

## **ABSTRACT**

*Fiscal decentralization is an important instrument for promoting regional independence by granting greater authority in financial management, and is expected to boost regional economic growth. This study aims to analyze the effect of fiscal decentralization on the economic growth of districts/cities in Central Java Province for the period 2014-2023. Economic growth is used as the dependent variable, while the independent variables used are fiscal decentralization, average length of schooling, gross fixed capital formation (GFCF), and population growth rate.*

*This study uses data from 2014 to 2023 in 35 districts/cities in Central Java Province. The analysis method used is panel data regression with the Fixed Effect Model (FEM) approach. The results show that the variables of fiscal decentralization, average length of schooling, and GFCF have a positive and significant effect on economic growth. Meanwhile, population growth rate has a negative but insignificant effect on economic growth.*

**Keywords:** *Fiscal Decentralization, Economic Growth, Panel Data, Fixed Effect Model.*

