

ABSTRACT

The LPG subsidy is one of the strategies related to national energy management that aims to equalize energy use in the society. At first the swelling in the state budget, especially in the field of subsidies and coupled with rising international oil prices, made LPG a substitute for kerosene, because the production cost was cheaper.

As time goes by, the Government is faced with a dilemma regarding the policy of providing energy subsidies, because the 3 Kg LPG subsidy budget and the volume of subsidized LPG continue to increase. The purpose of this paper is to determine the effectiveness and accuracy of the distribution of benefits from the subsidized LPG program in the Subdistrict of Tebet District, Tebet Regency with respondents who are users of subsidized lpg. This study uses two analytical methods, namely quantitative descriptive method and the Benefit Incidence Analysis (BIA) method.

The results of this study shows that the subsidized LPG program in the Tebet Sub-district cannot be said to be effective. The effectiveness based on the right recipient is still not effective, but based on the right price and right time indicators , it can be said to be effective. The distribution of benefits from the subsidized LPG program received by users with the lowest income was only 4.18%, as a result, the subsidized LPG program is a regressive policy. According to these results, the subsidized LPG program cannot be described as an effective and targeted program

Keywords: *LPG Subsidy, Benefit Incidence Analysis, Effectiveness, Income Group.*