

ABSTRACT

Two important indicators of a country's economic development lies in the high economic growth and increased employment opportunities. Approach of an economic growth is mostly done in several areas to develop sectors of the regional economy, which is expected to open up more employment opportunities. Therefor, must be known what factors affected the increase in employment opportunities and how it's influence.

The research aims to determine how much the influence about minimum wage and inflation to the large and medium manufacturing industries in central java (35 districts / cities). The analytical method in this research is Ordinary Least Square, where Y refers to variable of job opportunities, X1 refers to minimum wage and X2 refers to inflation.

The research showed that the determinant coefficient (R²) of 0,161 which means that employment's variation is affected by in the independent variable is equal to 16,1%. Based on the Partial Test, minimum wage were significantly influence to the employment opportunities which seen from the probability value of 0,000 and using degree of trust in amount of 0,05 with F-statistic equal of 4,637 and it means that if minimum wage rised, so the employment opportunities in the district / town in Central Java increased. Variable inflation did not affect the employment opportunities seen from profitabilitas value more than 0,05 is equal to 0,463 for inflation. Moreover, T-statistic in the amount of 0,753 was smaller than T table that indicates the alternative hypothesis was rejected. Based on Simultaneous Test (statistic F test) obtained F-statistic value in the amount of 10,963 and sig = 0.000 < 5%. This means, independent variable (minimum wage and inflation) affected dependent variable.

Keywords: employment opportunities, minimum wage and inflation.