

CHAPTER VI

CONCLUSION

6.1 Conclusion

This study discusses more specific about the effect of the political stability on the Indonesian economy during 2009-2017 and uses data provided by the Central Bureau of Statistics. Based on the empirical results, Government Consumption Expenditure (*gce*), Export (*exp*), Import (*imp*) that can determine political stability has an impact on GRDP. Gross Fixed Capital Formation (*gfcf*) as a measure of the success of political institutions that regulates *property rights* has an impact on GRDP. And another finding reveals that the Gini Ratio (*gr*) as a measure of the success of political institutions that regulates the *pressure of redistribution* and Indonesian Democracy Index (*idi*) is a measure of the success of political institutions that regulate *predatory dictatorship* is not significant for GRDP. It can conclude that manifest variables from political stability have variables that affect and do not affect on Indonesian economic growth.

6.2 Implication and Suggestion

Based on the exploration of the result from testing the hypothesis, put forward some suggestions that may be beneficial for:

1. Government, political stability can affect and also do not affect to GRDP. Variables that can affect GRDP are Government Consumption Expenditure, Export, Import, and Gross Fixed Capital Formation. The government should increase Export and Decrease Import to make our economic growth increase. And variables that do not affect GRDP are Gini Ratio and Indonesian Democracy Index, so how to increase GRDP can be done by making a political situation that

is not noisy and calm. Because as we know the economy and politic like two sides that influence each other.

2. Future Researcher, this research can be a reference for further research which interested to discuss the same topic with what the writer wrote.

