



Contents

Cover	i
Authorization.....	ii
Author's Declaration of Originality	iv
Contents	vi
List of Figures	viii
List of Tables.....	ix
Acknowledgements	x
Abbreviations	xi
Abstract	xii
<i>Intisari</i>	xiii
Chapter I INTRODUCTION	1
I.1 Research Background	1
I.2 Research Problem	3
I.3 Research Question	7
I.4 Research Objective	7
I.5 Research Benefits	7
I.6 Research Scope.....	7
I.7 Organization of The Study	8
Chapter II LITERATURE REVIEW	9
II.1 Minimum Wage Policy.....	9
II.2 Related Studies on Minimum Wage and Productivity Linkage	10
II.3 Real Wage and Productivity Correlation.....	13
Chapter III RESEARCH METHODOLOGY	17
III.1 Empirical Model Specification.....	17
III.2 Data and Variables Construction.....	19



Chapter IV RESULTS AND DISCUSSION.....	23
IV.1 Empirical Results.....	23
IV.2 Discussion.....	25
Chapter V CONCLUSIONS	30
V.1 Conclusions	30
V.2 Study Limitation and Future Study	31
V.3 Policy Implications	32
References	33
Appendices.....	36



List of Figures

Figure 1 Average Minimum Wage and Consumer Price Index (CPI) in Indonesia	3
Figure 2 Demand-Supply of Labor	6



List of Tables

Table 1 Details of Variables.....	20
Table 2 Summary Statistics of Variables	22
Table 3 Regression Results	23