

ABSTRACT

ECONOMIC GROWTH AND EMPLOYMENT RATE IN LAMPUNG PROVINCE

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This study aims to analyze the influence of the independent variables in real GDP, real wages, capital in agriculture, and Implicit Price Index on the dependent variable employment in Lampung Province.

This study uses secondary data is data in real GDP , real wages , capital in agriculture , and Implicit Price Index of 10 districts / municipalities in the Lampung province period 2008-2012 . Data analysis methods used is quantitative analysis (statistical) analysis using panel data .

To achieve the purpose of research, analysis models are used : (1) Pooled Least Square (PLS) , (2) Fixed Effect Model (FEM) and (3) Random Effects Model (REM) . Furthermore , the estimation of the three models, some statistical tests will be done to look more valid model among the three. These tests include: (i) the Chow test (F test) , and (ii) the Hausman test . From the results of the Chow test and the Hausman test indicates that the Fixed Effect Model (FEM) is more " appropriate " than Pooled Least Square (PLS) , and (Random Effects Model (REM) .

These results indicate that the independent variable real GDP and the price of capital in agriculture significantly positive effect on the absorption of Labor. The increase in real GDP and capital in agriculture will increase the absorption of Labor, ceteris paribus. While the real wage variable is significantly negative effect on the absorption of Labor. The increase in real wages will decrease the absorption of Labor, ceteris paribus.

Keywords: employment Rate, Economic Growth, Panel Data, Real Wages.

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