

ABSTRACT

Labour is a key aspect of a country's economic progress. The labour market is sustained by two main forces: labour demand and labour supply. Firms (producers) meet the demand for labour, while workers meet the supply of labour. Labour issues are one that both developed and developing countries face. Employment concerns are closely related to labour force and unemployment issues, labour wage rates, and labour productivity issues. This study aims to analyse how the influence of GRDP, UMK, inflation and average years of schooling on labour supply in Central Java Province.

The method used is the panel data regression method. The variables used are GRDP, UMK, inflation and average school level of labour supply in Central Java Province from 2011 to 2020.

The result shows that Gross Regional Domestic Product (GRDP) affects labour supply in Central Java. Meanwhile, the district/city minimum wage (UMK) and inflation statistically do not have a significant effect on labour supply in Central Java, and the average length of schooling has no effect on labour supply in Central Java.

Keywords: GRDP, Inflation, UMK, Labor Force, Labor Supply

