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## ANALYSIS OF THE DETERMINANTS OF ECONOMIC GROWTH IN THE PROVINCE OF EAST NUSA TENGGARA

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### ABSTRACT

#### KEYWORDS

Economic growth, Nusa Tenggara Timur, PAD, DAU, tax revenue

This study is a quantitative study that examines the influence of Regional Original Revenue (PAD), General Allocation Fund (DAU), and Tax Revenue Sharing on economic growth in East Nusa Tenggara province during the period 2008-2017. Secondary data from the Indonesian Bureau of Statistics (BPS) East Nusa Tenggara Province were used, with independent variables including PAD, DAU, and Tax revenue Sharing, and the dependent variable was economic growth. The analysis method used is multiple linear regression with the Ordinary Least Square (OLS) technique to determine the relationship between these variables. The results of this study are expected to provide an overview of how much PAD and DAU contribute to economic growth during the research period.

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### INTRODUCTION

In realizing economic growth and sustainable development goals for developing countries, one of them is Indonesia as the main target of carrying out development to achieve the welfare and prosperity of the people. Therefore, the strategy taken by local governments does not always have to be oriented towards economic growth alone. Instead, it needs to receive serious attention, namely how to create equitable development for all communities (Dama et al., 2021; Du et al., 2021; Perry et al., 2021; Wahyuni et al., 2020; Winston, 2022).

Economic growth is one of the commonly used indicators in determining the success of development. Economic growth is used as a measure of the economic development or progress of a country or region because it is closely related to the activities of people's economic activities, especially in terms of increasing the production of goods and services (Bilan et al., 2020; Coscieme et al., 2020; Fernández-Portillo et al., 2020; Surya et al., 2021; Todaro & Smith, 2020). The increase is then expected to provide a trickle down effect because of that, it is natural that increasing economic growth is one of the development targets at both the national and regional levels. To measure economic growth at the national level, real Gross Domestic Product (GDP) is used, while for the regional level, real Gross Regional Domestic Product (GDP) is used.

The regional budget is a financial plan that serves as a guideline for the Regional Government in providing services to the public. In Indonesia, the regional budget is called the Regional Revenue and Expenditure Budget (APBD). According to Government Regulation Number 58 of 2005, the APBD is an annual financial plan of the local government that is discussed and approved by the local government and the DPRD and stipulated by regional regulations. The government gives flexibility to the regions to allocate regional revenues for matters that are considered priority for the regions in accordance with the spirit contained in Law No. 22/1999 and Law No. 25/1999, namely through the use of regional parts of land and building tax revenues (PBB), land and building rights acquisition duties (BPHTB), revenues from natural resources (SDA), and the use of general allocation funds (DAU).

Economic growth is measured using Gross Domestic Product (GDP), but this indicator is not always accurate because it does not reflect the true meaning of growth. For regions, this indicator is important to know the success of development that has been achieved and is useful for determining the direction of development in the future.

The highest economic growth of East Nusa Tenggara Province occurred in 2011 at 5.63% while the lowest economic growth of East Nusa Tenggara Province occurred in 2009 at 4.29%. Economic growth has fluctuated due to the capabilities of the regions in the development process which include human resources, natural resources, industrial levels, and other regional capabilities in an effort to increase the number of PAD received has not been managed optimally. Regional Original Revenue aims to give authority to Regional Governments to fund the implementation of regional autonomy in accordance with regional potential as a manifestation of decentralization. Regional economic growth can be seen from Regional Original Revenue as an indicator in assessing the level of independence of a region in managing its regional finances (Agasisti & Bertoletti, 2022; Liang et al., 2020; Mutalimov et al., 2021; Saleh et al., 2020; Su et al., 2021). The higher the ratio of Regional Original Income compared to the total income, the higher the level of independence of a region.

The total Target Percentage and realization of Regional Original Revenue of East Nusa Tenggara Province in 2008 was 113.97%, increased again in 2009 by 114.20%, and decreased in 2010 by 86.69%, increased again in 2013 by 110.93%, decreased in 2014 by 103.88% until 2017 by 98.82%. The General Allocation Fund (DAU) is a fund derived from the State Budget that is allocated with the aim of financial equity between regions to finance their expenditure needs in the context of implementing decentralization. Regarding the financial balance between the central and regional governments, this is a consequence of the handover of the authority of the central government to local governments.

The realization of the General Allocation Fund in East Nusa Tenggara province was the highest in 2017 at 17.49% while the lowest Realization of the General Allocation Fund occurred in 2008 at 6.04%. Regional revenues sourced from the balance fund in the form of the Allocation Fund have increased from year to year, but GDP growth has actually fluctuated. The Tax Revenue Sharing Fund is a fund sourced from state budget revenues allocated to the regions based on a percentage figure to fund regional needs in the context of the implementation of decentralization (Ahmad & Tanzi, 2002; Amelia et al., 2021; Lestari & Utama, 2019). The Revenue Sharing Fund is the regional part of land and building tax revenues, Land and building Rights Acquisition Duties, and revenues from natural resources.

The realization of Tax Revenue Sharing in East Nusa Tenggara Province in 2008 by 7.24% continued to increase until 2012 by 13.51%, and decreased again in 2013 by 11.23% until 2015 by 7.58%, increased again in 2016 by 11.89% and decreased again in 2017 by 11.61%. East Nusa Tenggara Province consists of 21 Regencies and 1 City has a lot of potential to increase Regional Original income, but there are obstacles that have not been properly studied by the local government. Economic growth is more associated with an increase in the number of goods and services produced which is represented through the size of the Gross National Product (GNP) and the Gross Regional Domestic Product (GDP) whose value is increasing every year (Fioramonti, 2017; Ramadhan et al., 2023; Samsuwardi et al., 2022).

Rori et al. (2016) researched the influence of Regional Original Income (PAD) on economic growth in North Sulawesi Province using the Ordinary Least Square (OLS) method and simple regression, finding that PAD has a significant effect on economic growth. Laranga et al. (2018) examined the influence of PAD, Special Allocation Fund, and Tax/Non-Tax Revenue Sharing Fund on economic growth in North Halmahera Regency using multiple regression analysis, finding that only Tax/Non-Tax Revenue Sharing Fund had a significant effect on economic growth. Pamuji & Abdillah (2014) examined the influence of PAD, Tax/Non-Tax Revenue Sharing Fund, General Allocation Fund, and Special Allocation Fund on capital

expenditure in Regencies/Cities of West Java Province using quantitative and multiple regression methods, finding that all independent variables had a significant effect on capital expenditure.

With this study, the researcher aims to analyze the determinants of economic growth in East Nusa Tenggara province. The research aims to contribute by providing a detailed analysis of the factors influencing economic growth in East Nusa Tenggara province, which can inform both academic understanding and practical policy-making.

## RESEARCH METHOD

This study is a quantitative study that examines the influence of Regional Original Revenue (PAD), General Allocation Fund (DAU), and Tax Revenue Sharing on economic growth in East Nusa Tenggara during the period 2008-2017. Secondary data from BPS East Nusa Tenggara Province was used, with independent variables including PAD, DAU, and Tax Revenue Sharing, and the dependent variable was economic growth. The operational definition of these variables includes economic growth as a long-term increase in per capita output, PAD as revenue from regional taxes, levies, and regional wealth revenues, DAU as transfer funds from the central government for financial equity, and Tax Revenue Sharing as regional revenue from various types of taxes.

The analysis method used is multiple linear regression with the Ordinary Least Square (OLS) technique to determine the relationship between these variables. The regression model used is formulated as  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon_i$ , where  $Y$  is economic growth,  $\beta_0$  is constant;  $\beta_1$ ,  $\beta_2$ , and  $\beta_3$  are regression coefficients for the variables PAD, DAU, and Tax Revenue Share; and  $\epsilon_i$  is the error term. The R-Square value ( $R^2$ ) is used to indicate how much the independent variable affects the dependent variable, with values ranging between 0 and 1. Classical assumption tests, including normality, multicollinearity, autocorrelation, and heteroscedasticity tests, are performed to ensure the validity of the regression models used.

Hypothesis testing was carried out by partial test (t-test) to test the individual significance of each independent variable to the dependent variable, and simultaneous test (F-test) to test the significance of the overall relationship of all independent variables to the dependent variable. The results of this analysis are expected to provide an overview of how much PAD, DAU, and Tax Revenue Share contribute to economic growth in East Nusa Tenggara during the research period.

## RESULTS AND DISCUSSION

### Results of the Classic Assumption Test

#### *Normality Test*

The normality test aims to test whether in the regression model, the bound variable and the free variable both have a normal distribution or not. A good regression model is to have a normal or near-normal distribution of data. One method to find out normality is to use the chart analysis method, either by looking at the histogram graph or by looking at the Normal Probability Plot. The normality of the data can be seen from the distribution of data (points) on the diagonal axis on the normal P-Plot graph or by looking at the histogram of the residual.

## Normal P-P Plot of Regression Standardized Residual

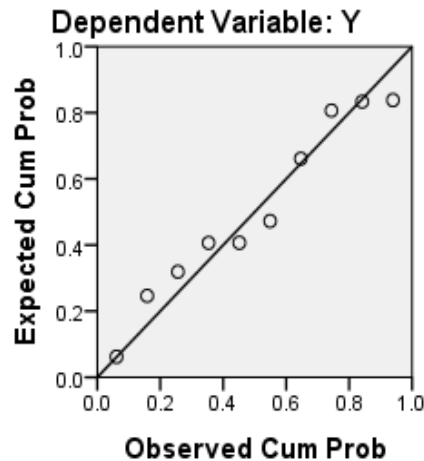


Figure 1. Normality Test Results

From the normal graph of the plot above, it shows that the data spreads around the diagonal line and follows the direction of the diagonal line showing a normal distributed pattern.

**Multicollinearity Test**

This test aims to test whether there is a correlation between independent variables in the regression model. A good model should not have a correlation between high among free variables. Tolerance measures the variability of selected independent variables that cannot be explained by other independent variables. So a low tolerance value equals a high VIF value (because  $VIF = 1/Tolerance$ ) and indicates a high linearity. The commonly used cutoff value is a tolerance of 0.10 or equal to a VIF value above 10.

Table 1. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
	(Constant)	5.529	1.312				4.215	.006
1	X1	-.015	.012	-.323	-1.263	.253	.878	1.139
	X2	-.025	.028	-.246	-.882	.412	.734	1.362
	X3	.135	.043	.833	3.158	.020	.824	1.214

a. Dependent Variable: Y

The results of the analysis show that the tolerance value for the Regional Original Revenue variable (X1) is 0.878, the General Allocation Fund (X2) is 0.734 and the Tax Revenue Share (X3) is 0.824 and the VIF value for the Regional Original Revenue variable (X1) is 1.139, the General Allocation Fund (X2) is 1.362 and the Tax Revenue Share (X3) is 1.214 which means that there is no correlation between the tolerance of the independent variable X1 of  $0.878 > 0.1$ , X2 is  $0.734 > 0.1$ , X3 is  $0.824 > 0.1$  and VIF for X1 is  $1.139 < 10$ , X2 is  $1.362 < 10$  and X3 is  $1.214 < 10$ .

### Autocorrelation Test

**Table 2.** Autocorrelation Test

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.810a	.656	.484	.26979	2.767

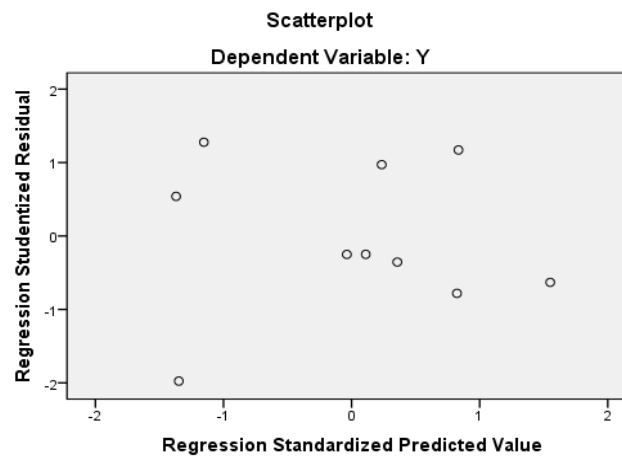
a. Predictors: (Constant), X3, X1, X2

b. Dependent Variable: Y

The results of the analysis using the SPSS 21.0 for Windows program show that the Durbin-Winston number is 2.767 which means that there is an autocorrelation symptom in this regression model, namely the Durbin-Winston-2 value  $<2.767 > 2$ .

### Heteroscedasticity Test

This test aims to test whether there is an unevenness in variance from one residual observation to another in the regression model. A good regression model is homokedasticity or no heterokedasticity. To detect the presence or absence of heterokedasticity in this study, a graph analysis was carried out

**Figure 2.** Heteroscedasticity Test

From the results of the analysis with the help of the SPSS 21.0 for windows software program, it can be seen that the residual distribution is irregular (does not form a certain pattern). The conclusion that can be drawn is that there are no symptoms of homokedasticity (symptoms of the same residual variance between observations) so that heterokedasticity is assumed.

### Inferential Analysis

In this section, an analysis of the influence between each independent variable (X) was carried out, namely the Regional Original Revenue variable (X1), the General Allocation Fund variable (X2), the Tax Revenue Sharing variable (X3) on the Economic Growth bound variable (Y), and analyzed the influence between the independent variables (X) simultaneously or simultaneously on the bound variable (Y).

### Simple Linear Regression Analysis

#### *Analysis of Regional Original Revenue (X1) on Economic Growth (Y) in East Nusa Tenggara Province*

To determine the influence between the Regional Original Income variable (X1) on the Economic Growth variable (Y), a simple linear regression analysis can be used using the help of the SPSS 21.0 for windows program which can be seen in the table below.

**Table 3.** Simple Regression Test Results X1 ,Y

Variables Entered/Removed <sup>a</sup>			
Model	Variables Entered	Variables Removed	Method
1	X1b	.	Enter

a. Dependent Variable: Y

b. All requested variables entered

Model Summary			
Model	R	R Square	Adjusted R Square
1	.267a	.071	-.045

a. Predictors: (Constant), X1

ANOVA							
Model	Sum of Squares	Df	Mean Square	F	Sig.	Model	
1	Regression	.090	1	.090	.613	.456b	Regression
	Residual	1.180	8	.147			Residual
	<b>Total</b>	<b>1.270</b>	<b>9</b>				<b>Total</b>

a. Dependent Variable: Y

b. Predictors: (Constant), X1

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
1	(Constant) 6.368	1.605	3.967	.004
	X1 -.012	.015	-.783	.456

a. Dependent Variable: Y

The magnitude of the regression value between the Regional Original Revenue variable (X1) and the Economic Growth variable (Y) is as follows:

$$Y = \beta_0 + b_1X_1 + \epsilon_i$$

$$Y = 6,368 - 0,012 X_1 + \epsilon_i$$

Information:

And = Economic Growth  
 $\beta_0$  = Intercept Constant  
 $\beta_1$  = Regional Original Revenue Variable Coefficient  
 X1 = Regional Original Revenue Variables  
 $\epsilon_i$  = Bugger Errors

The value of  $\beta_0 = 6.368$  explains that if there is no change in the Regional Original Revenue variable, then the Economic Growth variable is 6.368 But if there is an addition to the Regional Original Revenue variable by 1 unit, then the Growth will decrease by  $-0.012$ .

The magnitude of the regression coefficient (R) of the Regional Original Income variable (X1) to the Economic Growth variable (Y) is 0.267 which means that the Regional Original Income variable and the Economic Growth variable have a **weak relationship**.

The determinant coefficient (R<sup>2</sup>) explains the variation in the value of Economic Growth (Y) determined by the Regional Original Income (X<sub>1</sub>) variable that is observed. From the results of the analysis of the determinant coefficient (R<sup>2</sup>) obtained at 0.071, it means that the magnitude of the Economic Growth variable (Y) is influenced by the Regional Original Revenue variable (X<sub>1</sub>) of 7.1% and the remaining 92.9% is influenced by other X variables that are not included in this research model.

The alpha ( $\alpha$ ) of 0.05 and  $dk = n - 3$  ( $10 - 3 = 7$ ) obtained a table t of 1.8946 and the calculated t obtained is thus smaller than the table t value where  $-0.783 < 1.7613$ , then there is no influence between the Regional Original Income variable (X<sub>1</sub>) on the Economic Growth variable (Y) with a significance level of 0.000.

From the results of the regression analysis of Regional Original Revenue (X<sub>1</sub>) to Economic Growth (Y) in East Nusa Tenggara Province has no effect, this is because Regional Original Revenue in East Nusa Tenggara Province from various sectors including taxes and regional levies are still relatively small, natural resources that have not been managed optimally, and other legitimate revenues are still far from the expected target. So that the Regional Original Income obtained is small and has a low influence on economic growth.

### Analysis of General Allocation Funds (X<sub>2</sub>) on Economic Growth (Y) in East Nusa Tenggara Province

A simple linear regression analysis is used to find the influence between the variables of the General Allocation Fund (X<sub>2</sub>) on Economic Growth (Y) using the SPSS 21.0 for windows program, for more details can be seen in the table below

**Table 4.** Simple Regression Test Results X<sub>2</sub>, Y

Variables Entered/Removed <sup>a</sup>			
Model	Variables Entered	Variables Removed	Method
1	X2b	.	Enter

a. Dependent Variable: Y

b. All requested variables entered.

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.198a	.039	-.081	.39059

a. Predictors: (Constant), X<sub>2</sub>

#### ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	.050	1	.050	.326	.584b
	Residual	1.220	8	.153		
	Total	1.270	9			

a. Dependent Variable: Y

Predictors: (Constant), X<sub>2</sub>

Model	Coefficients <sup>a</sup>			T	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1	(Constant)	4.916	.370	13.285	.000
	X2	-,020	.035	.571	.584

a. Dependent Variable: Y

The magnitude of the regression value between the General Allocation Fund variable (X2) and the Economic Growth variable (Y) is as follows:

$$Y = \beta_0 + b_2X_2 + \epsilon_i$$

$$Y = 4,916 - 0,020 X_2 + \epsilon_i$$

Information:

- Y = Economic Growth
- $\beta_0$  = Intercept Constant
- $\beta_2$  = Variable Coefficient of General Allocation Funds
- X2 = General Allocation Fund Variables
- $\epsilon_i$  = Bugger Errors

The value of  $\beta_0 = 4.916$  explains that if there is no change in the General Allocation Fund variable (X2), then the Economic Growth variable is 4.916. However, if there is an addition to the General Allocation Fund (X2) variable by 1 unit, then Economic Growth decreases by -0.020.

The magnitude of the regression coefficient (R) of the General Allocation Fund variable (X2) to the Economic Growth variable (Y) is 0.198 which means that the General Allocation Fund variable (X2) and the Economic Growth variable (Y) have a **weak relationship**

The determinant coefficient (R<sup>2</sup>) explains the variation in the value of Economic Growth (Y) determined by the variable of the General Allocation Fund (X2) that is observed. From the results of the analysis, the determinant coefficient (R<sup>2</sup>) was obtained at 0.039, meaning that the magnitude of the Economic Growth variable (Y) was influenced by the General Allocation Fund variable (X2) of 3.9% and the remaining 96.1% was influenced by other X variables that were not included in this research model.

For alpha ( $\alpha$ ) of 0.05 and  $dk = n - 3$  ( $10 - 3 = 7$ ) obtained t table of 1.8946 and t calculated obtained of 0.571. Thus, the calculated t value is smaller than the t value of the table where  $0.571 < 1.8946$ , there is no significant influence between the variable of the General Allocation Fund (X<sub>2</sub>) on the variable of Economic Growth (Y) with a significance level of 0.584.

From the results of the regression analysis, the General Allocation Fund (X2) on Economic Growth (Y) in East Nusa Tenggara Province has an insignificant influence, this is because the limited General Allocation Fund in East Nusa Tenggara Province is allocated for 22 city districts unevenly so that regional spending in most districts in the NTT region cannot support their regional spending needs. So that this causes it to have a low influence on economic growth.

### Analysis of Tax Revenue Sharing (X3) on Economic Growth (Y) in East Nusa Tenggara Province

A simple linear regression analysis is used to find the influence between the Tax Revenue Share (X3) variable on Economic Growth (Y) using the SPSS 21.0 for windows program, for more details can be seen in the table below



**Table 5.** Simple Regression Test Results X3, Y

Variables Entered/Removed <sup>a</sup>			
Model	Variables Entered	Variables Removed	Method
1	X3b	.	Enter

a. Dependent Variable: Y

b. All requested variables entered.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.743a	.552	.496	.26670

a. Predictors: (Constant), X3

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	.701	1	.701	9.858	.014b
1	Residual	.569	8	.071		
	Total	1.270	9			

Dependent Variable: Y

Predictors: (Constant), X3

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.911	.393		9.958	.000
	X3	.120	.038	.743	3.140	.014

a. Dependent Variable: Y

The magnitude of the regression value between the Tax Revenue Sharing variable (X3) and the Economic Growth variable (Y) is as follows:

$$Y = \beta_0 + \beta_3 X_3 + \epsilon_i$$

$$Y = 3,911 + 0,120 X_3 + \epsilon_i$$

Information:

Y = Economic Growth

 $\beta_0$  = Intercept Constant $\beta_3$  = Tax Revenue Sharing Variable Coefficient

X3 = Tax Revenue Sharing Variable

 $\epsilon_i$  = Bugger Errors

The value of  $\beta_0 = 3.911$  explains that if there is no change in the Tax Revenue Sharing variable (X3), then the Economic Growth variable is 3.911. But if there is an addition to the Tax Revenue Sharing variable (X3) by 1 unit, then Economic Growth increases by 0.120.

The magnitude of the regression coefficient (R) of the Tax Revenue Sharing variable (X3) to the Economic Growth variable (Y) is 0.743 which means that the Tax Revenue Sharing variable (X3) and the Economic Growth variable (Y) have a **strong** relationship.

The determinant coefficient (R<sup>2</sup>) explains the variation in the value of Economic Growth (Y) determined by the Tax Revenue Share variable (X3) that is considered. From the results of the analysis, the determinant coefficient (R<sup>2</sup>) was obtained as 0.552, meaning that the magnitude of the Economic Growth variable (Y) was influenced by the Tax Revenue Sharing

variable (X3) of 55.2% and the remaining 44.8% was influenced by other X variables that were not included in this research model.

For alpha ( $\alpha$ ) of 0.05 and  $dk = n - 3$  ( $10 - 3 = 7$ ) obtained a table t of 1.8946 and a calculated t obtained of 3.140. Thus, the calculated t-value is greater than the t-value of the table where  $3.140 > 1.8946$ , there is a significant influence between the Tax Revenue Sharing variable (X<sub>3</sub>) on the Economic Growth variable (Y) with a significance level of 0.014.

### Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine the influence between Regional Original Revenue (X1), General Allocation Fund (X2), Tax Revenue Share (X3) on Economic Growth (Y) together. For this reason, the SPSS 21.0 For Windows program is used in the analysis, which can be seen in the table below:

**Table 6.** Multiple Regression Test Results X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub> Against Y  
Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	X3, X1, X2b	.	Enter

a. Dependent Variable: Y

b. All requested variables entered.

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810a	.656	.484	.26979

a. Predictors: (Constant), X3, X1, X2

#### ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	.834	3	.278	3.817	.077b
1 Residual	.437	6	.073		
Total	1.270	9			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X1, X2

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	5.529	1.312		4.215	.006
1 X1	-.015	.012	-.323	-1.263	.253
X2	-.025	.028	-.246	-.882	.412
X3	.135	.043	.833	3.158	.020

a. Dependent Variable: Y

The similarity of the relationship between the variables of Regional Original Revenue (X1), General Allocation Fund (X2), Tax Revenue Share (X3) and the Economic Growth variable (Y) is as follows:

$$Y = \beta_0 + b_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon_i$$

$$Y = 5,529 - 0,015 X1 - 0,025 X2 + 0,135 X3 + \epsilon_i$$

Information:

- Y = Economic Growth  
 $\beta_0$  = Intercept Constant  
 $\beta_1$  = Regional Original Revenue Variable Coefficient  
 $\beta_2$  = Variable Coefficient of General Allocation Funds  
 $\beta_3$  = Tax Revenue Sharing Variable Coefficient  
X1 = Variables of Regional Original Income Level  
X2 = Regional Original Fund Level Variable  
X3 = Tax Revenue Sharing Rate Variable  
 $\epsilon_i$  = Bugger Errors

- $\beta_0$  value = 5,529; This means that if there is no change in the variables of Regional Original Revenue (X1), Regional Original Fund (X2), Tax Revenue Share (X3), then Economic Growth (Y) is 5.529
- $\beta_1$  value = - 0.015 means that if there is a change in the Regional Original Revenue variable (X1) by 1 unit, then Economic Growth (Y) decreases by - 0.015
- $\beta_2$  value = - 0.025; This means that if there is a change in the variable of the General Allocation Fund (X2) by one unit, then Economic Growth (Y) decreases by - 0.025.
- $\beta_3$  value = 0.135; This means that if there is a change in the Tax Revenue Share variable (X3) by one unit, then Economic Growth (Y) will increase by 0.135.

The magnitude of the regression coefficient (R) of the variables of Regional Original Revenue (X1), General Allocation Fund (X2), Tax Revenue Share (X3) to the Economic Growth variable (Y) is 0.810, meaning that the relationship between the variables is Regional Original Revenue (X1), General Allocation Fund (X2), Tax Revenue Share (X3) to the Economic Growth variable (Y) is **Strong**.

The determinant coefficient (R<sup>2</sup>) explains the variation in the value of Economic Growth (Y) determined by the variables of Regional Original Revenue (X1), General Allocation Fund (X2), Tax Revenue Share (X3) and variables to be considered. From the results of the analysis of the determinant coefficient (R<sup>2</sup>), a value of 0.656 was obtained, which means that the magnitude of the Economic Growth variable (Y) was influenced by the variables of Regional Original Revenue (X1), General Allocation Fund (X2), Tax Revenue Share (X3) 6.56% and the remaining 3.44% was influenced by other X variables that were not included in this research model.

In the Anova table, the value of Fcal is , with dk = n - 2 (10-3 = 7) for alpha ( $\alpha$ ) 5% of the Ftable value of 4.35 and F Fcal of 3.817. Thus the value of Ftable is greater than the value of Fcal where 3.817 < 4.35; then there is no significance between the variables of Regional Original Revenue (X1), General Allocation Fund (X2), Tax Revenue Sharing (X3) to the variable of Economic Growth (Y) in East Nusa Tenggara Province with a significance level of 0.077.

From the results of the multiple regression analysis of Regional Original Revenue (X1), General Allocation Fund (X2), Tax Revenue Sharing (X3) simultaneously on Economic Growth (Y) in East Nusa Tenggara Province has no effect, this is because Regional Original Revenue (X1) in East Nusa Tenggara Province has a very small influence, this is because Regional Original Revenue in East Nusa Tenggara Province from various sectors including taxes and regional retribution are still relatively small, natural resources that have not been managed optimally, and legitimate miscellaneous revenues are still far from the expected target. The limited General Allocation Fund in East Nusa Tenggara Province is allocated for 22 districts and cities unevenly so that regional spending in most districts in the NTT region

cannot support their regional spending needs. even though it is supported by Tax Revenue Sharing has a strong effect. so that this causes a low influence on Economic Growth.

## CONCLUSION

The research found a weak relationship between Regional Original Revenue (PAD), General Allocation Fund (DAU), and Tax Revenue Sharing (TRS) with economic growth. However, PAD, DAU, and TRS have a strong relationship with economic growth. The central government should explore PAD sources efficiently through taxes and levies, increase regional potential through natural resources, humans, technology, and infrastructure development, and increase general allocation funds for transparent financial management. The researcher is advised to expand the research population to other provinces and add more variables, including local government revenue measures.

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