

## **ABSTRACT**

*Unemployment is a problem that always happen hearts one economy should resolved to review also increase revenues and welfare. Central Java Province has unemployment third largest and the second smallest minimum wage compared with 29 other Provinces in Indonesia. Singer study aimed to analyze the effect of the minimum wage review and the GDP against unemployment in Central Java.*

*The objective of this study is to analyze the impact of minimum wage and regional PDB on to unemployment Central Java. This study uses panel data by means of multiple linear regression analysis with fixed effect model. With time series data used is 2002-2013 with a cross-section 35 District / City in Central Java.*

*The results showed that the minimum wage variable positive and significant effect on unemployment, as a result of movement of workers looking for new jobs with higher wages. In addition, the regional GDP variable significant negative effect on unemployment, as a result of economic growth that increases the capacity of the economy and affect the amount of labor utilization.*

*Keywords: Unemployment, Minimum Wage, Regional GDP, Data Panel.*