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ANALYSIS THE EFFECTIVENESS OF LOCAL REVENUE AND FINANCIAL INDEPENDENCE REGIONAL AND ITS IMPACT ON REGIONAL ECONOMIC GROWTH (CASE STUDY IN WEST PASAMAN REGENCY WEST SUMATERA)

HALKADRI FITRA

Department of Management
Faculty of Economics
UniversitasNegeri Padang
halkadri.feunp@gmail.com

ABEL TASMAN

Department of Management
Faculty of Economics
UniversitasNegeri Padang
abelltasman@gmail.com

MIKE TRIANI

Department of Economics Science
Faculty of Economics
Universitas Negeri Padang
miketriani@gmail.com

ABSTRACT

Economic growth can be the best progress in an area when the use of financial conducted effectively and increase regional financial independence. The research results show that regency of West Pasaman having the ratio the effectiveness of revenue of regional 98,90 % are classified as effective , but the result regression shows that the ratio the effectiveness of local revenue not yet made significant impact on regional economic growth. While to the ratio of financial independence a region just 6,52 % and classified in the very weak as well as the results regression also shows that the ratio financial independence not yet made significant impact on regional economic growth . This means that the economic growth of West Pasaman Regency is still dependent on finance other than local revenue such as transfer or balance funds. Local governments should be more self-sufficient in managing local finances through increasing the realization of revenue sources of local revenue include local taxes and levies, the result of separated regional wealth management and other legitimate local revenue. With increasing the realization of local revenue of encourage economic growth better.

Keywords: *local revenue, the effectiveness of independence, economic growth*