

ABSTRACT

Manufacturing sector has a role as the leading sector in West Java. This study aims to analyze the effect of the variable number of business units, investment, and minimum wages on employment in the manufacturing industry sector in West Java Province in the period 2013-2017

Sample data used in this study covers 26 districts and cities in West Java Province and analyzed using the panel data model fixed effect model. The independent variable of this study is the number of units, investment, and minimum wages, while the dependent variable in this study is absorption of labor in the manufacturing industry sector.

Results of this study indicate that the variable number of business units has a positive effect with a coefficient of 43.26, investment has a positive effect on the coefficient of 0.003 and the minimum wage has a negative effect with a coefficient of -0.004 on the absorption of labor in the manufacturing industry sector in West Java Province in the period 2013-2017.

Keywords: Labor Absorption, Investment, Minimum Wage, Total Business Unit