

ABSTRACT

One way to measure the success or performance of a country or region in the field of human development used the Human Development Index (HDI). Human Development Index (HDI) is a composite index to measure the achievement of human development based on a number of basic components of quality of life.

The purpose of this study is to determine how much Local Own-source Revenue (PAD), General Allocation Fund (DAU), Special Allocation Fund (DAK), Human Index Development (HDI) and Capital Expenditure in the Regencies/Cities of Papua Provinsi for years 2009-2013, as well as determine the influence of PAD, DAU and DAK to HDI with Capital Expenditure as an intervening variable either simultaneously or partially.

The method that used in this research is panel data regression using Random Effect Model (REM) with research period of year 2009-2013 using software Eviews 8.0. Total population in this research were 29 regencies/cities. By using purposive sampling, obtained sample of 24 regencies/cities.

The results of this study indicate that PAD, DAU, and DAK jointly is influenced on Human Development Index with Capital Expenditure as an intervening variable. Partially, PAD is influenced of positive on HDI through Capital Expenditure, DAU is influenced of positive on HDI through Capital Expenditure, while DAK is not influenced on HDI through Capital Expenditure.

For the development of the next research, it is suggested that the next research add another variable, add research period, use other research objects, and use other method in technic of analysis. For the Government of Regencies/Cities in the Papua Provinsi, is expected to increase revenue sources to improve the quality of human development increases. Should be reck regencies/cities that have a lower HDI in Papua Provinsi so that the HDI in Papua Provinsi evenly.

Keywords: *Human Development Index, Capital Expenditure, Local Own-source Revenue, General Allocation Fund, Special Allocation Fund.*