

ABSTRACT

The purpose of this study was to analyze the effect of inflation to unemployment in Indonesia in 2001-2015, the effect of economic growth on unemployment in Indonesia in 2001-2015, the effect of inflation and economic growth on unemployment in Indonesia in 2001-2015. This study used secondary data documentation method. The analytical tool used by Multiple Linear Regression. The results showed that 1) a variable inflation rate has a positive and significant impact on the variable rate of unemployment, 2) variable economic growth does not have a significant effect on the variable rate of unemployment, and 3) the rate of inflation and economic growth jointly affect the level of unemployment. The amount Adjusted R2 value is 0.188. this means that 18.8% of the variations in the unemployment rate could be explained by the variation of the independent variables, inflation and economic growth, while the remaining 81.2% is explained by other factors.

Keywords: Inflation, Economic Growth, the Unemployment Rate