

## ***ABSTRACT***

Indonesia has abundant and diverse natural resources. The agricultural sector can contribute to labor absorption. This study aims to analyze the influence of the agricultural sector's Gross Regional Domestic Product (GRDP), the Farmer Terms of Trade (FTT), and the Human Development Index (HDI) on agricultural labor absorption in Indonesia.

This study uses secondary cross-section data from 34 provinces in Indonesia and time-series data from 2018 to 2023. The analytical method used is panel data regression with a Fixed Effects Model (FEM). The data was processed using Eviews 12.

The results of the study show that: 1) GRDP in the agricultural sector has a positive and significant effect on the absorption of labor in the agricultural sector in Indonesia, 2) FTT has a negative and significant effect on the absorption of labor in the agricultural sector in Indonesia, 3) HDI has a positive and significant effect on the absorption of labor in the agricultural sector in Indonesia.

***Keywords:*** *HDI, FTT, GRDP, Labor absorption*

