

SUMMARY

This study entitled “**The Influence Of Original local revenue (PAD), General Allocation Fund (DAU), Investment and Labor Force on Economic Growth in Central Java 2010-2013**”. The main objectives this study are analyzing the significance influence Original local revenue (PAD), General Allocation Fund (DAU), Investment and Labor Force on Economic Growth in Central Java for 2010-2013.

This study is conducted in 35 districts/cities in Central Java with the object of this study is economic growth. Using variables are Original local revenue (PAD), General Allocation Fund (DAU), Investment and Labor Force since 2009-2013. The data uses secondary data obtained from the Central Bureau of Statistics Central Java, Department of Revenue and Finance Asset Management Regional Central Java Investment Board and Licensing Central Java and previous research studies. The data uses time series and cross section. Techniques of data analysis used is panel regression analysis.

Hypotheses of this research are: Original local revenue (PAD), General Allocation Fund (DAU), Investment and Labor Force have significance effect on Economic Growth in Central Java for 2010-2013 partially and simultaneously.

The results of panel regression analysis show that fixed effect model is the best estimator model than comon effect and random effect. Base on the data analysis provide that Original local revenue (PAD), General Allocation Fund (DAU) and Investment have significance effect on Economic Growth in Central Java for 2010-2013, while labor force has not significance effect.

Implications of this research are for local government in province of Central Java should be more explore resources potential. Transfer from the center government is used only to sustain the regional budget. In addition to support the program of regional autonomy, the central government also provides assistance to stimulate increase the regional economy growth.

Keywords: Original local revenue, General Allocation Fund, Investment, Labor Force, Economic Growth.