

ABSTRACT

The condition of poverty in Indonesia nationwide continued to decline, but not followed by some provinces in Indonesia have increased from the previous year. Poverty reduction, the government should prioritize budget allocation for programs to reduce poverty. Allocation budget for the poor or so-called pro-poor budgeting.

The objective of this study is analyzing the effect of spending the functions of education, health, social protection and infrastructure against poverty in 33 provinces in Indonesia 2010-2013. The data used in this research is panel data (4 year time series data and cross section data as much as 33 provinces produces 132 observations). The analytical method used in this research is multiple linear analysis method (Pooled Least Squares Regression Analysis) using the model effects fixed (fixed effect model).

Based on the estimation result, government expenditure has a positive effect on the function of education to poverty. While the government expenditure of health and social protection function, negative effect on poverty. government expenditure of infrastructure has no effect to poverty.

Keywords : Poverty, Government Expenditure of Education, Health and Social Protection, Infrastructure Function