# THE IMPACT OF ECONOMIC GROWTH, UNEMPLOYMENT RATE AND GOVERNMENT EXPENDITURE ON POVERTY RATE IN INDONESIA

## **THESIS**

Prepared and submitted to fulfillment of the requirements to achieve the Bachelor



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Padang

2018

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### ABSTRACT

The purpose of this research is to see the impact of economic growth, unemployment rate and government expenditure on poverty rate in Indonesia. The methodology which is used in this research is panel data with cross section of 33 provinces of Indonesia and time series data from 2010-2016. This research using Fixed Effect Model (FEM) to predict the relationship of independent variable on dependent variable. The research shows that economic growth and government expenditure on poverty rate has significant and negative relationship with poverty rate. The unemployment rate on poverty rate has significant and positive relationship with poverty rate.

Keywords: Economic Growth, Unemployment Rate, Government Expenditure,
Poverty Rate, Fixed Effect Model, Panel Data.