

ABSTRACT

This study aims to analyze the manufacturing sector linkages to the economy of Central Java and also to know the input multiplier, income multiplier and employment multiplier of the food and other industries sector. The food and other industries sector is the dominant sector in Central Java and make a major contribution to the economy of Central Java, but the rate of growth of food and other industries sector showed a downward trend. So with a lower growth rate, the study aimed to determine the role of the food and other industries sector linkages with other sectors in Central Java, as well as determine the impact of changes in wages on output in the food and other industries sector in Central Java.

Input-Output analysis is used to see the relationship between inputs and outputs as well as the multiplier of and for the food and other industries sector. The analysis in this study using the Input-Output Table of Central Java in 2008 off 88 sectors clasifications and then simplified into 10 sectors.

The result of linkages analysis food and other industries sector is the Food and Other Industries have the greates number of forward linkages and backward linkages than the other sectors. The greatest number of forward linkages is the Food and Other Industries sector amount to 1,1650 and the greatest number of backward linkages is the Food and Other Industries sector amount to 1,5552. The greatest number of input multiplier is the Food and Other Industries sector amount to 5,3847. The greatest number of income multiplier si the Food and Other Industries sector amount to 0,9409. The greatest number of employment multiplier si the Food and Other Industries sector amount to 0,2012. Optimizing the Food and Other Industries sector will further optimize the production of other sectors that use the outputs from industry sector and other sectors also increase the output of which is used as input for the Food and Other Industries. This study also looked at how the impact of wage changes on output, the impact of changes in the wage on the Food and Other Industries at Rp 547.000 will increase the output of Rp 1.798.313,535.

Keywords : Input-Output, Forward and Backward Linkages, Central Java, Multiplier