ABSTRACT

East Java is a province in Indonesia that has a large area and has the highest poverty rate. The government has made various efforts to overcome this problem by implementing various policies and several national programs. One of it is to build Indonesia from the habitation along with the village fund program that is expected to be able to lower the number of poverty. With the fairly large Village Funds given to villages sourced from The Indonesian Budget (APBN), it is hoped that this will boost the economy and cut poverty in the province.

This study aims to analyze the effect of the Indonesian Village Fund, Village Fund Allocation, and Gross Regional Domestic Product on poverty in districts/cities in East Java. The subjects of this study were all regencies/cities in the province that met the requirements with a total of 29 regencies and 1 city. The type of data used in this research is secondary data. The analytical method used is panel data regression using Eviews 10 and the Fixed Effect Model (FEM) approach.

The results showed that the Village Fund variable partially has a significant negative correlation with poverty in districts/cities in East Java, while the Village Fund Allocation has a negative correlation with no effection poverty in districts/cities in East Java, and the GRDP variable has a negative and significant correlation to poverty in the districts/cities in East Java.

Keywords: Village Fund, Village Fund Allocation, Gross Regional Domestic Product, Poverty, Panel Data Regression.