ABSTRACT

This research aims to analize the impact of the fiscal policy (APBD) consist is fiscal capacity, capital expenditure and budgeting and poverty toward social welfare of 35 regencies/cities in Central Java Province for five years (2009-2013). The method used in this study is panel data with random effect model approach, and using secondary data types.

The analysis concluded that fiscal capacity, capital expenditure, budgeting and poverty significant effect toward social welfare. Poverty is a most influential variable toward social welfare variable. During five years of implementation of the fiscal policy in Central Java Province could be proved that the empirical, the fiscal policy make social welfare of 35 regencies/cities in Central Java Province, increased every year.

Keywords : Fiscal Capacity, Capital Expenditure, Budgeting, Poverty, Social Welfare.