

ABSTRACT

The implementation of regional autonomy is aims to make the region became independent in financing needs, regions are required to built a system regional financial management that developed that they can reduce dependence on the central government. The purpose of this research is to see how the financial capacity the district jepara in the implementation of regional autonomy 2001 – 2013, analyse what is happening flypaper effect on the (DAU), identify strategy that must be done in order to improve the ability of the region through financial to increase local revenue.

This study using methods descriptive to know regional financial ability, a method of multiple linear regression (OLS) with time series data with a model without lag and model with lag, and SWOT analysis.

The results showed that the financial capacity the district jepara still low and can not said to be independent in the implementation of regional autonomy. Based on the results of the regression known variable dau influential significantly to regional spending on the model of good without the lag or by lag and value of the coefficients dau is larger than the value of the coefficients pad which showed happened flypaper effect. While strategy used based on SWOT Analysis is to increase the number of human resources operational power, to utilize the progress of technology and information and infrastructure modern to dig the possibility of new potential, adapt the tariiffs of taxes or levies through bylaw, as well as enhancing cooperation or coordination between the relevant agencies.

Keywords: Regional financial ability, flypaper effect, regional expenditure, local revenue (PAD), DAU