ABSTRACT

The aims of this study is to analyze how manure subsidy, food credit, and government's expenditure on infrastructure influence the food security of Central Java. Food security was illustrated by the availability of energy and protein, and also the consumption of energy and protein. This study used the time series data from first quarter of 2002 until fourth quarter of 2009. Based on the data, it guessed that there is a problem in manure subsidy distribution. The channeling of agriculture credit also face resistance because of the conditions that specified by banks was difficult enough for farmers. Besides that, the implementation of subsidy policy and government expenditure also have internal and external problem.

The model that used in this study was Error Correction Model (ECM). The model was expected to explain the short and long term behavior. Error model may include various variables in analyzing the long term economic phenomenon and assessing the consistency of the empirical models using economic theory. This study use four model to examine the influence of the three independent variable that used.

The regression results using the ECM indicated that manure subsidy has positive and significant effect to energy and protein availability in the short term, and has negative and significant effect to energy and protein consumption in the short term. Food credit has negative and significant effect to protein availability in the short term and energy consumption in the long term. Government's expenditure on infrastructure has negative and significant effect to energy consumption in the long term.

Keywords: food security, manure subsidy, agriculture credit, government expenditure on infrastructure, Error Correction Model