

ABSTRACT

The open unemployment rate in West Java Province remains a major issue despite the region being one of the main drivers of national economic growth. The high level of unemployment reflects structural problems in the labor market, particularly the mismatch between the skills of the workforce and the needs of industries. This study aims to analyze the effect of Labor Force Participation Rate (LSPR), education, Gross Regional Domestic Product (GRDP) and Foreign Direct Investment (FDI) on the open unemployment in West Java in 2018-2024.

This research employs panel data regression using the Fixed Effect Model (FEM). The study utilizes secondary data from Statistics Indonesia (BPS), covering 27 districts and municipalities in West Java over the period 2018–2024, with a of 108 observations. The data was processed using the STATA 17 statistical tool.

The results of the study show that partially the LSPR and GRDP variable has a negative and significant effect on open unemployment in 27 regencies/cities in West Java Province. The education and FDI variable , Education, and have a positive and significant effect on open unemployment in 27 regencies/cities in West Java Province. Meanwhile, simultaneously, LSPR, education, GRDP and FDI have a significant effect on open unemployment in 27 districts/cities in West Java Province.

Keywords: Unemployment, Labor Force, Education, Gross Regional Domestic Product (GRDP), Foreign Direct Investment

