

## **ABSTRACT**

**Olva Dianti. 3010611092. 2010. *Analysis of Financial Capability in the East Belitung District Implementation of Regional Autonomy***

*The existence of regional autonomy has opened up the opportunities for local governments to build their own regions by exploiting all potential sources of finance available in the area optimally. The ability of local finance in tapping local revenue sources to determines the success of regional autonomy. The purpose of this study was to determine the level of local financial capability of East Belitung Province in supporting the implementation of regional autonomy and to investigate the development budget of the Regional District of East Belitung. The data analysis technique used the ratio of independence, the degree of fiscal decentralization, the ratio of routine capability index, the ratio of harmony and growth ratios. The data used in this research was the realization of budget data for 2005-2009. The results of the analysis were as follows: based on the ratio of independence, East Belitung province was in the range 10.86% - 22.48%, or in the interval scale of 0% - 25%. The degree of fiscal decentralization showed that the contribution of local revenues and tax-sharing and non-tax revenue is still low compared with local donations. The routine capability index ratio in 2005 - 2007 in the range 21% - 44% or are in the scale interval 20.01% - 40.00% and in the year 2008 to 2009 was at intervals of 00.00% - 20.00% ie amounted to 18.83% and 13.96%, Based on the ratio of harmony, routine expenditures greater than the development budget. On the ratio of growth, it increases each year.*

**Keywords:** *Ability Finance, Local Government, Local Autonomy*