

# FISCAL DECENTRALIZATION AND LOCAL ECONOMIC GROWTH IN JAVA ISLAND: PERIOD 2009-2018

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## Abstract

The effects of fiscal decentralization on economic growth has been studied with the mixed results. Fiscal decentralization is the innovation to accelerating the rate of economic growth. The target of this study are to identify the financial condition of regency and city governments in java island and to examine the relationship between fiscal decentralization and local economic growth in java island period 2009-2018. We find that the regency and city governments in Java Island has good financial condition. The result of estimation shows a positive relationship between fiscal decentralization and local economic growth in java island .

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