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The Analysis of Education Sector and Poverty Alleviation with Benefit Incidence Analysis Approach Budget Allocation Policy in East Java

Authors: Wildan Syafitri

Abstract: The main purpose of the development is to embody public welfare. Its indication is shown by the increasing of the public prosperity in which it will be related to the consumption level as a consequence of the increasing of public income. One of the government's efforts to increase public welfare is to create development equity in order to alleviate poor people. Poverty's problem is not merely about the number and percentage of the poor people, but also it includes the gap and severity of poverty the analysis method used is Benefit Incidence Analysis (BIA) that is an analysis method used to disclose the impact of government policy or individual access based on the income distribution in society. Further, the finding of the study revealed is that the highest number of the poor people in the village is those who are unemployed and have family members who are still in the Junior High School. The income distribution calculation shows a fairly good budget allocation applied with good mass ratio that is 0.31. In addition, the finding of this study also discloses that Indonesian Government policy to subsidize education cost for Elementary and Junior High School students has reached the right target. It is indicated by more benefits received by Elementary and Junior High School students who are poor and very poor than other income group.

Keywords: benefit incidence analysis, budget allocation, poverty, education

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