

ABSTRACT

The Influence of Circulating Money Structure on the Export Structure and the Structure of Foreign Exchange and the Growth of Employment Absorption in the Trading Sectors in Indonesia

This study aims at providing a deep and total analysis on the influence of circulating money structure on the export structure and the foreign exchange as well as the growth of employment absorption in the trade, hotel and restaurant sectors in Indonesia. It applies method of Path Analysis, a model that provides a relationship structure which forms and explains causality among the selected factors.

The result of this study reveals that the structure of circulating money has positive and significant influences on the export structure; negative significant influences on the growth of employment absorption; and insignificant influences on the structure of foreign exchange. Furthermore, it is found that the export structure has positive and significant influences on the structure of foreign exchange; the structure of foreign exchange has insignificant influences on the growth of employment absorption; and the export structure has negative and insignificant influences on the growth of employment absorption in the trading sectors in Indonesia.

The general conclusion of the study is that the circulating money is one of the effective instruments to control the effects of monetary policy targets, especially on the development of export and the growth of employment absorption.

Keywords: Circulating money structure, export structure, foreign exchange structure and job opportunity.