

## **ABSTRACT**

*Poverty alleviation efforts have been done by the government through the direct attempts such as the provision of credit, better improvement in education and health services. However, the evidence of these efforts being successful still requires empirical testing. The aim of this study is to examine the effect of micro business credit, small business credit, education level, and health status against poverty*

*The method used in this study is panel data with Fixed Effect Model and regional dummy. The use of region dummy in this research is to see the variations of poverty conditions in 35 districts / cities in Central Java between 2008 to 2012. The data were obtained from BPS reports and the reports of Bank Indonesia during the year 2008-2012 for each district / city in Central Java.*

*The results of research found that micro business credit have a positive effect and statistically significant ( $\alpha = 5\%$ ) against poverty, small business credit are negative and statistically significant ( $\alpha = 5\%$ ) against poverty, education is also negative and statistically significant ( $\alpha = 5\%$ ) against poverty, while health is not statistically significant.*

*Keywords: business credit, education, health, poverty*