

# AN ANALYSIS OF INFLUENCE OF FISCAL AUTONOMY, ECONOMIC GROWTH, AND OPENNESS ACCESS TO REGIONAL DISPARITIES: CASE ON PROVINCES IN SUMATERA

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## ABSTRACT

The main objective on this research is to identify the impact of fiscal autonomy (reflected by the degree of fiscal autonomy), economic growth, openness access into inequality between provinces in Sumatera. Panel data regression analysis in 10 provinces in Sumatera region was used to analyze the effect of the degree of fiscal autonomy, economic growth, and openness access to the inequality in Sumatera period 2009-2013 with Random Effect Method assumption.

The results of the study found two conclusion, first, fiscal autonomy, which was reflected by the degree of fiscal autonomy, in the 10 provinces in Sumatera region are categorized low. Others, economic growth and openness acces provinces in Sumatera during the study period was also relatively low and not open to commercial traffic, while inequality in the Sumatera region is still approximately high.

Second, in one hand, the influences of DOF and economic growth have negative but significant impact on inequality in Sumatera region. On the other hand, openness access has positive and significant impact on inequality in Sumatera region.

**Keywords:** fiscal autonomy, economic growth, openness access, inequality, panel data analysis.

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