

ABSTRACT

In the last ten years, positive fluctuations in economic growth still place Central Java in the last position with the lowest average growth compared to other provinces in Java. The low percentage of growth is not comparable to the growth in the number of workers and wages. In addition, the number of industries has decreased. Therefore, this study aims to analyze the effect of labor, wages, and number of industries on economic growth in Central Java Province.

This research is quantitative research with secondary data covering 35 regencies / cities in Central Java in 2013-2022. The method used in this research is regression analysis with the Fixed Effect Model.

Based on the regression results, the labor and wage variables have a positive and significant effect on economic growth. Meanwhile, the variable number of industries has a negative and significant effect on economic growth. This negative effect can be caused by an increase in the number of industries that use technology more than labor. Nevertheless, wages are the variable with the largest influence compared to other variables.

Keywords: Economic growth, Labor, Wage, Number of Industries.