

## ABSTRACT

The implementation of constitution number 22 on 1999 about regional government and constitution number 25 on 1999 about equalization of central and regional finance, on January 1<sup>st</sup>, 2001 is held in this country, the consequent of these constitution is gave a fundament changed in regional development policy in Indonesia. The policy implication insist the regional to prepare their self to be a self-regional, means that to effort the increasing of finance ability or regional fiscal capacity. This will be very importance, to determine whether this regional is able to be a regional autonomy. Means that regional have to be able to create the finance resources. Regional real income (own revenue) have to be a big part of all regional income, so the depedence into central aids (grants-in-aids) minimally as possible.

This research is objected to know the regional self government in economic development managing entered into the regional autonomy. To determine the regional self government are use three parameters; (1) to compare or ratio between regional real income (own revenue) with total regional income, (2) to compare or ratio between regional real income (own revenue) with development expenditure, and (3) to compare or ratio between regional real income (own revenue) with routine expenditure. Based of three approach is know, regional self government is determined by regional government ability in increasing the regional income, with source at regional real income (own revenue), so that, the increasing of regional income which source at regional real income, showed that regional government intend to self government to manage the economic development, for the sake to enter in the regional autonomy.

Research sample is determined by using sampling purposive method, with Makassar municipality and Gowa regency become research object. Data used is seconder data collect (time series) from 1981 until 2000 consist of regional real income (own revenue), fund assistance or subsidy (grants-in-aids), development expenditure, routine expenditure, gross domestic regional product, and population. Data collection is analyzed by qualitative descriptive and quantitative analysis, used multiple linear regression finished by using SPSS programe 10.1 version.

The research showed that, regional real income (own revenue) is influenced by fund assistance or subsidy (grants-in-aids), development expenditure, routine expenditure, gross domestic regional product, and population. Fund assistance or subsidy into the regional government is negative influence and real (significance) into the regional real income. Development expenditure is budgeted by regional government has positive influence and real (significance) into regional real income. Routine expenditure is budgeted by regional government has positive influence

and significance into regional real income. Gross domestic regional product has positive influence and significance into regional real income. Population has positive influence but not significance into regional real income (own revenue).

Although not hypothesized by explicit in this dissertation, but the research showed that, regional self government in managing the economic development entered into regional autonomy is determined by regional real income. If look the ratio between regional real income with regional total income, so Makassar municipality government, and Gowa regency government, have not become self regional government in managing economic development. If look the ratio between regional real income with development expenditure, so Makassar municipality government, and Gowa regency government, have self government in managing economic development. If look the ratio between regional real income with routine expenditure have not become self regional government in managing economic development.

Based on this research, can be concluded that to increase the regional self government for Makassar municipality government and Gowa regency government in managing the economic development entered into regional autonomy, need a form progress between central government and regional government, some taxes handed out by regional government such as collecting or the advantages. Authority and responsible has been taken over into regional government to organize the self government based on innovation, creativities and society involving, for the take in increase and to develop their regions in Indonesia United Republic.

**Keywords :** *Regional real income (own revenue).*  
*Regional self-government.*  
*Regional autonomy.*