

ABSTRACT

According to UU No.23 of 2014 the regional government is the administration of government by regional governments and regional legislatures in accordance with the principle of autonomy and co-administration with the principle of autonomy that is broadly coordinated in the system and principles of the Unitary State of the Republic of Indonesia. Regional autonomy is the right, authority and obligation of the autonomous region to be regulated and regulated by the government and the interests of the community in the system of the Unitary State of the Republic of Indonesia. The administration of government organized by the regions fully represents the rights and authority as well as the region itself for the regional government. The independence of regional finance means that the government can do it alone in the framework of the principle of decentralization. The level of Regional Financial Independence can be seen by looking at Regional Income, General Allocation Funds, and Capital Expenditures needed by the area.

This study aims to explain how Regional Income, General Allocation Funds, and Capital Expenditures and the Level of Regional / City Financial Independence in West Java Province at 2014-2017. This study also aims to determine the effect of Regional Income, General Allocation Funds, and Capital Expenditures in influencing the Level of District / City Financial Independence in West Java Province 2014-2017 period partially and simultaneously.

The population in this study were regencies / cities in West Java Province in 2014-2017. Sampling in this study used a sampling census method or saturated sample. From the sampling obtained 108 samples consisting of 27 districts / cities for 4 years. The analytical model used is panel data regression analysis using Eviews 9.0 software by doing some testing.

The results of this research data panel model study using a fixed effect model. Based on the results of the research, the regional income, general allocation funds, and capital expenditures are related simultaneously to the level of regional financial independence. Partially, regional income is positive towards the level of regional financial independence, general allocation funds are not proportional to the level of regional financial independence, capital expenditure is negatively related to the level of regional financial independence.

The results of this study are expected to provide an overview in finding solutions to increase regional income so as to increase the level of regional financial independence. And it is hoped that it can provide an overview of the community about its regional finances so that the community can contribute to improving the level of regional finance.

Keywords: *Capital Expenditures, General Allocation Funds, Level of Regional Financial Independence, Regional Income.*