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IMPORTANT FACTORS IN IMPROVING INDONESIAN ECONOMIC GROWTH

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ABSTRACT

This study aims to see the contribution of inflation and human development index in an effort to increase economic growth in Indonesia in 2005-2016. The type of data used in this study is secondary data sourced from the statistics Indonesia and United Nations Development Program (UNDP). Analysis method used to see the influence of independent variables on the dependent variable by using ordinary least square (OLS) method. The results showed that there was a significant influence on inflation and human development index simultaneously in influencing the economic growth by looking at the prob (F-statistic) $0.000097 < 0.05$, seen from the R-square value of 0.1229, meaning that the donation given the independent variable to the dependent variable of 12.29 percent. The role of inflation on economic growth has a negative direction, the less inflation the economic growth will increase, so the government must maintain the inflation condition as well as possible to increase economic growth in Indonesia.

Keywords: *inflation, human development index, economic growth*

