ABSTRACT

Unemployment is a common problem faced by all the countries, whether developed or developing countries though. What distinguish only the cause of the unemployed itself. Unemployment also has a bad impact on the community environment. This study aims to find out various factors that affect the level of unemployment rate in Central Java Province that includes inflation, population, and poverty level. The data used in this study is secondary data from Central Bureau of Statistic (CBS). The data analysis used in this research is Panel which includes the cross section data about 6 districts in Central Java Province and *time series* for 5 years. The model that is used in this research is *fixed effect model.*

Based on the result of regression result using panel data with *fixed effect model*, it is known that the inflation has positive effect is insignificant, meanwhile the total population and poverty level has positive effect that is significant.

Keywords : Unemployment rate, inflation, population, poverty level