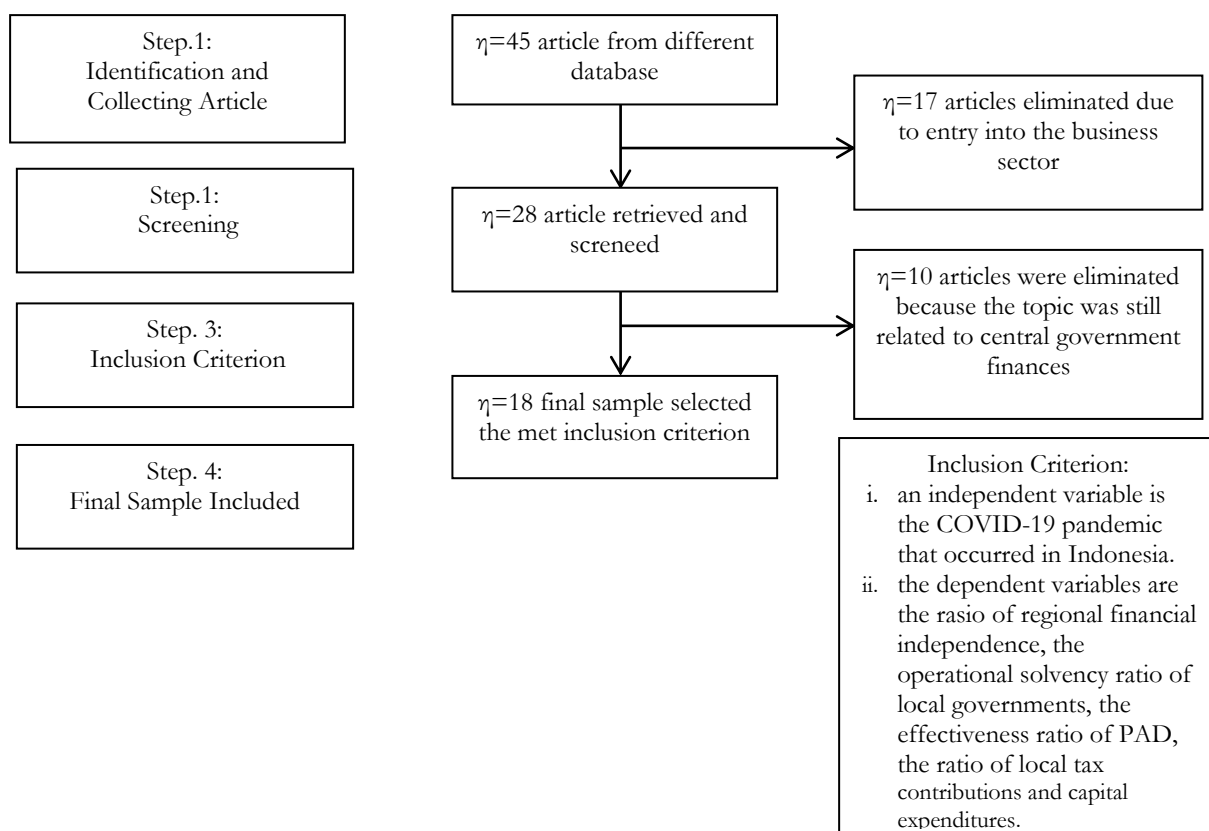


Figure 2. Stages of Meta-Analysis Selection on the Effect of Covid-19 Pandemic on Financial Performance Area

After that, the authors combined the study published in the journal and reviewed the articles. Our preliminary findings included 45 research articles to examine the effects of Covid-19 pandemic on financial performance. From the 45 articles, the authors made a selection and selected 18 articles that fit this study. The last stage, the authors find two criteria that will be incorporated

into the study and the analysis to be carried out. First, Covid-19 pandemic occurred in Indonesia as an independent variable. Second, the regional financial independence, the operational solvency ratio of local governments, the effectiveness ratio of PAD, and the ratio of local tax contributions and capital expenditures as dependent variables. In detail, the process of selecting articles in research based on meta-analysis is presented in Figure 2.

Selection of Meta-Analysis Studies on the Effects of Covid-19 Pandemic on Regional Financial Performance

Based on the results of our meta-analysis, 20 articles match the predetermined criteria. The criteria are based on the title of our research examines the effects of Covid-19 pandemic on regional financial performance in Indonesia. Researchers widely use the approach through descriptive methods and conducting different tests in the period before and during Covid-19 pandemic. Furthermore, the impact is associated with the financial performance of the region. In detail, the results of the selection of previous studies are shown in Table 1 below:

Table 1. Selection Studies on the effects of Covid-19 Pandemic on Regional Financial Performance

| No | Author, year | Independent Variables | | Dependent Variables | | | |
|----|-----------------------------|-----------------------|---------------------------------------|---|--|------------------------------|----------------------|
| | | Covid-19 Pandemic | Regional Financial Independence Ratio | Local Government Operational Solvency Ratio | Regional Native Income Effectiveness Ratio (PAD) | Local Tax Contribution Ratio | Capital Expenditures |
| 1 | Agnika & Putra (2021) | ✓ | Impact | NA | No Impact | NA | Impact |
| 2 | Amal & Wibowo (2022) | ✓ | Impact | NA | No Impact | NA | NA |
| 3 | Fery (2021) | ✓ | NA | NA | NA | Impact | NA |
| 4 | Habibi et al. (2021) | ✓ | Impact | Impact | NA | NA | NA |
| 5 | Ismiyanti et al. (2022) | ✓ | NA | NA | NA | Impact | NA |
| 6 | Karina & Wibowo (2022) | ✓ | Impact | NA | Impact | NA | NA |
| 7 | Onibala et al. (2021) | ✓ | Impact | NA | NA | NA | NA |
| 8 | Pradiska & Prayudi (2021) | ✓ | NA | NA | Impact | NA | NA |
| 9 | Puspita & Pangastuti (2022) | ✓ | Impact | NA | Impact | NA | NA |
| 10 | Rheswari & Akbar (2022) | ✓ | Impact | NA | Impact | NA | NA |
| 11 | Rahmawati & Kiswara (2022) | ✓ | No Impact | Impact | NA | Impact | NA |
| 12 | Saifuddin & Abdullah (2022) | ✓ | NA | NA | NA | NA | Impact |
| 13 | Safitri et al. (2022) | ✓ | Impact | NA | NA | Impact | NA |
| 14 | Soraida (2022) | ✓ | Impact | NA | Impact | NA | NA |
| 15 | Syahara & Aufa (2022) | ✓ | Impact | Impact | NA | NA | NA |
| 16 | Ulfa (2022) | ✓ | NA | NA | NA | Impact | NA |
| 17 | Wicaksono et al. (2022) | ✓ | NA | NA | NA | Impact | NA |
| 18 | Wijaya et al. (2021) | ✓ | NA | NA | NA | Impact | NA |

Note: the symbol indicates Covid-19 pandemic as a variable that has an impact on regional financial performance and NA means 'Not Available' (using that variable) ✓.

Results and Discussion

Meta-Analysis Based on Research Purpose

The research objectives contained in this study revolve around analyzing and knowing the impact of Covid-19 pandemic and knowing how it differs from before and after Covid-19 pandemic on financial performance. Based on a study of 18 studies, the following data were obtained. In detail it is presented in Table 2.

Table 2. Meta-Analysis Based on Research Objectives

| No | Purpose of Research | Frequency | % |
|----|--|-----------|-----|
| 1 | Knowing the impact of Covid-19 | 7 | 39 |
| 2 | Analyzing the impact of Covid-19 | 5 | 28 |
| 3 | Different tests before and after Covid-19 pandemic | 6 | 33 |
| | Total | 18 | 100 |

Meta-Analysis Based on Data Collection Technique

From the results of meta-analysis related to data collection techniques, it was found that the most data collection methods use documentation techniques. Details of the data collection methods of the 18 studies studied are shown in Table 3.

Table 3. Meta-Analysis Based on Data Collection Technique

| No | Purpose of Research | Frequency | % |
|----|---------------------|-----------|----|
| 1 | Documentation | 15 | 83 |
| 2 | Literature Studies | 3 | 17 |
| 3 | Observations | 4 | 22 |
| 4 | Interview | 2 | 11 |

Meta-Analysis Based on Research Locations

Based on the results of the meta-analysis according to the location of the study, it was found that this study was carried out in the provincial and district governments of cities in Indonesia. In detail as shown in Table 4 below.

Table 4. Meta-Analysis Based on Research Location

| No | Sample/Research Object |
|----|--|
| 1 | Subang County |
| 2 | DKI Jakarta Province |
| 3 | Musi Banyuasin Regency |
| 4 | Central Java Province |
| 5 | Palembang City |
| 6 | Semarang City |
| 7 | North Minahasa Regency |
| 8 | Buleleng Regency |
| 9 | Batu City |
| 10 | Gresik County |
| 11 | 34 Provincial Governments in Indonesia |
| 12 | City of Tidore Islands |
| 13 | Mataram City |
| 14 | Banjarmasin City |
| 15 | East Java Province |
| 16 | Tanjung Jabung Timur Regency |
| 17 | Banyuwangi Regency |
| 18 | Madiun City |

Meta-Analysis Based on Data Analysis

The results of the meta-analysis study, it can be seen that the dominant analytical data used in this study include qualitative descriptive analysis, quantitative descriptive and different tests. In detail, the data analysis used in the study is seen in Table 5.

Table 5. Meta-Analysis Based on Data Analysis

| No | Purpose of Research | Frequency | % |
|----|-----------------------------|-----------|----|
| 1 | Qualitative descriptive | 6 | 33 |
| 2 | Quantitative descriptive | 5 | 28 |
| 3 | Test differences | 4 | 22 |
| 4 | PLS (Partial Least Square) | 1 | 6 |
| 5 | Data Analysis Panels | 1 | 6 |
| 4 | Symbolic Interaction method | 1 | 6 |

Meta-Analysis Based on Research Result

In this session, the authors discussed the detailed results of a meta-analysis of the effects of Covid-19 pandemic on regional financial performance. Indicators of regional finances are seen from four regional financial ratios: Regional Financial Independence Ratio, Regional Government Operational Solvency Ratio, Regional Original Income Effectiveness Ratio (PAD), and Regional Tax Contribution Ratio and one expenditure item, namely Capital Expenditure.

The results of previous studies show that Covid-19 pandemic has an impact on regional finances from the aspect of Rasio Kemandirian Keuangan Daerah (RKKD) in Indonesia. A study conducted by Habibi et al. (2021) showed that the ratio of financial independence in Central Java Province, especially in Blora Regency, Kudus Regency, and Magelang City, experienced significant differences during Covid-19 pandemic or more high compared to before the pandemic. The same thing also happened in Suban Regency (Agnika & Putra, 2021), in Gresik, and in Batu City (Puspita & Pangastuti, 2022), which was caused by reduced income transfers from the Central Government during Covid-19 pandemic. The findings of Onibala et al. (2021) show the low RKKD factor in North Minahasa Regency is because there is no significant increase in the community in paying their local taxes. This condition also occurs in DKI Jakarta Province (Amal & Wibowo, 2022), in and around Banjarmasin (Soraida, 2022). However, Covid-19 pandemic did not all impact RKKD in provinces in Indonesia. Based on the research of Rahmawati and Kiswara (2022), it was found that the Rasio of regional financial independence in provincial governments in Indonesia did not have significant differences before and after Covid-19 pandemic occurred.

Based on the meta-analysis carried out, it has been proven that Covid-19 pandemic has an impact on the solvency ratio of Local Government Operations. There are differences in the solvency ratio of local government operations in conditions before and during the pandemic. Results research by Habibi et al. (2021) found that the solvency ratio of several Central Java districts, such as Cilacap, Wonogiri, and Pemalang regencies, decreased during Covid-19 pandemic. A reduction in the number of transfer funds from the central government caused the decrease. Syahara and Aufa, (2022) found that with Covid-19 pandemic, the central government contributed a special allocation fund to accelerate the handling of Covid-19 pandemic, which had an impact on the operational solvency of the East Java Government.

Rahmawati and Kiswara (2022) proved that there was a significant difference in the effectiveness ratio of PAD before and during Covid-19 pandemic in 34 provincial governments in Indonesia. This means that the realization of PAD is still in a condition that has not reached the target for provinces in Indonesia. However, in detail, in several regencies/cities in Indonesia, Covid-19 pandemic did not have an impact on the effectiveness ratio of PAD during the pandemic period, such as in Subang Regency (Agnika & Putra, 2021). Because adjustments have been made to the PAD targets that will be achieved when Covid-19 pandemic occurs, this condition is the same as what happened in DKI Jakarta Province, which is still relatively effective during the pandemic (Amal & Wibowo, 2022) and in North Minahasa Regency (Onibala et al., 2021).

The ratio of local tax contributions in question is its contribution to PAD in the province/district. During Covid-19 pandemic, there was an impact on reducing local taxes in districts in Indonesia. This means local tax revenue targets are not achieved during Covid-19 pandemic. Fery (2021) has proven that the realization of regional tax revenues in Musi Banyuasin Regency is very low, which is only IDR 215 million from the target of IDR 2.3 billion in the year 2020. Safitri et al. (2022) also proved a decrease in regional tax revenues in Mataram City in 2020. Furthermore, Rahmawati and Kiswara (2022) has proven a decrease in regional tax revenues in regencies/cities in Indonesia as happened in Banyuwangi regency Wicaksono et al. (2022) and Buleleng Regency (Pradiska & Prayudi, 2021) which have decreased regional tax revenues and one of the causes is due to the slump in the sector tourism. The same thing also happened in Madiun City, where it impacted reducing hotel and restaurant tax (Wijaya et al., 2021), and in the city had an impact on the decrease in parking tax and hotel tax (Ismiyanti et al., 2022).

The meta-analysis results also show significant differences in capital expenditure before and during Covid-19 pandemic in Indonesian regencies/cities (Rahmawati & Kiswara, 2022). During the pandemic, capital expenditure budget of district/city governments in Indonesia has been reduced, and capital expenditure budgets have been refocused to adjust to the conditions of Covid-19 pandemic. This is in line with what happened in Tanjung Jabung Timur Regency (Ulfa, 2022) and in the city of Tidore Islands (Saifuddin & Abdullah, 2022) as well as in North Minahasa regency (Onibala et al., 2021).

Implication and Conclusion

Covid-19 pandemic in Indonesia has been proven to have an impact on regional financial performance in Indonesia even though a small number of regions do not have an impact on their financial performance. This study uses measures of regional financial performance based on the ratio of regional financial independence, the ratio of operational solvency of local governments, the effectiveness ratio of PAD, and the ratio of regional tax contributions and capital expenditures.

Covid-19 pandemic has been proven to have an impact on the Regional Financial Independence Ratio (RKKD) in Indonesian districts/cities, where the causative factor is due to the reduced transfer of funds from the Central Government. There is a significant increase in the number of people paying local taxes. However, for RKKD 34 provinces in Indonesia, there is no significant difference between before and during Covid-19 pandemic. Furthermore, Covid-19 pandemic has been proven to impact local governments' operational solvency ratio. This is also due to a reduction in transfer funds and special allocation funds that focus on Covid-19 handlers.

The contribution of local taxes to PAD in urban provinces/districts in Indonesia has decreased its target during Covid-19 pandemic. The decline in the regional tax revenue target was partly due to the decline in the tourism sector, which impacted the reduction of hotel taxes, restaurant taxes, and parking taxes. Covid-19 pandemic does not impact on the effectiveness ratio of PAD in Indonesian Provinces/Regencies. When Covid-19 pandemic occurred, adjustments were made to PAD targets achieved. The effects of the pandemic also have an impact on the decline in capital expenditure in regencies/cities in Indonesia. The decrease in capital expenditure was due to budget refocusing because the budget was used for spending that focused on handling Covid-19 pandemic.

For the future research agenda, it is hoped that it can be a development opportunity, especially in data collection techniques through interviews and observations as well as the use of questionnaires in primary data mining. Furthermore, data analysis techniques can be deepened through PLS (Partial Least Square), Panel Data Analysis, and Symbolic Interaction method. The authors hope that the meta-analysis study can contribute new research, especially in looking at the effect of Covid-19 pandemic on regional spending. This research is also limited to meta-analysis studies and still needs to be proven directly in provinces/regencies/cities in Indonesia so that it can enrich the characteristics of new research related to the study of regional financial performance in Indonesia.

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