



in
cooperation
with

INDONESIA



Universiteit Utrecht

NETHERLANDS



الجامعة الإسلامية العالمية
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA
جامعة إسلامية عالمية

MALAYSIA



THAILAND



PAKISTAN

3rd ImCoSS

THE THIRD INTERNATIONAL MULTIDISCIPLINARY
CONFERENCE ON SOCIAL SCIENCES

5 - 7 JUNE 2015

BANDAR LAMPUNG UNIVERSITY
INDONESIA

PROCEEDINGS

Hosted by :

- Faculty of Teacher Training and Education
- Faculty of Economics and Business
- Faculty of Law
- Faculty of Social and Political Sciences



universitas
bandar lampung
SOLUTION FOR PRESENT AND FUTURE



3rd IMCoSS 2015

**THE THIRD INTERNATIONAL MULTIDISCIPLINARY
CONFERENCE ON SOCIAL SCIENCES**

5, 6 June 2015
Bandar Lampung University (UBL)
Lampung, Indonesia

PROCEEDINGS

Organized by:



Bandar Lampung University (UBL)
Jl. Zainal Abidin Pagar Alam No.89 Labuhan Ratu, Bandar Lampung, Indonesia
Phone: +62 721 36 666 25, Fax: +62 721 701 467
website : www.ubl.ac.id

PREFACE

The Activities of the International Conference are in line and very appropriate with the vision and mission of Bandar Lampung University (UBL) to promote training and education as well as research in these areas.

On behalf of the **The Third International Multidisciplinary Conference on Social Sciences (The 3rd IMCoSS) 2015** organizing committee, we are very pleased with the very good response especially from the keynote speaker and from the participants. It is noteworthy to point out that about 112 technical papers were received for this conference.

I would like to express my deepest gratitude to the International Advisory Board members, sponsor and also to all keynote speakers and all participants. I am also grateful to all organizing committee and all of the reviewers who contribute to the high standard of the conference. Also I would like to express my deepest gratitude to the Rector of Bandar Lampung University (UBL) who give us endless support to these activities, so that the conference can be administrated on time

Bandar Lampung, 6 June 2015

Mustofa Usman, Ph.D
Chairman of 3rd IMCoSS 2015

PROCEEDINGS

3rd IMCoSS 2015

The Third International Multidisciplinary Conference
on Social Sciences
5, 6 June 2015

INTERNATIONAL ADVISORY BOARD

M. Yusuf S. Barusman, Indonesia

Andala R.P. Barusman, Indonesia

Mustofa Usman, Indonesia

Khaliq Ahmad, Malaysia

Muhammad Azam, Pakistan

John Walsh, Thailand

Agus Wahyudi, Indonesia

Harpain, Indonesia

Susanto, Indonesia

Hayyan Ul Haq, Netherlands

Ida Madhieha A Ghani Azmi, Malaysia

Andrik Purwasito

Antonius PS. Wibowo, Indonesia

Torla Bin Hj.Hassan, Malaysia

Lintje Anna Marpaung Indonesia

Bambang Hartono, Indonesia

Erlina B, Indonesia

Zulfi Diane Zaini, Indonesia

Agus Wahyudi, Indonesia

Harpain, Indonesia

Khomsahrial Romli, Indonesia

Ida Farida, Indonesia

I Gusti Ayu Ketut Rahmi, Indonesia

Zainab Ompu Jainah, Indonesia

Iskandar AA, Indonesia

Habiburahman, Indonesia

M. Achmad Subing, Indonesia

Angrita Denziana, Indonesia

PROCEEDINGS

3rd IMCoSS 2015

The Third International Multidisciplinary Conference
on Social Sciences
5, 6 June 2015

GENERAL COMMITTEE

Executive Advisory

Dr. Ir. M Yusuf S. Barusman, MBA
Dr. Andala Rama Putra, SE, M.A, Ec.
Dr. Lintje Anna Marpaun, SH., MH.
Drs. Thontowie, MS

Chairman

Dr. Hery Riyanto, MT

Secretary

Bery Salatar, S.Pd.

STREERING COMMITTEE

Chairman

Mustofa Usman, Ph.D

Secretary

Susanto, SS, M.Hum, MA, Ph.D

Technical Committee of Law Division

Dr. I Gusti Ayu Ketut Rachmi Handayani, SH., MH
Dr. Erina Pane, SH., MH
Dr. Bambang Hartono, SH., M.Hum.
Dr. Zulfi Diane Zaini, SH.,MH
Dr. Zainab Ompu Jainah, SH., MH
Dr. Tami Rusli, SH.,M.Hum
Dr. Erlina B, SH.,M.Hum

*Technical Committee of Economics, Business,
and Management Division*

Prof. Dr. Sudarsono
Dr. Andala Rama Putra, M.A, Ec.
Dr.Lindrianasari, S.E., M.Si.,Akt. CA
Dr. Angrita Denziana, SE.,MM., Ak, CA
Dr. Iskandar Ali Alam, MM
Tina Miniawati, SE., MBA.
Dra. Rosmiati Tarmizi, MM, Ak.
Afrizal Nilwan, SE,,M.Ec., Akt.

Technical Committee of Social Sciences Division

Dr. Yadi Lustiadi, M.Si.
Dr. Supriyanto, M.Si.
Dr. Ahmad Suharyo, M.Si.
Dr. Wawan Hernawan, M.Pd.
Dr. Dra. Ida Farida, M.Si.

Technical Committee of language, Teaching and Education

Susanto, SS, M.Hum, MA, Ph.D
Deri Sis Nanda, SS., MA., Ph.D
Hery Yufrizal, Ph.D
Harpain, MA
Helta Anggia, MA
Yanuaris Yanu Dharmawan, M.Hum
Dameria Magdalena S., M.Pd

PROCEEDINGS

3rd IMCoSS 2015

The Third International Multidisciplinary Conference
on Social Sciences
5, 6 June 2015

ORGANIZING COMMITTEE

Chairman

Drs. Harpain, MAT, MM

Secretary

Tissa Zadya, SE, MM

Treasure

Samsul Bahri, SE

Administration

Proceedings and Certificate Distribution

Dina Ika Wahyuningsih, S.Kom

Tri Nuryati, S.Kom

Ida Nahdaleni

Vida Cancer

Agung Saputra

Desi Anggraini

Indah Satria, SH

Nurdiawansyah, SE

Receptionist and Registration

Rifandy Ritonga, SH, MH

Dra. Agustuti Handayani

Haninun SE, MS. Ak

Hepiana Patmarina, SE., MM

Kartini Adam, SE

Cyntia Jonathan

Sponsorship & Public Relation

Ir. Indriati A. Gultom, MM

Yulia Hesti, SH.,MH

Indah Satria, SH

Special Event

Deri Sis Nanda, SS., MA., Ph.D
Helta Anggia, S.Pd., MA
Dameria Magdalena S, M.Hum
Khairudin, SE., M.S.Ak
Aminah, SE. M.S.Ak
Tia Erisna, SE. M.Si., Ak
Olivia Tjoener, SE. MM.
Drs. Suwandi, MM
Dra. Azima D., MM
Risti Dwi Ramasari, SH.,MH
Siti Rahmawati, SE
Arnes Yuli V., S.Kom., .M.Kom
Recca Ayu Hapsari, SH., MH
Benny Karya, SH., MH
Mellisa Safitri, SH., MH

Transportation & Accommodation

Irawati, SE
Zainal Abidin, SE
Desi Puspitasari, SH

Consumption

Dra. Yulfriwini, MT
Susilowati, ST., MT

Documentation

Noning Verawati, S.Sos, MA
UBL Production

Table Of Content

Preface.....	ii
International Advisory Board	iii
Steering Committee.....	iv
Organizing Committee	vi
Table of Content	viii
Keynote Speaker :	
1. Cultural Tourism and Trade in Indigenous People's Art and Craft: A Gap Analysis of International Legal Treatise and National Legislation – Ida Madieha bt. Abdul Ghani Azmi	I-1
2. Contrasting Islamic Leadership Styles (An Empirical Study Of Muslim Majority And Minority Countries) - Khaliq Ahmad	I-10
Paper Presenter :	
ECONOMICS :	
1. An Analysis of The Influence of Aggregate Expenditure Regional Gross Domestic Product Growth In The Lampung Province – H.M.A. Subing	II-1
2. Effect on The Quality of Passenger Satisfaction (Study in Radin Inten II Airport South Lampung) – Ardansyah and Stefanny Ellena Rushlan	II-7
3. Factors That Affect Longevity Of Business Relationships – Margaretha Pink Berlianto and Innocentius Bernarto.....	II-12
4. Millennials Green Culture: The Opportunity And Challenge (A Case Study Of Higher Education Student) - Ika Suhartanti Darmo	II-21
5. Preferences Prospective Students In Choosing The Study Program (University X In Bandar Lampung) - Indriati Agustina Gultom and Wahyu Pamungkas	II-29
6. The Effect Of Growth, Profitability And Liquidity To Bond Rating Of The Banking Firms Listed On The Indonesian Stock Exchange (Period 2009- 2013) - Syamsu Rizal and Winda Sutanti	II-34
7. The Influences Of Investment On Regional Gross Domestic Product (RGDP) In Lampung - Habiburrahman	II-42
8. The Influences Of Bank Product Socialization And Electronic Payment System Quality On Intention To Use E-Money In Indonesia - Cynthia Jonathan, Rina Erlanda and Zainal Arifin Hidayat	II-46
9. The Influence Of Inflation, GDP Growth, Size, Leverage, And Profitability Towards Stock Price On Property And Real Estate Companies Listed In	

Indonesia Stock Exchange Period 2005-2013 - Herry Gunawan Soedarsa and Prita Rizky Arika	II-50
10. The Influence Of Investment Opportunity Set (IOS) And Profitability Towards Stock Return On Property And Real Estate Firms In Indonesia Stock Exchange - Grace Ruth Benedicta, Herlina Lusmeida	II-57
11. The Influence Of Prosperity And Finacial Performance With Respect To Equalization Funds Of The Government District/City In All Southern Sumatra Regions - Rosmiati Tarmizi, Khairudin and Felisya Fransisca	II-66
26. The Influence of The Financial Performance and Macroeconomic Factors To Stock Return - Angrita Denziana, Haninun, and Hepiana Patmarina.....	II-73
27. The Economical Analysis Of Mechanization In Land Preparation For Plantation - M.C. Tri Atmodjo	II-81
28. The Performance of Undiversified Portfolio In Indonesia Stock Exchange - Budi Frensidy	II-84
29. An Analysis of Fast Improvement Program of Human Resources for Employee Satisfaction of PT. PLN (Persero), Bandar Lampung Power Sector - Sapmaya Wulan and Kiki Keshia	II-89
30. Engineering Model of Economic Institution Insugarcane Agribusiness Partnership (Case Study on Sugar Cane Agribusiness Partnership between Farmers Cooperative and Sugar Factory in Way Kanan Regency of Lampung Province-Indonesia) – Syahril Daud and Adrina Yustitia	II-97

LAW :

1. Analysis Of Convict's Rights In Judicial Review Of Narcotics Criminal Case - Yulianto	III-1
2. Comparison Of Authority Of The Conditional Court In India And Thailand In Judicial Review – Indah Satria	III-4
3. Criminal Law Policy As An Effort Of Overcoming Crime Towards Protected Animals - Benny Karya Limantara and Bambang Hartono	III-9
4. Decentralization Evaluation in Indonesia : The Dynamics of Relation Central Government and Local Government - Dewi Nurhalimah	III-15
5. Denial Of Labor Rights By Liberal Legal Regime In The Outsourcing System - Cornelius C.G, Desi Rohayati and Ricco Andreas	III-20
6. Design Of The Special / Special For Inclusion In The System Of The Republic Of Indonesia By Constitution Of The Republic Of Indonesia 1945 - Baharudin.....	III-22
7. Dilemma of State Sovereignty Protecting the Homeland Indonesia (Studies Agrarian Constitution) - FX. Sumarja	III-27
8. From State Sovereignty To People Sovereignty: The Development of State Control Doctrine in Indonesia Constitutional Court Decision - Utia Meylina	III-32

9. Law Function As Instrument To Build a Stability of Moral Economy in
Globalization Era - Hieronymus Soerjatisnanta and M Farid Al-Rianto III-36
10. The Analysis Of Criminal Liability For Crimes Perpetrators Of The Crime
Of Human Trafficking – Dharma Saputra III-45
11. The Death Penalty: Pancasila, With Efforts To Eradicated Drugs -
Anggun Ariena R. and Ade Oktariatas Ky III-48
12. The Existence of Government Regulation in Liew of Law or Peraturan
Pemerintah Pengganti Undang-Undang (Perppu) in Legal Systems of the
Republic of Indonesia - Rifandy Ritonga III-53
13. The Fulfilment Of The Right To Health Services Through Control Of
Ombudsman Functions In The Region - Agus Triono III-57
14. The Tort Of Multimodal TransportatioAgreement -
Dio Adewastia Fajaranu III-64
15. Uprising Of Village Democracy: Challenge And Opportunities For Village -
James Reinaldo Rumpia III-70
16. Comparative Law of Cartels between Indonesia and Japan (Review of Act
No. 5 of 1999 concerning Prohibition of Monopolistic Practices and Unfair
Business Competition and the Act Concerning Prohibition of Private
Monopoly and Maintenance of Fair Trade" (Act No. 54 of 14 April 1947))
- Recca Ayu Hapsari III-77
17. The Role Of Adat Community As The Part Of Normative Systems In Paser
- Melisa Safitri III-83

SOCIAL SCIENCE :

1. An Using E-CRM To Improve Market Value Companies (Research Study at
EF Bandar Lampung) - Ruri Koesliandana, Arnes Y. Vandika, and Dina Ika
Wahyuningsih IV-1
2. Analysis Of The Quality Of Public Health Field – Siti Masitoh IV-4
3. Charges Of Indonesia Labor / Workers Against Proper Living Needs That
Can Meet The Minimum Wage – Agustuti HandayaniIV-13
4. Community Response On Changes Regional Head Election System (Study
On Environmental Public Housing Way Kandis Bandar Lampung) -
Wawan Hernawan and Mutia Ravenska.....IV-16
5. Compensation Policy Implementation Of Fuel Oil, In The District Konawe,
Southeast Sulawesi Province (Study on Implementation of Direct Cash
Assistance) – Malik and Noning VerawatiIV-21
6. Crowd Funding, Social Entrepreneurship and Sustainable Development -
Hery Wibowo.....IV-29
7. Euphoria and Social Media Related to Organizational Effectiveness, Based
on Gangnam Style Case - Astadi Pangarso and Cut Irna SetiawatiIV-32

8. Financial Management In Public And Private Junior High Schools -
Suwandi and SoewitoIV-40
9. Gender Mainstreaming In Glasses of Public Administration at Banten
Province - Ipah Ema JumiatiIV-47
10. Impact From Social Media To Social Life -
Eka Imama N, Ade Kurniawan, Yoga Dwi Goesty D.S, and Arnes Y. VandikaIV-56
11. Implementation of Public Private Partnership in The Management Market
RAU (Rau Trade Center) In Serang City - RahmawatiIV-59
12. The Values Of Democracy In The Implementation Local Political Agenda
In Kendari - Jamal BakeIV-67
13. Evaluation Of Health Services Regional Public Hospital Besemah in Pagar
Alam City of South Sumatra -
Yuslainiwati, Budiman Rusli, Josy Adiwisastra, and Sinta NingrumIV-77
14. The Impact Of It Social Network Path In The Students Of Community -
Arnes Yuli VandikaIV-82
15. The Development of Women's Participation in Political Life -
Azima DimiyatiIV-86

EDUCATION :

1. An Analysis of Students' Gramatical Error in Using Passive Voice at Grade
Ten of SMA Persada Bandar Lampung 2014 - Ildhias Pratiwi Putri..... V-1
2. An Error Analysis of Speaking Present Tense on English Conversation on
Program of PRO 2 Radio Bandar Lampung – Maryana Pandawa V-5
3. Developing Students' Writing Skill by Diary Writing Habit -
Fatima A. Putri, Bery Salatar, and Susanto..... V-8
4. Discourse Analysis Of Gettysburg Address -Yanuaris Yanu Darmawan V-11
5. Error Analysis of SMA Pangudi Luhur Bandar Lampung Students'
Translation in Using Meaning-Based Translation. – Kefas Ajie Bhekti V-18
6. Improving Students Affective Domain Through Asian Parliamentary
Debate Technique – Purwanto V-24
7. Online Authentic Materials For Learning English - AgniaMuti, Ezra
Setiawan, and Ida Oktaviani V-36
8. Politeness Strategies As Persuasive Tool In Magazine Advertisements
Circulated In Lombok Tourism Spots – Lalu Abdul Khalik and Diah
Supatmiwat V-39
9. Simple Past Tense Of The First Grade Students Of SMP Negeri 1 Seputih
Banyak In Academic Year Of 2014/2015 - Qory Fahrnis Firdaus V-47
10. Supporting Learners' Autonomy Through Distance Language Learning -
Dameria Magdalena S V-51

11. Teaching Poetry in ELT Classrooms: Some Challenges and Solutions - Bastian Sugandi and Husnaini	V-54
12. Teaching Vocabulary By Using Hypnoteaching To Second Semester Students Of Bandar Lampung University - Fransiska Anggun Arumsari	V-58
13. The Application Of Brainstorming To Improve Student's Writing Skill - Ita Brasilia Nurhasanah, Ria Martin, and Rizky Amalia	V-65
14. The Application Of Using Letter Land Technique Towards Students Vocabulary Mastery - Budianto, Elis Munawaroh, Fitri Anggraini, and Yuni Arifah	V-68
15. The Application of Quiz Team Technique to Improve Students' Understanding on Simple Present Tense at Grade Seven at SMPN 26 Bandar Lampung – Rosdawati	V-71
16. The Art Of Seduction Of Giacomo Casanova An Analysis Of "The Story Of My Life" - Helta Anggia	V-75
17. The Effect Of The Application Of The News Presentation Towards Students' Speaking Ability Of Grade Eleven At SMK Negeri 1 Seputih Agung - Risdiana Yusuf	V-78
18. The Effect Of The Teacher's Feedback Approach Towards Students' Descrptive Writing Skill At Grade Tenth Of SMK Bhakti Utama Bandar Lampung - Nila Kurnijanti	V-83
19. The Improvement Of Students' Vocabulary Achievement By Using Direct Method Of SMP Wiyatama Bandar Lampung - Putri Nurhayani	V-85
20. The Influence Of Lampungnese Ethnicity Accent On Dialect A To Lampungnese Students' Pronunciation Ability At English Education Study Program - Anggi Okta Dinata	V-88
21. The Influence of Using Scrambled Pictures to Improve Students' Ability in Writing Narrative Text of Eleventh Grade Students of SMK Bhakti Utama Bandar Lampung - Novita Uswatun Khasanah	V-91
22. The Use of Letterland Method in Teaching Reading at Early Year Level to Pre-School Students in an Informal Education in Bandar Lampung - Alfiana Rochmah	V-94
23. TheInfluence of Using Short Video Towards the Students' Speaking Skill at Grade VII of SMPN 22 Bandar Lampung - Dita Oktapiana	V-101

AN ANALYSIS OF THE INFLUENCE OF AGGREGATE EXPENDITURE REGIONAL GROSS DOMESTIC PRODUCT GROWTH IN THE LAMPUNG PROVINCE

H. M. Achmad Subing

Management Study Program, Faculty of Economics, Bandar Lampung University
Corresponding author e-mail: henkyasubing@gmail.com

Abstract- This research is intended for analyzing the influence of aggregate expenditure involving consumption, investment, governmental expenditure, and net export on the growth of Gross Regional Domestic Product in Lampung Province. The research was conducted in six months including design, implementation and reporting on result of the research. The research is conducted through library study and data is obtained from the Central Bureau of Statistics, Bank Indonesia Regional Research and Development Agency, BAPPEDA. Data consist of aggregate expenditure, economic growth. This research uses the methodology of explanatory research with quantitative analysis technique by applying statistic model of causality through double linear regression analysis with the significance of five percent. Result of research indicates that the aggregate expenditure; consumption expenditure investment, governmental expenditure and net export have a simultaneous effect on the growth of PDRB. Partially, the PDRB growth is more positively affected household consumption expenditure, and private investment.

Keywords: Aggregate, Expenditure

1. INTRODUCTION

Background of the Problem

Economic growth in Lampung Province is part of the national economic growth. One of the economic indicators that are commonly used to measure economic growth in the province of Lampung is income statistics regional or better known as gross regional domestic product (GRDP) of Lampung Province. Regional gross domestic product (GDP) of Lampung province is calculated by two approaches - production and income approach presented in the form of GDP data regarding its business fields and expenditure approach presented in the form of GDP in relation to its use.

Based on Lampung Regional Economic Studies (BI, 2009) Regional Income of Lampung Province (GDP) by expenditure approach (according to its use) in 2008 was largely used for household consumption expenditure amounted to 54.88 per cent which was contributed to the GDP growth rate at 0,78 percent. This means that 14.75 percent of GDP in 2008 came from household consumption expenditure and 85.25 percent came from other GDP components.

One of encouraging economic progresses in Lampung province is government consumption (government expenditure) to drive the construction and services sector as well as activities that can stimulate investment and export activities. Government consumption in 2008 reached Rp. 9855.5 billion and contributed 13.23 percent to the GDP. One of variables that is important in trying to develop the regional economy is investment. The amount of investment activity reflected component of Fixed Capital Formation of Gross Domestic (PMTDB). If a PMTDB component is connected to the economy output as a whole, it will obtain a measurement called *Incremental Capital Output Ratio (ICOR)*. From 2004 to 2008, PMTDB Lampung increased from USD 5807.6 billion in 2004 to USD 13548.7 billion in 2008. If constant data are the amount of 2000, it

increased from US \$ 4453.3 billion in 2004 to Rp. 5554.5 billion in 2008. Thus, the average growth rate of 3.98 percent shows the highest growth per year. The highest growth occurred in 2005 (10.24%), and the lowest in 2004 (-2.98%). From 2004 to 2008, the pattern of export and import growth fluctuates with average growth of 14.3 per cent for exports, and 7.3 percent for imports per year. The highest export growth rate occurred in 2008 (50.38 percent) and the highest import growth rate occurred in 2008 (37.54 percent). The highest contribution of export occurred in 2008 (54.24 percent), and the highest contribution of imports also occurred in 2008 (46.06 percent).

Formulation of the Problem

Based on the background of the problems, the formulation of the problem in this study are as follows.

How does Aggregate Expenditure namely; Household Consumption Expenditure, Private Investment, Government Expenditure, Net Exports on the growth of Gross Regional Domestic Product (GDP) in Lampung Province influence?

Research Purposes

To analyze the dominant influence of Aggregate Expenditure like Household consumption expenditure, private investment, government spending, exports to growth produk Gross Domestic (GDP) in Lampung Province.

Benefits of the Research

The result is expected to be useful

1. To add the knowledge of economic science, especially on aggregate expenditure such as household consumption, private investment, government expense, net exports which are the most dominant influence on the growth of Gross Domestic Product (GDP) of Lampung Province.
2. To be a reference to do further researches and develop the variables that affect the growth of GDP.
3. To be an input to the Local Government Lampung to Meru muskan discretion to increasing the

economic growth in Lampung Province.

2. LITERATURE, REVIEW THEORY, HISTORY RESEARCH ,FRAMEOF THINKING AND HYPOTHESES

Theory of Overview

Economy Growth

According to Djojohadikusomo, Soemitro (1994 , p . 55 , in Economic Growth there are three main characteristics namely: a. The rate of the real income growth per capita. b) Distribution of labor force by production activities sector which are the source of their livelihoods. c) The pattern of population distribution Economic growth rate is affected by consumption, investment changes and government expenditure changes(investment by the government). National income and/or expenditure (Y) is determined by the level of Aggregate Demand (Z) , where $Z = C + I + G$ or $Y = C + I + G$. The component of economic growth can be explained as follows:

Consumption Konsumsi

According to the Case and Fair (2004: 71), in each period like week, month and year, household received a number of aggregate income (Y). In a closed economy conditions, household can only do two things its earnings such as household can purchase goods and services that can consume or save.

In a specific period, the number of aggregate consumption in economy is dependent on some factors covering: a). Household income, b) household wealth, c) interest rate, d) Household expectation of the future. These factors work together to determine spending behaviour and house saving, both for individual and aggregation. Household 's wealth and income which is higher tends to spend more than household's incomes and wealth is less . The lower interest rates decrease the cost of loan. Thus, lower interest rates tend to encourage expending and higher interest rates raise the cost of loan which tends to decrease expenditures. Finally , positive expectations of the future is probably to increase current expenditures , while hthe future uncertainty tends to reduce the current expenditure .

Investment

Investment basically is the location [of] the amount of fund at the moment in order that in return it can get profit in the future. According to Abdul Halim (2005: 4), investment is differentiated into 2 (two), that is investment of financial assets and investment of real assets. Investment of financial asset is conducted in money market, while investment of real asset can be in the form of productive asset purchasing, factory founding, mining opening, plantation opening and so on. According to Sadono Sukirno (1998:106), common investment refers to capital investment or capital establishment which is second component determining level of aggregate expenditure. Investment can be interpreted as expenditure or company expenditure to purchase capital assets and equipment supply to increase the ability in producing goods and service.

Most of analysis concerning determination of general

national revenue assumed as an investment conducted by all entrepreneurs in the form of autonomous investment. The highest national revenue will enlarge people's income, and later people's highest income will enlarge the demand of good and services. Hence, the company profit will grow high and push to conduct more investment. Then, if national revenue is higher, investment will grow higher.

Governmental expenditure

According to Sukirno, Sadono (1998:151) taxes received by government will be used to defray various governmental activities. Some of governmental expenditure is to defray the public administration and the others are to defray the development activities. Paying governmental officers' salary, and defraying the system of education and public health, armed forces expenditure and various important infrastructure in development. Expenditure development will improve the aggregate expenditure and heighten the level of economy state. The amount of the governmental expenditure will be conducted in a specific period dependent on many factors such as taxes received, targets [of] economic activity in short and long term, political consideration and security.

In each form or economic system, government plays an important part especially in providing public goods and the allocation of either goods production or consumption and improving distribution revenue, protecting national stability including economy and also quickening the economic growth. The governmental role is important especially because of public goods, imperfection of market, problem of distribution revenue and effort to keep the goods allocation efficiently and fairly (Rahman Mulyawan, 2002, p. 4,18). Based on the assessment, state expenditure then can be categorized into various type, that is:

- a. Self-liquidating expenditure meaning that government gets the payment from people accepting goods/service.
- b. Reproductive expenditure meaning that making economic profit for people to get the acceptance of government for taxes sector increase.
- c. Expenditure adding people's happiness and welfare meaning that through services it can raise national revenue such as the establishment of recreation/tourist place.
- d. Wasting, for example war.
- e. Thrift in the future like safeguarding for homeless children and orphan

Export

According to Sukirno, Sadono (2004:410), in effort to increase the production and profit, some of companies will try to broaden their marketing abroad. Hence export activity basically is the effort to sell the goods produced by the international marketing. The sale is usually conducted to other companies abroad. Efforts to market their goods abroad should be able to create a relationship with the importer abroad and conduct marketing promotion. The company will get great benefit from such efforts. And at the same time

the company has made an important contribution to the economic development of the State in the form of increase in exports, foreign exchange, taxes, national income and employment opportunities.

Import

Import, according to Sukirno, Sadono (2004:411), is the company activity that purchases goods produced in other countries.

Import as well as export activities give an effect. The outflow of foreign currency will prevail and decrease available foreign exchange. Imports of goods consumption can compete companies in the country and lower their production as well.

If this is the case, the production, sales and company profits that are affected by the presence of imported goods will decline. In terms of macro description, it may cause a deficit in the balance of flows in and out of foreign exchange, lowering the value of the domestic currency and reducing employment opportunities.

2. FRAME OF THINKING

Calculation of national income (GDP) is the summing of various types of expenses like household expenses (consumption = C), dispensing the company (Investment = I), governmental expense (G), and expenditures for the purchase of import and export products or expenditure by others from abroad (X - M). Based on such matters, the national income (GDP) = $Y = C + I + G + X - M$. The result of the calculation of national income produces the GDP value which are the same as the calculation on the basis of income or output / additional value (Yuyun Wirasmita, 2010)

The research models generally aims to analyze the influence of aggregate expenditure including household consumption, private investment, government expenditure, net exports to the Gross Regional Domestic Product (GDP) in Lampung Province.

Thus the aggregate expenditure variables that determine GDP growth consists of the following variables:

- 1). Personal and household consumption expenditure consists of expenditures whether for durable goods or not. Expenditure is usually abbreviated C.
- 2). Capital establishment of private sector is often expressed as an investment (I) meaning that capital expenditure to purchase goods that can increase the production of goods and services in the future. To build offices, establish industries, purchase production tools are the types of expenses classified as an investment. Expenditure was used in producing activities in the future.
- 3). Regional Government expenditure is abbreviated G. Government expenditures are for purchasing of goods especially for the benefit of society. Governmental expenditures are for education and health facilities, police and army, local government employees' salaries and expenditures to develop the infrastructure.
- 4). Net exports. The value of exports are carried out a

country in a given year. Exports of a country usually consist of goods and services produced in the country. It is reduced with the amount of expenditure on imports of goods and services, including technology which is brought or purchased from other countries.

Based on theory, growing phenomenon and the results of relevant research as well, the scheme of research paradigm can be described as follows:

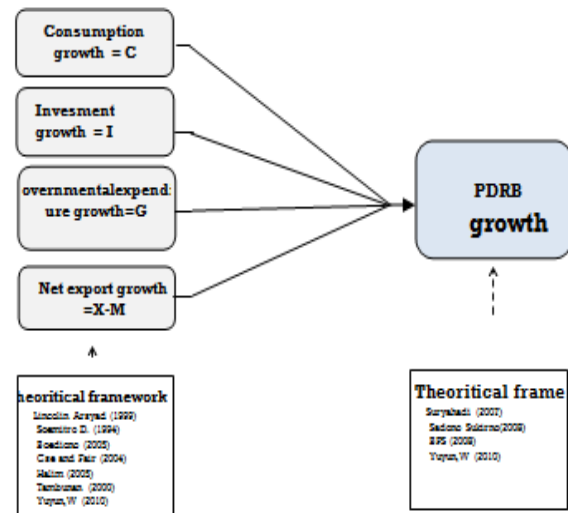


Fig1: Thinking Framework

Aggregate expenditure growth comprising Consumption expenditure (C), Investment expenditure (I), Governmental expenditure (G), Net exports (XM) affect GDP growth of Lampung Province.

Research Hypothesis

Aggregate expenditure such as household consumption, private investment, governmental expenditure, Net export simultaneously and partially influence to the growth of Gross Domestic Product (GDP) in Lampung Province.

The positive influence of the above hypothesis explains there is at least one variable of aggregate expenditure that has positive effect or contribute positively to GDP growth in Lampung Province

3. RESEARCH METHODOLOGY

Time and Place of the Research

Time of the research is planned for 6 months including the planning process such as the step of preparation, assessment, research proposal and research proposal seminar. The implementation process and results of reporting research covers research conduct (collecting data), data processing, compilation and reporting of research results.

The place of the research is Lampung Province covering 10 districts and cities like Bandar Lampung, Metro, North Lampung, central Lampung, South Lampung, East Lampung, Lampung Barat, Tanggamus, Tulang Bawang and Way Kanan.

Data on economic growth and aggregate expenditure are obtained from each district and city and then mixed with the economy data obtained from the Central Statistics Agency (BPS), the representative of

Indonesian Bank in Lampung, Regional Research and Development Agency (BAPEDA) of Lampung Province

Research Methodology

The research is *explanatory research*. The causal relationship between variables is the influence of aggregate expenditure-household consumption , private investment , government spending , net exports to the growth of Gross Domestic Product (GDP) of Lampung Province.

Formulation of the research model

Model formulations used in this study is double Multivariate Linear Regression Analysis with the technique of Ordinary Least Square (OLS) .

The influence of each independent variable of aggregate expenditure including the growth of household consumption (X₁), Private Investment (X₂), the Government Expenditure (X₃), net exports (X₄) on the growth of GDP (Y_d) can be formulated with mathematical equations by using statistics through multiple linear regression equation set out in the following equation:

Functional Relationship of Equation (Model)

$$Y_d = f (X_1, X_2, X_3, X_4)$$

Regression Equation

$$Y_d = \alpha_1 + \beta_{11}X_{11} + \beta_{21}X_{21} + \beta_{31}X_{31} + \beta_{41}X_{41} + \epsilon$$

Where:

X₁ = Household Consumption Growth (C)

X₂ = Investment Growth (I)

X₃ = Governmental Expenditure Growth (G)

X₄ = Net Export Growth (X-M)

Y_d = GDP (PDRB) Growth

α_i = Constants / intercept (Where α_j)

α_j = Total of *Multi Sector Produktivity*

β_i = regression coefficient which shows the elasticity of each variable

ϵ_i = The influence of other outside variables model set or error /residual. The regression equation in the above model tested with multiple linear regression of coefficient significance , either simultaneously or partially with statistical hypothesis as follows .

4. RESULT AND DISCUSSION

Measurement Result

Results of measurement and comparison among variable elasticity of aggregate expenditure, consumption , investment , governmental expenditure, exports and imports to GDP growth in Lampung province are obtained the following results.

$$Y_d = -454547.3 + 1,089.X_1 + 0.609.X_2 + 1,562.X_3 - 0,363.X_4 + \epsilon$$

In the model , the trend of changes in aggregate expenditure of variable contribution to GDP growth shows the responsive independent variable of aggregate expenditure - consumption , investment , government expenditure, net exports to GDP in detail can be interpreted that:

- 1) The value of the constant is $\alpha = -454,547.3$. Statistically if all independent variables of household consumption expenditure (X₁), investment (X₂), government expenditure (X₃),

net exports (X₄) is 0 (zero) , the GDP growth (Y_d) will be reduced by Rp. -454,547.3 Million .

- 2) The value of the regression coefficient $\beta_2 = 0.609$, statistically When the growth of investment (Gross Fixed Capital Formation = X₂) increased by 1 unit assuming household consumption , government spending , net exports are considered permanent , it will increase GDP growth (Y_d) of 0.609 units and vice versa.
- 3) The value of the regression coefficient $\beta_3 = 1.562$ is statistically significant. If the growth of government expenditure (X₃) is increased by 1 unit, on condition that the expenditure of consumption , investment , net exports are considered constant it will increase GDP growth (Y_d) amounted to 1,562 units. Then it is similar with the opposite situation.
- 4) The value of the regression coefficient $\beta_4 = -0.363$ shows statistically significant. If net export growth (X₄) is increased by 1 unit, while household consumption, investment , government expenditure considered constant, it will decrease GDP growth (Y_d) amounted to 0,363 units. It is similar with the opposite situation.

Household consumption is very dependent on the amount of income [$C = f (Y)$], meaning that the higher the income is, the higher the level of household consumption expenditure is. Results of regression coefficient is consistent with the results of the t test (partial test) that was obtained $t = 6.922 > t$ table ($nk - 1 = 35 - 4 - 1$) = 1.697. It means that H₀ is rejected and H₁ is accepted ($t_h > t_t$).

According to Keynes the quotation Case and Fair (2004:272) consumption is a function of income and later consumption will be able to increase revenues. In the theory of national income , the increase in national income will improve public welfare and public/household consumption will increase. The improvement of household consumption will increase national income. In addition, it is similar to Sadono Sukirno's statement (2002:38) , "the income received by households is used to buy food and clothes, spend for transportation services , pay for the education of children, rent and vehicles as well. Those are purchased for the household to meet their needs.

The increase of domestic demand to fulfil the need will increase the price and national output . Household expenditures used to consume goods, services and partly for savings (N, Gregory Mankiw Criswan translated by Sungkono, 2006, p.12). The goods and services consumed are production such as manufacturing, electricity , gas and water which is at the discretion of the government in repeated increases as well as building and construction . Thus it can be said that the increase of household consumption expenditure will increase regional revenues.

Investment is needed to improve agriculture and mining/quarry, especially in Lampung Province which has fairly extensive agricultural land further increasing the Regional Domestic Product growth. The proposition is similar with the opinion of Sadono Sukirno (2002:106) that an investment is also known

as capital investment or capital establishment. The improvement of investments will increase aggregate expenditure in economy and is used by companies to buy goods and services in order to increase the ability to produce goods and services which means an increase to national income. Furthermore, additional investment will create greater additional to national income. It is called the dual effect of investment or Multiplier Effect (Yuyun Wirasmita, 2010).

Private investment in Lampung province plays role in increasing agricultural production such as investment in rubber plantations, oil palm and sugar industry. Meanwhile investment in the mining sub-sector is intended to increase the production of coal and rock sides (BPS Lampung, 2010). The role of Investing role in both sub-sectors to GDP Lampung is large enough with an average of 42.06 percent annually since from 1980 to 2009.

Government expenditure based on calculation results of regression coefficient gets 1.561 which means when the government expenditure increases with 1 unit. Meanwhile, if household consumption, investment, net exports are considered constant, it will increase GDP growth (Yd) Lampung at 1,561 units. In relation to the calculation of the regression coefficient, it means that government expenditure contributes to the increase of GDP. An increase in local government expenditure for the development is directed to the improvement of infrastructure such as roads, ports, irrigation and so on. Thus, according to Rahman Mulyawan (2002:4.18), government expenditure does not directly increase the production of various economic sectors.

In any form of economic system, the government plays an important role especially in providing public goods, allocating goods production and consumption, improving the income of distribution, maintaining national stability- stability of the economy and accelerating economic growth as well.

The role of government is considered important especially because of the public goods, the imperfection of the market, the problem of distribution revenue and efforts to maintain the allocation of goods efficiently and equitably. The above explanation shows that the increase of government expenditure in Lampung province is not directly aimed at increasing the value of production of various economy but only acts as a push of agricultural production and mining activities.

Based on BPS (Central Statistic Agency of Lampung) data, Lampung exports are dominated by agricultural products such as coffee, palm oil, pepper and frozen shrimp export whose the value of its export is relatively low due to raw materials and semi-finished materials but contributes to GDP average of 21.91 per year since from 1980 to 2009. For the study of regional economic Lampung (BI Triwilan IV 2009), Lampung imports are in the form of consumer goods and not imported auxiliary raw materials and processing of raw industrial materials to improve the production of agriculture, manufacturing, mining and quarrying sectors. But on the other hand the value of

imports in the second quarter of 2009 amounted to 67.64 per cent largely for the commodity of oil seeds, grain, seeds and fruits and consumer goods. Therefore, increasing the value of imports of consumer goods which were not auxiliary raw materials and processing of raw materials to industry does not contribute to an increase in the production of various economy sectors. It is similar with the report of Lampung Province Regional Economic Studies (BI, 2009:6), which says that the annual Lampung export experiences negative growth, as a result of a decrease in all sectors of agriculture, manufacturing, mining and quarry. Meanwhile Lampung imports from year to year continues to increase especially imports of oil commodities, grain, seeds and fruits that reached 23.96 million kg on average ranges around US \$ 1419.167 since from 2008 to 2009, except imports of other consumer goods.

Thus, the increase of the value of exports which was subtracted with the expenditure for imports does not make a positive contribution to the Gross Domestic Product.

5. CONCLUSION AND SUGGESTION

Conclusion

Based on the results of research and discussion, this study managed to obtain a model that can adequately explain the effect of aggregate expenditure, ie the growth of household consumption, private investment, government expenditure, net exports to the growth of Gross Domestic Product.

GDP growth is largely triggered by the growth of private investment, government expenditure, and household consumption as well. Meanwhile the growth of net exports actually can decrease GDP growth. The inability of net exports in GDP growth is due to the increase of the lower value of Lampung exports when compared with the value of imports. It is because Lampung is dominated by agricultural products such as raw materials and semi-finished materials. On the other hand Lampung has high value imports as imports of finished goods and consumer goods are not imported auxiliary raw materials and raw processing materials for the industry in order to increase the production of the agricultural sector, manufacture, mining and quarry.

Suggestion

Based on the results of research, discussion and conclusions, the suggestions that consider relevant in this study as follows:

1. In order to increase knowledge such as economy, unemployment and poverty in Lampung province, it is suggested to other researchers to expand the scope of research related to the Gross Regional Domestic Product in Lampung Province including expanding the coverage area of research.
2. In order to promote economic growth in Lampung, it is suggested to the Lampung Government to be able to drive economic development policy by paying attention to the relationship among aggregate expenditure variables such as household

consumption, investment, government expenditure. Another suggestion is that there should be a focus on the growth of government expenditure directing to the employment availability, the growth of expenditure improving infrastructures as well as encouraging household consumption growth. For private investment, there should be a focus on employment availability.

REFERENCES

- [1]. Arsyad, Lincolin., 1999. *Ekonomi Pembangunan*. Edisi Keempat. Yogyakarta : Sekolah Tinggi Ilmu Ekonomi YKPN.
- [2]. Boediono., 1998. *Pengantar Ilmu Ekonomi, BPFE*. Yogyakarta.
- [3]. Boediono., 1999. *Teori Pertumbuhan Ekonomi*, Edisi Pertama. BPFE UGM, Yogyakarta.
- [4]. Boediono., 2005. *Ekonomi Makro*. Edisi 4. BPFE. Yogyakarta.
- [5]. Case, Karl e. and Fair, Ray C., 2004. *Prinsip-Prinsip Ekonomi Mikro*. Edisi Kelima. Jakarta : PT, Indeks.
- [6]. Djojohadikusumo, Sumitro., 1994. *Perkembangan Pemikiran Ekonomi. Dasar Teori Ekonomi Pertumbuhan dan Ekonomi Pembangunan*. Jakarta: LP3ES.
- [7]. Gujarati, Damodar N., 2003, *Basic Econometric*, International Edition, Fourth Edition, Mc. Graw Hill, New York
- [8]. Halim, Abdul., 2005. *Analisis Investasi*. Edisi Kedua dan empat. Jakarta : Salemba Empat.
- [9]. Mulyawan, Rahman., 2002. *Administrasi Keuangan*. Jakarta : Universitas Terbuka.
- [10]. Sukirno, Sadono., 1998. *Pengantar Teori Makroekonomi*. Edisi Kedua. Jakarta : PT. RajaGrafindo Persada.
- [11]. Suryadarma, D. dan A. Suryahadi., 2007. *The Impact of Private Growth Sector on Poverty Reduction: Evidence from Indonesia*. SMERU Working Paper, April 2007.
- [12]. Tambunan, Tulus., 2001. *Perekonomian Indonesia (Beberapa Isu Penting)*. Ghalia Indonesia, Jakarta.
- [13]. -----., 2000. *Perdagangan Internasional dan Neraca Pembayaran. Teori dan Temuan Empiris*. LP3ES. Jakarta.
- [14]. -----., *Kajian Ekonomi Regional Provinsi Lampung*, Bank Indonesia, Triwulan IV. 2002
- [15]. -----., 2009. *Analisis dan Kajian Indikator Makro Ekonomi Regional Provinsi Lampung*. Katalog BPS : 3102009.18, BPS Provinsi Lampung.
- [16]. -----., 2009. *Lampung Dalam Angka*. Katalog BPS 1102001.18. BPS Propinsi Lampung.
- [17]. Wirasmita, Yuyun., 2010, *Ekonomi Makro*, Jakarta
- [18]. Wirasmita, Yuyun., 2008. *Uji Kelayakan Model*. Fakultas Ekonomi Universitas Pajajaran, Bandung



Bandar Lampung, Indonesia

3rd IMCoSS
THE THIRD INTERNATIONAL MULTIDISCIPLINARY
CONFERENCE ON SOCIAL SCIENCES

www.imcoss.ubl.ac.id

