

### **ABSTRACT**

*In Indonesia the number of labor force showed an increasing rate over a period of 27 years ie from 1980 to 2007. Unfortunately, the increase in total labor force was not accompanied by the expansion of employment or production capacity, as a result the number of unemployed also increased along with increase in total labor force. The number of unemployed is a very serious problem and the potential effects on the country, because the number of unemployment is an indicator of the economic advancement of a country that can show the level of the equitable distribution of income or not in the country.*

*This study aims to analyze the relationship between population, inflation, wages, and economic growth to total unemployment in Indonesia from 1980-2007. The theory used in this study are based on classical growth theory, David Ricardo's growth theory, the theory of economic growth, the theory of AW Phillips is the relationship between inflation and unemployment, inflation theory, and theory of wages. The method used in this research is quantitative analysis with descriptive statistical approach, which describes the data and charts are presented and correlation analysis to determine the level of relationship between variables*

*Based on the analysis conducted shows that the total population, wages, and economic growth has a positive relationship and strong tendency towards the unemployed. This indicates that the increase in population and labor force, wages, and economic growth in line with the increase in the number of unemployed. While the rate of inflation and the weak positive relationship, indicating the rate of inflation has no relationship to total unemployment. Adapting from the Phillips curve, showing that the Phillips curve analysis which describes the relationship with the inflation rate of unemployment is not suitable to be applied in Indonesia. This is due to inflation in Indonesia is caused by the increase in the goods-Brang, rather than an increase in demand due to high wage increases.*

*Keywords: Unemployment, population, inflation, wage, Economic, growth, Indonesia.*