ABSTRACT

ANALYSIS OF ECONOMIC GROWTH IN BANDAR LAMPUNG ON FISCAL DECENTRALIZATION PERIOD 2001.1-2008.4

By

IIN FERWANTY SEMBIRING

The implementation of fiscal decentralization in Indonesia since the year 2001 brought a change in the pattern of relations between central and local governments. In this fiscal decentralization the regions were given the discretion to regulate and manage their own region with not much interference from the central government. The implications are expected from the implementation of fiscal decentralization is a local government can implement good governance and full responsibility so that local economic development be better. Development is expected to be implemented independently by local governments that resulted in the acceleration of economic growth. Therefore, local governments must be able to manage finances (both in terms of revenue and expenditure) in an efficient and effective so that it can increase economic growth their respective regions.

This study aims to determine the effect of growth in labor, the growth of government investment , growth in own revenues (PAD) and growth Equalization Fund to the Economic Growth Bandar Lampung in fiscal decentralization. This study uses secondary data. The data used is the type of time series data for the period 2001.1 - 2008.4. Analysis tools used in this study is multiple linear regression analysis with the Ordinary Least Square approach (OLS).

From the analysis concluded that the growth in labor, the growth of government investment and growth Equalization Funds (Dana Perimbangan) positive effect on economic growth in Bandar Lampung. While the growth in own revenue has a significant negative impact on economic growth in Bandar Lampung.

Key words: Economic Growth, Fiscal Decentralization, Labor, Government Investment, Own Revenue (PAD), Equalization Funds (Dana Perimbangan)