

ABSTRACT

As the most densely populated island in Indonesia, Java Island is inseparable from labor problems. The employment problems faced include an increase in the workforce which is higher than the absorption of labor, resulting in unemployment. This study aims to determine the effect of GRDP, labor, provincial minimum wage, and HDI on the open unemployment rate on the island of Java in 2010-2019 both partially and simultaneously.

The data were secondary data from 6 provinces in Java Island (Jakarta Capital Special Region, West Java, Banten, Central Java, Yogyakarta Special Region, and East Java) in 2010-2019. The analytical method used is panel data regression with the Fixed Effect Model (FEM) and uses Generalized Least Square (GLS) weighting.

The results of the study show that: 1) GRDP partially has a negative and significant effect on unemployment; 2) labor partially has no significant effect on unemployment; 3) The provincial minimum wage partially has no significant effect on unemployment; 4) HDI partially has a positive and significant effect on unemployment; 5) GRDP, labor, provincial minimum wage, and HDI simultaneously have a significant effect on unemployment.

Keywords: Unemployment, GRDP, Labor, Provincial Minimum Wage, HDI