



ISSN : 2548 - 4613
Vol. 4. Desember 2019

Proceedings

The 4th Annual INTERNATIONAL SEMINAR on Transformative Education and Educational Leadership

Theme : Education Innovation in Indonesia Context Focused
on Disruptive Technology of Industrial Revolution 4.0.

23 - 24 September 2019
Garuda Plaza Hotel - Jln. Sisingamangaraja No. 18
Medan, North Sumatra - Indonesia



Supported by :



Committee

Advisors

Dr. Syamsul Gultom, S.KM.,M.Kes (Rector of Unimed)
Prof. Dr. Bornok Sinaga, M.Pd (Director of Postgraduate Program of Unimed)
Prof. Dr. Sahyar, MS.,MM (Vice Director 1 of Postgraduate School of Unimed)
Dr. Darwin, M.Pd (Vice Director 2 of Postgraduate Program of Unimed)

Conference Chairperson	: Dr. Rahmad Husein, M.Ed
Secretary	: Dr. Juniastel Rajagukguk, M.Si
Trasurer	: Dedi Agus Syahputra, SE
Secretariat	: Vivi Emilawati, SE.,M.Si
	1. Erika, S.Pd.,M.Pd
	2. Nurul Fazrika, S.Pd.,M.Pd
	3. Amir Husin Sitompul, S.Pd.I
	4. Agus Harriyanto
Papers and Proceedings	: 1. Dr. R. Mursid, ST.,M.Pd
	2. Dr. Anni Holila Pulungan, M.Pd
	3. Dr. Saronom Silaban, M.Pd
	4. Dr. Tumiur Gultom, M.Si
	5. Mangaratua Simanjorang, M.Pd.,Ph.D
	6. Indra Hartoyo, S.Pd.,M.Hum
	7. Dra. Meisuri, MA
	8. Dr. Hermawan Syahputra, M.Si
Program/Event	: 1. Dr. E. Elvis Napitupulu, M.Si
	2. Dr. Rachmat Mulyana, M.Si
	3. Dr. Elmanani Simamora, M.Si
Plenary Session	: 1. Prof. Amrin Saragih, M.A.,Ph.D
	2. Prof. Dr. Abinus Silalahi, M.S
	3. Prof. Dr. Abdul Hasan Saragih, M.Pd
Moderator for Parallel :	1. Prof. Dr. Edi Syahputra, M.Pd
	2. Prof. Dr. Anita Yus, M.Pd
	3. Prof. Dr. Paningkat Siburian, M.Pd
	4. Dr. Edy Surya, M.Si
	5. Dr. Fauziyah Harahap, M.Si
	6. Dr. Rahmatsyah, M.Si
	7. Dr. Arif Rahman, M.Pd
	8. Dr. Ir. Nurfajriani, M.Si
	9. Dr. Hidayat, M.Si
	10. Dr. Fitrawaty, SP.,M.Si
	11. Dr. Albadi Sinulingga, M.Pd
	12. Dr. Abdurrahman Adisaputera, M.Hum
	13. Dr. Imran Ikhamad, M.Pd
	14. Dr. Arfan Ikhsan, M.Si
	15. Dr. Saidun Hutahut, M.Si
	16. Dra. Jubliana Sitompul, M.Hum
Poster Session	: 1. Dr. Anni Holila Pulungan, M.Hum

2. Dr. Syamsidar Tanjung, M.Pd
 3. Dr. Sukarman Purba, M.Pd
 4. Dr. Ajat Sudrajat, M.Si
 5. Dr. Ratih Baiduri, M.Si
 6. Dr. Muhammad Fitri Ramadhana, M.Si
 7. Dr. Mulyono, S.Si.,M.Si
 8. Dr. Daulat Saragi, M.Hum
 9. Dr. Tumiur Gultom, SP.,MP
 10. Dr. Derlina, M.Si
 11. Dr. Wisman Hadi, M.Hum
 12. Dr. Nurhayati Simatupang, M.Kes
 13. Dr. Amir Supriadi, M.Pd
 14. Ali Fikri Hasibuan, SE.,M.Si
 15. Drs. Thamrin, M.Si
 16. Junita Friska, S.Pd.,M.Pd
- Public relations** : 1. Muhammad Surip, S.Pd.,M.Si
2. Jihan Siska
- Accommodation** : 1. Ater Budiman Sinaga, M.Si
2. Hendry Dalimunthe, MA
3. Yandri Imanuel Siburian, SE., M.Si.
4. Jasmi Assayuti, SHi
- Equipment** : 1. Eko Budianto
2. Sofianto Gultom
3. Suhana Nasution
4. Farid Ma'ruf Harahap
5. Isachar Adry Utomo
6. Diky Arisandi
7. Herianto Samosir, S.Pd
8. Ahmad Rosyadi Nasution, S.Pd
9. Hizrah Saputra Harahap, S.Pd
10. Muhammad Isnaini, M.Pd
11. Nasiruddin, S.Pd
- IT & ICT** : 1. Jerry S. Pauned, S.Si
2. Mulyanto Duha
- Transportation** : 1. Hisar P. Sianturi, SH
2. Sari Purnamawati Siregar, M.Hum
3. Yutia Hafwenny, S.KM
- Consumption** : 1. Fitria Ramadhani
2. Azizi Apri Indaya, S.Pd
3. Susiani, S.Sos
4. Siti Rohana, M.Pd
5. Yutia Hafweny, S.KM
6. Tiarna Nova, M.Pd.
- Receptions** : 1. Nisa Ansyari Gultom, S.Pd
2. Desi Yulian, S.Pd
3. Siti Rohana, S.Pd.,M.Pd
4. Cecilia Tampubolon, S.Sos

Rundown of The 4th Annual Internatioanal Seminar on Transformative Education and Educational Leadership (AISTEEL) 2019
Garuda Plaza Hotel, Medan, 23 – 24 September 2019

1st day (Monday, September 23, 2019)

Time	Activities	PIC
15.00 – 20.00	Registration in Garuda Plaza Hotel	committee

2nd day (Tuesday, September 24, 2019)

Time	Activities	PIC/Moderator
07.00 – 08.30	Poster Sessions 1	Section Poster 1
08.30 - 09.00	Opening Ceremony 1. MC Speech 2. Traditional Welcome Dance 3. Indonesian National Anthem 4. Pray 5. Chairperson Report 6. MoU signing between Unimed and PSU - Thailand 7. Welcoming speech of Director of Postgraduate School 8. Welcoming speech and official opening of Rector of State University of Medan	MC
09.00 – 09.40	Plenary Lecture 1: Prof. Dr. Syawal Gultom, M.Pd (State University of Medan– Indonesia)	Moderator Section
09.40 – 10.25	Plenari Lecture 2 Prof. W. L. Quint Oga-Baldwin (Department of Education, Faculty of education and Integrated Art and Sciences, Waseda University - Japan)	Prof. Amrin Saragih, PhD (Panel)
10.30 – 11.15	Plenari Lecture 3 Prof. Dr. Wu-Yuin Hwang (Graduate Institute of Network Learning Technology National Central University, NCU - Taiwan)	
11.15 – 12.00	Plenari Lecture 4 Prof. Dr. Ekkarin Sungtong (Dean of Faculty of Education Prince of Songkla University - Thailand)	Mangara Simanjorang, PhD (Panel)
12.00 – 12.45	Plenari Lecture 5 Asst. Prof. Patcharin Panjaburee, Ph.D. (Mahidol University – Thailand)	
12.45 – 13.30	Lunch Break/ Poster Sessions 2	Section Poster 2
13.30 – 15.30	Parallel Session 1	
15.30 – 16.00	Break/ Poster Sessions 3	Section Poster 3

15.50 – 18.00	Parallel Session 2	Moderator/Operator
18.00 – 19.00	Break/ Prayer	
19.00 – End	Banquet (Gala Dinner) - Announce of Best Presenter - Announce of Best Poster	Consumption Section

Proceedings of the 4th Annual International Seminar on Transformative Education and Educational Leadership (AISTEEL 2019)

Preface

The 4th Annual International Seminar on Transformative Education and Educational Leadership (AISTEEL 2019) was held in Garuda Plaza Hotel, Medan City-Indonesia on 23-24 September 2019. This seminar is organized by Postgraduate School, Universitas Negeri Medan and become a routine agenda at Postgraduate program of Unimed now.

The AISTEEL is realized this year with various presenters, lecturers, researchers and students from universities both in and out of Indonesia participating in, the seminar with theme “Education, Learning and Leadership Innovation.”

The plenary speakers coming from various provinces in Indonesia have been present topics covering multi disciplines. They have contributed many inspiring inputs on current trending educational research topics all over the world. The expectation is that all potential lecturers and students have shared their research findings for improving their teaching process and quality, and leadership.

The fourth AISTEEL presents a keynote speaker and 4 distinguished invited speakers from Indonesia, Japan, Taiwan, and Thailand. In addition, presenters come from various Government and Private Universities, Institutions, Academy, and Schools. Some of them are those who have sat and will sit in the oral defence examination.

There are 310 articles submitted to committee, some of which are presented orally in parallel sessions, and others are presented through posters. The articles have been reviewed by double blind reviewer and 172 of them were accepted for published by Atlantis Press indexed by International Indexation and 96 papers are published by digital library indexed by google scholar.

The Committees of AISTEEL invest great efforts in reviewing the papers submitted to the conference and organizing the sessions to enable the participants to gain maximum benefit.

Grateful thanks to all of members of The 4th Annual International Seminar on Transformative Education and Educational Leadership (AISTEEL 2019) for their outstanding contributions. Thanks also given to publisher for producing this volume.

The Editors

Bornok Sinaga
Rahmad Husein
Juniastel Rajagukguk

Table of Content

Title And Authors	Page
Learning Media Development of Foklore Text Which is Based on Digital in the 10th Grade of Vocational High School PAB 1 Helvetia <i>Yogi Andriyan Zunaeidy</i>	1-3
Translation Shift in the English Version of Musabaqah Tafsir Quran <i>Muhajirah Binti Jamaluddin</i>	4-8
Types of Lexical Creation in Iis Dahlia's Slang Words in Mamaku Hits <i>Filzah Farhana Hasibuan</i>	9-12
The Effect of Learning Strategies and Achievement Motivation on Entrepreneurship Learning Outcomes of Scout Special Unit Education and Culture Program BP-PAUD and DIKMAS Sumatera Utara <i>Johanes Pasaribu</i>	13-16
Analysis of Student's Science Process Skill on Respiration System Topic in Langsa City- Aceh <i>Ajeng Lola Prianti</i>	17-20
Meaning Equivalence in Abdullah Yusuf Ali's Translation of Surah al waqiah from English into Indonesian <i>Wirdatul Mardhiah</i>	21-22
Developing an Authentic Assessment Instrument of Exposition Text Based on Higher Order Thinking Skills (HOTS) in Class X Students of Senior High School <i>Yuli Novita Sari</i>	23-26
Sentence Acquired by Children of 2 – 2.6 Years Old in Bilingual Environment <i>Laura Agustina Simamora</i>	27-29
Development of Study Peripheral Base on the Realistic Approaches to Increase Ability of Mathematical Reasoning of Student Junior High School State 6 Medan <i>Melisa</i>	30-35
Effectiveness of Ecology and Environment Textbook Based on Science Literacy and North Sumatra's Local Potency to Improve High School Student Science Literacy <i>Ivandi Sitompul</i>	36-39
Deposit Determinant Analysis in Bank Sumut <i>Mangaradot Saur A Sinaga</i>	40-47
Development of Teaching Materials Based on Guided Discovery Learning Methods to Increase Mathematical Problem Solving Ability <i>Rianta Ananta Sitepu</i>	48-55
Development of Mathematical Learning Devices Based on Model Problem Based Learning (PBL) to Improve Mathematical Communication Skills of School IT Jabal Noor Students Class VII	56-65

Rizka Putri Rahayu

Development of Thematic Teaching Materials Based on Local Culture at The Fourth Grade of Primary Schools in North Padang Lawas District 66-69

Rahimul Harahap

The Maintenance of Mandailing Language Kecamatan in Torgamba

Putri Nurul Rahmadani Siregar 70-76

Enhancing Students Mathematical Conceptual Understanding by Applying Guided Discovery Learning and Direct Learning Model 77-82

Sri Rahwany Marbun

Development of Learning Devices Based on Realistic Mathematic Education to Improve Mathematical Communication of Students at Senior High School 83-86

Karina Hajar Hutasuhut

The Developing of Interactive Learning Media in Improving The Learning Creativity of 4-6 Year-Old Playgroup Students in PAUD Kenanga Raya Medan 87-89

Romi

The Influence of Learning Approaches and Interest in Learning Against the Results of Learning English in Class VIII Medan SPK Middle School T.A 2018/2019

Juni Triana Sitompul 90-94

Determinant Analysis of Sharia Banking Efficiency in Indonesia

Rahmat Putra Ahmad Hasibuan 95-99

The Development of Interactive Instructional Media Based on Behavioral Perspective to Improve the German Skills of Senior High School Students Grade X 100-102

Hadijah Handayani Sibuea

Development of Guided Inquiry Green Chemistry Practicum Guides 103-106

Ekin Dwi Arif Kurniawan

The Development of Adobe Flash Media Integrated Problem Based Learning on Salt Hydrolysis 107-110

Indriati Aulia

The Effect of Learning Strategy and Interpersonal Communication on the Students Achievement Reading Comprehension English Language at SMP Negeri 1 Selesai Kabupaten Langkat Tahun Ajaran 2018 / 2019 111-115

Husna Lubis

Cognitive Consideration in Persuading Readers in Argumentative Writing 116-119

Betharia br. Sembiring Pandia

The Role of the Single Mother of Parenting in Informal Education in Javanese Ethnic Families in Kualuh Hulu District Labuhanbatu Utara Regency 120-122

Suriyanti Siagian

Understanding of Female Prisoners Character Education Through Formal 123-125

Socialization at Labuhan Ruku Penitentiary

Dian Puspita Sari Sirait

Local Wisdom-Based Education Marsialapari Salak Farmers Sibangkua Angkola Barat Tapanuli Selatan 126-128

Desy Andarini

Rituals at the Tomb of Datuk Darah Putih as a Media for Nonformal Education to Respect Ancestors (Case Study Chinese Ethnic in Aur Village Medan Maimun District Medan City) 129-131

Gadis Anastasia

Interactive Multimedia-Based Learning Materials Innovation for Teaching Basic Techniques in Analysis 132-134

Yuni Chairani

The Effect Model of Learning and Learning Interest Against the Results of Learning the Knowledge of Nature Primary School (SD) in Medan T.A 2019/2020 135-139

Mida Lishanata

Development of Interactive Media in Arabic on the Material Read Class VIII of MTs Darul Hikmah T.A 2019/2020 140-143

Nurul Amri

The Influence of Leadership Behavior, Work Motivation, Job Stress, and Job Satisfaction on Lecturers' Performance 144-146

Hanafiah

Developing Big Book as Reading Materials Based on Thematic Approach for Fourth Grade Students at SD Negeri 028068 Binjai East Binjai Regency Langkat 147-149

Utari

The Development of Textbook Based on Research About the Insect Pollinator on Chili Paper (*Capsicum annum L.*) 150-154

Fitriatul Aspahani

Gratitude Expressions and Responses used by the Characters in the Vow Movie 155-158

Sabrina Octavia Pandingan

Subtitling Strategies Used in The Meg Movie Texts 159-164

Devi Sucina Nirwana

Lexical Metaphor in Novel and Film Critical Eleven 165-167

Indah Christiani Silitonga

The Types of Modality in Teaching Learning Process 168-169

Harnida Tanjung

The Effect of Teaching Strategies and Students Motivation on Reading Comprehension Achievement 170-173

Zulkarnain Batu Bara

The Types of Flouting Maxim by Governor Candidates of North Sumatera in Election Debate 2018	174-176
<i>Tri Wita Indah Sari</i>	
The Effect of Teaching Strategies and Students' Interest on Reading Comprehension of Recount Text of Eighth Grade Students of MTs Qur'an Kisaran	177-179
<i>Ahmad Fauzi</i>	
Flouting Maxims in the Courtroom of Administrative Court	180-182
<i>Aminah Ari Fadhila</i>	
Development of Adobe Flash Learning Media Based on Cooperative Learning to Improve Student's Spatial Ability at Chandra Kumala Secondary School	183-188
<i>Fajar Sukma Harsa</i>	
Improving Results in Learning Bahasa for Poetry Readings with the Implementation of a Direct Learning Model for Fifth Grade Elementary School	189-192
<i>Dr. Mayske Rinny Liando, S.Pd., M.Pd</i>	
Development of Learning Materials Based on Problem Based Learning to Improve Students Problem Solving Ability	193-197
<i>Poppy Amalia</i>	
Analysis Of The Economic Bilateral Relationship Indonesia – China On Balance Of Payments In Indonesia	198-201
<i>Sri Wulandari</i>	
Community Participation in Preservation of City Park The Case of Binjai City, Indonesia	202-204
<i>Widya Afriani Wiliskar</i>	
The Types of Gender Arguments in Instagram (A Case Study of Donald Trump's Political Status)	205-207
<i>Putri Permata Sari Samosir</i>	
The Analysis of Monetary Policy Transmission Mechanism by Exchange Rate Channel in Influencing The Inflation in Indonesia	
<i>Putry Sari Rahmadyah Pulungan</i>	208-214
Translation Technique Applied in Translating the First Call from Heaven Novel	215-222
<i>Sudariyani</i>	
Education Cultural in Bona Pasogit (Ethnographic Study of Education Cultural Inheritance in the Toba Batak Society Marga Panjaitan in Pematangsiantar)	223-225
<i>Tripresar Jhon Tuan Panjaitan</i>	
Evaluation Of Tiered In Order To Increase PAUD Teacher Competence In Medan City	226-230
<i>Rehmenda Christy</i>	
Women Politeness Strategies of Bargaining "Media Credit Store" in Tanjung	231-233

Morawa

Nahdyah Sari Daulay

Toba Batak Language Shift in Rantau Selatan

Helfi Vinawari S

234-236

Development of Interactive Multimedia Digital Storytelling in English Subjects

237-239

Juanda

The Effect of PLAN (Plan, Locate, Add and Note) Strategies on Students' Achievement in Reading Comprehension

240-244

Neneng Nurhamidah

Unggah-Ungguh Code Switching in Kartini Movie

Yutika Sari

245-247

Metaphors in Umpasa of the Toba Batak Wedding Ceremony

248-250

Sactica Oktavyani Sagala

The Effect of Model learning and Gender Against Piano playing Skills for class V SMK Negeri 11 Medan T.A 2019/2020

251-255

Gufran Nurman

The Effect of Cooperative Learning Model Based on Aceh Culture to Improve the Generic Science Skills of Student

256-260

Safitri Raufa

Gender Conversation in Workplace Context

Aisyah Fitriani Dasopang

261-265

Management and Development Quality of Teacher Performance Through Teacher Competence in the First Middle School in Banda Aceh

266-268

Faisal Anwar

Modality used in Beauty Product Advertisements on Instagram Caption

269-272

Indah Eka Sari

Attitudinal Appraisal in Ahok's Speech

Firdha Sabrina

273-276

Appraisal Attitudes by the Judges on Indonesian Idol "Grand Final" Session

Mieta Setieya

277-280

The Development of Virtual Laboratory-Based Learning Media of Biology on The Topic of Bacterial for High School Students

281-284

Lailatussyifa

Analysis of Economic Opening on Rupiah Exchange Rate on United States Dollars (2008-2018)

285-289

Sri Wahyuni

The Manners of Cognitive Process in Translating English Phrasal Verbs Into

290-293

Indonesian

Fitri Ervina Tarigan

Javanese Addressing Terms Maintenance by the Teenager Speakers in Bukit Malintang 294-298

Sudarti Rahayu Ningsih

Appraisal in Students' Argumentative Writing 299-302

Ika Vanesia Siagian

Speech Pauses Used by Male and Female Students in English Oral Examination 303-305

Lamia Deareni

The Development of Guidance and Integrated Science Practicum Kit Integrated Guided Inquiry Model bases Science Process Skills for Class VII Semester I 306-309

Fretty Nafartilova Hutahaeen

Analysis of Biomolecular Practicum Guides According to KKNi Curriculum 310-313

Nurul Indah Pratiwi

The Cognitive Process of Different Gender in Writing Argumentative Text 314-318

Surya Teriadi Tarigan

The Development of Chemistry Lab Guide Book for High School Based on Guided Inquiry to Measure Scientific Attitudes and Science Process Skill 319-325

Gorat Victor Sibuea

The Unnaturalness of the Translatio of Indonesian Tourist Resorts Signs Into English in Parapat and Bukit Lawang 326-328

Iis Aprianti

Grammatical Error of Speech by Students in Bilingual Program of Ma'had Al Jami'ah UIN North Sumatra 329-332

Riyah Shibha Nasution

Speech Functions Used by Male and Female Tour Guides in Their Touring Interaction with Tourists in Bukit Lawang 333-336

Widya Ningsih

Analysis of the Influence of Economic Openness to Indonesia Growth 337-340

Zando Silaban

Design Development and Standard Operational Procedure for Training Model Management of 3 Diploma Mechanical Engineering University of Medan 341-345

Mindo Judica Pangaribuan

The Euphemism in "Sambah Manyambah" Tradition of Minangnese Wedding Ceremony 346-348

Muhammad Fauzi

Analysis of Factors That Influence the Interdiction of District/City in the Province 349-354

North Sumatra

Muhammad Yulhelmy Isra

Development of Interactive Learning Media Based on Adobe Flash CS 6 in Geographic Lessons 355-360

Mardimpu Sihombing

The Comparison between Predict Observe Explain (POE) and Think Pair Share (TPS) Learning Model on Students Learning Achievement, Activity, and Critical Thinking Skill on Human Circulatory System 361-367

Remli Nelmian Simarmata

Metaphor Translation in English and Indonesian Version of Surah Ali Imran 368-371

Uswatun Hasanah

Analysis of the Influence of Economic Openness to Indonesia Growth

Zando Silaban
Department of Economics
Faculty of Economic
State University of Medan
North Sumatra 20221, Indonesia
zchandrosilaban@gmail.com

Indra Maipita
Department of Economics
Faculty of Economic
State University of Medan
North Sumatra 20221, Indonesia

Fitrawaty
Department of Economics
Faculty of Economic
State University of Medan
North Sumatra 20221, Indonesia

Abstract—This study aims to explain economic growth in Indonesia. The variables that affect the rate of economic growth are government spending, domestic inflation difference, a difference of BI Rate and The Fed Rate, money supply, exchange rate, unemployment. In this study, the data used are secondary data published by the Central Bureau of Statistic and bank Indonesia. The data are annual data from 1991 to 2018. The analytical tools used are Ordinary Least Square regression. The results showed that government spending, exchange rates, and unemployment had no significant effect on economic growth in Indonesia, but the difference in domestic inflation & foreign inflation, the difference in domestic interest rates & Fed rate, Money supply significant economic growth in Indonesia.

Keywords—Government Spending; Domestic Inflation Difference; Difference of BI Rate and The FED Rate; Money Supply; Exchange Rate; Economic Growth

I. INTRODUCTION

Economic growth is a major macroeconomic indicator for assessing the economic performance of a country. This economic growth in a country with an open economy can be calculated from a variety of aspects, both from the real sector and the financial sector, from production, consumption, and investment. Indonesia is one of the developing countries that has long implemented an open economic system. This is evident from the participation of Indonesia in some agreements free trade area or free trade agreement.

According to Mankiw (2006:114) that a country implementing economic openness policy will gain many positive benefits such as the formation of international relations, expansion of market share, improved modernization of technology and science, encouraging international capital flows and preventing a monopoly on global markets

Based on GDP data in Indonesia during 1991-2018 GDP rate in Indonesia showed fluctuating movement from year to year. The lowest GDP growth occurs in 1998 reaches minus 13.12 percent, this is dominant due to the increase in the world oil price and causes rising oil fuel prices. Indonesia's economic growth in 2000 amounted to 4.92 percent higher than the initial year forecast by Bank Indonesia for 3.0 percent

up to 4.0 percent. In the year 2002 is getting better than the year 2001, based on GDP calculation constant price 2000, Indonesia's 2002 economic growth rate is 4.50 percent, and the rate of economic growth in 2001 amounted to 3.64 percent.

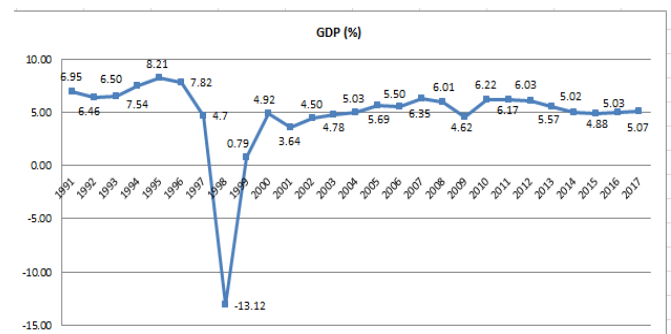


Fig I. GDP Growth in Indonesia years 1991-2018

Indonesia's economy demonstrates improved and more stable performance during 2003 as reflected in increased economic growth. Nevertheless, the economic growth that occurred is still insufficient to absorb additional labor force so that the amount of unemployment is still increasing. The still-sluggish world trade activity resulted in the growth of Indonesia's export volume, especially low non-oil commodities. In such situations, the export performance is nominally assisted by rising prices of oil and gas commodities in the international market so that the overall export value in 2003 is still experiencing a significant increase and is support The occurrence of surplus transactions running for 2003 (Bank Indonesia, 2003).

According to the Keynesian theory pioneered by Keynes that in short-term national output and employment opportunities are primarily determined by aggregate demand. The concepts of Keynesian demonstrate that the role of government is very large in creating economic growth. The market economy seems to be difficult to guarantee the availability of the goods needed by the community and often cause instability, inequity, and inefficiencies. If the economy is often faced with instability, inequality and inefficiencies

will inhibit the occurrence of economic growth in the long-term (Murni, 2006:183).

Government expenditure as one of the important instruments of fiscal policy is expected to encourage economic activity and increase economic growth. The government optimizes the role by increasing expenditure on GDP. Real government spending is also increasing in line with increased GDP. The government's role in the economy is shown by spending on economic fields in a percentage of total spending tends to increase.

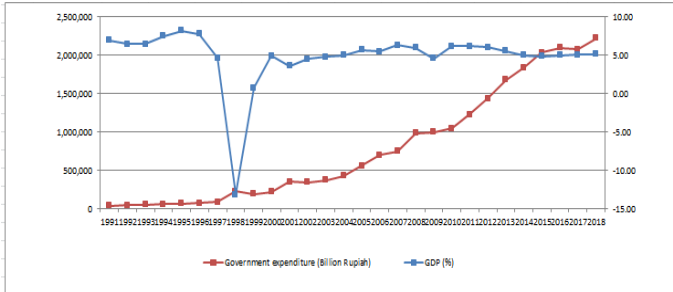


Fig II. Development of GDP growth and government expenditure in Indonesia years 1991-2018

According to Mankiw (2006), the difference in international and domestic interest rates is caused by two reasons, firstly, the country's risk reflected by political risk for lending to the state and second, the expected change in real exchange rates. The expectation that the currency will lose its value in the future will cause the currency to lose its current value. So that the domestic interest rate is determined by the world interest rate coupled with political risk. The view of Keynes of long-term real interest rates IS influential in the economy and can be explained by the IS-LM scheme. With the sale of Bank Indonesia certificates, the amount of money supply will be reduced. The monetary policy that contractions leads to an increase in real interest rates due to the cost of capital to cause a decline in spending on investments that will eventually lead to decreased aggregate demand and decreased output.

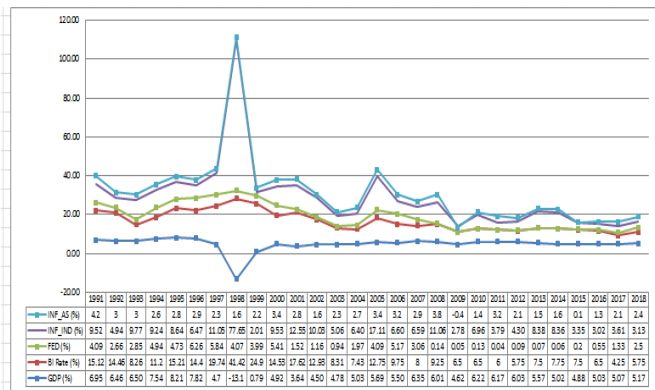


Fig III. Development of GDP growth, BI Rate, FED Rate, inflation in Indonesia and inflation in the United States years 1991-2018

In Indonesia, short-term interest rates have increased from 8 percent in 2007 to 9.25 percent by 2008. Meanwhile, economic growth in Indonesia increased by 6.01 percent. The implementation of this monetary policy is to offset the rise of international interest rates to withstand the flow of outgoing capital to choose to be invested domestically. Besides aiming to strengthen the value of rupiah against the US dollar. The above does not match the view of Keynes

The cross-country economic crisis will trigger the domestic economic warming implemented by accelerating the high economic growth exceeding the limits of existing domestic capabilities, declining the trust of foreign investors as well as, that will strengthen the occurrence of capital flight so that it endangers domestic stabilization, especially at fluctuating rupiah exchange rate, as well as a decline in production activities of a number of industries that rely on imported raw materials.

The exchange rate is one of the important indicators that affect the stability of an economy. The difference in currency used by each country in export and import activities creates a difference in currency exchange rates. According to the Mundell-Fleming theory (Mankiw, 2006) stating that there is a negative relationship between the exchange rate with economic growth, the higher the exchange rate then the net exports are getting lower. This decline will have an impact on the amount of output being reduced and will cause GDP to decline

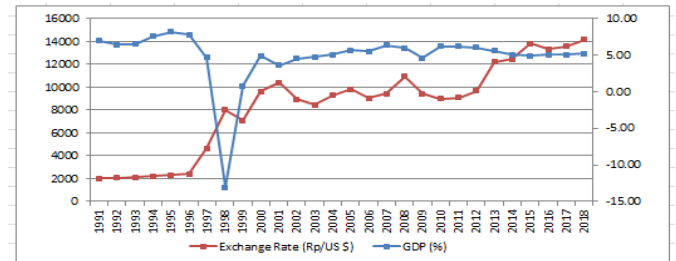


Fig IV. Development of GDP growth and exchange rate years 1991-2018

Indonesia has experienced a crisis in the rupiah exchange rate against the US dollar that experienced overshooting quite far from its real value. This prolonged crisis is a Theravada crisis of very sharp rupiah exchange rate. Since the end of 2008, the deeper global crisis has made the effect of depreciation on the currency.

According to the theory of money quantity that the more turnover money is done then it will increase the economic growth of a country (Karim, 2008). The addition of money supply can lower interest rates. When the interest rate decreases it will encourage rising investment activities in a country. Investment activities are increasing then will need Labor also to meet the increasing number of output the demand for labor increases will reduce the unemployment rate of the community. Increasing the demand for Labour will improve the public's income to a prosperous life so that it will implicate economic growth in a country.

Each year the amount of money supply has increased, from 2002 until 2004 the increase in the amount of money circulating not more than 10 percent while the economic growth is above 4.10 percent. It can be said that the growth in

the amount of money supply responds positively to economic growth

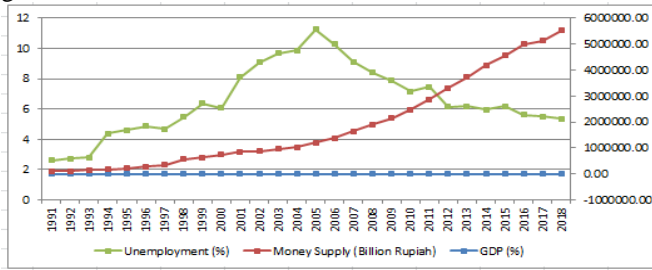


Fig V. Development of GDP growth, money supply and unemployment years 1991-2018

The year 2004 economic growth in Indonesia amounted to 5.03 percent and in 2005 its economic growth experienced an insignificant increase of 5.69 percent. However, judging by the level of unemployment data in Indonesia that year has experienced a significant increase in the year 2004 to 2005 of the unemployment rate of 9.86 percent increased by 11.24 percent.

In general, this research examines the influence of economic openness to economic growth in Indonesia. The variables that affect the rate of economic growth (GDP) are government spending (GOV), domestic inflation difference (INF_IND) & INF_AS), a difference of BI Rate and The Fed Rate (BI Rate & FED), money supply (MS), the exchange rate (EC), unemployment (Unemp).

II. METHOD

The study used secondary data in the form of time series during the year 1991-2018. Calculation of the inflation rate in this study uses the CPI inflation concept obtained from the Central Bureau of Statistic and Bank Indonesia. BI Rate and FED Rate in percent, rupiah exchange rate against US \$ using the central exchange rate stipulated by Bank Indonesia in the thousands of rupiah acquired by Bank Indonesia. The data on the amount of money supply used is money in the broad meaning (M2) in units of billions of rupiah sourced from Bank Indonesia. Unemployment and GDP in Indonesia in the percentage acquired by Bank Indonesia.

The data analysis techniques used in this study are the descriptive analysis and analysis of Ordinary Least Square models (OLS) with the help of the Eview 9 program.

III. RESULTS AND DISCUSSION

Regression model about the influence of economic growth (GDP), government spending (GOV), domestic inflation difference (INF_IND) & INF_AS), difference of BI Rate and The Fed Rate (BI Rate & FED), money supply (MS), exchange rate (EC), unemployment (Unemp) in Indonesia use multiple linear regression method, Ordinary Least Square models (OLS). Equation of multiple linear regression model can be seen as follows:

$$GDP = \alpha_0 + \alpha_1 LNGOV_t + \alpha_2 INF_IND \& INF_AS_t + \alpha_3 BI \text{ Rate \& FED}_t + \alpha_4 MS_t + \alpha_5 EXC_t + \alpha_6 Unemp_t + \epsilon_t$$

$$GDP = 24.88352 + 0.19773 LNGOV_t + 0.134195 INF_IND \& INF_AS_t - 0.267757 BI \text{ Rate \& FED}_t + 0.126465 MS_t - 2.066319 EXC_t + 0.150087 Unemp_t + \epsilon_t$$

TABLE I. RESULT OF ORDINARY LEAST SQUARE

Dependent Variable: GDP
Method: Least Squares
Date: 08/22/19 Time: 01:44
Sample: 1991 2018
Included observations: 28

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNGOV	0.197773	1.506077	0.131317	0.8968
INFDN_INFLN	0.134195	0.030423	4.410895	0.0002
SBI_FEDRATE	-0.267757	0.074344	-3.601581	0.0017
LNMS	0.126465	1.733061	4.072972	0.0425
LNEXC	-2.066319	1.379263	-1.498132	0.1490
UNEMP	0.150087	0.150037	1.000334	0.3285
C	24.88352	4.276940	5.818066	0.0000
R-squared	0.929881	Mean dependent var		4.858929
Adjusted R-squared	0.909847	S.D. dependent var		3.793974
S.E. of regression	1.139158	Akaike info criterion		3.310773
Sum squared resid	27.25129	Schwarz criterion		3.643824
Log likelihood	-39.35083	Hannan-Quinn criter.		3.412590
F-statistic	46.41528	Durbin-Watson stat		2.081643
Prob(F-statistic)	0.000000			

Based on analysis regression result can be seen that government spending (GOV) has not directly significant influence on economic growth (GDP) in Indonesia with coefficient 0.197773. This research has not a relationship between government expenditure and economic growth in Indonesia, meaning the higher the value of government spending then the economic growth will decline. Similarly, when government expenditure drops, economic growth will increase. This is demonstrated by decreased Government spending in 2013 and economic growth in Indonesia. So it can be stated that influential government expenditure is not significant and has a negative relationship to economic growth. As it is known that the average government expenditure in each year has increased and decreased. The economic crisis of the year 2009 impacted the government's budget Areas in Indonesia, so that year the amount of government expenditure is very small compared to other periods in this study. This study supported consistently on research conducted by Hutabarat (2014) stating that government spending has no effect on economic growth with any level of trust.

Based on analysis regression result can be seen that domestic inflation difference (INF_IND) & INF_AS) has directly significant influence on economic growth (GDP) in Indonesia with coefficient 0.134195. So the research is supported by the theory presented by Sukirno (2008:11) Where economic policies, especially the monetary policy of a country, strive to keep inflation at the slither level of inflation. Inflation can cause good effects in Economy. The company's profits increase and will promote investment. So employment and income opportunities increase and encourage economic growth. According to Bick (2010) in Threshold Effect of

Inflation on Economic Growth in Developing Countries, states that there is a significant relationship between inflation and economic growth. So the results of the research conducted by Bick (2010) show similar results with this study that Shows that inflation has a positive influence on economic growth

Based on analysis regression result can be seen that difference of BI Rate and The Fed Rate (BI Rate & FED) has directly significant influence to economic growth (GDP) in Indonesia with coefficient -0.267757. According to the Keynesian view where long-term rill interest rates are most influential in the economy and can be explained by the IS-LM scheme. Increased stock of money will lower the real interest rate and capital costs and increase business investment. Increased investment will eventually increase aggregate output. Decreasing the real interest rate will lower the cost of capital and the cost of holding money, then stimulate business and consumer spending. Increased business and consumer spending will ultimately increase aggregate demand (Mishkin, 2009:604). Ascarya (2014) stated that estimation results of ECM, ARDL, and VECM show that under the dual financial system, the increase of SBI tends to increase inflation and tends to decrease economic growth, while the increase of SBIS gives insignificant impact to inflation and economic growth.

Based on analysis regression result can be seen that money supply (MS) has directly significant influence on economic growth (GDP) in Indonesia with coefficient 0.126465. It corresponds to the theory of money quantity that the more turnover money is done then it will increase the economic growth of a country (Karim, 2008). The addition of money supply can lower interest rates. When the interest rate decreases it will encourage rising investment activities in a country. Investment activities are increasing then will need Labor also to meet the increasing number of outputs, the demand for labor increases will reduce the unemployment rate of the community. Increasing the demand for Labour will improve the income of people to a prosperous life so that it will implicate economic growth in a country.

Based on analysis regression result can be seen that the exchange rate (EC) has not directly significant influence on economic growth (GDP) in Indonesia with coefficient -2.066319. Levy-Yeyati and Sturzenegger (2003) stated that compare the performance of the economy using fixed, intermediate, and floating exchange rate regimes. His studies show that countries developing that adheres to exchange rate regime fixed its economic growth slower. Yet for advanced countries, its influence looks insignificant.

Based on analysis regression result can be seen that unemployment (Unemp) has not directly significant influence on economic growth (GDP) in Indonesia with coefficient 0.1500087. Based on the empirical data on unemployment and economic growth in 1991-2018, unemployment is always not comparable to the economic growth in Indonesia where unemployment rises then economic growth decreases. This is because economic growth in Indonesia has not created employment that can reduce the amount of unemployment. The unemployment rate is influenced by the growth of the workforce and the amount of unemployment that has existed from the previous year. This research is not following with the

law of Okun's which states that when the unemployment rate increases then productivity will decline and the output gained by the state will also decrease so that economic growth will decrease (Mankiw,2006).

IV. CONCLUSION AND RECOMMENDATIONS

Only variables of the inflation difference in Indonesian inflation & the United States, the difference between BI Rate & FED Rate and the amount of money supply that has a significant influence on economic growth in Indonesia. Government spending variables, exchange rates, and unemployment have no significant influence on economic growth in Indonesia

REFERENCES

- [1] Ascarya. 2014. Monetary Policy Transmission Mechanism Under Dual Financial System in Indonesia. *International Journal of Economics, Management and Accounting* 22, no.1(2014), pp. 1-32.
- [2] Alejandro Justiniano and Bruce Presto. 2010. Monetary Policy and Uncertainty in an Empirical Small Open-Economy Model. *Journal of Applied Econometrics*, Vol. 25 No. 1, pp 93-128
- [3] Bick, Alexander. 2010. Threshold Effects of Inflation on Economic Growth in Developing Countries. *Journal Elsevier*, Vol. 108, Issue 2, Agustus 2010, pp. 126-129.
- [4] Chang, Ching-Cheng & Mendy, Michael. 2012. Economic Growth and Openness in Africa: What is the Empirical Relationship?. *Applied Economics Letters*. 19. 1903-1907
- [5] Hutabarat, Heston Pero. 2014. Pengaruh Pengeluaran Pemerintah Terhadap Pertumbuhan Ekonomi Provinsi Sumatera Utara. Skripsi. Yogyakarta: Universitas Gajah Mada.
- [6] Karim, Adiwarman A. 2008. *Ekonomi Makro Islam Edisi 6 Cetakan 2*. Jakarta: Raja Grafindo Persada.
- [7] Levy-Yeyati, Eduardo and Sturzenegger. 2003. To Float to Fix: Evidence on the Impact of Exchange Rate Regimes on Growth. *The American Review*, November 2003, Vol. 93(4), pp. 1173-1193
- [8] Mankiw, N.Gregory. 2006. *Principles of Economics. Pengantar Ekonomi Makro*. Edisi Ketiga. Alih Bahasa Chriswan Sungkono. Jakarta: Salemba Empat.
- [9] Mishkin, Frederic S. 2009. *Ekonomi Uang, Perbankan, dan Pasar Keuangan*. Jakarta: Salemba Empat.
- [10] Murni, Asfiah. 2006. *Ekonomi Makro*. Bandung: PT.Rafika Aditama.
- [11] Sukirno, Sadono. 2008. *Ekonomi Pembangunan*. Yogyakarta: BPFE Yogyakarta.

