

ABSTRACT

DI Yogyakarta Province during the 2010-2019 period was classified as having a low level of fiscal decentralization when compared to other provinces on the island of Java, so it was considered to still have a large fiscal dependence on financing from the center. This study aims to empirically examine the effect of Original Local Government Revenue, Revenue Sharing Funds, General Allocation Funds on Gross Regional Domestic Product during the 2010-2019 period.

In this study, the research method used is a descriptive method using secondary data obtained from the Central Statistics Agency and the Directorate General of Fiscal Balance, Ministry of Finance of Indonesia. The analytical tool used in this study is multiple linear regression with the amount of data consisting of 5 districts/cities in the province of DI Yogyakarta.

The results of this study indicate that Original Local Government Revenue has a positive and significant effect on economic growth in the DI Yogyakarta Province in 2010-2019 this indicates that the level of independence in the area is increasing. While the Revenue Sharing Fund has a negative and significant effect on economic growth in the DI Yogyakarta Province in 2010-2019 this is because the Revenue-sharing Fund sourced from taxes and natural resources in the DI Yogyakarta Province is still very low so it is still lacking in increasing economic growth.

Key words: Original Local Government Revenue, Revenue-sharing Funds, General Allocation Fund, Gross Domestic Regional Product, DI Yogyakarta.