ANALYSIS OF FACTORS AFFECTING THE LEVEL OF E-GOVERNMENT IMPLEMENTATION IN WEST JAVA

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Abstract: To increase public accountability, transparency, and so that the government is more effective and efficient in running government. Local governments use a tool called e-government. Not only has the objectives of transparency and accountability, but the use of e-government application systems is also expected to be able to improve the performance of local governments to be more economical, efficient and effective. The purpose of this study is to determine what factors influence the application of e-Government in the West Java local Government and the relationship or correlation of each factor to the application of e-Government. It is hoped that this research can provide an overview and input for the government in particular the regency / municipal government in Indonesia regarding what factors influence the implementation of e-Government. This study aims to examine the effect of PAD, capital expenditure, financing revenue, GRDP, education level, and population factors on the e-government index value. Data analysis used linear regression analysis with quantitative research methods. The results of the study based on linear regression indicate that the PAD, capital expenditure, financing revenue, GRDP, and population factors have a positive effect on the e-government index value in regency / municipal governments in West Java.

Keywords: E-government, New Public Management, Good Governance, Electronic Based Government System.

INTRODUCTION

The field of Public Administration in the world began to introduce New Public Management (NPM) in the 1990s. The term NPM was first put forward by Christopher Hood in his article "All Public Management of All Seasons". The concept of NPM was originally used to describe the state of public sector management in the UK and New Zealand. Also, New Public Management is a concept used to help improve the performance of public sector management. In this theory, it is said that to improve the performance of public sector management, it is necessary to adopt several management practices and techniques applied in private sector management into public sector management (Mardiasmo, 2018).

With this change in public sector management, there have also been changes in public sector accounting. Public sector accounting then follows and adapts to the changes that occur (Mardiasmo, 2018).
One of the forms of implementing New Public Management in Indonesia is the application of e-Government. According to (Rose et al., 2015), public service, service level, and service quality are the values that underlie e-Government as seen from the ideals of public service from New Public Management.

In 2003, the Government of Indonesia issued a Regulation on e-Government, namely Presidential Instruction No. 3 of 2003. In Presidential Instruction No. 3 of 2003, e-Government is intended to ensure the integration of the management and processing systems for electronic documents and information in developing a transparent public service system (Indonesia, 2003).

The fundamental goal of e-Government development is to improve government-public relations through information about government processes, and the existence of two-way interactions between the community and government. This is based on Article 28F of the 1945 Constitution which reads: "Everyone has the right to communicate and obtain information to develop their personal and social environment, as well as the right to seek, obtain, possess, store, process and convey information using all types of channels available." (Indonesia, 2003).

According to the World Bank, e-Government is defined as "the use of information technology by government agencies to improve services to the public, business people, and at the same time facilitate cooperation with other government agencies". Furthermore, according to the World Bank, e-Government should be directed at empowering communities through broad access to the available information.

In the instruction of the President of the Republic of Indonesia Number 3 of 2003 concerning the National Policy and Strategy for the Development of E-Government, it is mentioned about the matters which are the considerations for the implementation of E-Government in Indonesia, including; the rapid advancement of communication and information technology and the potential for its widespread use opens up opportunities for accessing, managing and utilizing large volumes of information quickly and accurately, that the use of information and communication technology in government processes (E-Government) will increase efficiency, effectiveness, transparency and accountability of government administration, that to carry out good governance and improve effective and efficient public services, it is necessary to have policies and strategies for developing E-Government (Indonesia, 2003).

Governance can be defined as a way of managing public affairs. The United Nations Development Program (UNDP) defines good governance as "the exercise of political, economic, and administrative authority to manage a nation's affairs at all levels". Governance includes all mechanisms, processes and institutions in which citizens and community groups prioritize their interests, exercise legal rights, fulfill obligations and bridge differences between them (Mardiasmo, 2018).

From this understanding, it can be seen that UNDP places more emphasis on political, economic, and administrative aspects of governance at all levels. Political governance refers to the policymaking process (policy/strategy formulation). Economic governance refers to the process of making decisions in the economic sector which have
implications for the problem of equity, reducing poverty and improving the quality of life. Administrative governance refers to a system of implementing policies.

Referring to this conception, good governance has several key attributes such as being effective, participatory, transparent, accountable, productive, and equal and able to promote law enforcement. Above all, the main attribute of good governance is how to use power and authority in solving various public problems.

Presidential Instruction No. 3 of 2003 concerning National Policy and Strategy for e-Government Development, mandates every Governor and Regent / Mayor to take the necessary steps by their respective duties, functions and authorities to implement e-Government development nationally (Indonesia, 2003).

This means that starting from 2003 each reporting entity and accounting entity at the central and local governments will begin to develop e-Government in the process of preparing government financial reports. Regional Work Units as accounting entities that are part of the regional government accounting and financial reporting systems certainly play an important role in providing complete and correct data and information to achieve the quality of local government financial reports.

The stage of implementing e-Government according to Presidential Instruction No. 3 of 2003 concerning national development policies and strategies, that the implementation of e-Government can be implemented through the following levels:

1. The level of preparation includes:
   a. Creation of information sites in each institution;
   b. HR preparation;
   c. Preparing easy access facilities, for example providing a Multipurpose Community Center, etc.;
   d. Socialization of information sites both for internal and for the public.
2. The level of maturation which includes:
   a. Creating an interactive public information site;
   b. Making interfaces of connection between other institutions.
3. The level of consolidation includes:
   a. Making public service transaction sites;
   b. Making application and data interoperability with other institutions.
4. The level of utilization includes:
   a. Making applications for services that are G2G (Government To Government), G2B (Government To Business) and G2C (Government To Citizen) integrated.

Then next is the stage defined by the World Bank which is the simplest model. This model measures the degree of interaction created by the system (website) owned by the government. These forms of engagement are uniform with the classic, much-cited stage model of the evolution of websites in the commercial world. The three stages: (a) Publish, (b) Interact, (c) Transact.

However, the implementation of e-Government has not been maximally realized, even though regulations on e-Government have been issued. This is a big challenge for local governments and must be done carefully with careful preparation and structured.
In developing countries, challenges in implementing e-Government can be classified into two categories, namely internal and external factors. One of the external factors is the level of corruption that occurs in government and the size of government organizations. Then the internal factors are the characteristics of society and the quality of E-Government itself (Samuel et al., 2020).

Another problem of implementing e-Government is revealed in a study which states that one of the obstacles to implementing e-Government is the level of public education and the quality of infrastructure (Samuel et al., 2020). Then another obstacle to e-Government implementation is related to the complexity of government organizations and the government's capacity to fund e-government (Gallego-Álvarez et al., 2010).

Also, other research on E-Government outside Indonesia, one of which was carried out on the factors that make it successful and errors in implementing e-Government in Egypt (Elkadi, 2013). Then implementation of e-Government in Jordan (Al-Naimat et al., 2013). A similar study was also conducted who examined the factors that influence the implementation of e-Government in 92 cities in Spain (Serrano-Cinca et al., 2016).

Turning to Indonesia, there are several obstacles and challenges in implementing e-Government, namely obstacles in the field of regulations and implementation guidelines, quality of human resources, limited facilities and infrastructure (Wulansari & Inayati, 2019). Then when viewed from financial factors, found that local revenue (PAD) has a significant effect on the application of e-Government (Napitupulu, 2015).

The purpose of this study is to determine what factors influence the application of e-Government in the West Java local Government and the relationship or correlation of each factor to the application of e-Government.

It is hoped that this research can provide an overview and input for the government in particular the regency / municipal government in Indonesia regarding what factors influence the implementation of e-Government. On the other hand, this research is also expected to provide an overview and input for further studies related to this research.

Several previous studies on the implementation of e-Government have been carried out both domestically and abroad. Broadly speaking, previous research on e-Government implementation can be categorized into three groups of themes, namely the effect of e-Government implementation on an output, evaluation of the application of e-Government, the factors that influence the implementation of e-Government.

In contrast to previous studies, in this study, the authors used the Regency / City Government in West Java as the research subject. Local government is an agency that is directly affected by changes in government regulations, in this case, is the application of e-Government. 6 factors studied namely local income, capital expenditure, financing, income per capita, community education level, community population.

This study, using the Regency / City Government in West Java as the sample. These districts/cities were selected as samples because they have the same characteristics as the population in terms of the various BPK audit opinions, namely WTP and WDP. In 2019 the BPK found nine weaknesses in internal control and eight problems related to
non-compliance with statutory provisions, which did not affect the fairness of the 2019 Financial Statements.

The phenomenon of the application of e-Government in Indonesia and the existence of BPK audit findings in the preparation of financial reports at the Regency / City Government in West Java shows that there are still problems in the application of e-Government. Based on this, the writer is interested in doing this research. Also, the authors want to re-examine the extent to which the application of e-Government in districts/cities in West Java and examine the effect of local revenue, capital expenditures, local government financing, regional income per capita, level of community education and community population on the level of implementation. e-Government in Regency / City Government in West Java.

The limitation of the problem in this study is to measure the influence of the factors that affect the level of e-government implementation in the Regency / City Government in West Java. Research on the level of e-Government in all Regencies / Cities in West Java and the influence of these factors is expected to provide evidence and a more concrete picture of the level of e-Government implementation in all District / City Governments in West Java and the factors that affect it.

The following are the factors that the authors will examine in this study:

**Locally-generated revenue (PAD)**

One of the factors that make the implementation of e-government successful is Regional Original Income (PAD) (Napitupulu, 2015). This means that if the regional economic welfare is high, then the local government has sufficient costs to serve its people through the implementation of e-Government because the implementation of e-Government requires large costs (Gallego-Álvarez et al., 2010). From this description, the authors suspect that:

\[ H1 = \text{The higher the local revenue, the higher the level of e-Government implementation.} \]

**Regional Government Capital Expenditure**

One of the factors that implement e-government successful is district/city government resources (Napitupulu, 2015). District/city government resources are linked to specific characteristics such as financial strength and technological capacity. Adequate information and communication technology facilities will support the level of e-Government implementation (Samuel et al., 2020). From this description, the authors suspect that:

\[ H2 = \text{The higher the capital expenditure, the higher the level of e-Government implementation.} \]

**Local Government Financing**

One of the factors that make the implementation of e-government successful is the presence of external pressure (Napitupulu, 2015). The existence of financing can support the implementation of e-government because of external pressures that demand transparent disclosure of local government financing. Thus, when local governments have financing, the disclosure of financial information to the public becomes important.
by issuing reports that reflect the financial situation of the government (Mayasari, 2016). From this description, the authors suspect that:

H3: The higher the local government funding, the higher the level of e-Government implementation.

Regional Income Per Capita

One of the factors that make the implementation of e-government successful is the awareness of the community and local government itself (Napitupulu, 2015). Regions with a higher income per capita level will have a higher level of political oversight and tend to have more demand for accountability by the community (Elkadi, 2013). From this description, the authors suspect that:

H4: The higher the regional income per capita, the higher the level of e-government implementation in the government.

Education Level

One of the factors that implement e-government success is computer/internet literacy from users/communities (Napitupulu, 2015). The level of education greatly influences people's ability to access information technology, so it will also affect the successful implementation of e-Government (Samuel et al., 2020). From this description, the authors suspect that:

H5: The higher the public education, the higher the level of e-government implementation in the government.

Population

One of the factors that implement e-government success is a supportive socio-cultural environment (Napitupulu, 2015). Local governments are more likely to adopt e-Government technology than smaller local governments because larger local governments tend to have greater demands for providing public services and improving information services (Elkadi, 2013). From this description, the authors suspect that:

H6: The higher the population, the higher the level of e-government implementation in the government.

From the results of the description of the factors above, it can be seen that the framework in the form of a diagram:
METHODS

The analytical method used in this study is Linear Regression Analysis, namely by using the Ordinary Least Square (OLS). OLS is an estimate of a regression line by minimizing the sum of the squares of the error for each observation against this line to measure the strength and show the direction of the relationship between the dependent variable and the independent variable (Sekaran & Bougie, 2016).

Based on the objective, this research is associative research. "Associative research is research that aims to determine the effect or relationship between two or more variables." (Sugiyono, 2016)

Based on the type of data, this research is quantitative. "The quantitative method can be interpreted as a research method based on the philosophy of positivism, used to research on certain populations or samples, data collection using research instruments, quantitative/statistical data analysis, to test predetermined hypotheses. " (Sugiyono, 2016).

Based on data collection techniques, this study uses secondary data, namely local
government financial reports and statistical central agency reports.

This research was conducted in all District / City Governments in West Java in December 2020.

Testing the hypothesis in this study using linear regression analysis. Hypothesis testing is used to see how much the factors can influence the level of accrual basis application in government accounting partially using the zero-order value compared to the value of the r table.

Operational Variable:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locally Generated Revenue</td>
<td>Realization of Local Revenue in 2019</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>Realization of Capital Expenditure in 2019</td>
</tr>
<tr>
<td>Financing Revenue</td>
<td>Realization of Financing Revenue in 2019</td>
</tr>
<tr>
<td>Regional Income Per Capita</td>
<td>GRDP Per Capita Based on 2019 Constant Prices</td>
</tr>
<tr>
<td>Level of Community Education</td>
<td>School Participation Rate Ages 19-24 2019</td>
</tr>
<tr>
<td>The population of Community</td>
<td>Total Population of Regency / City 2019</td>
</tr>
<tr>
<td>Level of E-Government</td>
<td>2019 Electronic Based Government System Index Value</td>
</tr>
</tbody>
</table>

Source: data was processed by the researcher (2019)

RESULTS AND DISCUSSION

Financial and non-financial data used in this study as variable x and variable y in this study can be seen in Table 1 below:

<table>
<thead>
<tr>
<th>Kab. Bogor</th>
<th>Kab.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realization of Capital Expenditure in 2019</td>
<td>1.200.805.909</td>
</tr>
<tr>
<td>Realization of Financing Revenue in 2019</td>
<td>0</td>
</tr>
<tr>
<td>GRDP Per Capita Based on Constant Prices</td>
<td>26.296.550</td>
</tr>
<tr>
<td>School Participation Rate Ages 19-24 2019</td>
<td>25.76</td>
</tr>
<tr>
<td>Total Population 2019</td>
<td>5.965.410</td>
</tr>
<tr>
<td>SPBE Index Value</td>
<td>5.965.410</td>
</tr>
<tr>
<td>SPBE Predicate</td>
<td>2,58 Sufficient</td>
</tr>
</tbody>
</table>

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Sukabumi
Kab. Cianjur          602.556.114 585.378.364 45.892.730 14.128.884     8,21 2.263.072  2,75 Good
Kab. Tasikmalaya      257.296.743 335.689.638 92.945.542 14.016.644    18,09 1.754.128  0,00 N/A
Kab. Kuningan         331.071.737 151.571.312 15.599.976  0         13,84 1.080.804  2,11 Sufficient
Kab. Cirebon          597.481.096 350.844.163 95.000.000 15.378.654    19,92 2.192.903  2,89 Good
Kab. Majalengka       473.450.000 845.613.153 42.270.522 17.724.742    10,26 1.205.034  2,19 Sufficient
Kab. Sumedang         530.215.807 336.461.624 5.855.752 20.773.420    18,57 1.152.400  2,51 Sufficient
Kab. Indramayu        439.593.641 1.039.413.698 13.200.000 34.802.101    10,55 1.728.469  2,70 Good
Kab. Subang           473.715.728 329.025.208 113.000.000 17.904.497    9,41 1.595.825  3,01 Good
Kab. Purwakarta       464.858.009 350.837.123 67.000.000 48.071.784    18,39 962.893  3,14 Good
Kab. Bekasi           2.183.381.401 1.040.687.329 662.321.928 66.965.638    28,48 3.763.886  0,00 N/A
Kab. Bandung Barat   581.055.645 475.637.909 0        18.470.749    9,77 1.699.896  2,41 Sufficient
Kota Bogor           944.394.651 481.846.388 268.697.704 29.000.138    29,74 1.112.081  2,97 Good
Kota                3.055.014.614 1.128.631.620 779.006.054 78.808.426    39,12 2.507.888  3,72 Very Good

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From the table above, it can be seen that all the data used for this study are secondary data collected from BPS West Java and the SPBE website. It can be seen that Bandung City is the best index recipient compared to other cities with the predicate Very Good. In line with that, the highest GRDP and Financing Revenue were in Bandung City. While the largest population is in the Kab. Bogor and the highest APS are Kab. Ciamis. Furthermore, the highest capital expenditure and PAD are in Bekasi City. From the data above, it is processed using SPSS Software with Linear Regression Analysis method to test the hypothesis so that the data below is obtained:

Table 3 Linear Regression Analysis Test Results

<table>
<thead>
<tr>
<th>Variable X</th>
<th>Value of Regression Test Results (Zero-Order)</th>
<th>R-Value Table</th>
<th>R Count&gt; R Table then the Hypothesis is Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAD</td>
<td>0.742</td>
<td>0.4329</td>
<td>Accepted</td>
</tr>
<tr>
<td>EXPEND</td>
<td>0.588</td>
<td>0.4329</td>
<td>Accepted</td>
</tr>
<tr>
<td>FIN</td>
<td>0.536</td>
<td>0.4329</td>
<td>Accepted</td>
</tr>
<tr>
<td>GRDP</td>
<td>0.531</td>
<td>0.4329</td>
<td>Accepted</td>
</tr>
<tr>
<td>APS</td>
<td>0.335</td>
<td>0.4329</td>
<td>Rejected</td>
</tr>
<tr>
<td>POP</td>
<td>0.597</td>
<td>0.4329</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: data was processed by the researcher (2019)
From the results of linear regression analysis using SPSS software, the results of the table above are obtained. It can be seen that Local Own Revenue, Capital Expenditure, Funding Revenue, GRDP, and Population have a positive effect on the SPBE Index Value. This means that the higher the Regional Original Income, Capital Expenditure, Funding Revenue, GRDP, and Population, the higher the SPBE Index value. Meanwhile, the School Participation Rate does not affect the SPBE Index Value.

Governance can be defined as a way of managing public affairs. The United Nations Development Program (UNDP) defines good governance as "the exercise of political, economic, and administrative authority to manage a nation's affairs at all levels". Governance includes all mechanisms, processes and institutions in which citizens and community groups prioritize their interests, exercise legal rights, fulfill obligations and bridge differences between them (Mardiasmo, 2018).

From this understanding, it can be seen that UNDP places more emphasis on political, economic, and administrative aspects of governance at all levels. Political governance refers to the policymaking process (policy/strategy formulation). Economic governance refers to the process of making decisions in the economic sector which have implications for the problem of equity, reducing poverty and improving the quality of life. Administrative governance refers to a system of implementing policies.

Referring to this conception, good governance has several key attributes such as being effective, participatory, transparent, accountable, productive, and equal and able to promote law enforcement. Above all, the main attribute of good governance is how to use power and authority in solving various public problems.

Meanwhile, the World Bank in defines good governance as "the way state power is used in managing economic and social resources for the development of society". In this case, the World Bank places more emphasis on the way the government manages social and economic resources for the benefit of community development. Referring to the World Bank and UNDP programs, the orientation of public sector development is to create good governance (Mardiasmo, 2018).

From this it is by the results of this study, namely in implementing e-government with the aim of good governance, the emphasis is on how local governments manage their resources for the benefit of community development. It can be seen from the results of the hypothesis testing that the factors of Regional Original Income, Capital Expenditures, Funding Revenue, GRDP, and Population have a positive effect on the SPBE Index Value. This means that the higher the Regional Original Income, Capital Expenditure, Funding Revenue, GRDP, and Population, the higher the SPBE Index value. From this, it can be concluded that Regional Governments that have good resources are managed in a good way for the benefit of community development resulting in good governance.

CONCLUSION

This study aims to examine the influence of the PAD, capital expenditure, financing revenue, GRDP, APS, and population factors on the e-government index value. Data analysis used linear regression analysis with quantitative research methods. The results of the study based on linear regression indicate that the PAD, capital expenditure, financing revenue,
GRDP, and population factors have a positive effect on the e-government index value in district/city governments in West Java. This means that the higher the Regional Original Income, Capital Expenditure, Financing Revenue, GRDP, and Population, the higher the SPBE Index value. Meanwhile, the APS factor or School Participation Rate does not affect this study. This becomes interesting to study for other researchers to prove again how the APS factor is in other areas.

REFERENCES