

V. CONCLUSION AND IMPLICATIONS

A. Conclusions

Based on research analysis of the factors affecting poverty level in 29 regencies/cities in North Sumatera Province 2011-2015, it can be concluded as follows:

- (1) Based on the result of panel data regression estimation using fixed effect model explains that simultaneously population, GRDP per capita, and unemployment significantly affects poverty.
- (2) Based on the result of panel data regression estimation using fixed effect model, variable of GRDP per capita and population significantly negative affects poverty, while government expenditure is significantly positive affect poverty, but unemployment rate do not affect the poverty.

B. Implications

Based on the results of discussions and conclusions that have been done, this research implies that:

- 1) Based on the conclusion show population, GRDP per capita, government expenditure and unemployment have a great affect on poverty so that local governments are expected to provide a roles and policies that will encourage high economic growth, utilize the large populations growth rate in urn reducing unemployment, and to more critical about managing the government expenditure.

- 2) Of the result obtained GRDP percapita and population significantly negative affects poverty so that the local government should increase economic growth, in turn will increase the employment opportunities to utilizing the large population growth rate especially in the productive age population which can increase the income and welfare of the people and in turn it will reducing poverty and since government expenditure affects poverty in a positive way then the local governments should be more critical and realistic in addressing poverty issues and are expected to be more wise in managing the local expenditure, to see the budget allocation for development and community welfare in accordance with real conditions in the field so that the realization of the budget can be effective, efficient.