

ABSTRACT

The unemployment rate is one important indicator in measuring the progress of a country, especially among developing countries. The problem of unemployment has existed since antiquity and still can not be overcome by Indonesia. Therefore, this study discusses how the GDP, inflation rate, and Province Minimum Wage affect open unemployment rate in Central Java. Unemployment problem is caused by the limit of supply of job fields, while the population continues to grow every single year. This problem causes the unemployment problem is difficult to resolve.

In this study, the analytical method is multiple regression analysis (OLS). Sources of data in this study are obtained from secondary data in the period 1997 to 2015 which comes from the Central Bureau of Statistics (BPS). Then the data is processed by using application software reviews 9.0.

The results showed that simultaneously, the Gross Regional Domestic Product, Inflation rate, and also the Province Minimum Wage affect the open unemployment rate significantly in Central Java. Partially, the Gross Regional Domestic Product has a positive and significant effect to open unemployment rate in Central Java, the inflation rate has no significant effect to open unemployment rate in Central Java, and Province Minimum Wage has negative and significant effect to open unemployment rate in Central Java.

Keywords : Open Unemployment Rate, Groos Domestic Product, Inflation Rate, Province Minimum Wage