ABSTRACT

Fiscal decentralization in regional autonomy is a concept to regulate self-reliance an area. Although the government has district is given the authority and to manage and regulates the scope of our own country, but the government of central java not successfully handle the problem of poverty. This can be seen during the period 2007 until 2012 average the level of poverty in central java relatively higher compared to five provinces, is on the island of java that is occupying the first rank. But if viewed from an allocation of government spending a region especially in the agricultural sector, education, health and infrastructure from year to year showed an being increased.

This research aimed at analyzing the influence of government spending on agriculture, education, health and infrastructure against the level of poverty in the in 35 district in central java province. The data used in this research is data panel (the data time series 6 years from 2007 until 2012 year and data cross section 35 data represent district in central java province that produces 210 observation). A method of analysis used in this research is a method of analysis linear regression worship of idols (pooled least square regression analysis) by using approach the effects of fixed (fixed effect model).

Based on the estimate, the government spending agricultural, education, and health sector influential significant negative against the poverty levels.While expenditure the infrastructure sector influential significant positive against poverty.

Keywords: poverty, government spending on agricultural, education, health and infrastructure sectors.