

## TABLE OF CONTENTS

THE IMPACT OF GOVERNMENT EXPENDITURE ON THE AGRICULTURAL SECTOR IN 9 SELECTED DEVELOPING AGRICULTURAL PRODUCER COUNTRIES 2010-2019 .....	I
UNDERGRADUATE THESIS APPROVAL .....	II
PASSED APPROVAL ON THESIS EXAMINATION .....	III
STATEMENT OF THESIS ORIGINALITY .....	IV
ABSTRACT .....	V
ABSTRAK .....	VI
PREFACE .....	VII
TABLE OF CONTENTS .....	IX
LIST OF FIGURES.....	XIV
CHAPTER 1 INTRODUCTION .....	1
1.1 Background .....	1
1.2 Research Purposes and Advantages .....	14
1.2.1 Research Purposes.....	14
1.2.2 Advantages of the Research .....	15
1.4 Systematics of Writing .....	16
CHAPTER II LITERATURE REVIEW.....	18
2.1 Theoretical Basis.....	18
2.1.1 Production Function (Cobb-Douglas).....	18
2.1.2 Agriculture Sector Production Function .....	21
2.1.3 Production Cost.....	22

2.1.3.1	Elements of Production Cost.....	22
2.1.4	Agricultural Sector Theory .....	24
2.1.4.1	Comperhension of Agriculture.....	24
2.1.4.2	Agriculture's Contribution to the Economy .....	25
2.1.5	Agriculture Economics.....	27
2.1.6	Agriculture Sector .....	27
2.1.6.1	The role of Agriculture Sector on Economic Growth.....	29
2.1.7	Labor .....	30
2.1.7.1	The relationship between labor and agriculture sector .....	30
2.1.8	Government Expenditure .....	31
2.1.8.1	Macro Theory of Government Expenditure .....	32
2.1.8.2	Micro Theory of Government Expenditure.....	33
2.1.8.3	The relationship between government expenditure and agriculture sector	33
2.1.9	Population .....	34
2.1.9.1	The relationship between population and agriculture sector.....	36
2.1.10	Infrastructure .....	36
2.1.10.1	The relationship between infrastructure and agriculture sector .....	37
2.1.11	Consumer Price Index .....	37
2.1.11.1	The relationship between consumer price index and agriculture sector	38
2.2	Previous Research .....	39
2.3	Research Framework.....	51
2.4	Research Hypothesis .....	52
<b>CHAPTER III RESEARCH METHODOLOGY .....</b>		<b>53</b>
3.1	Research Variable and Definition of Operational .....	53
3.1.1	Research Variable .....	53
3.1.2	Definition of Operational Variable .....	53
3.1.2.1	Dependent Variable.....	54
3.1.2.2	Independent Variable .....	55
3.2	Type and Sources of Data .....	57
3.2.1	Data Type .....	57
3.2.2	Data Sources.....	57
3.3	Method of Analyzing Data.....	58
3.3.1	Panel Data Analysis .....	59
3.3.2	Classical Assumption Test .....	63

3.3.2.1	Normality Test .....	63
3.3.2.2	Multicollinearity Test.....	64
3.3.2.3	Heteroscedasticity Test .....	64
3.3.2.4	Autocorrelation Test.....	65
3.3.2.5	EGLS Regression Analysis .....	65
3.3.3	Hyphothesis Testing.....	66
3.3.3.1	T-test .....	66
3.3.3.2	F-test.....	67
3.3.3.3	Coefficient Determinants ( $R^2$ ).....	68
3.3.4	Research Model.....	68
CHAPTER IV RESULT AND DISCUSSION .....		70
4.1	Description of Research Object .....	70
4.1.1	Agriculture Sector .....	70
4.1.2	Labor .....	72
4.1.3	Government Expenditure .....	74
4.1.4	Population .....	76
4.1.5	Infrastructure .....	78
4.1.6	Consumer Price Index .....	80
4.2	Data Analysis .....	82
4.2.1	Panel Data Analysis Regression Result .....	82
4.2.2	Determination of Panel Data Model .....	83
4.2.3	Classical Assumption Test .....	84
4.2.3.1	Normality Test .....	84
4.2.3.2	Multicollinearity Test.....	85
4.2.3.3	Autocorrelation Test.....	86
4.2.3.4	Heteroscedasticity Test .....	86
4.2.4	Regression Analysis Result with EGLS.....	87
4.2.5	Coefficient of Determination Analysis .....	89
4.2.5	Significance Test.....	89
4.2.5.1	Simultaneous Significance Test .....	89
4.2.5.2	Partial Significance Test .....	90
4.3	Result Interpretation.....	91
4.3.1	Labor .....	91
4.3.2	Government Expenditure .....	92
4.3.3	Population .....	94
4.3.4	Infrastructure .....	95
4.3.5	Consumer Price Index .....	96

CHAPTER V CONCLUSION.....	98
5.1 Conclusion.....	98
5.2 Limitations .....	100
5.3 Suggestions .....	100
REFERENCES.....	104
ATTACHMENTS.....	104