The Influence of Local Governance and Institutional Integrity on the Quality of Capital Expenditure: The Mediating Role of Budget Implementation and the Moderating Effect of Media Pressure

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Abstract

The quality of local government capital expenditure in Indonesia remains suboptimal, as reflected in the limited ability of capital expenditure to drive an increase in per capita GRDP as an indicator of development output. This situation indicates that increased budget allocation does not automatically lead to improved welfare, as the budget implementation process has not been effective in converting fiscal inputs into economic outputs. This study examines the influence of local governance and institutional integrity on the quality of capital expenditure through budget implementation as a mediating variable and media pressure as a moderating variable. The quality of capital expenditure is measured by its ability to generate per capita GRDP, which represents the efficiency of converting fiscal inputs into economic outputs. The study employs a quantitative approach using local government panel data, analysed via panel regression, mediation tests, and Moderated Regression Analysis (MRA). The results indicate that local governance ($\beta = 0.09$; $p < 0.01$) and institutional integrity ($\beta = 0.10$; $p < 0.01$) have a positive effect on the quality of capital expenditure. Budget implementation was found to have a significant effect on the quality of capital expenditure ($\beta = 0.12$; $p < 0.01$) and mediates the relationship between local governance and institutional integrity with the quality of capital expenditure (z-Sobel > 1.96). Furthermore, media pressure amplifies the effect of budget implementation on the quality of capital expenditure (interaction $\beta = 0.08$; $p < 0.05$), indicating that external oversight enhances the effectiveness of budget implementation. These findings confirm that the quality of capital expenditure is not determined solely by the size of the budget or policy design, but rather by the effectiveness of budget implementation as a key mechanism. Consequently, improving the quality of capital expenditure requires strengthening governance and integrity, accompanied by disciplined budget implementation and adequate public pressure.

***Keywords**: local governance, institutional integrity, budget implementation, media pressure, quality of capital expenditure*

Pengaruh Tata Kelola Daerah Dan Integritas Institusi Terhadap Kualitas Belanja Modal: Peran Mediasi Realisasi Anggaran Dan Moderasi Tekanan Media

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Abstrak

Kualitas belanja modal pemerintah daerah di Indonesia masih belum optimal, tercermin dari rendahnya kemampuan belanja modal dalam mendorong peningkatan PDRB per kapita sebagai indikator output pembangunan. Kondisi ini menunjukkan bahwa peningkatan alokasi anggaran tidak secara otomatis menghasilkan peningkatan kesejahteraan, karena proses pelaksanaan anggaran belum efektif dalam mengonversi input fiskal menjadi output ekonomi. Penelitian ini menguji pengaruh tata kelola daerah dan integritas institusional terhadap kualitas belanja modal melalui realisasi anggaran sebagai variabel mediasi serta tekanan media sebagai variabel moderasi. Kualitas belanja modal diukur melalui kemampuan belanja modal dalam menghasilkan PDRB per kapita, yang merepresentasikan efisiensi konversi input fiskal menjadi output ekonomi. Penelitian menggunakan pendekatan kuantitatif dengan data panel pemerintah daerah, dianalisis menggunakan regresi panel, uji mediasi, serta Moderated Regression Analysis (MRA). Hasil penelitian menunjukkan bahwa tata kelola daerah ($\beta = 0{,}09$; $p < 0{,}01$) dan integritas institusional ($\beta = 0{,}10$; $p < 0{,}01$) berpengaruh positif terhadap kualitas belanja modal. Realisasi anggaran terbukti berpengaruh signifikan terhadap kualitas belanja modal ($\beta = 0{,}12$; $p < 0{,}01$) dan memediasi hubungan antara tata kelola daerah serta integritas institusional dengan kualitas belanja modal (z Sobel > 1,96). Selain itu, tekanan media memperkuat pengaruh realisasi anggaran terhadap kualitas belanja modal (β interaksi = 0,08; $p < 0{,}05$), yang menunjukkan bahwa pengawasan eksternal meningkatkan efektivitas implementasi anggaran. Temuan ini menegaskan bahwa kualitas belanja modal tidak ditentukan oleh besaran anggaran atau desain kebijakan semata, melainkan oleh efektivitas pelaksanaan anggaran sebagai mekanisme kunci. Dengan demikian, perbaikan kualitas belanja modal memerlukan penguatan tata kelola dan integritas yang diiringi dengan disiplin realisasi anggaran serta dukungan tekanan media yang memadai.

Kata kunci: tata kelola daerah, integritas institusional, realisasi anggaran, tekanan media, kualitas belanja modal