



Table of Contents

Cover Page	i
Approval Sheet.....	ii
Statement of Originality	iii
Preface.....	iv
Table of Content.....	v
List of Tables.....	vii
List of Figures	viii
List of Abbreviation	ix
Abstract	x
CHAPTER I. INTRODUCTION.....	1
1.1 Background	1
1.2 Problem Statements.....	5
1.3 Research Questions	6
1.4 Research Objectives	6
1.5 Research Significance	7
1.6 Research Benefit	7
1.7 Research Contributions	7
1.8 Research Scope and Limitations	8
1.9 Systematic of Writing.....	8
CHAPTER II. LITERAURE REVIEW.....	10
2.1 Economic Growth	10
2.2 Poverty	11
2.3 Income Inequality.....	12
2.4 Economic Growth and Poverty Relationship	14
2.5 Previous Research	18
2.6 Thinking Framework.....	20
CHAPTER III. RESEARCH METHOD	22
3.1 Research Design	22
3.2 Operational Definition of Variables	25
3.3 Population and Sample	27
3.4 Data Collection Techniques	27
3.5 Data Analysis Techniques	28



3.5.1 Ordinary Least Square (OLS)	28
3.5.2 Instrumental Variable (IV).....	32
3.5.3 Difference in Difference Instrumental Variable (DID-IV)	36
CHAPTER IV. DISCUSSION	41
4.1 Data Description.....	41
4.2 Effects of Economic Growth on Poverty	44
4.3 Effects of distribution-corrected economic growth on poverty	51
CHAPTER V. CONCLUSION	61
5.1. Conclusion.....	61
5.2. Limitations	63
5.3. Implications	65
Bibliography.....	66
Appendix	69