http://ejournal.seaninstitute.or.id/index.php/Ekonomi
Jurnal Ekonomi, Volume 11, No 03, 2022
ISSN: 2301-6280 (print) ISSN: 2721-9879 (online)

DETERMINANTS OF SECTORAL LABOR ABSORPTION

Purwantoro[1], Heffi Christya Rahayu[2], Arrafiqur Rahman[3], Hidayat[4]
[1,2,3,4]Fakultas Ekonomi, Universitas Pasir Pengaraian

ARTICLE INFO

Keywords:
Labor Absorption,
Population,
UMP,
DAU,
Java Island

E-mail:
Purwan78@gmail.com

ABSTRACT

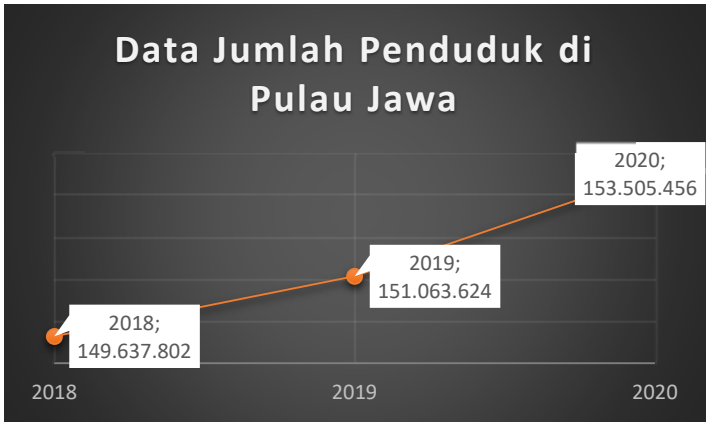
The island of Java is the region that has the most population in Indonesia compared to other large islands. This situation causes overcrowding and other population problems. One of them is employment. This study aims to see the effect of the population, Provincial Minimum Wage (UMP), and General Allocation Fund (DAU) on the level of labor absorption in Java Island in 2011-2021. The data used is secondary data obtained from the official website of the Indonesian Central Statistics Agency (BPS). In this study using a panel data regression model assisted by the Eviews9 program. The results of this research show that all three independent variables simultaneously have a significant influence on labor absorption. Meanwhile, partially, the population, UMP, and DAU have a positive and significant influence on labor absorption. Control and improvement of the quality of the population is needed to help the level of labor absorption so as not to aggravate the number of unemployed people

1. INTRODUCTION

Indonesia is a country in the form of an archipelago. There are at least 17,508 islands in the territory of the Indonesian state (Directorate of Coastal and Small Islands Utilization, 2021). One of the big islands in Indonesia is Java Island. Until now, the economic activities of the Indonesian state are still centered on the island of Java. Thus, it is not surprising that the area on Java Island seems more advanced than the area outside Java Island. This condition causes many residents in Indonesia to live on the island of Java. Based on the results of the 2020 Population Census yesterday, as many as 56.10% of the total Indonesian population lives in the Java Island area (BPS, 2021). The number is spread across 6 provinces on the island of Java. Then followed by the islands of Sumatra and Sulawesi with percentages of 21.68% and 7.36%, respectively. Economic growth is one of the important indicators for analyzing the economic development of a region (Purnomo, 2021). To be able to achieve this economic development, the role of various parties is needed, one of which is the population. Humans in this case the population has an important role in efforts to achieve the development goals of a country (Kemendesa, 2020). In addition, the population as a workforce has an important role as a significant source of productivity to achieve the success of a goal (Nurhendi *et al*., 2022). There are at least two roles that the workforce has, namely to increase innovation capacity, and increase absorption capacity in the trade sector (Bye & Faehn, 2021). In line with its important role, the problem of the population in Indonesia is one of the main problems that must be faced.

Like most developing countries in the world, population problems are commonplace in Indonesia. However, this problem is actually a complex problem and can have an impact on other aspects. One of them is the issue of employment which is an important issue in developing countries such as Indonesia (Muin, 2020). The increase in labor absorption by providing adequate jobs is one of the benchmarks for the success of development carried out by the government. At least until 2017, the industrial sector in Indonesia experienced an average increase of 3.21% every year (Sugiharti et al., 2017). This indicates that there are efforts from the government to provide jobs, one of which is in the industrial sector.

Based on data from the Central Statistics Agency (BPS), during 2018-2020 there was an increase in population in Java Island. In 2018, the total population of Java Island was at 149.6 million people. Then the number continues to grow in 2019 and 2020 with 151.06 million people and 153.50 million people, respectively. As the number of people in Java increases, the population that needs work will also increase so that adequate jobs are needed. In addition to numbers, the quality of each population also needs to be considered in order to be able to compete with standards in the current era (Rahadi et al., 2022). Thus, the increase in the existing population will not only increase the number of unemployed and worsen poverty.



Source: BPS (data processed)
Figure 1. Data on the Number of Population in Java Island in 2018-20201

Another benchmark of development success is the improvement of community welfare that an area wants to achieve (Raiyan & Putri, 2021). This well-being can be influenced by several aspects, both physical and non-physical. One of them is the amount of income owned by the community. Society is said to be prosperous if it can meet the needs of life so that it does not become ignorant of the basic rights of the community itself. Wages are a reward from entrepreneurs in the form of payment of services that have been provided by workers to entrepreneurs (Sukirno, 2015). Wage setting is often an obstacle for employers (Naila *et al*., 2022). In addition to the amount should be appropriate for business development, wages are also associated with the minimum living needs of the workers. Thus, government interference is needed in this matter so that no party is harmed. One of the government's intervention efforts is to set wage standards every year.

The Provincial Minimum Wage (UMP) is the minimum wage standard that must be given to workers within a province. Wage determinations differ by region because they are adjusted to the minimum standards in each region. However, the magnitude tends to increase over time. As in DKI Jakarta province which experienced an increase from IDR 3.6 million in 2018 to IDR 4.4 million in 2021. Similarly, the provinces of Central Java and Diy also had a significant increase in the 2018-2021 period.

Table 1. UMP in Java Island in 2018-20211

Provinsi	UMP			
	2018	2019	2020	2021
DKI Jakarta	3.648.035	3.940.973	4.267.349	4.416.186
Jawa Barat	1.544.360	1.668.372	1.810.351	1.810.351
Jawa Tengah	1.486.065	1.605.396	1.742.015	1.798.979
DIY	1.454.154	1.570.923	1.704.608	1.765.000
Jawa Timur	1.508.894	1.630.059	1.768.777	1.868.777
Banten	2.099.385	2.267.990	2.460.997	2.494.000

Sumber: BPS, 2021

In addition to establishing the UMP, the government (in this case the central government) annually allocates funds for each region. The allocation of funds provided by the government is often known as the Equalization Fund sourced from the STATE BUDGET (State Budget). The purpose of allocating the equalization fund every year is to realize an equitable economy in every region of Indonesia. There are 3 types of equalization funds, one of which is the General Allocation Fund (DAU). DAU is a fund from the state budget allocated to regions as an effort to increase equitable distribution of financial capabilities between regions (Fitriatun, 2019). Because of this purpose, the amount of DAU for each region is different. Even areas that are considered capable are no longer given DAU allocations, such as DKI Jakarta Province.

The research gap in the study is the improvement of community welfare which is characterized by an increase in UMP, and DAU in Java Island. In line with this, the number of people in Java Island has also increased so that capital in the form of human resources has increased. In previous studies, there were differences in the influence of UMP variables on employment. The positive influence indicates that an increase in UMP will absorb more manpower so that it will increase production capacity (Purnomo, 2021; Naila et al., 2022; and Haedzar P et al. , 2022). Meanwhile, David Ricardo in his theory explained that increasing wages will reduce the number of workers. Increased labor supply will cause a large number of workers so that wages will decrease. Wages are one of the constituent components of the company's production costs. Thus, if there is an increase in wages, it will increase production costs so that labor must be reduced (Pratama et al., 2020). In the variable government expenditure, it was found that government expenditure affects the absorption of labor (Hur, 2018). Government spending can be in the form of goods and services. The flow of funds can be used to build facilities and infrastructure as well as infrastructure that can increase employment opportunities for the population, such as improving the quality of education and health services. Thus, government spending can have an impact on the employment rate of a region.

Based on the description above, this study aims to analyze the influence of the population, Provincial Minimum Wage (UMP), and General Allocation Fund (DAU) on the level of labor absorption in Java Island. The novelty in this study is the DAU where the DAU is one of the regional revenues from the central government allocated annually. This is intended to help regional financing related to meeting regional needs and developing the potential of the area concerned. This study used panel data that combines time series data in the 2011-2021 period and cross-section data from 6 provinces in Java. The data used is secondary data taken from the official website of the Central Statistics Agency (BPS) and processed with the help of the Eviews9 program.

2. METHOD

In this section will be explained about the depiction of data, methods and analytical tools that will be used in this research.

2.1. Data Description

In this study using secondary data. Secondary data is data that has been provided by related parties so that researchers do not need to look for raw data on their own. In this study, data was obtained from the official website of the Indonesian Central Statistics Agency (BPS). In this research model, 3 independent variables were used, namely the Population Number (X1), UMP (X2), and DAU (X3) variables. While the dependent variables use labor absorption data. The operational definition of variables in this study is as follows:

1. Working Residents
   The number of people of working age who have a job (work). The data is formed in units of soul then simplified in the form of percent (logs) to facilitate the interpretation of the results.
2. Population
   The number of people living in each province in Java Island is based on the results of the 2020 Population Census and the latest data update. The data is formed in units of soul and then simplified in the form of percents (logs) to facilitate the interpretation of the results.
3. Provincial Minimum Wage
   The amount of wage standards set by the local government of each province in Java Island every year. The data is in rupiah units and then simplified in the form of percent (logs) to facilitate the interpretation of the results.
4. General Allocation Fund
   The amount of allocation funds given by the central government to the regions. The DAU figure is obtained by subtracting the amount of the basic allocation by the fiscal gap of each region. The data is in rupiah units and then simplified in the form of percent (logs) to facilitate the interpretation of the results.

2.2. Analysis Methods

In this study using a panel data regression model. Panel data regression is a regression model consisting of *time series* and *cross-section* data. Time *series* data is data consisting of time periods. In this study using the period 2011-2021. While *cross-section* data is data collected from several different places. In this study, *cross-section* data came from 6 provinces in Java. As already mentioned, there are 4 variables

in the regression model of this study, namely Labor Absorption (Y), Total Population (X1), UMP (X2), and DAU (X3). If written in a formula, thenthe panel data regression can be written as follows:

$$Y_{it} = \alpha + \beta 1(X1) + \beta 2(X2) + \beta 3(X3) + \varepsilon_t$$

Where:
Y_{it} = Labor Absorption Rate i perode t
a = Konstanta
β1 = Value of the Coefficient of Population
X1 = Total Population
β2 = Value of UMP Coefficient
X2 = UMP
β3 = DAU Coefficient Value
X3 = SAD
ε_t = *error term*

2.2.1. Model Estimation

1. *Common Effect Model* (CEM)
   The method in the CEM model is the simplest of all approaches in the panel data regression model. This method combines all the data, both *time series* and *cross-section* regardless of the difference between the two. The interception and slope coefficient *are* assumed to be constant over time and individually. Thus, this method is not recommended and is rarely used for panel data regression because it produces analyses that do not correspond to existing realities where the characteristics of each observation are different.
2. *Fixed Effect Model* (FEM)
   It is an approach that incorporates *dummy variables.* FEM has an assumption that differences between individuals can be adjusted to different intercepts. *The dummy* added a certain amount of N-1 to avoid perfect collinearity between free variables. This estimation model is often also known as the *Least Square Dummy Variable* (LSDV) technique. The FEM equation can be written as follows.
   $$y_{it} = (\alpha + u_i) + X_{it}'\beta + v_{it}$$
3. *Random Effect Model* (REM)
   It is a model that puts different parameters, both between individuals and between times into *errors*. REM will provide an estimate of panel data regarding variables that have correlations over time and between individuals. This model is often known as *Generalized Least Squares* (GLS). The equation of estimation of the model using REM is as follows:
   $$Yit = \alpha + Xit'\beta + (ui + vit)$$

2.2.2. Model Determination

There are three tests that can be done to get the best model, namely the Chow Test, Hausman Test, and Lagrange Multiplier Test. The chow test is used to see the best model between CEM and FEM. If a Prob result is obtained. < 0.05, then that result indicates that FEM is the best model than CEM. The opposite is true. If the FEM model is obtained as the best model, then a Hausman Test is carried out which looks at the best model between FEM and REM. Then, if the results are obtained Prob. > 0.05, then REM is the best usable model than FEM. If REM is obtained as the best model, then proceed with the Lagrange Multiplier test. The test aims to see the best model between REM and CEM. If obtained Prob. Breush Pagan < 0.05, then it can be known that the REM model is the best model. The opposite is true.

Test Classical Assumptions

1. Normality Test
   Normality test is a test that aims to see the distribution of variable data used. A good model should have normally distributed variables. The normality test can be done by looking at the data distribution histogram. If the probability is above 0.05, it can be said that the model is free from normality problems.
2. Multicholinearity Test
   The multicholinearity test is a test used to see correlations between independent variables in the model. Independent variables in the model are required to have no relationship or correlation with each other. If a correlation is found, the results of the analysis will be ambiguous and biased. A model can be said to be free from multicholinearity problems if it has a probability value of more than

alpha 5%. Thus, it can be said that independent variables in the model have no correlation with each other.

3. Heteroskedesticity Test
   One of the important things to note in building a model is the residual variance value of the variables in the model. The heteroskedesticity test is used to see whether the resiual variance is constant or not. A model is said to be good, if it has a constant residual variance. Similar to multicholinearity, models are free from the problem of heteroskedesticity if they have a probability of more than 0.05.

Statistical Test

Once it is proven that the model is free from the problem of classical assumptions, the next step is to conduct a statistical test. There are three statistical tests that can be performed. *First,* the Simultaneous Test (Test F) is a test used to see the influence of independent variables together (simultaneously) on their dependents. The results of this F test can be seen from the Prob value. F earned. If you get a value below 0.05, then all independent variables affect their dependent variables together. *Second,* the Partial test (Test T) is a test used to see the effect of independent variables on their dependents separately (partial). The results of the T test can be seen from the probability value. If it is below 0.05, then it can be said that the free variable has an influence on its bound variable. *Third,* the coefficient of determination (R-Square) is a test conducted to see the magnitude of the model's ability to explain the influence between variables. R-Square is good when it is close to 100% so that the model is considered to be able to explain the influence between variables.

3. RESULT AND DISCUSSION

3.1. Panel Data Regression Model Determination

The test performed as a stage of determining the panel data regression model is the Chow test. The Chow test is a test that compares between CEM and FEM to be the best model. The results of the Chow test can be seen from the Probability Likelihood Ratio value. After testing, a probability of 0.000 was obtained. Thus, it can be concluded that FEM becomes the best model than CEM.

Tabel 2. Uji Chow

Effect Test	Statistic	d.f.	Prob.
Cross-section F	83,037517	(5,48)	0,0000
Cross-section Chi-square	129,215073	5	0,0000

Because the Chow test got the FEM result as the best model, the determination of the best model was continued by conducting the Hausman test. *Hausman tests* were conducted to compare between FEM and REM as the best models. The results of the hausman test can be seen from the probability value obtained. After testing, a probability of 0.000 or less than 0.05 was obtained. Thus, FEM became the best model to use rather than REM.

Tabel 3. Uji Hausman

Test Summary	Chi-Sq. Statistic	Chi-Sq d.f.	Prob
Cross-section random	7,927864	3	0,0475

After two stages of testing to determine the best model, the same results were obtained, namely FEM as the best model that can be used in this study. Thus, the Lagrange Multiplier Test is not necessary to perform. The regression results using FEM are as follows.

Tabel 4. *Fixed Effect Model*

Variabel	Koefisien	Std. Error	t-Stat	Prob
C	2,346	1,360	1,724	0,0910
X1	0,522	0,205	2,537	0,0145
X2	0,068	0,027	2,510	0,0155
X3	0,042	0,015	2,670	0,0103
Effect Specification				
Cross-section fixed (dummy variables)				
R-squared	0,999179	Mean dependent var		6,943509

Adj. R-sq	0,999043	S.D. dependent var	0,399578
S.E. of reg	0,012364	Akaike info criterion	-5,804149
Sum squared resid	0,007337	Schwarz criterion	-5,481562
Log likelihood	174,4183	Hannan-Quinn criterion	-5,678781
F-stat	7305,344	Durbin-Watson stat	1,331645
Prob(F-stat)	0,000000		

Sumber: data diolah, 2022

If written in an equation, then the model in this study can be written as follows.

$$Y_{it} = 2{,}346 + 0{,}522\ (X1_{it}) + \ 0{,}068(X2_{it}) + 0{,}042(X3_{it}) + \ \varepsilon_t$$

3.2. Test Classical Assumptions

3.2.1. Normality Test

After the normality test was carried out, a probability value of 0.585884 was obtained. Because the value is greater than 0.05, it can be said that the model in this study is free from the problem of normality. In other words, the variables in the model are spread normally.

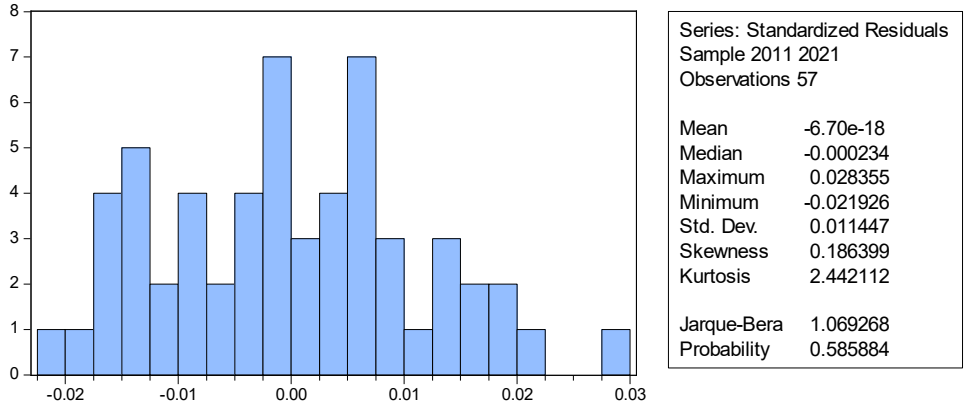


Figure 2. Normality Test

2

3.2.2. Multicholinearity Test

The multicholinearity test is a test to see the correlation between free variables. After a multicholinearity test, it was found that the free variables in the model were free from the multicholinearity problem. In other words, there is no strong correlation between free variables in the model so the test will not give biased results.

Tabel 5. Uji Multikolinearitas

	X1	X2	X3
X1	1.000000	-0.106841	0.583886
X2	-0.106841	1.000000	0.035608
X3	0.583886	0.035608	1.000000

3.2.3. Heteroskedesticity Test

The heteroskedesticity test aims to see the value of residual variance in each variable constant or not. After testing, it was found that the probability in each variable showed a number above 0.05. Thus, it can be concluded that the model is free from the problem of heteroskedesticity. In other words, the residual variance on variables is constant.

Tabel 6. Uji Heteroskedestisitas

Variabel	Probabilitas
C	0,8819
X1	0,8862
X2	0,2750
X3	0,2839

3.2.4. Uji Statistik

Tabel 7. Uji F dan R-Square

Uji	Hasil
R-squared	0,999179
F-statistic	7305,344
Prob(F-statistic)	0,000000

1. Test F

Based on the results of the F test in Table 7., a probability value of 0.000 or less than 0.05 was obtained. Thus, it can be seen that the independent variables in the model, namely the number of inhabitants, UMP, and DAU together (simultaneously) affect labor absorption.

3.2.5. Coefficient of Determination (R-Square)

In Table 7., it can be seen that the magnitude of R-Square regression of panel data in this study is 0.999. In other words, the model in the study can explain 99.9% of the influence between independent variables and their dependents. The remaining 0.01% is influenced by other variables outside the model.

1. Uji t

Tabel 8. Uji Parsial (Uji t)

Variabel	Prob
C	0,0910
X1	0,0145
X2	0,0155
X3	0,0103

Based on the table above, it can be known that each independent variable in the model has a probability value below 0.05. Starting from the population variable (X1) of 0.0145; the UMP variable (X2) of 0.0155; and a DAU variable (X3) of 0.0103. Thus, partially all independent variables in the model affect labor absorption.

3.3. Effect of Population on Labor Absorption

Based on the results of the regression of panel data that has been carried out, the probability of the Population Count variable (X1) is 0.0145. From these results, it can be seen that the variable population has a significant effect on labor absorption. A coefficient of positive value indicates that the influence of the population variable is positive where the increase in the number of populations will have an impact on increasing labor absorption. The results of this study are in line with the research conducted by Arif *et al*. (2021) where the population has a positive and significant influence on labor absorption.

Population is one of the capitals in production activities. An increasing population will have an impact on the number of the labor force. Then it will also have an impact on the supply and absorption of existing manpower (Singh & Kumar, 2021). Of course, the increase in population must also be accompanied by an improvement in the quality of the population itself. Starting from the aspects of education, health, understanding related to technology, and so on. Thus, the increase in the number of existing residents does become unemployed.

3.4. Influence of UMP on Workforce Absorption

Based on the results of the panel data regression test on the model, the probability result on the UMP variable was 0.0155 or less than alpha 5%. This means that the UMP variable has a significant influence on labor absorption. The results of this study are in line with the research conducted by Purnomo (2021); Sitompul & Simangunsong (2019). However, the results of this study contradict the theory put forward by David Ricardo. According to David Ricardo, rising wages will have an impact on a temporary increase in the labor absorbed. Then, the large amount of labor will lead to an increase in the cost of the enterprise in terms of wages. Thus, wages will tend to decline in order to maintain the ongoing business (Naila *et al*., 2022).

An increase in wages indicates that there is an increase in the welfare of a society. With the increase in wages, the standard of living in the region increases. This positive relationship is in line with *Levi's Development Model.* In the model, it is explained that the economy is divided into 2 sectors, namely the

traditional sector and the industrial sector. *Lewi's Development* describes the movement of labor in the modern sector. With high wages, companies will be able to increase labor (Todaro & Smith, 2015).

3.5. The Effect of DAU on Labor Absorption

Based on the regression results, the probability for the DAU variable was 0.0103 or less than alpha 5%. This indicates that the DAU variable has a significant influence on labor absorption. A positive coefficient value indicates that the influence of the DAU variable is positive where the increase in DAU will have an impact on increasing labor absorption in Java.

DAU is a transfer of funds from the central government to local governments. The fund transfer is intended to help the region meet its needs and develop its potential. Not all regions in Indonesia accept DAU transfers from the central government. As in DKI Jakarta Province, which has not received a DAU transfer since 2015. Once granted to the regions, the use of the DAU fully becomes the regional authority. In the case of research, the positive influence of DAU on labor absorption indicates that the DAU allocation since 2011 is used for things that can add jobs to the community. Thus, the increase in labor absorption is in line with the increase in DAU.

4. CONCLUSION

After carrying out the above analysis steps, it can be concluded that: Simultaneously, the variables of population, UMP, and DAU had a significant effect on the level of labor absorption in Java during 2011-2021. The Population Variable has a positive and significant influence on the level of labor absorption in Java Island during 2011-2021. The UMP variable has a positive and significant influence on the level of labor absorption in Java Island during 2011-2021. The DAU variable has a positive and significant influence on the level of labor absorption in Java Island during 2011-2021. R-Square value was obtained at 99.9%. This means that the model is able to explain the influence between independent variables and their dependents by 99.9%. The remaining 0.01% is influenced by other variables outside the model.

REFERENCES

[1] Arif, M., Rosni, Islami, Z. R., & Rahmadi, M. T. (2021). The Analysis of The Impact of Working-Age Population on Indonesian Labour. *Jurnal Geografi*, *13*(1), 97–108. https://doi.org/10.24114/jg.v

[2] BPS. (n.d.-a). *Istilah*. Retrieved June 7, 2022, from https://www.bps.go.id/istilah/index.html?Istilah_page=4#:~:text=Angka beban tanggungan adalah angka,sampai 64 tahun) dikalikan 100.

[3] BPS. (n.d.-b). *Penduduk*.

[4] BPS. (2021). Berita resmi statistik Hasil Sensus Penduduk 2020. *Bps.Go.Id*, *27*, 1–52.

[5] Bye, B., & Faehn, T. (2021). The Role of Human Capital in Structural Change and Growth in Economy: Innovativa and Absorptive Capacity Effects. *The World Economy*, *45*(4), 1021–1049. https://doi.org/https://doi.org/10.1111/twec.13184

[6] Direktorat Pendayagunaan Pesisir dan Pulau-Pulau Kecil. (2021). *Jumlah Pulau*. https://kkp.go.id/djprl/p4k/page/4270-jumlah-pulau

[7] Disnaker, A. (2019). *Pengertian Angkatan dan Tenaga Kerja*. Disnaker. https://disnaker.bulelengkab.go.id/informasi/detail/artikel/pengertian-angkatan-dan-tenaga-kerja-34

[8] Fitriatun, E. (2019). Dana Alokasi Umum. *Journal of Chemical Information and Modeling*, *53*(9), 1689–1699. https://berkas.dpr.go.id/puskajianggaran/kamus/file/kamus-259.pdf

[9] Haedzar P, R., Sri Yani Kusumastuti, Erista Nurfianingrum, & Syafri. (2022). Labour Absorption in the Manufacturing Industry Sector in Central Java Province Indonesia. *Asean International Journal of Business*, *1*(1), 59–67. https://doi.org/10.54099/aijb.v1i1.73

[10] Hur, H. (2018). Government expenditure on labour market policies in OECD countries: responding to the economic crisis. *Taylor and Francis Social Sciences Journals*, *40*(6), 585–608. https://www.tandfonline.com/doi/full/10.1080/01442872.2018.1533113?scroll=top&needAccess=true

[11] Kemendesa. (2020). *Dari MDGs ke SDGs*. Kemendesa. https://sdgsdesa.kemendesa.go.id/dari-mdgs-ke-sdgs/

[12] Undang - Undang RI No 13 tahun 2003, Pub. L. No. 13, Ketenagakerjaan (2003).

[13] Peraturan Menteri Tenaga Kerja No. 1 Tahun 1999, Pub. L. No. PER-01/MEN/1999 (1999).

[14] Muin, M. F. (2020). Analysis of Determinants of Unemployement Rate in Indonesia. *Jurnal Perspektif Ekonomi Darussalam*, *6*(2), 145–162.
[15] Naila, A., Azisah, Q., & Anwar, A. I. (2022). Determinant Analysis of Labor Absorption in the Manufacturing Industry Sector in Sulawesi Island. *Atlantis Press*, *205*(1), 217–223.
[16] Nurhendi, R. N., Khoiry, A., & Hamzah, N. (2022). Conceptual Framework Factors Affecting Construction Labour Productivity. *Jurnal Kejuruteraan*, *34*(1), 89–99. https://doi.org/10.17576/jkukm-2022-34
[17] Pratama, R. P., Muhammad, S., & Silvia, V. (2020). Do Minimum Wage and Economic Growth Matter for Labor Absorption in Sumatra Island , Indonesia ? *East African Scholars Journal of Economics, Business and Management*, *4464*(1), 2013–2017. https://doi.org/10.36349/EASJEBM.2020.v03i01.07
[18] Purnomo, S. D. (2021). Analysis of Labor Absorption in Central Java Province. *Ekonomis: Journal of Economics and Business*, *5*(1), 240–244. https://doi.org/10.33087/ekonomis.v5i1.311
[19] Putri, N., & Sudarsono, H. (2019). The Analysis of Factors that Affect Labor Absorption in Natural Rubber Plantation. *Ekuilibrium*, *14*(2), 120–135.
[20] Rahadi, D. R., Iskak, J., & Muslih, M. (2022). Developing the Human Resources Talent of Small Medium Enterprises (SME) in Bandung City of Indonesia. *International Journal of Science and Society*, *4*(2), 197–208.
[21] Raiyan, N., & Putri, N. D. K. (2021). Determinants of the Shifting Labor in Agricultural Sector to Nonagricultural Sectors Evidence in Indonesia. *Seminar Nasional Official Statistics*, *2021*(1), 439–448. https://doi.org/10.34123/semnasoffstat.v2021i1.904
[22] Singh, P., & Kumar, S. (2021). Demographic Dividend in the Age of Neoliberal Capitalism: An Analysis of Employment and Employability in India. *Indian Journal of Labour Economics*, *64*(3), 595–619. https://doi.org/10.1007/s41027-021-00326-w
[23] Sitompul, T., & Simangunsong, Y. (2019). The Analysis of the Impact of GDP, FDI, Minimum Wage on Employment in Indonesia. *International Journal of Management, Entrepreneurship, Social Science and Humanities*, *2*(2), 53–62. https://doi.org/10.31098/ijmesh.v2i2.17
[24] Sugiharti, L., Purwono, R., Primanthi, M. R., & Padilla, M. A. E. (2017). Indonesian productivity growth: Evidence from the manufacturing sector in Indonesia. *Pertanika Journal of Social Sciences and Humanities*, *25*(November), 29–44.
[25] Sukirno, S. (2015). *Teori Pengantar Makro Ekonomi* (3rd ed.). Rajawali Pers.
[26] Todaro, M. P., & Smith, S. C. (2015). *Economic Development (Twelfth Edition)*.