

# TABLE OF CONTENTS

|   |      |
|---|------|
| TITLE PAGE.....   | i    |
| APPROVAL SHEET.....   | ii   |
| RATIFICATION OF THE THESIS .....                                    | iii  |
| THESIS ORIGINALITY STATEMENT.....                                   | iv   |
| DEDICATIONS AND MOTTO.....  | v    |
| ABSTRACT .....  | vi   |
| <i>ABSTRAK</i> .....  | vii  |
| ACKNOWLEDGMENTS .....   | viii |
| TABLE OF CONTENTS .....   | x    |
| TABLE LISTS.....  | xiii |
| FIGURE LISTS .....  | xiv  |
| CHAPTER I INTRODUCTION.....   | 15   |
| 1.1 Background.....   | 15   |
| 1.2 Research Problems .....   | 26   |
| 1.3 The Objectives of the Study.....                                | 27   |
| 1.4 Significance of the Study.....                                  | 28   |
| 1.5 Organization of the study.....                                  | 28   |
| CHAPTER II LITERATURE REVIEW .....                                  | 30   |
| 2.1 Theoretical Basis .....   | 30   |
| 2.1.1 Theory of Employment .....                                    | 30   |
| 2.2 Relavance Between Variables.....                                | 35   |
| 2.2.1 Relevance between Minimum Wage towards Unemployment Rate..... | 35   |
| 2.2.2 Relevance between Population towards Unemployment Rate .....  | 38   |
| 2.2.3 Relevance between GRDP towards Unemployment Rate.....         | 40   |
| 2.3 Previous Studies .....  | 42   |
| 2.4 Theoretical Framework.....                                      | 49   |
| 2.5 Hypothesis .....  | 50   |

|   |    |
|---|----|
| CHAPTER III RESEARCH METHODOLOGY .....  | 51 |
| 3.1 Research Variables and Variable Operational Definition .....                | 51 |
| 3.1.1 Research Model .....  | 51 |
| 3.1.2 Research Variables .....  | 52 |
| 3.1.3 Definition of Operational Variable .....                                  | 52 |
| 3.2 Data Type and Source.....   | 56 |
| 3.2.1 Data Type .....   | 56 |
| 3.2.2 Data Source .....   | 56 |
| 3.3 Data Collection Method.....   | 56 |
| 3.4 Research Methodology .....  | 57 |
| 3.4.1 Data Panel Regression Analysis .....                                      | 57 |
| 3.5 Hypothesis Test.....  | 64 |
| 3.5.1 Simultaneous Regression Coefficient Test (F Test) .....                   | 64 |
| 3.5.2 Partial Regression Test (T Test) .....                                    | 65 |
| 3.6 Coefficient of Determination Test.....                                      | 66 |
| CHAPTER IV RESULTS AND DISCUSSION.....  | 67 |
| 4.1 General Description.....  | 67 |
| 4.1.1 The Development of Unemployment In The Regency/City of Banten Province .. | 67 |
| 4.1.3 The Development of Population in Regency/City of Province Banten.....     | 70 |
| 4.1.4 The Development of GRDP in Regency/City of Province Banten .....          | 71 |
| 4.2 Data Analysis .....   | 72 |
| 4.2.1 Descriptive Statistical Analysis .....                                    | 73 |
| 4.3 Regression Estimation Results .....   | 74 |
| 4.3.1 Panel Data Regression Analysis .....                                      | 74 |
| 4.3.2 Chow Test .....   | 75 |
| 4.3.3 Hausman Test .....  | 75 |
| 4.2.4 Lag-Range Multiplier Test .....   | 76 |
| 4.3.5 Classical Linear Regression Model .....                                   | 77 |
| 4.3.6 Hypothesis Test .....   | 80 |
| 4.3.7 Coefficient of Determination ( $R^2$ ) .....                              | 85 |

|   |    |
|---|----|
| 4.4 Discussion.....                       | 86 |
| 4.4.1 Minimum Wage.....                   | 86 |
| 4.4.2 Population .....                    | 87 |
| 4.4.3 GRDP.....                           | 88 |
| CHAPTER V FINALE.....                     | 90 |
| 5.1 Conclusion .....                      | 90 |
| 5.2 Studies Limitation .....              | 91 |
| 5.3 Suggestions .....                     | 91 |
| 5.4 Suggestions for Further Research..... | 92 |
| LITERATURE LIST.....                      | 94 |
| ATTACHMENT.....                           | 96 |
| Fixed Effect Model .....                  | 96 |