

ABSTRACT

In carrying out the community service function, the governments of Southeast Asian countries are faced with the problem of making public investment decisions. Public investment decisions are needed to support the implementation of programs, activities, and functions that are policy priorities. Expenditures for public investment must receive greater attention than routine expenditures, because investment spending has a long-term effect, while routine expenditures have more impact on the short term. Where in some ASEAN countries public sector expenditures can be said to be still small as in Cambodia, Laos, and even Indonesia which has a large population.

This study aims to analyze the effect of tax revenues, economic growth, public debt, and population on public sector investment in seven ASEAN countries. This study uses secondary data from 2010 to 2016 obtained from the World Bank, WHO, UNESCO, and the IMF. The analytical method used is Fix Effect Model (FEM).

The results showed that the tax revenue and public debt variables had a positive and significant effect on public sector investment in the seven ASEAN countries, while the economic growth variable and population did not affect public sector investment in the seven ASEAN countries.

Key Words: public invesment, tax revenue, public debt, economic growth, and population