

**THESIS**  
**FACTORS AFFECTING GRDP OUTPUT OF MANUFACTURING SECTOR**  
**IN CENTRAL JAVA PROVINCE 2011-2015**

By :

Silfiyah Nuriman Sari  
SIN : C1J011002

Approved and ratified :  
At the date of.....

1. Istiqomah, S.E., M.Sc., Ph.D      Advisor 1/      (.....)  
NIP. 19701226 199702 2 001      Examiner
  
2. Drs. Sukiman, M.P.      Advisor II/      (.....)  
NIP. 19530109 198603 1 001      Examiner
  
3. Kikin Windhani, S.E., M.Sc., Dev.      Examiner      (.....)  
NIP. 19821225 201012 2 004

Approve,  
Head of Development of Economics and Developments Studies Faculty of  
Economics and Business Jenderal Soedirman University

**Istiqomah, S.E., M.Sc., Ph.D.**  
**NIP. 19701226 199702 2 001**

## **THE STATEMENT OF THESIS AUTHENTICITY**

The undersigned below:

Name : Silfiyah Nuriman Sari

SIN : C1J011002

Departments : International IESP

Faculty : Economics and Bussiness, University

Jenderal Soedirman

I hereby state that this research is my work and there are no works that have been asked for a degree at a university and all my knowledge also does not have work or opinions ever written or published by other, unless written in referenced and mentioned in the reference page. In other words all the contents contained in this paper are the responsibility of author completely

Puwokerto, March 2018

Silfiyah Nuriman Sari  
SIN : C1J011002

## PREFACE

*Assalamu'alaikum Wr. Wb.*

I am grateful to Allah SWT who has bestowed His blessing, guidance and grace, so that the author can complete the thesis entitled “Factors Affecting GRDP Output of Manufacturing Sector in Central Java Province in 2011-2015 Period”

The author realizes that this thesis can be completed due to encouragement and assistance from various parties. Therefore, the author would like to thank to:

1. Prof. Dr. Suliyanto, S.E., M.M. as the Dean of Economics and Business Faculty of Jenderal Soedirman University.
2. Istiqomah, S.E., M.Sc., Ph.D. as the Head of Economics and Development Studies Department of Economic and Business Faculty of Jenderal Soedirman University.
3. Istiqomah, S.E., M.Sc., Ph.D. and Drs. Sukiman M.P. as my supervisors who have provided guidance, direction and support to the completion of this thesis.
4. Mrs. Kikin Windhani, SE. M. Ec. Dev as a thesis examiner who is willing to provide suggestions and constructive criticism for the perfection of this thesis.
5. Drs. Hary Pudjianto, M.M. as my Academic Advisor who has provided guidance from the beginning to the end of study.
6. All Lecturers and Administrative Staffs of Economics and Business Faculty of Jenderal Soedirman University who have provided knowledge, so that it can be used in preparing the thesis and for the provision of life in the future.
7. For both my parents, my mother Juariyah and my father Dedi Erlandi Jaya as well as my dearest younger sister Fadiyah Erlandi, thank you for the unrelenting love, prayer, and support both morally and materially.
8. For the big family Saniswan Nilem thank you for the prayers
9. For the Asmiroto family: Fenti Enawati, Dini Rahmat Aziz, Annayallah Rampak Muqoffi, Fatir Majid, thank you for laughter, prayers, and support.

10. For Mr. Deedi , thanks for accompanying me from the beginning to the end, and never tired of giving support.
11. For my best friends: Vita, Anita, Vicky, Evon, and Fitria who always understand by never asking when I will graduate college.
12. For my friends of IESP International 2011: Tyan, Rila, Tina, Shella, Anggrek, Helen, Ingwie, Yunita, Arum, Anis, Ayu, Dilla, Anggo, Herman, Gian, Dyike, Adit, Deni, Haidar, Andre, Tyo.
13. For my community service (KKN) friends in Mergasana Village, Purbalingga: Resti, Nahdia, Susi, Kiki, Arif, Gagah, Ade and Dodon, thank you for a month without a fight.
14. I would like to thank to all parties involved in the preparation of this thesis who can not be mentioned one by one by the author.

Finally, the author apologizes for the errors in this thesis that is far from perfection. The author hopes that this thesis can be useful for all parties in need. Hopefully, the kindness of all those who help the preparation of this thesis will earn rewards from Allah SWT. Aamiin.

*Wassalamu'alaikum Wr. Wb.*

Purwokerto, March 2018

Author

Silfiyah Nuriman Sari

## TABLE OF CONTENTS

	Page
COVER PAGE.....	i
TITLE PAGE .....	ii
APPROVAL PAGE .....	iii
STATEMENT OF AUTHENTICITY PAGE.....	iv
PREFACE .....	v
TABLE OF CONTENTS .....	vii
LIST OF TABLES .....	ix
LIST OF FIGURES .....	x
LIST OF APPENDICES .....	xi
RINGKASAN .....	xii
SUMMARY .....	xi
I. INTRODUCTION .....	1
A. Background .....	1
B. Research Problem.....	11
C. Research Limitation .....	12
D. Research purposes.....	12
E. Research Benefit .....	13
II. LITERATURE REVIEW AND RESEARCH MODEL FORMULATION.....	14
A. Literature Review .....	14
B. Research Model Formulation And Hypothesis .....	36

III. RESEARCH METHODS AND DATA ANALISYS TECHNIQUE .....	44
A. Research Method.....	44
B. Data Analysis Technique .....	47
IV. RESULT AND DISCUSSION .....	55
A. General Overview of Research .....	55
B. Research Analysis .....	62
V. CONCLUSION AND IMPLICATION .....	78
A. Conclusion .....	78
B. Implication .....	78
REFERENCE.....	79
APPENDIX.....	83

## LIST OF TABLES

Table	page
1. Sectoral Contribution to GDP in Indonesia .....	3
2. Sectoral contribution to GDRP in Central Java Province .....	4
3. Estimation Result of GLS .....	63
4. Output of Hausman Test Result .....	64
5. Output of Chow Test Result.....	65
6. Output of Lagrange Multiplier Test Result.....	65
7. Output of Normality Test Result.....	67
8. Output of Multicollinearity Test Result .....	68
9. Output of Heteroscedasticity Test Result .....	68
10. Output of Autocorrelation Test Result .....	69
11. Durbin-Watson testing criteria .....	70
12. Output of Panel Data Regression .....	71
13. Output of F Test Result .....	72

## LIST OF FIGURE

Figure	page
1. Development of Investment in Central Java Province .....	5
2. Development of Labor in Central Java Province .....	7
3. Development of HDI Central Java Province.....	9
4. Development of Number Of Business Units in Central Java Province .....	10
5. Equilibrium Curve Between Demand and Supply of Labor .....	28
6. Framework of Thinking .....	39
7. Development of GDRP in Central Java Province 2011-2015.....	57
8. Normality testing Chart.....	64



## LIST OF APPENDICES

Appendices	page
Appendices 1. Panel Data Observation.....	83
Appendices 2. Output Fixed Effect Model .....	93
Appendices 3. Output of Hausman Test Result .....	95
Appendices 4. Output of Chow Test Result.....	96
Appendices 5. Output of Normality Test Result.....	97
Appendices 6. Output of Multicollinearity Test Result .....	97
Appendices 7. Output of Heterosdecasticity Test Result.....	98
Appendices 8. Output of Autocorrelation Test Result .....	99