

ABSTRACT

Population growth in the 6 provinces in Java continues to increase. As the population increases, the number of workers also increases. If the number of available jobs is not proportional to the number of workers, this can lead to employment problems. This study aims to determine the influence of five factors that theoretically have an impact on labor demand, namely Gross Regional Domestic Product (GRDP), Foreign Direct Investment (FDI), Domestic Direct Investment (DDI), Provincial Minimum Wage (PMW), and Human Development Index (HDI).

This study is a quantitative study using secondary data from six provinces in Java Island for the period 2013-2022 obtained from the Central Statistics Agency. Data analysis uses panel data with a fixed effect regression model. The data analysis technique used is Ordinary Least Square (OLS) with Eviews 12 software.

The results of the study show that partially GRDP, DDI, PMW and HDI have a positive and significant effect on labor demand in 6 provinces in Java Island, while partially FDI has no significant effect on labor absorption in 6 provinces in Java Island. Simultaneously, GRDP, FDI, DDI, PMW and HDI have a significant effect on labor demand in 6 provinces on Java Island.

Keywords: Labor Absorption, GRDP, FDI, DDI, PMW, HDI