CHAPTER VI

CONCLUSION AND RECOMMENDATION

6.1 Conclusion

The research and estimation of regression equations for 291 city and regency in case to find the variations effects of local budgeting realization for education, health, housing and public facilities on poverty give different results. The findings of this study are the realization of education local government budget has a negative influence on the percentage of poverty or The Head Count Index (P0), the Poverty Gap Index (P1) and the Poverty Saverity Index (P2) in 291 city and regency in Indonesia. while the realization of local government budget for health has a negative effect only for the percentage of poverty or The Head Count Index (P0) the realization of local government budget for health has a positive effect on the Poverty Gap Index (P1) and Poverty Saverity Index (P2). It can concluded the government has not succeeded in realizing the local government budget in health to reduce inequality in the environment among the poor and the more realized the local government budget for health, the gap between the poor and the poverty line will be more far. The results of the study also found that the realization of local government budget education, health, housing and public facilities in the city and regency in Java island affected the percentage of poverty (P0) compared to city and regency outside Java.

The realization of local government budget for housing and public facilities has a negative effect only for the percentage of poverty or The Head Count Index (P0) because of the relationship between the Poverty Gap Index (P1)

and the Poverty Saverity Index (P2) with the realization of local government budget insignificant .

The realization of education, health, housing and public facilities at the provincial level or the local govenment budget has not been maximized to overcome poverty. Education, health, housing and public facilities are expenditures that have a high enough percentage compared to other functions in each province. It is be pitied that in some provinces, the basic needs provided by the government have not succeeded in reducing poverty. Regional governments are expected to design programs for education, health, housing and public facilities that are pro-poor budget and can reduce the amount of poverty. In accordance with the goals of the government that wants to improve the welfare of its people, with reduced poverty, the welfare of the community will increase.

6.2 Recomendation

In order to reduce the number of poverty in Indonesia is certainly supported by the realization of government spending or local government spending in the education sector, health, housing and public facilities targeted.

a. In the purpose of prospering the public Government is expected to pay more attention to government expenditures that directly touch the problems of the poor themselves. The expenditure of education, health, housing and public facilities functions can prove to decrease the poverty rate in Indonesia, then the government and relevant state apparatus are expected to pay attention to the programs that are run on this function which directly touch the poor.

b. The citizen is also expected to participate in the use of facilities that have been built through government spending according to the functions of education, health and housing and public facilities by:

    1) Encourage more Indonesian children to get their right to education and access to education itself.

    2) Use their rights by participating in government-run health programs and taking care of a clean and healthy environment.

    3) Use the maximum benefits from government spending in the public housing sector of public facilities for the benefit and progress of the community together.

c. For Future Researcher or students that have the same scope of the study, this study can be used as reference. This study still has need some improvement. So, it's recommended for next research to improve the study and increase the scope of research and try using another method, different prespectives and more variables.