

## **ABSTRACT**

### **INFLUENCE OF CHARACTERISTICS OF LOCAL GOVERNMENT TO FINANCIAL PERFORMANCE OF LOCAL GOVERNMENT Study on the Provincial Government of Indonesia in 2008 – 2012 Period**

**By**

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The purpose of this research was to examine the influence of characteristics of local government which is represented by size of local government, local government administrative life, and intergovernmental revenue to financial performance of local government (proxy by independence ratio, fiscal decentralization, and ratio of effectiveness) on the provincial government of Indonesia in 2008-2012 period.

Researcher used purposive sampling method to take 11 provincial governments that suitable with criteria in this research. Total of observations are 55 data. This research is examined by multiple regression analysis.

The results showed that size of local government positively affect the financial performance of local government; local government administrative life does not affect the financial performance of local government; intergovernmental revenue negatively affect the financial performance of local government.

**Keywords:** Size of local government, local government administrative life, intergovernmental revenue, financial performance of local government