

CHAPTER VI

CONCLUSION, RECOMMENDATION AND LIMITATION

A. Conclusion

Based on the results of research and discussion that have been described in the previous chapters, then the following conclusions are taken:

1. The local original revenues of districts/cities D.I Yogyakarta period 1996-2015 have a positive impact and significant on economic growth in D.I Yogyakarta. Thus, the increase in the number of local revenue, it will increase economic growth D.I Yogyakarta.
2. The government's expenditures of districts/cities D.I Yogyakarta period 1996-2015 have a negative impact and insignificant on economic growth in D.I Yogyakarta. Thus, the increase in the number of government's expenditures, it will decrease economic growth in D.I Yogyakarta.
3. The population of districts/cities D.I Yogyakarta period 1996-2015 have a negative impact and insignificant on economic growth in D.I Yogyakarta. Thus, the increase in the number of population, it will decrease economic growth in D.I Yogyakarta.
4. The fiscal decentralization of districts/cities D.I Yogyakarta period 1996-2015 has a positive impact and significant on economic growth in D.I Yogyakarta. Thus, the increase in the degree of fiscal decentralization, it will increase economic growth D.I Yogyakarta.

B. Recommendation

The results of this study are expected to contribute ideas for the government D.I Yogyakarta in:

1. The government should optimize the local original revenue sources.

Within the innovation and creativity of the region is very necessary, so that the local original revenue components that became the concentration of local government not only comes from local taxes and local retributions. As well as local governments need to find other alternatives to be able to increase the local original revenue by looking at the conditions and potential areas owned by each region.

2. Expected to the government can effectively and efficiently allocate the funds shown for public interest because it will directly affect the development activities of the area.

3. The population is one of the actors of economic activity, without population then consumption and production activities cannot be executed. Hence, the importance of the government's role is improving the quality of the population in an area with the awarding of training facilities for supplying the low-educated population. In order to the concentration of the population does not occur in the city due to the urbanization in hopes of improving the social status in the city and claimed to have not only skill but also the appropriate level of education. As well as the need to raise public awareness of the importance of education as human

capital investment so that the quality of the human resources is getting better.

4. The autonomous region that has been running twenty years in Indonesia that expected to not only to delegate authority of the central to the regions but also increased public participation in regional development. The local governments need to optimize the funds to finance regional development because several districts/cities in D.I Yogyakarta considered still depend on the central government. Yet fully each region is able to manage the potential of regions.

C. Limitation

There are some limitations in the research on economic growth, namely:

1. The population in this research from the projected population by district/city in the Province of D.I Yogyakarta in 1996-2015. This population has no influence on economic growth because the data used is not relevant to economic growth. Therefore it is better to use labor force than the population.
2. The variables that developed in this study are still limited to the impact of local original revenue, government's expenditure, population and fiscal decentralization on economic growth, because if further studied there are other factors that can affect economic growth in D.I Yogyakarta.