ABSTRACT

Industrialization is one of the strategies that is undertaken by the Government to increase economic development, which one of the goals to increase employment opportunities. The industrial sector is a sector that has an important role in contributing to GDP in Jepara district and also employment, especially in small industry. Based on data from Department of Industry, Jepara in Central Java has the most number of small industries in Central Java and also in terms of employment. Furniture industry, weaving industry, convection industry, monel industry, and convection industry is an industry that has the highest percentage in terms of employment and the growth is always positive, but the growth of employment is still fluctuated in each year. The purpose of This research is analyzing the development of labor absorption in small industry in Jepara regency and know the influential variables.

The analysis in this research uses the methode of multiple regression analysis. The data is used in this research based on primary data that found by distributing of questionnaires to the respondents of small industries.

Based on calculations of SPSS version 16.0 which indicates that the variable of credit acceptance (X1) is not significant on employment growth of small industries and the district of Jepara, the variable of small industrial type (X2) has a positive and significant impact on employment growth (Y) where monel industry which has the most employment growth than other industries, the variable of employers' educational level (X3) has a positive and significant relationship to employment growth (Y), capital variable (X4) has a positive and significant relationship to employment growth (Y) and variable age of business (X5) has a negative and significant relationship to employment growth (Y). Together with independent variables (credit acceptance (X1), the type of small industry (X2),entrepreneurs education (X3), capital (X4) and business age (X5)) has a positive and significant relationship to the dependent variable (the employment growth (Y)). The influence of independent variable to the dependent variable of 91,9%.

Key words: The Growth of Employment , Small Industries, Jepara regency, Credit Acceptance, Industrial Type, Education, Capital, Business Age.