

ABSTRACT

The aim of this research is to analyze the effect of public expenditure on education, health, and infrastructure sectors to development using two indicators; Human Development Index (HDI) and Economic Growth in 6 (six) countries of ASEAN consisting of Indonesia, Malaysia, Thailand, Philippines, Vietnam, and Laos in 2011-2015. Analysis method used is the data panel Fixed Effect Model (FEM) by using education expenditure, health expenditure, and infrastructure expenditure as independent variable, and income per capita, and human development index (HDI) as dependent variables.

Based upon the estimation and statistic test shows that those three types of public expenditure sectors, namely education expenditure, health expenditure, and infrastructure expenditure had some positive effects and significant effects on the income per capita and Human Development Index (HDI).

Keywords: Public Expenditure, Income Per Capita, Human Development Index (HDI), ASEAN