

ABSTRACT

INTERACTION OF ECONOMIC GROWTH, BELANJA MODAL AND DANA ALOKASI UMUM REGENCY TANGGAMUS

By

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The implementation of concept of regional autonomy, local governments are expected to manage local finances by being able to meet its needs, for it central government provides grants to local governments with give the Dana Alokasi Umum (DAU) that can be used freely by local government. In order to increase autonomy, local governments expected to optimize the allocation of Belanja Modal. The amount of fund transfers center for this regency adjusted to increase capital spending aims to build public facilities and infrastructure sectors in the regency Tanggamus to push ahead increased public welfare and the impact on increase in the rate of economic growth. The purpose of this paper is to know how the interactions of Economic Growth, Belanja Modal and Dana Alokasi Umum (DAU) in the Regency Tanggamus.

Based results of the research showed that the three variables, among others Economic Growth, Belanja Modal and Dana Alokasi Umum in the Regency Tanggamus does not interact directly. There are other variables which are mutually influence outside variables at closely.

Keywords: Dana Alokasi Umum (DAU), Belanja Modal, Economic Growth