

## **CHAPTER V**

### **CONCLUSIONS AND RECOMMENDATIONS**

The result of the analysis of factors affecting poverty in the Special Region of Yogyakarta Province from 2009-2013 are concluded as follow:

#### **5.1 Conclusions**

1. Human Development Index had negative and significant effect on poverty level in the Special Region of Yogyakarta Province when human development index increases.
2. Economic Growth using the Gross Regional Domestic Product had negative and significant effect on poverty level in the Special Region of Yogyakarta Province. The Gross Regional Domestic Growth (GDP) variable had negative and significant effect on poverty level. In accordance with the hypothesis, the negative sign indicated that the higher the GRDP, the lower the level of poverty.
3. Public Spending had positive and no significant effect on poverty level in the Special Region of Yogyakarta Province.
4. Government Spending had positive and no significant effect on poverty level in the Special Region of Yogyakarta Province.

#### **5.2 Recommendations**

1. Indicators of HDI are the quality of human life which consists of the size of education, life expectancy and current per-capita flows adapted which are

very important to increase the number of poor people in the Special Region of Yogyakarta Province. Thus, the government needs one program which continuously spur the increase of HDI through education and health for the poor people.

2. From the result of the research, it was found that PDRB had negative effect on the level poverty. Thus, in the future, the increase of this GRDP can be balanced by the equal distribution of development Income and equity of economic are resulted throughout the community, as well as efforts to increase economic growth in each Region by relying on its potentials.
3. Public spending improves budget effectiveness by sharpening measurable budget allocations. This can be done from the budget planning stage based on performance and logical. Thus, it can achieve the target properly until the implementation and supervision stage. Besides that, the goals achieved will not deviate from the original planning.
4. Government Spending has no significant influence on poverty in the Special Region of Yogyakarta Province. Therefore, it is necessary for the government to increase development expenditure and directed to projects that can absorb labor and facilitate economic activity in order to reduce poverty level in DIY.