

# **PENGARUH DESENTRALISASI FISKAL DAN KAPASITAS PENGELOLAAN KEUANGAN TERHADAP PERTUMBUHAN EKONOMI DAERAH DI INDONESIA**

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## **ABSTRACT**

The implementation of regional autonomy in Indonesia has implications for the transfer of authority between the center and the regions in various fields. With regional autonomy, there has been decentralization involving regional financial management, economic planning including compiling regional development programs and other plans that have been transferred from the center to the regions. This study aims to analyze the effect of fiscal decentralization and financial management capacity on regional economic growth in Indonesia. The analytical method used in writing this study uses panel data in the period 2002-2018 and 34 provinces in Indonesia. The results of this study indicate that: fiscal decentralization, financial management capacity, investment in both PMA and PMDN, government spending in the health sector, and population have a positive and significant effect on economic growth. The moderating variable has a negative and significant effect on economic growth. Meanwhile, for government spending in the field of education, public facilities and the special autonomy fund dummy variable do not affect economic growth.

*Kata Kunci: Fiscal Decentralization, financial management capacity, Economic Growth*