

## **ABSTRACT**

*This study aims to analyze the effect of fiscal decentralization on regional disparities in Indonesia during the period 2014–2023. In addition, this study examines the role of economic growth, education, and health in influencing regional inequality. Regional disparity is used as the dependent variable, while the independent variables include fiscal decentralization, economic growth, average years of schooling, and life expectancy.*

*This research employs a quantitative approach using panel data from 33 provinces and is analyzed using the Fixed Effect Model (FEM). The results show that economic growth and average years of schooling have a positive and significant effect on regional inequality. However, fiscal decentralization has a negative but insignificant effect on regional inequality. Meanwhile, life expectancy has a positive but insignificant effect on regional inequality.*

**Keywords:** *Fiscal Decentralization, Regional Disparity, Regional Inequality, Panel Data, Fixed Effect Model.*

