

## **ABSTRACT**

*Economic growth can be used as a benchmark for the success of a region's economic development. Economic development of a region can be seen from several economic indicators. One of them is the level of unemployment. Indonesia country population that is increasing each year, as well as the highest GDP growth in Indonesia, but why the unemployment rate in Indonesia is also high.*

*The purpose of this study was to analyze how the variables influence the population growth, inflation rate, GDP rate, and wage rate of unemployment rate that occurred in Indonesia in 1990-2010. The Regression model used is the method of multiple linear regression analysis (Ordinary Least Squares) using time series data from the years 1990-2010.*

*Regression analysis showed that overall independent variables (population growth, inflation, GDP, wage) collectively have the same effect on the unemployment rate that occurred in Indonesia. The  $R^2$  value of 0.736 which means that at 73.6 percent is the explanation of the dependent variable. While the remaining 26.4 percent is explained by the other variables outside the model used.*

**Keywords: Unemployment Rate, Population Growth, Inflation, GDP, Wage**