

ABSTRACT

Economic development was essentially a series of policy efforts aimed at improving living standards for people to expand employment opportunities and direct distribution of income equally. In Indonesia the economic development of employment opportunities remains a major problem. This arises because of gaps or imbalances in it. Highlights of this issue stems from the gap between the number of labor force growth on the one hand and the progress of various sectors of the economy to absorb labor on the other hand. The purpose of this study was to analyze the value of GDP, Wages and Inflation partially against Unemployment rate in Central Java province in 1991 to 2009. And analyze the value of GDP, Wages and Inflation in common - equal to the level of open unemployment in the province of Central Java in 1991 to 2009.

Analysis of the data in this study using Multiple Linear Regression Method. Hypothesis testing using the partial test (t test), simultaneous (F test) and Test Coefficient of Determination (R²). The data used in this study was the data of GDP, Wages, Inflation and Unemployment in Central Java province in 1991 – 2009.

The results showed the influence of GDP on unemployment t values obtained at -2.164 with a significance of 0.047 <0.05, thus obtained t count (-2.164) <-1.753. This means that GDP has a significant negative effect on unemployment. Thus Hypothesis 1 was received. Test results obtained by the influence of wages on unemployment t value of 7.851 with a significance of 0.000 <0.05. = 5%. T value table for $\alpha = 5\%$ in one direction was obtained by +1.753. Thus got t count (7.851) > 1.753. This means that wages have a significant positive effect on unemployment. Thus Hypothesis 2 is received. The results of testing the influence of inflation on unemployment t values obtained at 2.358 with a significance of 0.032 <0.05. = 5%. T value table for α one direction was obtained +1.753. Thus got t count (2.358) > 1.753. This means that inflation has a significant positive effect on unemployment. Thus, Hypothesis 3 received. The test results simultaneously obtained F value of 54.580 with a significance of 0.000 <0.05. Obtained value of F calculated (54.581) > F table (3.287). This means that unemployment can be affected by GDP, Wages and Inflation together.

Key words: Unemployment, GDP, Wages, Inflation