

ABSTRACT

East Java Province is an area that has quite large industrial potential. The industrial sector can make a substantial contribution to employment. This study aims to determine the effect of GRDP, business units, and Regency/City Minimum Wage on the employment of large and medium manufacturing industries in East Java in 2015-2019 both partially and simultaneously.

This study uses cross-sectional secondary data consisting of 29 regencies and 9 cities in East Java Province and time-series data from 2015-2019. The analytical method used is panel data regression with a model using the Fixed Effect Model (FEM) with Generalized Least Square (GLS) weighting. Data is processed using Eviews 10.

The results of the study show that: 1) GRDP partially has no significant effect on the employment of large and medium manufacturing industries; 2) The business unit partially has a positive and significant effect on the employment of large and medium manufacturing industries; 3) Regency/City Minimum Wages partially have no significant effect on the employment of large and medium manufacturing industries; 4) GRDP, business units, and Regency/City Minimum Wage simultaneously have a significant effect on the employment of large and medium manufacturing industries.

Keywords: Absorption of Labor, GRDP, Business Units, Regency / City Minimum Wage