

ABSTRACT

The poverty in East Java in 2014-2017 was constantly decreasing, however the people in poverty was still relatively high. In order to alleviate the poverty, the government has to prioritise the budget for poverty alleviation programs. These programs are expected to comprehensively cover the poor as the main target.

The objective of this study is analyzing the effect of spending on economy, education, health and social protection against poverty in East Java Province 2014-2017. The analytical method used in this study is panel data regression. Panel data is combination of time series data from 2014 until 2017 and the cross section data as much as 38 districts/cities that produce 152 observations. The results showed that Fixed Effects Model (FEM) is the most appropriate.

Based on the research result is the government spending on economy has a positive effect on poverty. While the government spending on education, health and social protection has negative effect on poverty.

Keywords : Poverty Rate, Government spending on: Economy, Education, Health, Social Protection