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

THESIS

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Rita Fatmala Sari
1410542045

Advisor: Delfia Tanjung Sari, SE, M.Si, Ph.D
Study Program S-1 Economics Development, Faculty of Economics
Andalas University

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Thesis by: Rita Fatmala Sari
Thesis Advisor by: Delfia Tanjung Sari, SE, M.Si, Ph.D

Faculty of Economics
University of Andalas

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.