

ABSTRACT

One of the indicators of development goal is the increasing life expectancy of the population. Increased life expectancy has implications for the elderly people increase, so that the phenomenon of ageing population which in the region or country is a average old age. Projected population conducted by the Central Statistics Agency (BPS) shows that in 2035 the province of Central Java will form a composition with the most number of old age population in Indonesia. The phenomenon of ageing population in Central Java is the challenge of development to make the elderly as capital development by providing employment opportunities for the healthy and active elder people, so that it can be absorbed into the economy.

This study aims to analyze the effect of economic growth, the minimum wage districts/cities (UMK) and the population of the elderly as well as comparisons of elderly employment between regions in 35 districts/cities in Central Java Province in 2008-2012. The data used in this research is secondary data obtained from the Central Statistics Agency (BPS). The analysis model which is adopted is data panel with the approach of Fixed Effect Model (FEM) using time series data for five years (2008-2012) and across section of 35 districts/cities in Central Java Province.

The results of this study showed that the variables of economic and population growth of the elderly population are a significant positive effect on employment of elderly in Central Java. While the minimum wage variable districts/cities (UMK) has no significant effect on employment of elderly.

Keywords: Ageing population, older workers, elderly employment, fixed effect method