

## Table of Contents

Cover Page.....	i
Statement of Legalization.....	ii
Statement of Approval.....	iii
Statement of Originality.....	iv
Acknowledgement.....	v
Table of Contents.....	vii
List of Tables.....	ix
List of Figures.....	x
List of Appendixes.....	xi
List of Abbreviations.....	xii
Abstract.....	xiii
<b>CHAPTER I INTRODUCTION</b>	
1.1 Background.....	1
1.2 Research Questions.....	6
1.3 Research Objectives.....	6
1.4 Advantages of Research.....	6
<b>CHAPTER II THEORETICAL FRAMEWORK AND LITERATURE REVIEW</b>	
2.1 Fiscal Decentralization.....	7
2.1.1 Fiscal Decentralization in Indonesia.....	10
2.1.2 Regional Financial Structure.....	12
2.2 Education.....	15
2.2.1 Education in Indonesia.....	18
2.2.2 Special Allocation Fund for Education.....	21
2.3 Literature Review.....	21
<b>CHAPTER III RESEARCH METHODOLOGY</b>	
3.1 Data.....	26
3.2 Operational Variables Explanation.....	27
3.3 Empirical Model.....	29

3.4 Data Analysis Technique.....	31
3.4.1 Panel Data Regression Model.....	31
3.4.2 Selection of Panel Data Regression Estimation Model.....	33
<b>CHAPTER IV RESULTS AND DISCUSSIONS</b>	
4.1 Descriptive Statistics.....	36
4.2 Findings.....	40
<b>CHAPTER V CONCLUSIONS AND RECOMMENDATIONS</b>	
5.1 Conclusions.....	46
5.2 Limitation of Study.....	47
5.3 Recommendations.....	48
References.....	49
Appendixes.....	57