

## ABSTRACT

The higher rate of population growth on East Java caused the higher growth of labor force. Industrial sector could be the media to accommodate the labor force, one of that is clothing industry.

The purpose of this research to know the significance of independent variables such as amount of company, wage rate, and value added to the absorption of labors in clothing industry at East Java on 1990-2004, as dependent variable. The method in this research is quantitative approach using multiple regression analysis with Ordinary Least Square (OLS). Usage of this model to know significance of independent variable to dependent as partial as well as simultaneous and to know which independent variables that is dominant to dependent variable.

Regression result indicate that amount of company, wage rate and value added simultaneously have a significant influence to absorption of labors in clothing industry at East Java on 1990-2004. In the other hands, there are only two of three independent variables which significant to absorption of labors, they are amount of company and value added. Amount of company is the most influent variable to the absorption of labors.

Keyword: labor force, clothing industry, OLS

