PRO-POOR AND PRO-GROWTH DEVELOPMENTAL POLICY ANALYSIS IN RIAU PROVINCE

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ABSTRACT

Riau Province when viewed geographically, geo-economically and geopolitically is located on a very strategic path both at present and in the future, because the existence of this province lies in regional trade route and also international trade in ASEAN region. Policymakers in Riau Province tend to be more focused on the economy to continue to grow rapidly, but ignore to consider various factors related to growth itself. This study aims to analyze the pro-poor and pro-growth development policies in Riau Province. The research method used in this research is descriptive quantitative method that includes data collection activities, seeking information with the aim of testing the hypothesis of a problem. Data collection techniques used are documentation techniques and through studies. Analysis tool used in the form of Simultaneous Equation Model Analysis with Two-Stage Least Square (TSLS) method with EVIEWS 9 program. This study concludes that 1) investment, unemployment, minimum wage and economic growth simultaneously significantly affect poverty in Riau Province. 2) investment, unemployment, government expenditure and poverty simultaneously have a significant effect on economic growth in Riau Province. Based on the results of this study, the suggested policy is the Riau Province government is expected to increase the role of fiscal decentralization in developing the pro-growth policy. The government is also expected to balance between pro-poor and pro-poor policies to be able to reduce the poverty, unemployment and push growth in Riau Province.

Keywords: economic growth, poverty, pro poor, pro growth