CHAPTER SIX
CONCLUSIONS, SUGGESTIONS AND LIMITATIONS

A. Conclusions

The results from the exposure in the previous chapters such as background, research to the results of research and discussion, so in this chapter, the author describes some conclusions along with suggestions from the results of research in the previous chapter. Therefore, it can be drawn several conclusions from this study are:

1. Total Population

   From the above results using the Fixed Effect Model, revealed that the Total Population does not affect the Local Revenue. These results are not consistent with the hypothesis put forward in the study. Due to the quality and productivity is less than the people of Riau, as well as its high level of consumption of Riau. This is according to research Kusrini (2015) who found the same thing in South Sumatra province. In his research found that the Total Population does not affect the Local Revenue, which explains the lack of quality of the population due to the quality of education is still far compared with education in Java. And most people work as farmers. And in this study, a population with a probability value on -0.601143 not effect to Local Revenue in the districts/cities in Riau Province on period 2010-2014.

2. Government Spending

In this study, Government Spending with a probability value on 1.824001 is positive and significant impact to Local Revenue in the districts/cities in Riau Province on period 2010-2014. These results are consistent with the hypothesis proposed in this study.

3. Gross Regional Domestic Product (GRDP)

In this study, GRDP variable with a probability value on 0.387503 also have a positive influence and significant impact to Local Revenue in the districts/cities in Riau Province on period 2010-2014. These results are also consistent with the hypothesis proposed in this study.

B. Suggestions

After interpreting on this study with some conclusions, the author give some suggestions relating to this research that can be used as input and consideration for the parties concerned and further research.

1. In this case, the Total Population is that inhibit the increased acceptance of PAD. Barriers are derived from the low quality of the people and his lack of education on the importance of entrepreneurship. So in this study are expected that Local governments must take a lead in the introduction and education about the economic business for community with the support of infrastructure and facilities required, and provide assistance to Small and medium Enterprise (UKM) in the development and improvement of productivity. So, the people are more interested in being seller than buyer. Restrictions on consumer behavior in the community outside the product

area/overseas and switch to the original product area. Equitable distribution of the population that does not just focus on one area, so that people can develop their potential and improve the quality of society.

2. The probability value of Government Spending on 1.824001 is positive and significant effect to Local Revenue. By looking to the probability value, it will also increase the Government Spending in the next year. However, government should be able to balance the needs of the government priority that will be implemented by way of the realization of the construction on infrastructure and facilities that can benefit the public. As well as the transparency related of Government Spending from the government to avoid misunderstandings between government and public.

3. As mentioned previously, with probability value of GRDP on 0.387503, government should be able to further increase the value in the following years. In a way, the government has to analyze the various sectors that should be in particular concern. So that, government can implement policies in these sectors, with the intention of these sectors can give more influence to increase Local Revenue in subsequent years.

Beside to increase the value of GRDP, Government has to provide the society with any facilities and infrastructures in accordance with their needs in improving the regional potential. Especially from areas that dominated in primary sector, which there are so many investor for that sector, with an agreement for appropriate and fair sharing between local communities and investors.

C. Research Limitations

Actually, this research has been made and implemented in accordance with scientific procedures; however, it still has limitations:

1. The factors that affect to Local Revenue in districts/cities in Riau Province only use three independent variables such as: Total Population, Government Spending and Gross Regional Domestic Product (GRDP), while there are still many other variables that could be a factor that affects Local Revenue.

2. The year that used in this study, was taken from the last five years from 2010 till 2014, while it would be better if the period used is longer than the period in this study, in order to get better result, this was due to author limitations to access in obtaining data.