

ABSTRAK

The government's target of employment is to reduce unemployment and other employment issues such as limited employment opportunities for decent work. The business in question is the provision of sufficient employment to offset the increase of labor force into the labor market. Employment opportunities, quantity, and quality of labor become an important indicator in development.

Employment opportunities are usually created as a result of the large number of business activities, either from private businesses, or by the government. The lower the employment opportunity in a country, the greater the number of unemployed workforce. The government of a country tries to bring in foreign businessmen to invest or run their business within the country.

The method of analysis in this study is Multiple Linear Regression Analysis. In this analysis model used to know the effect of independent variable to dependent variable that is the number of business unit, production value and minimum wage to the absorption of labor, data used in this research during 17 year period from year 1999-2015.

The results of this study indicate that the variable of business unit and the minimum wage variables have a positive effect on the absorption of labor, while the variable of production value negatively affect the work absorption. Variables of production value negatively affect the absorption of labor occurs because the paradigm shift to switch from the work to be capital-intensive, because by using machine tool the production will be faster and more than the output of manpower.

Keywords: Number of Business Unit, Production Value, Minimum Wage, and Employment Absorption.