# CHAPTER V

# CONCLUSION

## 5.1 Conclusion

This research aims to analyze the influence of economic growth, mean years school, net enrolment school, expenditure per capita and literacy rate in West Sumatera province. This research was conducted in West Sumatera province with the number of 19 cities and districts in total. The model chosen in this research is BB-GMM (Sys-GMM). In this result mean years school and net enrolment school has negative also significant effect. Literacy rate have positive and significant effect to poverty.

Education is one of the important instruments that can reduce poverty. Cducation can reduce poverty by creating human capital and positive externalities. In this study, the literacy rate, net enrolment school and the mean years school were used to measure the effect of education on poverty in West Sumatra. The existence of a negative relationship between the means year school and poverty can further reduce poverty in West Sumatra.

## 5.2 Policy implications

To reduce growth of poverty, Education for poor can be enhanced by the government. Poverty can be reduced by offering help and services aimed at the poor people. It can also reduce growth of poverty by raising the standard of education in West Sumatra. If government already had poverty reduction programs covering various fields. Therefore, monitoring and evaluation by all actors of poverty reduction is needed, to determine the extent to which the impact of the program / activity which includes the benefits and targets of the program itself has been running.

## 5.3 Future Research

This research only focuses on poverty in West Sumatera province. For further research in the future. The researcher can expand the research period that can get the better result. In

this research has six variables that poverty as dependent variable. Economic growth, mean years school, net enrolment school, expenditure per capita, and literacy rate as independent variables. So for further research, researcher can add more variable