

Evaluating Bali's Financial Performance: Pre, During, and Post-Covid-19

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ABSTRACT

This study analyzes the financial performance of the Bali Provincial Government before, during, and after the Covid-19 pandemic. The pandemic significantly impacted Bali's economy, heavily dependent on tourism and Local Own-Source Revenue (PAD). This research employs a quantitative descriptive method using audited data from Bali's Budget Realization Report (2018–2023). Results show a sharp decline in PAD and financial independence during 2020–2021, followed by a recovery in 2022–2023, particularly in PAD effectiveness and self-sufficiency ratios. Fiscal decentralization remained strong, demonstrating Bali's solid fiscal capacity. The pandemic induced budget shifts towards urgent sectors, affecting expenditure efficiency and capital spending patterns. Overall, Bali's financial management showed resilience and recovery, though efficiency improvements remain necessary. This study offers valuable insights into regional fiscal management during crises and recommendations for enhancing fiscal independence and stability in the future.

Kata Kunci: Financial Performance; Covid-19 Impact; Local Government

Evaluasi Kinerja Keuangan Bali: Sebelum, Selama, dan Setelah Pandemi Covid-19

ABSTRAK

Studi ini menganalisis kinerja keuangan Pemerintah Provinsi Bali sebelum, selama, dan setelah pandemi Covid-19, dengan fokus pada dampak besar pandemi terhadap ekonomi Bali yang bergantung pada sektor pariwisata dan Pendapatan Asli Daerah (PAD). Menggunakan metode deskriptif kuantitatif dengan data Laporan Realisasi Anggaran Bali tahun 2018–2023, hasil penelitian menunjukkan penurunan PAD dan kemandirian keuangan yang signifikan pada 2020–2021, diikuti pemulihan pada 2022–2023, terutama pada efektivitas PAD dan rasio kemandirian. Rasio desentralisasi fiskal tetap kuat, mencerminkan kapasitas fiskal Bali yang solid. Pergeseran anggaran ke sektor mendesak mempengaruhi efisiensi pengeluaran dan pola belanja modal. Secara keseluruhan, pengelolaan keuangan Bali menunjukkan ketahanan dan pemulihan meski efisiensi masih perlu ditingkatkan. Studi ini memberikan wawasan penting tentang pengelolaan fiskal daerah saat krisis serta rekomendasi untuk memperkuat kemandirian dan stabilitas fiskal di masa depan.

Keywords: Kinerja Keuangan; Dampak Covid-19; Pemerintah Daerah

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INTRODUCTION

The Covid-19 pandemic that emerged in early 2020 had a major impact on people's lives, including in Indonesia, whose economy is highly dependent on Local Own-Source Revenue (PAD). Mobility restrictions caused a significant decline in PAD, especially in areas that rely on the tourism sector, and triggered import disruptions and overall economic instability (Alfansa & Wibowo, 2022). Additionally, the pandemic has reduced demand and volume for Indonesia's main export commodities, weakened the real sector, and resulted in increased layoffs and a decline in consumer purchasing power (Najla & Fahlevi, 2023).

In response to this emergency, local governments in Indonesia are facing major challenges in managing regional budgets efficiently and effectively. These difficulties align with global findings, which show that during crises, maintaining financial performance requires strong efficiency, financial flexibility, and sufficient revenue capacity as key components of fiscal resilience (Guillamón et al., 2011; Wang et al., 2007). To address these pressures, budget refocusing policies have become an essential strategy, shifting allocations from activities that can be postponed to urgent sectors such as health and social assistance (Agnika et al., 2021; Karina & Wibowo, 2022). However, despite these interventions, many regions continue to struggle to maintain economic stability due to a significant decline in local revenue (PAD).

Several provinces in Indonesia have experienced a sharp decline in PAD, with Bali, East Kalimantan, DKI Jakarta, Banten, and West Java being the regions with the largest declines. Bali recorded a decline of -23.70 percent, followed by East Kalimantan (-19.32 percent), DKI Jakarta (-18.89 percent), Banten (-15.89 percent), and West Java (-12.81 percent) (Vebiani et al., 2022). This sharp reduction in local revenue was accompanied by a decline in the regional independence ratio during the pandemic, indicating increased dependence on central government transfers (Toya et al., 2024). The weakening of PAD not only reduced fiscal autonomy across provinces but also affected the effectiveness and efficiency of regional financial management, particularly in implementing fiscal decentralization. These dynamics are consistent with international evidence showing that revenue shocks significantly reduce local government independence and weaken overall fiscal capacity (Steccolini, 2004).

In addition, data from the Central Statistics Agency (BPS) shows that Indonesia's economy as a whole contracted in the fourth quarter of 2020, with economic growth falling sharply to 2.07 percent compared to 5.02 percent in the previous year. This economic contraction has led to a decline in market demand, although there are certain sectors that have experienced an increase in demand. Nevertheless, Indonesia's economic growth rate began to show signs of improvement since the following year (Azhar & Putra, 2025).

Regional financial management, which had previously been relatively stable, now faces major challenges due to a drastic decline in PAD, resulting in greater dependence on fund allocations from the central government (Ratnawati & Sari, 2023). This has affected important financial ratios, such as the independence, effectiveness, and efficiency ratios of regional spending. At the same time, other more stable sectors, such as local taxes and natural resource revenues, began to contribute more significantly to PAD, despite a significant

decline in the tourism sector, which is the main contributor to Bali's regional income.

Various studies on the financial performance of government organizations have been conducted to assess the impact of the pandemic on regional financial management. One relevant study was conducted by Widasari & Jahja (2023) in West Kalimantan, which showed that despite a decline in several financial indicators, regional financial performance in general was still well maintained. Another study by Venni et al. (2023) also revealed that although some financial ratios, such as the independence ratio and budget effectiveness, did not change significantly, the capital expenditure sector and financial flexibility experienced significant differences during the pandemic.

In addition, research by Rheswari & Akbar (2022) related to the Gresik Regency Government shows an increase in the regional financial independence ratio and PAD effectiveness despite significant changes in expenditure allocation due to the budget refocusing policy. Another study conducted by Amal & Wibowo (2022) on the DKI Jakarta Provincial Government also noted a decline in the activity and growth ratios during the pandemic, but other key ratios such as the independence and effectiveness ratios remained stable.

Previous studies generally only compared two periods, namely before and during the pandemic or during and after the pandemic, thus failing to provide a complete picture. In contrast, this study introduces a novel approach by analyzing regional financial performance more comprehensively through the comparison of three distinct periods: before, during, and after the Covid-19 pandemic. This methodological innovation offers a fuller understanding of the pandemic's impact over time. So, the burning question of this research is: How did the financial performance of Bali's government fare before, during, and after the Covid-19 pandemic?

To support this, the study draws on the theory of fiscal resilience, which emphasizes the importance of a region's ability to maintain financial stability during crises. According to Wang et al. (2007) fiscal resilience involves effective revenue generation and expenditure management, while Guillamón et al. (2011) highlight the role of fiscal decentralization in sustaining autonomy. This framework guides the study's recommendations for enhancing Bali's fiscal resilience and reducing dependence on central government transfers.

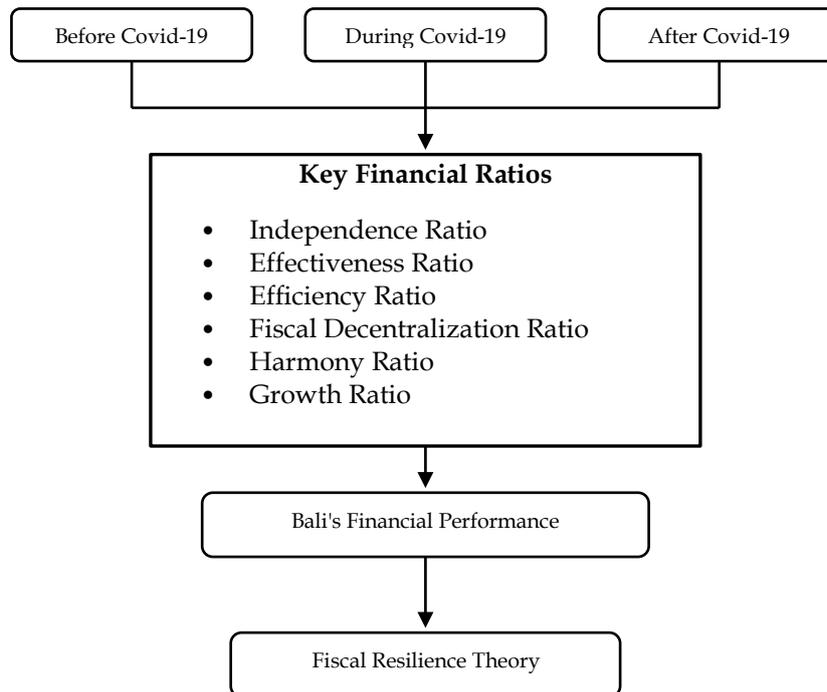


Figure 1. Conceptual Framework

Source: Research Data, 2025

RESEARCH METHODS

This study uses a quantitative descriptive method to systematically describe the financial performance of the Bali Provincial Government. The data used comes from the Bali Provincial Budget Realization Report (LRA) for 2018–2023, which has been audited by the Supreme Audit Agency (BPK) and obtained through documentation. The data analysis technique used in this study is comparative descriptive. The calculation of the independence ratio, PAD effectiveness ratio, efficiency ratio, fiscal decentralization degree ratio, harmony ratio, and growth ratio is used in the analysis technique in this study.

The independence ratio is measured by comparing local revenue (PAD) with total local revenue to show the extent to which the region is able to finance development without relying on external sources (Azizah et al., 2025).

Table 1. Relationship Patterns and Levels of Financial Independence

Financial Capacity	Criteria	Relationship Pattern
Very Low	0	Instructional
Low	25 - 50	Consultative
Moderate	50 - 75	Participatory
High	75 - 100	Delegative

Source: Halim (2007)

The PAD effectiveness ratio is measured by comparing actual PAD revenue with the target set to assess the local government's ability to achieve its revenue targets (Suratno & Isnowati, 2025).

Table 2. Criteria for Assessing Financial Performance Effectiveness

Regional Financial Effectiveness	Criteria
Above 100%	Very Effective
90% - 100	Effective
80%-90%	Fairly Effective
60% -80	Less Effective
Below 60%	Not Effective

Source: Halim (2007)

The efficiency ratio is measured by comparing the costs incurred to collect revenue with the actual revenue obtained in order to assess the optimal use of resources (Nisa' & Wafa, 2025).

Table 3. Criteria for Assessing Financial Performance Efficiency

Regional Financial Efficiency	Criteria
Above 100%	Inefficient
90% - 100	Less Efficient
80% - 90	Fairly Efficient
60% - 80	Efficient
Below 60%	Very Efficient

Source: Halim (2007)

The fiscal decentralization ratio is measured by comparing PAD with total regional revenue to assess the ability of local governments to finance development (Palupi et al., 2022), with the results interpreted on a scale: <10% indicates very poor ability, 10.01%-20% poor, 20.01%-30% adequate, 30.01%-40% moderate, 40.01%-50% good, and >50% indicates very good capability (Mahmudi, 2019). The harmony ratio is measured by comparing operational and capital expenditures to total regional expenditures in order to assess the proportion and balance of regional expenditure allocations (Mahmudi, 2019). The growth ratio is measured by calculating the difference between actual revenue and expenditure in the current period and the previous period, then comparing that difference to actual revenue and expenditure in the previous period (Yulianti & Wicaksono, 2024).

RESULTS AND DISCUSSION

The results of the calculation of the financial independence ratio of the Bali Provincial Government for the 2018-2023 fiscal year can be seen in Table 4.

Table 4. Results of Local Financial Independence Ratio Calculations for Fiscal Years 2018-2023

Year	PAD	Transfer Revenue	Loans/ Financing	Ratio Indepen dence	Pattern Relationship
2018	3,718,499,635,346	2,535,479,973,047	441,524,809,255	125	Delegative
2019	4,023,156,314,134	2,616,498,279,035	704,590,522,601	121	Delegative
2020	3,069,474,217,923	2,643,157,481,688	832,637,635,863	88	Delegative
2021	3,117,070,012,473	2,801,186,284,925	1,197,855,592,021	78	Delegative
2022	3,863,191,406,848	2,017,662,417,846	1,193,843,632.36	120	Delegative
2023	4,627,741,217,667	2,141,120,289,130	4,517,390,982	216	Delegative
Avera ge	3,736,522,134,065	2,459,184,120,945	729,161,597,182	117	Delegative

Source: Research Data, 2025

Based on the calculations in Table 4, the independence ratio of the Bali Provincial Government during the 2018–2023 period shows a high level of independence, with all values falling into the delegative category according to Halim's classification. In 2018–2019, the autonomy ratio reached more than 120%, reflecting the strength of Bali's PAD before the pandemic. However, in 2020–2021, the ratio decreased to 88% and 78% due to the contraction of PAD during the Covid-19 pandemic, while transfer income from the central government increased to support pandemic management, thereby reducing the proportion of regional autonomy.

Entering 2022–2023, Bali's fiscal condition improved again as the tourism sector recovered, reflected in an increase in the self-sufficiency ratio to 120% and a jump to 216% in 2023. Although mathematically this value exceeds 100%, its interpretation remains in the delegative category according to Halim's theoretical limit. Overall, Bali's average self-sufficiency ratio of 117% indicates that Bali has strong fiscal capacity and is relatively self-sufficient, despite being affected by the pandemic.

Table 5. Results of PAD Effectiveness Ratio Calculations for Fiscal Years 2018-2023

Year	PAD Revenue Realization	PAD Revenue Target	PAD Effectiveness Ratio	Remarks
2018	3,718,499,635,346	3,566,962,941,605	104%	Highly Effective
2019	4,023,156,314,134	3,762,785,679,903	107%	Highly Effective
2020	3,069,474,217,923	3,434,785,985,000	89%	Fairly Effective
2021	3,117,070,012,473	3,178,019,403,737	98%	Effective
2022	3,863,191,406,848	3,494,115,418,572	111%	Highly Effective
2023	4,627,741,217,667	5,041,446,320,153	92%	Effective
Average	3,736,522,134,065	3,746,352,624,828	100%	Effective

Source: Research Data, 2025

Based on the calculations in Table 5, the effectiveness ratio of Bali Provincial Government PAD during the 2018–2023 period shows fairly good performance despite fluctuations. In 2018 and 2019, the effectiveness ratio reached 104% and 107%, indicating highly effective PAD management. However, in 2020, due to the impact of the pandemic, the ratio dropped to 89% (fairly effective), and in 2021 it rose again to 98% (effective). In 2022, the ratio jumped to 111% (highly effective) in line with the recovery of the tourism sector, but declined slightly in 2023 to 92% (effective).

Overall, the average PAD effectiveness ratio for the past six years was recorded at 100%, indicating that the Bali Provincial Government was able to realize almost all of its PAD targets. This achievement reflects the success of the local government in managing and optimizing local revenue, despite facing major challenges due to the pandemic, with the tourism sector as the main driver of regional economic recovery.

Table 6. Efficiency Ratio Calculation Results for Fiscal Years 2018-2023

Year	Realization Expenditure	Revenue Realization	Efficiency Ratio	Description
2018	4,160,554,856,427	6,259,367,608,393	66%	Efficient
2019	4,403,625,560,597	6,645,538,871,169	66%	Efficient
2020	4,916,723,387,079	5,718,339,699,615	86%	Quite Efficient
2021	6,270,667,217,646	5,923,153,297,394	106%	Not Efficient
2022	5,248,722,050,819	5,885,778,601,466	89%	Fairly Efficient
2023	6,607,698,684,698	6,774,061,484,297	98%	Less Efficient
Average	5,267,998,626,211	6,201,039,927,056	85%	Fairly Efficient

Source: Research Data, 2025

Based on the calculations in Table 6, the efficiency ratio of the Bali Provincial Government during the 2018–2023 period shows significant fluctuations. In 2018 and 2019, the efficiency ratio was recorded at 66%, which falls into the efficient category, with relatively low expenditures compared to the revenue received. However, in 2020, the efficiency ratio increased to 86%, although it was still quite efficient, indicating that despite an increase in spending, revenue management remained good.

The 106% efficiency ratio in 2021 was largely due to budget refocusing and reallocation driven by the pandemic. The Indonesian government implemented Presidential Instruction No. 4 of 2020, which directed significant funds toward healthcare, social protection, and economic recovery efforts. This led to higher-than-expected spending, resulting in an apparent inefficiency (Digdowiseiso et al., 2023). Additionally, the increase in transfers to regions and slow budget absorption caused delays in fund utilization, further contributing to the inflated ratio (Basri et al., 2021).

In 2022, the ratio improved to 89% (fairly efficient), but in 2023 the ratio declined to 98% (less efficient). Overall, the average efficiency ratio over the five-year period was 85%, indicating that the financial management of the Bali Provincial Government can be categorized as fairly efficient. These results reflect that despite an increase in spending in some years, especially for post-pandemic recovery, the local government has tried to manage its finances as well as possible. However, there is still room for improvement, especially in controlling spending to remain in line with revenue received, in order to achieve more optimal efficiency in the future.

Table 7. Results of Fiscal Decentralization Degree Ratio Calculations for Fiscal Years 2018-2023

Year	PAD	Total Regional Revenue	Fiscal Decentralization Ratio	Description
2018	3,718,499,635,346	6,259,367,608,393	59%	Very Good
2019	4,023,156,314,134	6,645,538,871,169	61%	Very Good
2020	3,069,474,217,923	5,718,339,699,615	54%	Very Good
2021	3,117,070,012,473	5,923,153,297,394	53%	Very Good
2022	3,863,191,406,848	5,885,778,601,466	66%	Very Good
2023	4,627,741,217,667	6,774,061,484,297	68%	Very Good
Average	3,736,522,134,065	6,201,039,927,056	60%	Very Good

Source: Research Data, 2025

Based on the calculations in Table 7, the fiscal decentralization ratio of the Bali Provincial Government during the 2018–2023 period shows excellent performance. From 2018 to 2023, Bali's fiscal decentralization ratio has consistently been above 50%, with the highest figure recorded in 2023 at 68%. This shows that Bali's own-source revenue (PAD) contributes significantly to the total regional revenue, and that the region has a very good ability to manage its finances without being overly dependent on assistance from the central government.

Overall, the average fiscal decentralization ratio during the 2018–2023 period was 60%, which falls into the excellent category. This achievement shows that the Bali Provincial Government has succeeded in maximizing the potential of local revenue and has demonstrated excellent fiscal capacity to implement regional autonomy. With the increasing contribution of local revenue to total regional revenue, Bali has been able to manage government affairs more independently, despite a decline in 2020–2021 due to the impact of the pandemic.

Table 8. Calculation Results of the Harmony Ratio for the 2018-2023 Fiscal Year (Based on Operational Expenditures)

Year	Total Operational Expenditure	Total Regional Expenditure	Harmony Ratio
2018	3,719,657,194,081	4,160,554,856,427	89%
2019	3,845,688,340,311	4,403,625,560,597	87%
2020	4,123,413,143,305	4,916,723,387,079	84%
2021	4,218,534,729,447	6,270,667,217,646	67%
2022	3,791,897,703,325	5,428,722,050,819	70%
2023	3,948,314,115,028	6,607,698,684,698	60%
Average	3,941,250,870,916	5,297,998,626,211	76%

Source: Research Data, 2025

The operating expenditure ratio shows the portion of the budget allocated for routine and recurring expenditures each year. During the 2018–2023 period, the operating expenditure ratio in Bali Province tended to decline. In 2018 and 2019, this ratio was still quite high, at 89% and 87% respectively. However, in 2020, along with the impact of the Covid-19 pandemic, the operating expenditure ratio

decreased to 84%, due to a decline in revenue and regional budget allocations. A more significant decline occurred in 2021, with the ratio reaching 67%, reflecting major adjustments in the budget that were more directed towards emergency activities to deal with the pandemic. Although there was a recovery in 2022 to 70%, this ratio declined again in 2023 to 60%, indicating the government's efforts to improve the efficiency of operational expenditure management. The average operational expenditure ratio during this period was 76%, indicating the dominance of operational expenditure in the regional budget, despite efforts to balance it with capital expenditure.

Table 9. Results of the Calculation of the Consistency Ratio for the 2018-2023 Fiscal Year (Based on Capital Expenditure)

Year	Total Capital Expenditure	Total Regional Expenditure	Harmony Ratio
2018	440,710,162,346	4,160,554,856,427	11%
2019	556,754,502,359	4,403,625,560,597	13%
2020	458,448,887,065	4,916,723,387,079	9%
2021	839,010,470,016	6,270,667,217,646	13%
2022	1,452,064,568,386	5,428,722,050,819	27%
2023	920,073,340,444	6,607,698,684,698	14%
Average	777,843,655,103	5,297,998,626,211	15

Source: Research Data, 2025

The capital expenditure ratio in Bali Province showed significant fluctuations during the 2018–2023 period. In 2018 and 2019, the capital expenditure ratio was relatively low, at 11% and 13% respectively, reflecting that most of the budget was still allocated for operational needs. However, in 2020, the capital expenditure ratio declined further to 9% due to budget constraints during the pandemic. Nevertheless, in 2021, the capital expenditure ratio increased to 13%, indicating the local government's efforts to maintain development projects despite the crisis. The year 2022 saw a sharp jump to 27%, indicating that more of the budget was allocated to investment and development to support post-pandemic economic recovery.

The decline in the capital expenditure compatibility ratio from 27% in 2022 to 14% in 2023 can be attributed to shifts in fiscal priorities and limited spending capacity. Many local governments struggled to execute capital projects, prioritizing operational expenses instead (East Asia Forum, 2025). The 2023 national budget report also indicates that, while overall spending decreased, the growth in infrastructure funding was constrained, which likely reduced the share of capital spending in total expenditures compared to 2022's elevated level (Ministry of Finance, 2023). This combination of slower capital outlays and a constrained fiscal environment contributed to the lower ratio in 2023. Overall, the average capital expenditure ratio during this period was 15%, indicating the government's efforts to increase investment, even though operational spending still dominated.

Table 10. Growth Ratio Calculation Results for Fiscal Years 2018-2023

Description	2017	2018	2019	2020
PAD	3,398,472,278,306	3,718,499,635,346	4,023,156,314,134	3,069,474,217,923
PAD Growth		9	8	-24
Regional Revenue	5,992,161,668,458	6,259,367,608,393	6,645,538,871,169	5,718,339,699,615
Regional Revenue Growth		4	6	-14
Operating Expenditures	3,699,216,838,504	3,719,657,194,081	3,845,688,340,311	4,123,413,143,305
Growth in Operating Expenditures		1	3	7
Capital Expenditures	660,432,833,365	440,710,162,346	556,754,502,359	458,448,887,065
Capital Expenditure Growth		-33	26	-18
Description	2021	2022	2023	
PAD	3,117,070,012,473	3,863,191,406,848	4,627,741,217,667	
PAD Growth	2	24	20	
Regional Revenue	5,923,153,297,394	5,885,778,601,466	6,774,061,484,297	
Regional Revenue Growth	4	-1	15	
Operating Expenditures	4,218,534,729,447	3,791,897,703,325	3,948,314,115,028	
Growth in Operating Expenditures	2	-10	4%	
Capital Expenditure	839,010,470,016	1,452,064,568,386	920,073,340,444	
Capital Expenditure Growth	83	73	-37	

Source: Research Data, 2025

In 2019, there was positive growth in Local Own-Source Revenue (PAD), which rose by 8%, from IDR 3,718,499,635,346 to IDR 4,023,156,314,134. Despite a 6% increase in Regional Revenue, operating and capital expenditures experienced more moderate changes with relatively low growth. Capital expenditure, for example, increased by 26%, but remained at a relatively low level compared to operating expenditure.

However, in 2020, amid the Covid-19 pandemic, key sectors experienced a sharp decline. Local revenue and regional income recorded declines of 24% and 14% respectively compared to the previous year. This decline illustrates the significant impact of the pandemic on regional economic performance, with the tourism sector, which is the main source of local revenue, experiencing a significant contraction. Capital expenditure also declined by 18%, reflecting

limited budget allocation for development projects due to the focus on handling the pandemic.

In 2021, despite economic recovery, PAD and Regional Revenue still recorded relatively small growth (2% and 4%), while operating expenditures experienced positive growth of 7%. However, capital expenditures jumped by 83% in an effort to support economic recovery by allocating more funds to investment projects.

In 2022 and 2023, with the recovery of the tourism sector and increased economic activity, PAD experienced significant growth, namely 24% in 2022 and 20% in 2023. Regional revenue in 2023 also showed an increase of 15% compared to the previous year, reflecting greater stability after the pandemic. However, capital expenditure declined by 37% in 2023, which may reflect budget consolidation after a period of intensive recovery in previous years.

Overall, the growth ratio for the 2018-2023 period shows that despite being affected by the pandemic, the Bali Provincial Government was able to manage its financial performance well, particularly in increasing local revenue after the pandemic. This recovery was followed by a shift in spending allocation, with a particular focus on capital expenditure to support long-term economic growth. However, for 2023, the decline in capital expenditure reflects a more cautious approach to budget balancing.

To enhance fiscal resilience, the Bali Provincial Government must make several fiscal policy adjustments. First, refocusing the budget on high-priority sectors like infrastructure and social protection, while cutting non-essential spending, will optimize resource use. Improving the structure of transfers between central and regional governments, through clearer guidelines for DBH and DAK, will ensure a more stable revenue flow. Finally, strengthening local revenue generation through better tax collection and diversifying income sources will reduce dependency on central transfers and foster greater financial autonomy.

These fiscal policy recommendations are grounded in fiscal resilience theory, which emphasizes the importance of maintaining financial stability during crises by adapting to changing fiscal conditions. According to Wang et al. (2007), resilience involves managing both revenue generation and expenditure management effectively, particularly when facing economic shocks. Guillamón et al. (2011) argue that fiscal decentralization plays a critical role in ensuring that local governments can maintain autonomy and effectively manage their financial resources without excessive reliance on external transfers. By adopting these adjustments, Bali could enhance its fiscal resilience, allowing it to better withstand future crises and promote long-term economic stability.

CONCLUSION

This study analyzed the financial performance of the Bali Provincial Government before, during, and after the Covid-19 pandemic. Bali's fiscal performance showed significant fluctuations, with a strong financial position before the pandemic, followed by a sharp decline in PAD during the pandemic, particularly due to the collapse of the tourism sector. While Bali managed to recover its PAD and financial independence in the post-pandemic years, contradictions emerged, particularly in the efficiency ratio, which fluctuated and peaked at 106% in 2021, showing

inefficiencies in resource allocation despite improved financial autonomy. This study contributes to fiscal resilience theory by demonstrating how fiscal decentralization supported Bali's recovery. According to Wang et al. (2007), fiscal resilience requires effective revenue management and expenditure control, and Bali's challenges highlight the need for adaptive fiscal policies. Despite fiscal independence, better resource allocation is necessary to balance long-term capital investments with operational spending. The theoretical contribution of this study lies in applying fiscal resilience theory to regional financial management, emphasizing the need for strategic financial planning to enhance local revenue generation and reduce dependency on central government transfers. Academically, this research enriches the literature on fiscal resilience by offering insights into how regional governments can maintain stability during crises and plan for sustainable recovery.

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