ABSTRACT

FLYPAPER EFFECT ON THE REGENCY FUND MANAGEMENT IN LAMPUNG PROVINCE

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This research in purpose to analyze the effect of General Allocation Fund Transfer (DAU) and Revenue Sharing Fund (DBH), Local Pure Income (PAD) and number of civilian to local government expenditure in Lampung Province. To know and analyze how flypaper effect happen to the local government expenditure in Lampung Province. Analyze that flypaper effect happen in the local government with high pure income or local government with low pure income.


The Research result showing that the PAD, DBH, and DAU at the same time affect significantly againtosh the local government expenditure in Lampung Province; PAD and DAU in partial affect significantly and having a positive relation to the regency expenditure, while DBH statistically not affected to the local government expenditure in Lampung Province. Variable Number of Residents (PDK) not going into the regression model because it has a strong linear relation (multicolinearity) with free DAU variable. Coefficient value of DAU much bigger that the PAD and both of them showing a significant results, this thing shows flypaper effect has already happen on the local government expenditure in Lampung Province. Flypaper effect phenomenon in Lampung Province not making a differentiation in every local government that having a much higher fiscal autonomy degree (DOF) in the case of low or high, because statistically the both behavior in the supporting regency expenditure are same depending to the DAU.

Keywords: Flypaper Effect, General Allocation Fund, Profit Sharing Fund, Regency Pure Income, Number of Residents, Regency Expenditure.

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