

CHAPTER V

CONCLUSION

5.1. Conclusion

Based on the results of this study, it can be concluded that:

- a. The impact between unemployment and economic growth has a negative effect on the Sumatra island, which means that if there is an increase in unemployment, there will be a decrease in economic growth on the Sumatra island.
- b. The impact between inflation and economic growth on the Sumatra island has a positive effect, which means that every increase in inflation, economic growth will increase on the Sumatra island.

5.2. Research Implication

Based on the results of the research described above, it can be concluded:

- a. Unemployment is a condition that is carried out by someone, because they are not working or are looking for work. Research on the unemployment variable which is thought to have an impact on economic growth, actually shows a negative effect of unemployment on economic growth based on the results of this study. This implies that in the future the government will pay more attention to unemployed people in order to increase economic growth and reduce unemployment.
- b. Inflation is an event of an increase in the price of goods and services in general within a certain period of time. This study uses the inflation variable which is thought to have an impact on economic growth, in fact it shows a negative effect of inflation on unemployment based on the results of this study. This implies that in the future the government can control inflation quickly and precisely so that inflation does not occur continuously. If inflation can be controlled then economic growth will increase.

5.3. Recommendation

- a. It hoped that the government can use this research as a reference for planning economic growth as well as possible for maintaining the stability of inflation rate and creating jobs so that true unemployment rate is not high
- b. It hoped that further researchers will be able to add more variables and add periods to research on the impact of unemployment and inflation on economic growth so that the research results will be better.

