

THE LOCAL REVENUE CAUSALITY, CAPITAL SPENDING, AND REGIONAL GROSS DOMESTIC PRODUCT IN LAMPUNG PROVINCIAL

By

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ABSTRACT

Causality is a problem because then resulting from study and also important concept in econometrics. This research was meant to find out whether going on relations causality on the local revenue, capital spending and regional gross domestic product in Lampung provincial. The data used in research is data secondary which period of 2001 until 2013. The research is used optimum lag method, test causality granger method, and t-statistik test processed using tols eviews 6.0. This research result indicates that (1) occurs relations causality one direction between capital spending and significant to the local revenue. If capital expenditure increased by 1 million rupiah the the local revenue will increase 1.94 amounting to millions of rupiah ceteris paribus. (2) occurring relations causality one direction between local revenue against regional gross domestic product on lag to 3 in the period 2001-2013 in Lampung Provincial with a coefficient positive 11,32 which means that local revenue influential positive and significantly to regional gross domestic product. If the local revenue increased by 1 million rupiah then regional domestic product will increase 11.3, amounting to millions of rupiah ceteris paribus, and (3) occurring relations causality one direction between regional domestic product against capital sending on lag to 3 in the period 2001-2013 in Lampung Provincial with a coefficient positive is 0.04 which means that regional gross domestic product influential positive and significantly affect the capital spending. If regional gross domestic product increases by 1 million rupiah and capital expenditure will increase 0.04 amounting to millions of rupiah ceteris paribus.

Keywords : Causality, Local Revenue, Capital Expenditure, and Regional Gross Domestic Product.