



**PAPER – OPEN ACCESS**

## The Influence of Poverty, Human Development Index, and Unemployment on Economic Growth in Medan City

Author : Kezia Gelarina S Pandia, and Sirojuzilam Hasyim  
DOI : 10.32734/lwsa.v9i1.2733  
Electronic ISSN : 2654-7066  
Print ISSN : 2654-7058

*Volume 9 Issue 1 – 2026 TALENTA Conference Series: Local Wisdom, Social, and Arts (LWSA)*



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/).  
Published under licence by TALENTA Publisher, Universitas Sumatera Utara



# The Influence of Poverty, Human Development Index, and Unemployment on Economic Growth in Medan City

Kezia Gelarina S Pandia, Sirojuzilam Hasyim

*Department of Economic Development, Faculty of Economic and Business Universitas Sumatera Utara, Medan 20155, Indonesia*

keziasembiring123@gmail.com, sirohasyim@gmail.com

## Abstract

This research aims to find out how poverty, HDI and unemployment influence economic growth in the city of Medan. And to find out whether there is an influence of Poverty, HDI and Unemployment simultaneously on Economic Growth in the City of Medan. This research uses multiple linear regression analysis methods as well as statistical test analysis tools, namely the coefficient of determination test, partial test (t test), and simultaneous test (F test). The data used is Economic Growth, Poverty, HDI and Unemployment data in Medan City for 2013-2022 which is interpolated into 40 data. The results of this research are that the poverty variable has a negative and significant effect on regional development based on Economic Growth in the City of Medan. The HDI variable has a positive and significant effect on Economic Growth in Medan City. The Unemployment variable has a negative and significant effect on Economic Growth in Medan City. Poverty, HDI, and Unemployment simultaneously influence Economic Growth in the City of Medan.

**Keywords:** Economic Growth; Poverty; HDI; Unemployment and GRDP

## 1. Introduction

Economic development in Indonesia is currently facing the problem of poverty. In general, in developing countries such as Indonesia, the problem of low income and poverty are the main problems in economic development. Thus, in the economic objectives, both problems are stated together so that they become one sentence, namely increasing national income and reducing poverty. The definition of poverty is formed based on the identification and measurement of a group of people/groups which are then called poor (Nugroho, 1995). Medan City as the capital of North Sumatra and as one of the three major cities in Indonesia in the last five years has continued to strive to spur its economic growth, which is marked by the continued increase in economic growth in Medan City from year to year. However, Medan City is also one of the cities with a relatively large percentage of poor people. The large number of poor people has the potential to create complex social problems, such as declining quality of human resources, the emergence of inequality and social jealousy, disruption of socio-political stability, increasing crime rates and other impacts. Medan City often glanced at by rural communities to find better jobs. Therefore, Medan City cannot avoid the flow of urbanization which causes a very rapid population without being followed by the availability of sufficient employment opportunities, resulting in quite high unemployment in Medan City.

Table 1. PDRB, Growth, Poverty, HDI and Unemployment of Medan City 2017-2022

| Year | PDRB ( Billion Rupiah) | Growth (%) | Poverty (%) | HDI (%) | Unemployment (%) |
|------|------------------------|------------|-------------|---------|------------------|
| 2017 | 139739.85              | 5.81       | 9.11        | 79.98   | 9.46             |
| 2018 | 114007.14              | 5.92       | 8.25        | 80.68   | 8.25             |
| 2019 | 156780.58              | 5.93       | 8.08        | 80.97   | 8.53             |
| 2020 | 153669.78              | -1.98      | 8.01        | 80.98   | 10.74            |
| 2021 | 157689.19              | 2.62       | 8.34        | 81.21   | 10.81            |
| 2022 | 165120.01              | 4.71       | 8.07        | 81.76   | 8.89             |

In the context of economic development in a region, the Human Development Index (HDI) is determined as one of the

main measures included in the basic pattern of regional development. This indicates that the HDI occupies an important position in regional development management. The function of the HDI and other human development indicators will be the key to the implementation of targeted planning and development. The human development index is a measurement, comparison of life expectancy, literacy, education and standard of living for all countries in the world (Rayana, 2020). The human development index contains three important dimensions in development, namely those related to aspects of fulfilling the need for a long and healthy life, to gain knowledge and be able to meet a decent standard of living. The better the level of health of the workforce, high knowledge and obtaining a decent life, the better and better quality of work results will be, on the contrary, the worse the condition of the workforce, the worse or less quality of work results will be (Mahroji & Nurkhasanah, 2019). The purpose of this study is to analyze the influence of poverty, HDI, and unemployment on economic growth in Medan City.

## 2. Literature Review

### 2.1 Economic growth

Economic growth is one of the economic problems of a country in the long term and is an important phenomenon experienced by all countries. According to Todaro (2003), economic growth is the process of increasing output over time, becoming an important indicator to measure the success of a country's development. Macroeconomic analysis states that a country's economic growth is one of the parameters in a broad perspective and can show how economic activity can give rise to changes in the social structure of society that will generate additional income and welfare. According to Kurniawati et al., (2018), one of the highlights of a country is economic development and growth, especially in terms of increasing people's income, so that it can have an impact on improving the standard of living and opening up employment opportunities which can later increase employment opportunities and reduce poverty. Therefore, all development strategies are aimed at achieving economic growth targets that can help improve people's welfare through greater employment opportunities.

According to the Central Statistics Agency (BPS), Gross Domestic Product (GDP) is one of the important indicators to determine the economic conditions in a country in a certain period. GDP is basically the amount of added value produced by all business units in a country or is the amount of the value of final goods and services produced by all economic units. In short, GDP is one method for calculating national income. The theory of economic growth was initially initiated by Ricardo and Malthus who tried to analyze the economy in England. (Harrod; 1993 and 1948). Economic growth results from the interactions of production factors. The output of goods and services produced by an economy depends on the quantity of available inputs such as capital and labor, and the productivity of these inputs. The most widely used benchmarks for measuring the success of an economy include national income, national product, employment rate, price level, and foreign balance of payments position. One of the occurrences of efficient allocation in macro terms is the value of national output produced by an economy in a certain period.

### 2.2 Gross Regional Domestic Product (GRDP)

The definition of Gross Regional Domestic Product (GRDP) according to the Central Statistics Agency (BPS) is the amount of added value generated by all business and service units in a region, or the total value of final goods or services produced by all economic units in a particular region. Judging from its presentation, GRDP consists of two types, namely GRDP based on current prices and GRDP based on constant prices. GRDP at current prices is GRDP that shows the added value of goods and services calculated using price references for each year, while GRDP at constant prices is GRDP that shows the added value of goods and services calculated using prices in a particular year that are set. The functions of GRDP include:

1. Showing the amount of income and the ability of economic resources in a region.
2. Showing the overall rate of economic growth from year to year.
3. GRDP by sector shows the size of the economic structure and the role of the economic sector in a region.
4. GRDP by use shows the size of goods and services used for consumption and investment purposes.
5. GRDP at current prices is used to show the size of the economic structure in the role of the economic sector.
6. GRDP at constant prices is used to determine economic growth from year to year.

### 2.3 Human Development Index Theory

UNDP (United Nations Development Program) provides an understanding that human development is a process to enlarge the choices for humans. The concept or definition of human development basically covers a very broad dimension of development. In the concept of human development, development should be analyzed and understood from the perspective of humans, not only from economic growth. As quoted from UNDP (Human Development Report, 1995: 103), a number of important things in human development are:

1. Development must prioritize the population as the center of attention.
2. Development is intended to increase choices for the population, not only to increase their income. Therefore, the concept of human development must be centered on the population as a whole, and not only on the economic aspect.
3. Human development focuses its attention not only on efforts to improve human capabilities but also on efforts to utilize these human capabilities optimally.

4. Human development is supported by four main pillars, namely: productivity, equity, sustainability, and empowerment.
5. Human development is the basis for determining development goals and analyzing options to achieve them.
6. The concept of development that focuses on humans, development must be carried out in a balanced way between building capabilities and utilizing capabilities. This means that human development does not only pay attention to human capabilities, for example the ability to achieve better health, a longer life or have a better level of education. But it must also pay attention to how humans utilize their abilities for things that can improve life to a better level, for example by utilizing their ability to work.

The Human Development Index is an index that measures the achievement of socio-economic development of a region or country, which combines achievements in education, health, and adjusted real income per capita. According to the United Nations Development Program (UNDP), in the Human Development Index (HDI) there are three indicators used to measure the average achievement of a country in human development, namely: life expectancy, measured by life expectancy at birth; education measured based on the average length of schooling and literacy rate of the population aged 15 years and over; standard of living measured by per capita expenditure adjusted to the priority of purchasing power. The value of this index ranges from 0-100. HDI plays an important role in economic development because good human development will become a factor of production (Asnidar 2018) and research by Arabi and Kazemi in Iran during the period 1971-2011 proved that in the long term, HDI has a positive effect on GDP.

#### 2.4 Theory of Poverty

Poverty is a condition in which there is an inability to meet basic needs such as food, clothing, shelter, education and health. Poverty is a problem that is not only experienced by developing countries but also in developed countries, poverty is a complex problem to solve. There are several definitions of poverty:

1. Bappenas defines poverty as a condition in which a person or group of people are unable to fulfill their basic rights to maintain and develop a dignified life.
2. According to Sumitro Djojohadikusumo, there are four patterns of poverty, namely: First, persistent poverty is chronic or hereditary poverty, Second, cyclical poverty is poverty that follows the overall economic cycle pattern, Third, seasonal poverty is seasonal poverty that befalls fishermen and farmers, Fourth, accidental poverty is the result of natural disasters that reduce the level of welfare.
3. Al-Ghozali defines poverty as a person's inability to meet their own living needs.
4. Todaro said that the extent of poverty can be measured with or without reference to the poverty line. The concept that refers to the poverty line is called absolute poverty, while the concept whose measurement is not based on the poverty line is called relative poverty. Absolute poverty is a number of people who are unable to obtain sufficient resources to meet basic needs, they live below a certain minimum real income level or below the "international poverty line", the line does not recognize borders between countries, and also takes into account differences in price levels between countries by measuring the poor as people living on less than US\$1 or \$2 per day in purchasing power parity (PPP) dollars. While relative poverty is a measure of inequality in the distribution of income, usually defined in relation to the average level of the distribution in question.

Poverty is one of the obstacles to improving welfare because poverty has a benchmark that is not only a lack of food and low-income levels, but also health, education and fair treatment before the law and so on. There are many theories in understanding poverty, but if simplified, there are two paradigms or grand theories about poverty, namely the neoliberal paradigm and social democracy, which then become the basis for analyzing poverty and formulating anti-poverty policies and programs.

#### 2.5 Unemployment Theory

According to Prathama and Mandala (2008), In population science (demography), people who are looking for work are included in the population group called the workforce. Based on age category, the workforce age is 15-64 years. But not everyone aged 15-64 years is counted as the workforce. Those who are counted as the workforce are residents aged 15-64 years who work and are looking for work, while those who are not looking for work, either because they have to take care of their families or go to school, are not included in the workforce. The unemployment rate is the percentage of the workforce that does not/has not found work. Unemployment is defined as a situation where someone who is included in the workforce category does not have a job and is actively looking for work (Nanga, 2007). Unemployment is someone who is included in the workforce and is actively looking for work at a certain wage level but does not get the desired wage (Sukirno, 2006).

### 3. Research Method

The type of research used in this study is quantitative research using data sourced from data published by the Medan City Central Statistics Agency. The approach used by the author in this study is a quantitative descriptive approach. The scope of this study is to analyze the impact of factors that influence Economic Development in Medan City, namely Poverty, Human Development Index and Unemployment.

The data used in this study is time series data with a period of 10 years (2011-2021) which is interpolated into quarterly data. The data in this study was analyzed using a multiple regression model because the variables are more than one or two. Multiple linear regression analysis is used to determine the magnitude of the relationship and influence of independent variables (X1, X2,

and X3) on the dependent variable (Y). Where the equation model used is as follows:

$$NLOGY = a + NLOGb1X1 + NLOGb2X2 + NLOGb3X3 + e$$

Y = Economic Growth

a = Constant Number

b1, b2, b3 = Regression Coefficient

X1 = Poverty

X2 = Human Development Index

X3 = Unemployment

e = Standard error

NLOG = New Logarithm

After the analysis using multiple linear regression, several Classic Assumption Tests were carried out such as Normality Test, Multicollinearity Test, Autocorrelation Test, Heteroscedasticity Test and Hypothesis Test. For Hypothesis Test, it is divided into T Test (partial), F Test (simultaneous) and Determination Coefficient (R2)

#### 4. Results and Discussion

##### 4.1 Multiple Linear Regression Analysis Results

The data analysis technique used in this study is to use multiple linear regression analysis, which is used to determine the influence between independent variables and dependent variables. The use of multiple linear regression because this study uses more than one independent variable, including Poverty, Human Development Index and Unemployment to determine its influence on the dependent variable, namely the Economic Growth of Medan City in 2013-2022. Data processing using E-views.

Table 2. Multiple Linear Regression Analysis Results

| Variable           | Coefficient | Std. Error            | t-Statistic | Prob.    |
|--------------------|-------------|-----------------------|-------------|----------|
| NLOGX1             | -5.998711   | 1.394634              | -4.301279   | 0.0001   |
| NLOGX2             | 0.017270    | 0.007234              | 2.387190    | 0.0224   |
| NLOGX3             | -1.183901   | 0.233586              | -5.068376   | 0.0000   |
| C                  | -4.358797   | 17.26124              | -2.525194   | 0.0161   |
| R-squared          | 0.578614    | Mean dependent var    |             | 1.160500 |
| Adjusted R-squared | 0.543498    | S.D. dependent var    |             | 0.628013 |
| S.E. of regression | 0.424316    | Akaike info criterion |             | 1.217964 |
| Sum squared resid  | 6.481593    | Schwarz criterion     |             | 1.386852 |
| Log likelihood     | -20.35928   | Hannan-Quinn criter.  |             | 1.279028 |
| F-statistic        | 16.47742    | Durbin-Watson stat    |             | 0.340806 |
| Prob(F-statistic)  | 0.000001    |                       |             |          |

$$Y = a + b1NLOGX1 + b2NLOGX2 + b3NLOGX3 + e$$

$$Y = -4.358797 - 5.998711 + 0.017270 - 1.183901 + e$$

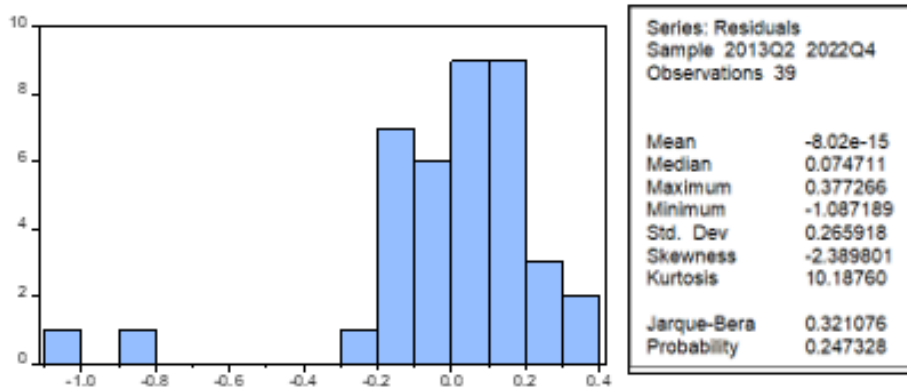
The results of the above equation can be explained as follows:

1. The constant value obtained is -4.358797, which means that if Poverty (X1), HDI (X2), and Unemployment (X3) are equal to zero. This means that if Poverty, HDI, and Unemployment are equal to zero, then the Economic Growth of Medan City will decrease by 4.358797%.
2. The regression coefficient value of the Poverty variable (X1) is negative at -5.998711, which means that if Poverty increases by 1%, the Economic Growth of Medan City (Y) will decrease by 5.998711%.
3. The regression coefficient value of the HDI variable (X2) is positive at 0.017270, which means that if the HDI increases by 1%, the Economic Growth of Medan City (Y) will also increase by 0.017270%.
4. The regression coefficient value of Unemployment (X3) is negative at -1.183901, which means that if Unemployment increases by 1%, the Economic Growth of Medan City will decrease by 1.183901%.

##### 4.2 Classical Assumption Test

4.2.1 Normality Test

Picture 1. Normality Test Result



Based on the Figure above, it can be seen that the regression model is normally distributed. This can be seen from the JB probability value of 0.247328 which is greater than the Alpha value of 0.05. Thus, the classical assumption of normality is met.

4.2.2 Multicollinearity Test

Table 3. Multicollinearity Test Result

Variance Inflation Factors  
Date: 12/02/23 Time: 22:41  
Sample: 2013Q1 2022Q4  
Included observations: 39

| Variable | Coefficient Variance | Uncentered VIF | Centered VIF |
|----------|----------------------|----------------|--------------|
| NLOGX1   | 11.98351             | 832.8910       | 8.219529     |
| NLOGX2   | 290.7840             | 1923727.       | 7.774548     |
| NLOGX3   | 0.428701             | 40.30514       | 1.199784     |
| C        | 3929.335             | 1996055.       | NA           |

Based on the table above, the results of the multicollinearity test using EViews show that the three independent variables, namely Poverty, Human Development Index, and Unemployment, show a VIF figure of less than 10. So, it is concluded that the regression model does not show symptoms of multicollinearity.

4.2.3 Autocorrelation Test

Table 4. Autocorrelation Test Result

Dependent Variable: NLOGY  
Method: Least Squares  
Date: 12/02/23 Time: 22:36  
Sample (adjusted): 2013Q2 2022Q4  
Included observations: 39 after adjustments

| Variable           | Coefficient | Std. Error            | t-Statistic | Prob.    |
|--------------------|-------------|-----------------------|-------------|----------|
| NLOGX1             | -5.998711   | 1.394634              | -4.301279   | 0.0658   |
| NLOGX2             | 0.017270    | 0.007234              | 2.387190    | 0.4883   |
| NLOGX3             | -1.183901   | 0.233586              | -5.068376   | 0.0034   |
| C                  | -4.358797   | 17.26124              | -2.525194   | 0.4817   |
| R-squared          | 0.502043    | Mean dependent var    |             | 0.072967 |
| Adjusted R-squared | 0.542218    | S.D. dependent var    |             | 0.318298 |
| S.E. of regression | 0.277080    | Akaike info criterion |             | 0.367896 |
| Sum squared resid  | 2.687071    | Schwarz criterion     |             | 0.538517 |
| Log likelihood     | -3.173963   | Hannan-Quinn criter.  |             | 0.429113 |
| F-statistic        | 5.048782    | Durbin-Watson stat    |             | 1.849724 |
| Prob(F-statistic)  | 0.005190    |                       |             |          |

Based on the table above, it is known that the DW value = 1.849724, the value compared to the Durbin Watson table is significant at 5% with a sample size (n) of 39, the number of independent variables (K) of 3, and with a DI value = 1.3283 and 4-dU = 2.3425. Because the Durbin Watson value is between the DI and 4-dU values, it is concluded that the regression model does

not have autocorrelation. smaller than Du, so it is concluded that the regression model has autocorrelation.

#### 4.2.4 Heteroscedasticity Test

Table 5. Heteroscedasticity Test Result

| Heteroskedasticity Test: Glejser |             |                       |             |           |
|----------------------------------|-------------|-----------------------|-------------|-----------|
| F-statistic                      | 3.729171    | Prob. F(3,35)         | 0.1200      |           |
| Obs*R-squared                    | 9.446558    | Prob. Chi-Square(3)   | 0.1239      |           |
| Scaled explained SS              | 13.38637    | Prob. Chi-Square(3)   | 0.1039      |           |
| Test Equation:                   |             |                       |             |           |
| Dependent Variable: ARESID       |             |                       |             |           |
| Method: Least Squares            |             |                       |             |           |
| Date: 12/02/23 Time: 22:43       |             |                       |             |           |
| Sample: 2013Q2 2022Q4            |             |                       |             |           |
| Included observations: 39        |             |                       |             |           |
| Variable                         | Coefficient | Std. Error            | t-Statistic | Prob.     |
| C                                | -34.65207   | 41.33376              | -2.838348   | 0.0175    |
| NLOGX1                           | -3.630551   | 2.282640              | -3.590506   | 0.0050    |
| NLOGX2                           | 0.043828    | 11.24425              | 2.830987    | 0.0285    |
| NLOGX3                           | -1.357547   | 0.431741              | -3.144358   | 0.0034    |
| R-squared                        | 0.242219    | Mean dependent var    |             | 0.171365  |
| Adjusted R-squared               | 0.177267    | S.D. dependent var    |             | 0.201429  |
| S.E. of regression               | 0.182705    | Akaike info criterion |             | -0.464971 |
| Sum squared resid                | 1.168342    | Schwarz criterion     |             | -0.294349 |
| Log likelihood                   | 13.06693    | Hannan-Quinn criter.  |             | -0.403753 |
| F-statistic                      | 3.729171    | Durbin-Watson stat    |             | 2.210173  |
| Prob(F-statistic)                | 0.019963    |                       |             |           |

Based on the table above, it can be seen that the significant value of the results of the heteroscedasticity test above is 0.1239. This figure shows a value  $<0.05$ , so it can be concluded that the regression model above does not show symptoms of heteroscedasticity.

#### 4.2.5 Hypothesis Test

##### 4.2.5.1 T Test (partial)

Table 6. T-test (partial) Result

| Variable | Coefficient | Std. Error | t-Statistic | Prob.  |
|----------|-------------|------------|-------------|--------|
| NLOGX1   | -5.998711   | 1.394634   | -4.301279   | 0.0001 |
| NLOGX2   | 0.017270    | 0.007234   | 2.387190    | 0.0224 |
| NLOGX3   | -1.183901   | 0.233586   | -5.068376   | 0.0000 |
| C        | -4.358797   | 17.26124   | -2.525194   | 0.0161 |

Based on the table above, the T-test results were as follows:

1. The influence of the Poverty variable on the Economic Growth of Medan City has a t statistic value of -4.301279 with a probability value (significance) of 0.0001 ( $<0.05$ ) so it is concluded that Poverty has a significant effect ( $\alpha = 5\%$ ) on the Economic Growth of Medan City. This shows that Poverty has a negative and significant effect on Economic Growth in Medan City.
2. The influence of the Human Development Index variable on the Economic Growth of Medan City has a t statistic value of 2.387190 with a probability value (significance) of 0.0224 ( $<0.05$ ) so it is concluded that the Human Development Index has a significant effect on the Economic Growth of Medan City. This shows that the Human Development Index has a positive and significant effect on Economic Growth in Medan City.
3. The Influence of Unemployment Variable on Economic Growth in Medan City has a t statistic value of -5.068376 with a probability value (significance) of 0.0000 ( $<0.05$ ) so it is concluded that Unemployment has a significant effect on variable y. This shows that Unemployment has a negative and significant effect on Economic Growth in Medan City.

##### 4.2.5.2 F Test (simultaneous)

Table 7, F Test (simultaneous) Result

|                   |          |
|-------------------|----------|
| F-statistic       | 16.47742 |
| Prob(F-statistic) | 0.000001 |

Based on the table above, it can be seen that the simultaneous influence of independent variables Poverty, HDI, and Unemployment on the dependent variable Economic Growth in Medan City. From the Simultaneous Test, the f statistic value is 16.47742 with a probability value of f statistic of 0.000001 ( $<0.05$ ), so it can be concluded that Poverty, HDI, and Unemployment

have a simultaneous (simultaneous) effect on Economic Growth in Medan City.

#### 4.2.5.3 Determination Coefficient (R2)

Table 8, Determination Coefficient (R2) Result

|                    |          |
|--------------------|----------|
| R-squared          | 0.578614 |
| Adjusted R-squared | 0.543498 |

Based on the table above, the adjusted r square value is 0.578, so it can be concluded that the contribution of the influence of Poverty, Human Development Index, and Unemployment to Economic Growth in Medan City simultaneously (at the same time) is 57.8%. While the remaining 42.2% is influenced by other variables outside this study.

### 4.3 Interpretation of Research Results

#### 4.3.1 The Impact of Poverty on Economic Growth in Medan City.

Based on the results of multiple linear regression, it is known that Poverty has a negative value of -5.998711, which means that if Poverty increases by 1%, Economic Growth in Medan City will decrease by 5.99%. In the partial test (t-test), the result of the probability of significance of direct spending is 0.0001, which is smaller than the significance value of 0.05. This means that Poverty has a significant effect on Economic Growth in Medan City. So, it can be concluded that in this study, Poverty has a negative and significant effect on Economic Growth in Medan City. The results of this study are in line with previous research according to Arya Darmawan (2020) If the Poverty level in observation i and period t increases, it will reduce the value of Economic Growth, and vice versa.

#### 4.3.2 The Influence of Human Development Index on Economic Growth in Medan City

From the results of multiple linear regression estimation, it shows that the HDI variable has a positive value of 0.017270, which means that if the HDI increases by 1%, economic growth in Medan City will increase by 0.01%. In the T test, the HDI significance probability is .0224 The significance probability value (0.0224) is smaller than the expected significance value (0.05). This shows that the HDI has a significant influence on Economic Growth in Medan City. The results of this study are in line with previous research according to Qadri (2020) which states that the Human Development Index has a positive and significant effect on Economic Growth.

#### 4.3.3 The Impact of Unemployment on Economic Growth in Medan City

From the results of multiple linear regression estimation, it shows that the Unemployment variable has a negative value of -1.183901, which means that if Unemployment increases by 1%, economic growth in Medan City will decrease by 1.18%. In the T test, the probability of significance of the cost of the number of industrial companies is 0.0000. The probability value of significance (0.0000) is smaller than the expected significance value (0.05). This shows that it has a significant influence. This is in line with previous research according to Leni (2021) that Unemployment has a negative and significant effect on Economic Growth.

#### 4.3.4 The Influence of Poverty, Human Development Index, and Unemployment on Economic Growth in Medan City

Based on the results of the F-test hypothesis test, it can be stated that Poverty, Human Development Index, and Unemployment simultaneously affect Economic Growth in Medan City. From the simultaneous test, the calculated F value was obtained as 16.47742 with a significance value of 0.000001. Based on a significance value smaller than 0.05, it can be said that Poverty, Human Development Index, and Unemployment simultaneously affect Economic Growth in Medan City. Based on the results of the Determination Coefficient test, it is known that the r squared value is 0.578, so Poverty, Human Development Index, and Unemployment on Economic Growth in Medan City simultaneously (simultaneously) are 57.8%. While the remaining 42.2% is influenced by other variables outside this study.

The results of this study are in line with Leni's opinion (2021) Unemployment has a negative and significant effect on economic growth. And Poverty has a negative and significant effect on economic growth. Likewise, the results of this study are in line with previous research according to Qadri (2020) which states that the Human Development Index has a positive and significant effect on Economic Growth.

## 5. Conclusions

Based on the analysis and discussion, the following conclusions can be drawn:

1. Poverty has a negative and significant effect on Economic Growth in Medan City. This indicates that if Poverty increases, Economic Growth in Medan City will decrease.
2. Human Development Index has a positive and significant effect on Economic Growth in Medan City. This indicates that if Human Development Index increases, Economic Growth in Medan City will also increase.
3. Unemployment has a negative and significant effect on Economic Growth in Medan City. This indicates that if Unemployment increases, Economic Growth in Medan City will decrease.

4. The F test conducted by the researcher shows that Poverty, Human Development Index, and Unemployment simultaneously have a significant effect on Economic Growth in Medan City.

#### References

- [1] Ahmadi, A. (2009). Ilmu Sosial Dasar. Jakarta: Rineka Cipta.
- [2] Arsyad, L. (2016). Ekonomi Pembangunan. Yogyakarta: UPP STIM YKPM..
- [3] Barthos, B. (2008) Manajemen Sumber Daya Manusia Suatu Pendekatan Makro. Jakarta: Bumi Aksara, 2009, p. 73.
- [4] BPS, Indeks Pembangunan Manusia 2006–2007. Jakarta: BPS.
- [5] Chalid, N., and Yusuf, Y. (2014). Pengaruh Tingkat Kemiskinan, Tingkat Pengangguran, Upah Minimum Kabupaten/Kota dan Laju Pertumbuhan Ekonomi Terhadap Indeks Pembangunan Manusia (IPM) di Provinsi Riau, Jurnal Ekonomi, vol. 22, no. 2
- [6] Dewi, N. (2017). Pengaruh Kemiskinan dan Pertumbuhan Ekonomi terhadap Indeks Pembangunan Manusia di Provinsi Riau, Jom Fekon, vol. 4, no. 1.
- [7] Huda, N., et al. (2015). Ekonomi Pembangunan Islam. Jakarta: Pranadamedia Group.
- [8] Mafahir, A., and Soelistiyo, A. (2017). Analisis Pengaruh PAD, DAU, dan DAK Terhadap PDRB Kabupaten/Kota di Provinsi Nusa Tenggara Barat, Jurnal Ilmu Ekonomi, vol. 1, no. 1.
- [9] Ndakularak, E., Setiawina, N. D., and Djayastra, I. K. (2014). Analisis Faktor-Faktor yang Mempengaruhi Kesejahteraan Masyarakat Kabupaten/Kota di Provinsi Bali. E-Jurnal Ekonomi dan Bisnis Universitas Udayana, vol. 3, no. 3, pp. 140–153.
- [10] Prayitno, H., and Santosa, B., Ekonomi Pembangunan. Jakarta: Galia Indonesia, 1996, p. 102.
- [11] Rosyidi, S., Pengantar Teori Ekonomi: Pendekatan Kepada Teori Ekonomi Mikro & Makro. Jakarta: PT Raja Grafindo Persada, 2011, p. 146.
- [12] Sugiyono, Metode Penelitian Pendidikan: Pendekatan Kualitatif, Kuantitatif, dan R&D, 20th ed. Bandung: Alfabeta, 2016, p. 39.
- [13] Suhardan, D. (2014). Ekonomi dan Pembiayaan Pendidikan. Bandung: Alfabeta.
- [14] Suharto, E. (2005). Membangun Masyarakat Memberdayakan Rakyat. Bandung: PT Refika Aditama.
- [15] Sumiyati, E. E. (2011). Pengaruh Belanja Modal Terhadap Peningkatan Indeks Pembangunan Manusia di Provinsi Jawa Barat. Jurnal Ilmu Politik dan Ilmu Sosial, vol. 7.
- [16] Taufik, T. I. (2010). Pengaruh Pertumbuhan Ekonomi, Populasi, Pendidikan dan Kesehatan terhadap Jumlah Penduduk Miskin di Kabupaten/Kota Provinsi Jawa Timur. Bachelor Thesis, Fakultas Ekonomi, Universitas Indonesia, Depok.
- [17] Todaro, M., and Smith, S. C. (2006). Pembangunan Ekonomi di Dunia Ketiga. United Kingdom: Pearson Education Limited.
- [18] Undang-Undang Republik Indonesia. (2004). UU No. 33 Tahun 2004: Perimbangan Keuangan Antara Pemerintah Pusat dan Daerah.
- [19] Usmaliadanti, C. (2011). Analisis Tingkat Kemiskinan, Pengeluaran Pemerintah Sektor Pendidikan dan Kesehatan Terhadap Indeks Pembangunan Manusia di Provinsi Jawa Tengah Tahun 2007–2009. Bachelor Thesis, Fakultas Ekonomi, Universitas Diponegoro, Semarang.
- [20] Yarlina, Y. (2012). Pengaruh Tingkat Pengangguran Terhadap Tingkat Kemiskinan Kabupaten/Kota Di Provinsi Kalimantan Barat. Jurnal Ekonomi Sosial, vol. 8, no. 3, p. 177.
- [21] Muttaqien, A. Paradigma Baru Pemberantasan Kemiskinan. Jakarta: Khanata Pustaka LP3ES Indonesia. (2006). (Dikutip dalam I. Herawati, Dampak Program Pengentasan Kemiskinan di Kabupaten Jayapura. Jurnal Penelitian dan Evaluasi Pendidikan BP2P3KS Kementerian Sosial RI, p. 146.)