

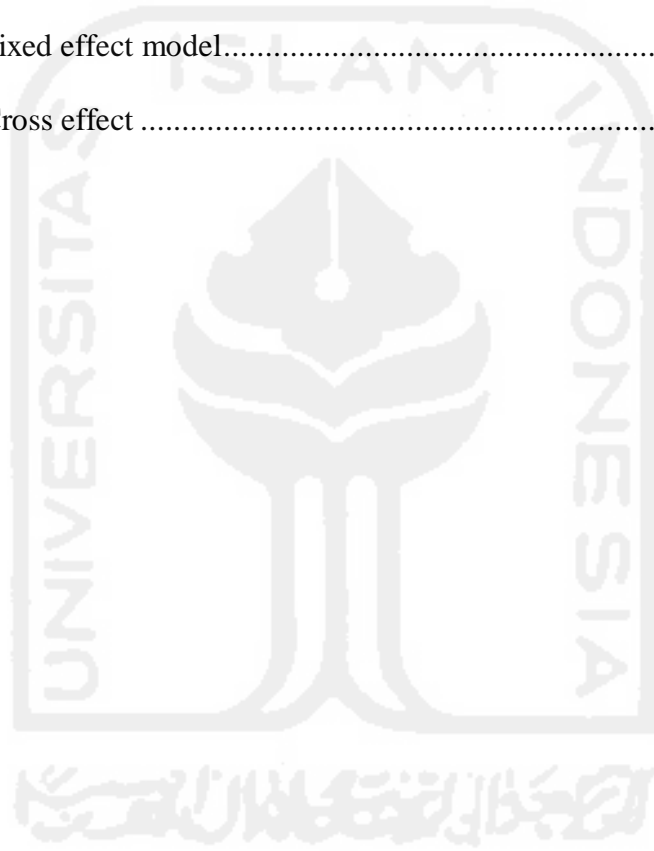
TABLE OF CONTENTS

COVER PAGE	i
DECLARATION OF AUTHENTICITY	v
MOTTO	vi
ACKNOWLEDGEMENTS	viii
TABLE OF CONTENTS	xii
LIST OF TABLES	xiv
LIST OF FIGURES	xv
LIST OF APPENDICES	xvi
ABSTRACT	xvii
ABSTRAK	xviii
CHAPTER I	1
INTRODUCTION	1
1.1 Background	1
1.2 Problem Formulation	8
1.3 Research Objective	8
1.4 Research Contributions	9
1.5 Systematics of Writing	9
CHAPTER II	11
LITERATURE REVIEW & THEORETICAL FRAMEWORK	11
2.1 Literature Review	11
2.2 Theoretical Framework	13
2.2.1 Economic Development	13
2.2.2 Industry	15
2.2.3 Labor	17
2.2.4 Demand of Labor	18
2.2.5 The Theory of Labor Demand	19
2.2.6 Factors Influence Demand of Labor	23
2.3 Hypotheses	28
2.3.1 Gross Domestic Regional Product	28

2.3.2 Minimum Wage	29
2.3.3 Investment	29
2.3.4 Government Spending.....	30
2.3.5 Money Supply.....	30
CHAPTER III.....	31
RESEARCH METHOD	31
3.1 Type of Study.....	31
3.2 Population and Sample	31
3.3 Data Collection Method.....	32
3.4 Research Variable.....	32
3.4.1 Dependent Variable.....	33
3.4.2 Independent Variable	33
3.5 Analysis Technique	35
3.5.1 Panel Data Method.....	35
3.5.2 Selection Panel Data Estimation Model.....	36
3.5.3 Hypothesis Testing.....	37
3.5.4 Model	39
CHAPTER IV	40
DATA ANALYSIS & DISCUSSIONS	40
4.1 Reliability & Validity Test.....	40
4.2 Hypothesis Testing	43
4.2.1 T-test.....	43
4.2.2 F-test.....	45
4.2.3 Coefficient determination R^2	45
4.3 Discussion	47
CHAPTER V.....	50
CONCLUSIONS & RECOMMENDATIONS.....	50
1.1 Conclusions	50
5.2 Recommendations	51
REFERENCES	52
APPENDICES.....	54

LIST OF TABLES

Table 1.1 The Distribution of GDP in Indonesia (2009-2013)	3
Table 4.1 Chow test	40
Table 4.2 Hausman Test	41
Table 4.3 Fixed effect model.....	42
Table 4.4 Cross effect	43



LIST OF FIGURES

Figure 1.1 Population 15 Years to Top Who Worked by Main Sector 2014.....	4
Figure 1.2 Worker Population in Industrial Sector 2012-2014.....	5
Figure 2.1 Labor Demand Function.....	21
Figure 2.2 Framework of the Research.....	28



LIST OF APPENDICES

Appendix 1. Data of Labor Population in Industrial Sector, GDRP, Minimum Wage, Government Spending, Investment, and Money Supply per Province 2010-2015.

Appendix 2. Data Panel Test Using Eviews

