

ABSTRACT

Indonesia is a developing country with one of the problems faced, namely the open unemployment rate. Unemployment can occur when the number of workers exceeds the number of jobs and the labor absorption rate is relatively low. In addition, unemployment can be caused by several factors, such as income inequality as measured by the Gini ratio, the lowest monthly wage received by workers with a minimum wage policy, parameters for evaluating the success of development from an economic perspective, namely GRDP, and human capital through education and health that affect human quality, as well as the continuous rise in prices in society, known as inflation. Of the many provinces in Indonesia, Banten Province is a province with a high open unemployment rate.

This study aims to analyze the effect of the Gini ratio, minimum wage, GRDP, education, health, and inflation on the open unemployment rate of districts/cities in Banten Province in 2014-2023, partially and simultaneously. This study uses secondary data in the form of annual data sourced from the Central Statistics Agency website. The study uses panel data regression with 80 observations. This study uses Eviews 12 as a data processing tool and the Random Effect Model (REM) as the best model.

The research results indicate that partially, the Gini ratio, minimum wage, and inflation do not have an effect on the open unemployment rate, while GRDP has a positive and significant effect on the open unemployment rate. Education and health have a negative and significant effect on the open unemployment rate. Meanwhile, simultaneously, the Gini ratio, minimum wage, GDP, education, and health have a significant effect on the open unemployment rate.

Keywords: open unemployment rate, Gini ratio, minimum wage, GRDP, education, health, inflation