

ABSTRACT

Semarang has a fluctuating employment rate and it is lower compared to Central Java Province and other big cities in Java that lead to opened unemployment problem. The aim of this research is to figure out the influence of economic growth, real wages and investment upon Semarang employment.

Role of the economic growth based on production function and labor demand and supply function wherein the increasing of output (PDRB) needs the increasing of labor. Role of the real wages based on wage rigidity concept wherein there is the wages failure for balancing the supply of labor and its demand. Role of the investment based on Harrod-Domar theory that the increasing of output rate and employment opportunities can be done with investment and saving.

The data that used is the data of economic growth; the data of real PDRB with 2000 as based year; the data of real wages; the data of income per capita; the data of IHK with 2002 as based year; the data of investment are taken from the publication of BPS Semarang from 1993-2012 (time series). The regression analysis that used is Ordinary Least Square (OLS) and the supporting software that used is Eviews 6.0 Portable.

The result of the study shows that the variable of real wages affect positive and significant upon employment rate on α 5 %. But the variable of economic growth and the variable of investment affect not significant statistically. Finally the role of real wages variable is expected to increase the employment rate in order to reach the optimum condition of the regional employment rate.

Keywords : employment rate, economic growth, real wages, investment