

# EFFECT OF WAGE, INFLATION AND EXCHANGE RATE TO THE INVESTMENT POLICY

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**Submission date:** 13-Apr-2019 04:01PM (UTC+0700)

**Submission ID:** 1111642319

**File name:** WAGE\_INFLATION\_AND\_EXCHANGE\_RATE\_TO\_THE\_INVESTMENT\_POLICY.docx (109.49K)

**Word count:** 2385

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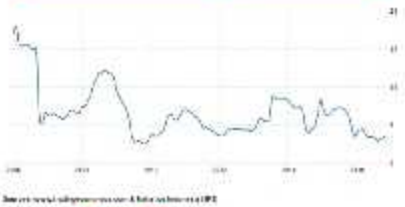
# WAGE, TO THE

## ABSTRACT

Writing article expected be able to find the influence between and  
The data used paper retrieved from the Sidoarjo statistical center bureau, while the data used in this paper is labor in the Sidoarjo region with a total of sixty four thousand seven hundred and ninety-two workers.  
The results of the calculation have found an influence between independent variables and independent variables.

## 1. Preface

The following authors include a graph of the development of Indonesia from 2006-2018 in %



Source: www.sidoarjo.go.id & data from BPS (2018)

## Traditional Policy Inflation in Indonesia per Component (%): Attached

Figure 1, stabilize by rates, value an instrument that goal, the right relationship stabilizer, goals a major to simultaneous equations modeling. Dan

Commented [1]: The researcher should present the data and the result that he provide, improve the study and his performance.

Some researchers about macroeconomics such as Kokku and Blomstrom (1995), (Komer, 1990), (Kotigman, 1998), (Lucas, 1990), and state that productivity of workers is very dependent on investment, besides that greater

fluctuations in inflation can increase uncertainty and hinder long-term investment, a policy low with limit the ability

So it can be concluded that this empirical study shows moving upwards.

(Azeez, et al., 2012). In 1986 Nigeria adopted a structural adjustment program, in which the naira regime had set a standard exchange rate. Although in reality there was no standard, other words was fully determined by the market.

Whereas  $\beta$  is basic in selected countries achieving output

Some researchers about exchange rates include (Jameela, 2010) and Alpkondje, G. (2009) arguing that exogenous factors are the dominant factor in influencing the economy of a country.

### 1.2 Problem Formulation

From some empirical studies above, we can conclude the formulation of the problem :

The conceptual framework study can seen in Figure 1.



Figure 1 : Conceptual variables

Commented [L2]: (1) is not in fig. 2, (2) is not in fig. 3, (3) is not in fig. 4

## 3. METHOD OF RESEARCH

### 3.1.2 Sample

From According to (Arunkanto, 1956: 117), and (Juliansyah Noor, 2011: 138). As follows:

$$n = \frac{N}{1 + \frac{N}{Ne}} \quad n = \frac{64.793}{1 + \frac{64.793}{64.793}} = \frac{64.793}{1 + 1} = \frac{64.793}{2} = 32,3965 \approx 32,4$$

Total one hundred

#### 3.2.1.1. Validity test

The instrument validation used in this study is needed as a measure of accuracy before the question or statement is used in the field

#### 3.2.1.2. Test Reliability

Reliability testing in this study to determine whether the instruments earned out using the SPSS formula can be expected.

### 3.3. Classic assumption

#### 3.3.1. Normality

normality in this study used to find out and test whether the independent variables and dependent variables have a normal distribution, to detect that it is said to be normal or cannot be seen with a sloping histogram curve that is balanced between the left and right as a bell. P-Plot image

#### 3.3.2. Multicollinearity Test

In this study also uses multicollinearity which proves relationship variable, if variable has a relationship then it is called multicollinearity.

#### 3.3.3. Test Autocorrelation

In this study also used the autocorrelation test which aims to find out whether there is a relationship between confounders and intruders at 1-1

(125-129)

### 3.4. Data Analysis Using Multiple Linear Regression

In this study the fourth hypothesis was tested using multiple linear regression, this is to find out whether there is an influence variable.

This test can also be called estimates

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \dots$$

### 4.1. Research Data Analyst

#### 4.1.1. Test Validity

Table 1. Validity test Attached

#### 4.1.2. Reliability Test

A question or statement can be guaranteed good if someone's response in answering according to the time provided

related to this, there is a need for reliability testing if the instrument has a value  $\alpha > 0.6$ .

the results of:

Reliability Test Attached

Commented [15]: It is a maximum value

From the table 2 above, obtained value

#### 4.1.3.

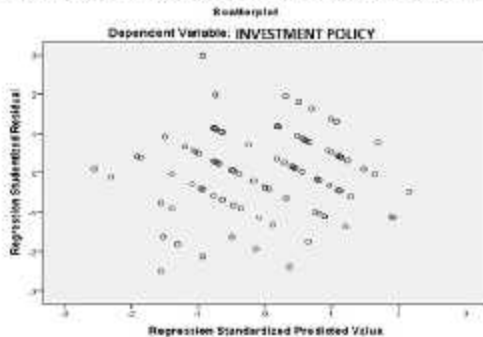
approximate value so that it is not biased from the regression equation, the writer uses the OLS method, which analyzes the data must meet the classical assumptions while the results in table 3 are attached/

The results of calculations using the multicollinearity test have proven relationship variable is concluded to be free from multicollinearity

#### C. Test Heterohedastitas

In this test it is used to find out whether the regression model has inequality with variants with other residual observations.

In the Scatterplot image, it can be explained that there are dots spreading randomly and not forming clearly, those dots are scattered with numbers 0 at point Y.



#### 4.1.4. Obtained Multiple Linear Regression.

From the table 3 above obtained:

$$Y = 0,180 + 0,160X_1 + 0,189 X_2 + 0,590 X_3 + e$$

Based on the equation:

A. Constant value (a) is 0.180

The results of the calculations in this study prove that the three independent variables have a value of 0, while the dependent variable has a value of 0.180, meaning that the estimated value in the dependent variable is 0.180.

After calculations in this study have proven and supported several previous studies

(including studies of new Keynesian and Keynesian models which state that wages

while the instruments in this study are fiscal and monetary policies which are the main contributions to simultaneous macroeconomic equation modeling in the literature used.

B. Results of calculations as in this study can be explained that shows a positive sign, meaning wages are correlated with investment policies, this means that if the workers wage increases it will be followed by other variables...

From the calculations carried out in this study have proven and supported the results of the research of Aallon et al. (1996) comparing the wages of national company workers with international companies

Workers will get more wages than international companies compared to local companies

Some experts in their research have proven that there are differences in the average workers receive wages that are different from their respective companies, both in terms of the educational background of the workers and the work part of each.

C. Results of calculations using regression have proven that exchange rates are correlated with policies, this can be concluded that the estimates of inflation and wages run steadily so that investment can increase in accordance with the government's program plan

From the calculations carried out in this study have proven and supported the results of previous studies conducted by (Juncela, 2010), and Akpakodje G. (2009), which states that the government intervenes in regulating economic activities of a country. D. The correlation coefficient (R) illustrates

from the results of calculations in this study, the interpretation of the correlation between variables is presented in the table below. 5) Correlation Coefficients Interpretation Attached.

From the table 5 above shows Attached

This research has proven and supports the results of Bixigen's (1997) study that exchange rates can influence investment.

E. The coefficient of determination (R-square) is 0.419.

the results of this calculation prove that wages, inflation and exchange rates have the effect of variation or contribution to the investment policy variable due to other variables

5) research has proven from the results of previous research by Blumström (1995), (2000), which state that the most important force is controlling inflation caused by workers having consumptive lifestyle.

## **5. CONCLUSIONS AND SUGGESTIONS**

### **5.1 Conclusion**

on "Influence Wages, inflation and exchange rate of investment area on labor in Sidoarjo city" follows:

1. The results of the t-test calculation prove that wages affect investment with a significant value 0.020 so ( $0.020 < 0.05$ ).
2. The results of calculations with the t-test prove that inflation has an influence on wages with a significant value is 0.026 so ( $0.026 < 0.05$ ).
3. The results of calculations with the t-test prove that the exchange rate affects wages in 0.000 so ( $0.000 < 0.05$ ).

### **5.2 Suggestions**

After the author concludes the results of this study, then the authors provide suggestions related to this study:

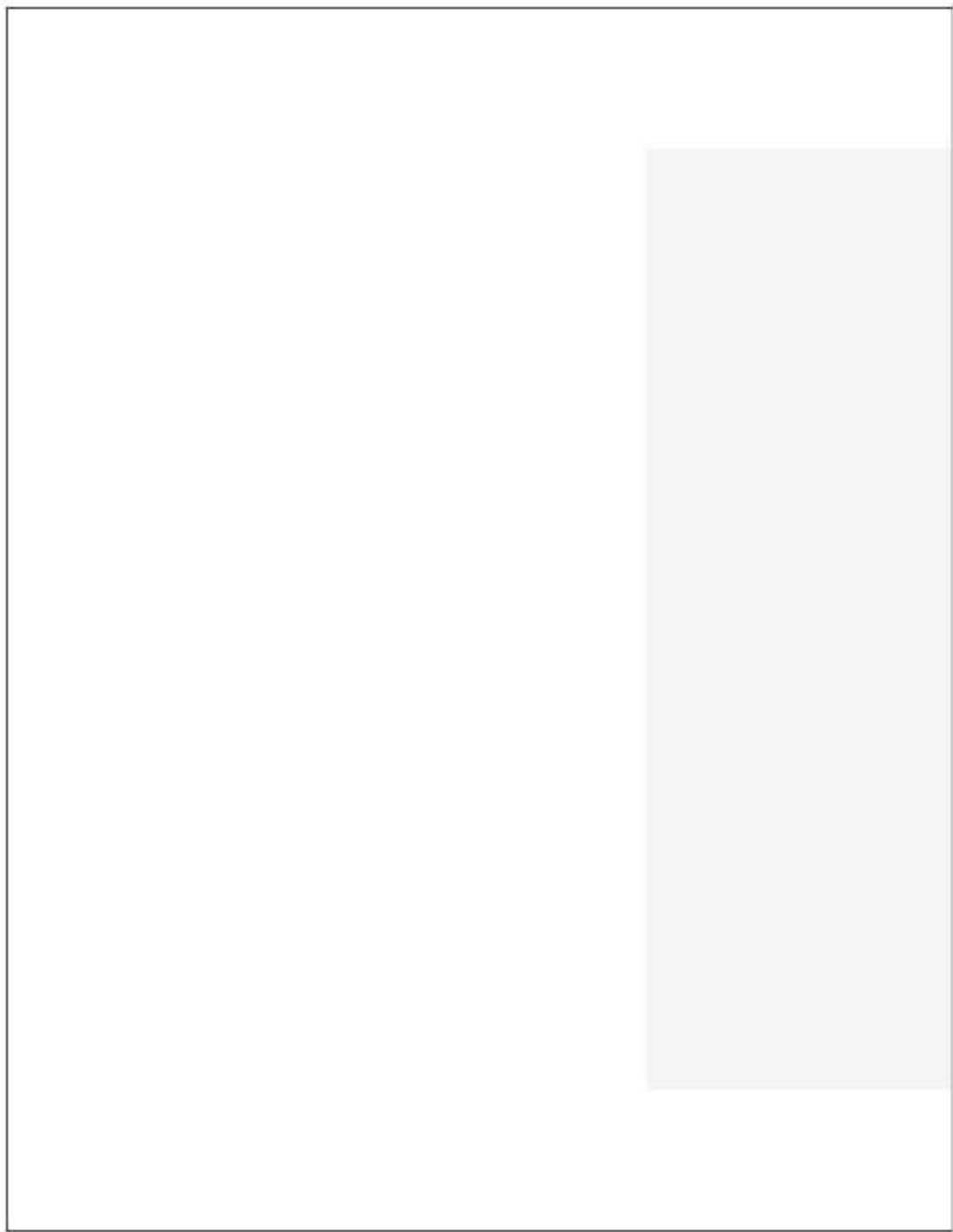
1. From the results of proof of the calculation of this study, it is better for workers to save a little for investment in their old days.
2. From the conclusion with proof through the calculation of this research, the workers can adjust the income earned.
3. From the conclusion that has been proven through calculations in this study, the workers are advised to use their wages so that they are not consumptive lifestyle.

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