

ABSTRACT

Economic Growth is the development of activities in the economy that caused the goods and services in the production in the community and prosperity of society increased. Gross regional domestic product (GDP) is one of the important indicators to know the condition of the economy in an area in a given period. This research aims to know the influence of the original Revenue Equalization Fund and the region towards economic growth in the local government district/city of West Java province 2011-2016 period.

The population in this research is the report rate of GDP of the entire local government district/city in West Java Province 2011-2016. Sample selection technique using a *purposive sampling* and retrieved 26 district/city that are included with the 4-year period so as to gain 156 samples in the process. A method of data analysis in this study is the data panel with regression method fixed effect model.

The results of this research show that simultaneously there are significant effect against the original Revenue Equalization Fund and against economic growth. Partially original income areas do not affect significantly to economic growth, while the influential positive equalization funds significantly to economic growth.

Keywords: Original Local Governemnt Revenue, Equalization Fund, Economic Growth