

## V. CONCLUSION AND IMPLICATIONS

### A. Conclusion

1. The conclusions of this research as a whole variables GRDP, Education, Minimum Wage, Population and Unemployment has a significant effect on poverty in East Java while partially:
  - a. GRDP per capita variable has a negative and significant effect on poverty as shown by t count value smaller than t table value and the probability value is smaller than 0.05. If GRDP per capita increases, then income and purchasing power will increase. As a result, the community can perform economic activities, such as consumption that will reduce poverty rate. In the other words, the first hypothesis is accepted.
  - b. Education variable has a negative and insignificant effect as shown by t count value smaller than t table value and the probability value is greater than 0.05. This means that the education in East Java does not affect poverty indicated by the lack of employment, so that the people with higher education find it difficult to work. In other words, the second hypothesis is rejected.
  - c. Minimum wage variable has a positive and significant effect as shown by t count value greater than t table value and the probability value is smaller than 0.05. This is because if the wages increase, the entrepreneurs will minimize the workforce or termination of employment so that the workers

cannot meet their needs and their families if this happens it will increase the poverty rate. In the other words, the third hypothesis is accepted.

- d. Population variable has a negative and significant effect as shown by t count value smaller than t table, but the probability value is smaller than 0.05. This means that if the population increases, then the poverty will decrease since the population accompanied by a good ability, competence and skill will make the community to work with higher productivity, so that this will not cause unemployment and has an effect on the low poverty rate. In the other words, the fourth hypothesis is accepted.
  - e. Unemployment variable has a negative and insignificant effect as shown by t count value smaller than t table value, but the probability value is greater than 0.05. This means that unemployment does not affect on poverty. In the other words, the fifth hypothesis is rejected.
2. From this results the variables of number of population most influential on poverty in East Java.

## **B. Implications**

1. Based on the results of research indicates that the level of education and unemployment does not affect poverty in the province of East Java therefore should be investigated why the level of education and unemployment does not affect poverty, whereas poverty is closely related to education and unemployment.
2. Population is the most influential variable to poverty in East Java, so to cope with poverty need to be paid attention maximally the population,

increase and pengurangan population is very influential to poverty of East Java

### **C. Limitations of The Research**

Based on the results of discussion and conclusion, the suggestions proposed by the researcher are as follows:

1. From the results of research, it appears that the data owned by East Java Province is less good because after analyzed no variables passed the classical assumption test. So the regression model obtained less good
2. This research using per capita GRDP at current prices, which describes the current GRDP situation, the prevailing price of GRDP is used to determine the distribution and economic structure of an area and indicate the basis of a region's economic sector. The use of Gross Domestic Product at current prices indicates that goods and services are used for consumption, investment and trading purposes with foreign parties, but do not indicate the rate of economic growth.
3. East Java Provincial Government should improve the preparation of population data, so that the data obtained can be used as a reference for other researches.
4. In determining minimum wage, East Java Provincial Government is suggested to pay attention to productivity and economic growth.
5. East Java Provincial Government should pay special attention to the poor people in terms of job search or employment opportunities in their respective regions in order to decrease the poverty rate, such as by

providing soft loan without collateral for working capital of small business.

6. East Java Provincial Government should improve the government programs in education, such as by providing free educational facilities, scholarships for orphans and the poor.
7. East Java Provincial Government should balance the program to increase GRDP with equitable distribution oriented to income distribution.