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(Economic Analysis on Factors Affecting The Level of Poverty in The City of Surabaya, East Java, Indonesia)

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ECONOMIC ANALYSIS OF FACTORS AFFECTING THE LEVEL OF POVERTY IN THE CITY OF SURABAYA, EAST JAVA, INDONESIA

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ABSTRACT

Millennium Summit in 2000 expects that in 2015 Indonesia must be able to halve the number of poor people. Problems of poverty and equity is inseparable from development policies that lead to a strategy of growth-oriented industrialization. Developed industry is an industry that is foot lose industry, namely the capital-intensive industries that are not based on domestic resources but is dependent on imported resources so that the potential domestic resources are not used optimally. Such industrial development will result in a fragile economy, inefficient, vulnerable to the turmoil in the world economy, and produces less effect trickle down (trickle-down effect) for most low-income brackets.

The number and percentage of poor in the period 1996-2007 fluctuated from year to year. In the period 1996-1999 the number of poor increased because of the economic crisis. In the period 2000-2005 the number of poor declined. But in 2006, an increase in the number of poor quite dramatically. Increasing the number and percentage of poor people due to rising fuel prices which led to rising prices of various goods.

As a result the population classified as poor but not income poverty line in a circle of many who shifted his position to be poor. Number of poor in Indonesia in March 2007 decreased compared to the poor people in March 2006. Nevertheless, the percentage of poor people in March 2007 was still higher than the state in February 2005. Sahdan (2005:1) said Poverty has limited the right of people

Based on the background of the earlier problems can be formulated as follows: Are population growth, investment, education subsidies, and education level affect the level of poverty in the city of Surabaya? And the research objectives are determine the effect of population growth, investment, education subsidy, and the level of education on poverty in the city of Surabaya.

The purpose of this study is to determine how much economic factors affecting the level of poverty in the city of Surabaya. In an effort to improve the living standards of poor communities especially in the city of Surabaya. This study uses secondary data during the 12 years since the years 1996-2007 and analyze using multiple linear regression analysis from Population Growth variables (X1), Investment (X2), Education Subsidies (X3), and Level of Education (X4) as the independent variable on the Surabaya City Poverty Rate (Y). Results obtained from testing the hypothesis that the variables X1, X2, X3, and X4 significant effect Poverty Level variable, this is indicated by the F test.

Keywords: Poverty, Poor Communities, Education Subsidy, City Poverty Rate

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