

**ANALYSIS OF LOCAL REVENUE GROWTH AND CAPITAL
EXPENDITURE OF LOCAL GOVERNMENT *FISCAL STRESS*
DISTRICT / CITY PROVINCE LAMPUNG**

By

AGUS WANTORO

ABSTRACT

This study aims to determine the effect of revenue growth PAD and capital expenditures to *fiscal stress*. Presence of greater authority granted by the central government not only indicated affect local revenues, but affects the pattern / structure of the shopping area. Changes in spending patterns, especially with the increase in capital expenditure into logical thing done in order to boost revenue.

The analytical method used is the method of testing hypotheses with econometric models using secondary data in the form of a *cross section* with 14 districts units analysis. The results showed that the original income (PAD) and Capital Expenditure significant effect on *Fiscal Stress*. Revenue generating significant influence in reducing *fiscal stress*. But on the other hand at the same time the public demand for public services increases each year, so that Local Government must be able to provide public facilities that emergence can be optimized.

Beside of significant capital expenditure growth effect on *fiscal stress*. This is caused by the development of increased capital expenditures and the amount of capital expenditure that is allocated. So as to give effect to the Regional Government to remove the financing in the capital expenditure. Improved service is usually followed by an increase in capital expenditure growth. The increase in capital expenditure growth alone one aimed at the development of supporting infrastructure such service.

Keywords: Regional Revenue Growth, Growth Capital Expenditures, *Fiscal Stress*