



DETERMINATION OF MINIMUM WAGES, GRDP AND INVESTMENT ON LABOR ABSORPTION IN THE AGRICULTURAL SECTOR FOR THE WEST OF ACEH PROVINCE

Ira Manyamsari¹, Noratun Juliaviani², Anisah Nasution³

^{1,2}Lecturer of Agribusiness Study Program, Faculty of Agriculture Universitas Syiah Kuala, Aceh, Indonesia

³Lecturer of Agribusiness Study Program, Faculty of Agriculture Universitas Teuku Umar, Aceh, Indonesia

E-mail: iramanyam@usk.ac.id

Abstract

The western region of Aceh Province is very famous for its abundant resources, especially in the agricultural sector. Almost half of the population in the western region of Aceh Province work in the agricultural sector. Provision of sufficient jobs in the agricultural sector will offset the addition of labor, so that unemployment in the western region of Aceh Province can be reduced. Thus, open unemployment will also be reduced and will improve the regional economy and the welfare of the people in the region. The research objective was to determine the effect of the minimum wage on employment in the agricultural sector and to determine the effect of investment on employment in the agricultural sector in the western region of Aceh Province. The analysis used in this research is multiple regression analysis using panel data. The result of this research is that the minimum wage has a negative effect on ISG. on employment absorption, while GRDP and investment have a positive and sig. on the absorption of labor in the agricultural sector in the western region of Aceh Province.

Keywords: *Agriculture, Minimum Wage, Investment*

1. INTRODUCTION

Agriculture has a strong grip on the economy, because without the agricultural sector a country will always depend on foreign countries to meet basic needs, especially food for its population. The potential contribution of the agricultural sector to economic growth has been a subject of ongoing controversy among development economists. According to BPS (2012) agriculture is an activity carried out by the community in a simple way using traditional equipment which includes food crops, plantations, animal husbandry, forestry and fisheries. The agricultural sector consists of five sub-sectors, namely the food crops sub-sector, plantation crops sub-sector, livestock and its products sub-sector, and fisheries sub-sector. The highest absorption of labor absorbed is the agricultural sector. According to the results of the Ministry of Manpower and Transmigration (2011), as many as 31.86 percent or 39.8 million people working in Indonesia are working in the agricultural sector. Labor is an important element and has a very large influence on the process of managing and controlling the economic system and is also the most important part of the production factor. As the population increases, the working age population over 15 years will also increase (BPS, 2021). The labor force is the population that participates in economic activities (Sukirno, 2016). Expansion opportunities will be implemented by offering a living wage to have a long-term impact on regional economic growth. An increase in worker income greatly affects the standard of living, when the working age population increases, the labor force will also increase. If the labor force continues to grow without expanding employment opportunities, unemployment will occur in the region.

The minimum wage is the determination of the lowest wage given by business actors to workers. The minimum wage will greatly affect the running of the company. For business actors, if wages are increased, the workforce used will be reduced (Sulistiawati, 2018). A

DETERMINATION OF MINIMUM WAGES, GRDP AND INVESTMENT ON LABOR ABSORPTION IN THE AGRICULTURAL SECTOR FOR THE WEST OF ACEH PROVINCE

Ira Manyamsari, Noratun Juliaviani, Anisah Nasution

country can be said to be developed if there are adequate employment opportunities and there is attention to employment. The government is trying to overcome these labor problems through a minimum wage policy with "Regulation of the Minister of Manpower No. 3 of 1997 concerning the Regional Minimum Wage (UMR) contained in Chapter I Article 1 paragraph (a) explaining that the lowest monthly wage is the UMR consisting of the basic wage and including fixed allowances in a certain area in a region/province". UMR is divided into two, namely (1) Provincial Minimum Wage (UMP) and (2) City Minimum Wage (UMK). The purpose of setting a minimum wage is to increase productivity. Aceh Province is a province that has problems in absorbing labor. In the Sumatra region, Aceh Province is ranked first with the highest open unemployment (BPS, 2021). One of them occurs because the wages paid to workers are not appropriate. To overcome these problems the government establishes a minimum wage policy to protect workers from giving inappropriate wages. Apart from the minimum wage, investment is also very encouraging in overcoming labor problems (Basri and Putra, 2021). The population growth rate in Aceh Province in 2020 increased by 1.56 percent from 2019.

Absorption of labor in the agricultural sector in Aceh Province from 2016 to 2020 fluctuated. In the agricultural sector, the number of workers absorbed from 2016 to 2018 has increased every year and in 2019 the agricultural sector has experienced a decrease in employment from 865,803 people in 2018 to 809,866 people in 2019 and in 2020 it has increased again by 878,265 people (BPS, 2020). According to Mankiw (2006), the demand for labor will decrease if the minimum wage is increased. Conversely, the demand for labor will increase if the minimum wage is reduced. The western region of Aceh Province is very famous for its abundant resources, especially in the agricultural sector. Almost half of the population in the western region of Aceh Province work in the agricultural sector. Provision of sufficient jobs in the agricultural sector will offset the addition of labor, so that unemployment in the western region of Aceh Province can be reduced. Thus, open unemployment will also be reduced and will improve the regional economy and the welfare of the people in the region. Thus, it is necessary to have appropriate economic policies in regulating unemployment problems and providing employment in various economic sectors, so the economic sector must be a support and a special element in the barometer of the success of policies prepared by the government (Fithriyah and Malik, 2016). This research was conducted to determine the effect of the minimum wage on employment in the agricultural sector and to determine the effect of investment on employment in the agricultural sector in the western region of Aceh Province. The hypotheses in this study are 1) the minimum wage has a negative effect on employment in the agricultural sector and 2) investment has a positive effect on employment in the agricultural sector.

2. LITERATURE REVIEW

2.1 Scope of the Agricultural Sector

According to BPS (2012) agriculture is an activity carried out by the community in a simple way using traditional equipment which includes food crops, plantations, animal husbandry, forestry and fisheries. The agricultural sector consists of five sub-sectors, namely the food crops sub-sector, plantation crops sub-sector, livestock and its products sub-sector, and fisheries sub-sector. The agricultural sector in Indonesia is still the mainstay of job creation in a large number of jobs. One of the sectors that humans first developed as a response to the challenges of survival was the agricultural sector. The agricultural sector is a sector that can support economic growth and also has the largest GRDP in Aceh Province. The agricultural sector is a sector that has a very large role in the economy and development in Aceh. In 2020, the agricultural sector has experienced a contraction, this is evidenced in February 2020 employment in the agricultural sector decreased by 60 thousand people or around 0.42% compared to last year (BPS, 2020). According to Widyawati (2017), the labor force in the agricultural sector has a high percentage compared to the percentage in the non-agricultural sector. From 2005 to 2015, an average of 40 percent of the total workforce



is currently working in the agricultural sector and the remaining 55% is working in the non-agricultural sector which is spread over 8 economic sectors in Indonesia. The highest absorption of labor absorbed is the agricultural sector. According to the results of the Ministry of Manpower and Transmigration (2011), as many as 31.86 percent or 39.8 million people working in Indonesia are working in the agricultural sector. However, with the potential of the agricultural sector which can actually benefit Indonesia, there are still many problems faced by the agricultural sector. One of them is the low labor productivity of the agricultural sector compared to other sectors.

2.2 Minimum Wage Policy

The minimum wage is one of the government's control tools over a price, where price control is the basis for determining the minimum price that must be paid to workers for the various goods and services they produce. The aim of policy makers, namely the government in implementing this control, is to ensure that workers receive wages according to their work, which aims to improve people's quality of life, reduce poverty levels due to income below the minimum wage and maintain economic balance. (Ariska and Sentosa, 2021). The minimum wage applied is as a way to control wage increases and income inequality in a region (Neumark, 2015). Minimum wages reduce job growth more than the effect when increasing jobs with additional companies (Meer and West, 2016). This effect is most pronounced for young workers and industries with a higher proportion of low-income workers. This shows that the effect of workers who work focused in the company is more likely to change policies related to the minimum wage. Even though the minimum wage is a basic reference in paying wages for workers, there are several effects that arise as a result of this policy such as eliminating jobs for low-skilled workers, forcing workers to work fewer hours than before,

2.3 Investment

Investment is defined as the purchase of shares, bonds or capital goods related to the activity of purchasing shares in the capital market, not in other fields such as tourism, industry, agriculture, forestry, mining or natural gas. Therefore, investment is interpreted as an activity that provides a number of assets to other people to be developed and later the results of the investment are distributed or shared according to the agreement (Sudirman, 2018; Sandy, 2018; Sulfinana, 2021). According to Sukirno (2016), Investment as a tool for purchasing capital equipment or various production equipment is a company expense to increase the ability to produce goods and services. According to Junrillah at.al (2021) investment is an investment activity carried out by an investor or investor with the hope of obtaining various benefits from investment results in the future. In the business world, investing teaches investors to be careful when investing, especially when they invest quite a lot. There are many things that can affect investment decisions, such as investor behavior. Investor behavior is categorized into three types based on tolerance: investors who take risks (risk seekers), investors who avoid risk (risk avoiders), and investors who ignore risk (risk indifference). Demographic factors (gender, age, education level, marriage history, family size, type of work, income) and psychological factors (overconfidence, data mining, social interaction, emotion, representativeness, friendliness). It will affect financial behavior such as investment decisions in investment trusts. Historically, despite the fact that psychology is the basis of human desires and motivations and the cause of human errors due to misjudgment, overconfidence and emotion, traditional finance is a psychological point of view.

Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). social interaction, emotion, representativeness, friendliness). It will affect financial behavior such as investment decisions in investment trusts. Historically, despite the fact that psychology is the basis of human desires and motivations and the

DETERMINATION OF MINIMUM WAGES, GRDP AND INVESTMENT ON LABOR ABSORPTION IN THE AGRICULTURAL SECTOR FOR THE WEST OF ACEH PROVINCE

Ira Manyamsari, Noratun Juliaviani, Anisah Nasution

cause of human errors due to misjudgment, overconfidence and emotion, traditional finance is a psychological point of view. Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). social interaction, emotion, representativeness, friendliness). It will affect financial behavior such as investment decisions in investment trusts. Historically, despite the fact that psychology is the basis of human desires and motivations and the cause of human errors due to misjudgment, overconfidence and emotion, traditional finance is a psychological point of view. Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). friendliness). It will affect financial behavior such as investment decisions in investment trusts.

Historically, despite the fact that psychology is the basis of human desires and motivations and the cause of human errors due to misjudgment, overconfidence and emotion, traditional finance is a psychological point of view. Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). friendliness). It will affect financial behavior such as investment decisions in investment trusts. Historically, despite the fact that psychology is the basis of human desires and motivations and the cause of human errors due to misjudgment, overconfidence and emotion, traditional finance is a psychological point of view. Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). It will affect financial behavior such as investment decisions in investment trusts. Historically, despite the fact that psychology is the basis of human desires and motivations and the cause of human errors due to misjudgment, overconfidence and emotion, traditional finance is a psychological point of view. Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector.

Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). It will affect financial behavior such as investment decisions in investment trusts. Historically, despite the fact that psychology is the basis of human desires and motivations and the cause of human errors due to misjudgment, overconfidence and emotion, traditional finance is a psychological point of view. Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). Despite the fact that psychology is the basis of human desires and motivations and the cause of human errors due to misjudgment, overconfidence and emotions, traditional finance is a psychological point of view. Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate



rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). Despite the fact that psychology is the basis of human desires and motivations and the cause of human errors due to misjudgment, overconfidence and emotions, traditional finance is a psychological point of view.

Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013). Regarding investment, several studies have found that foreign direct investment (FDI) has a positive effect on employment depending on the type of each sector. Foreign investment in Belgium leads to higher employment in the industrial sector (Cuyvers et al., 2011). Not only in developed countries, the employment rate rose in response to an increase in FDI, it also appeared in developing countries (Dewata and Swara, 2013).

2.4 Labor Absorption

Absorption of labor is a vacancy occupied by job seekers or workers in each available job field (Ministry of Manpower and Transmigration, 2011). Labor absorption occurs if the number of business units requires labor. Employment is a field of activity where people work in a company or office. Absorption of labor in the world of work varies, so that it can be distinguished according to the level of education, expertise or experience to get work in the formal sector (Bellante and Jackson, 1990). According to (Handoko, 1987), employment can be influenced by external and internal factors. External factors that can affect the workforce are the level of regional gross domestic product, inflation, interest rates, and the unemployment rate. Sabia (2015) states that an increase in the minimum wage can stimulate national economic growth if the production process only depends on highly skilled workers. Rizov et al. (2016) propose that minimum wages can increase rewards and productivity through favorable wage structures or through alignment of actual and legal wages. Conversely, when wages are increased significantly, it causes a decrease in the productivity and profitability of firms (Bell and Marchin, 2018; Draca et al., 2011). In the same vein, an increase in the minimum wage will have an effect on higher labor costs in companies which will result in companies experiencing losses that can hinder economic growth (Sabia, 2015). Therefore,

3. IMPLEMENTATION METHOD

3.1 Research Time and Place

This research was conducted in the Western Region of Aceh Province. This research was conducted purposively because it was able to obtain samples that were relevant to the research being conducted. This research was conducted in August 2022.

3.2 Research Design

The type of data used in this study is secondary data using panel data collection techniques, which is a combination of time series data in Aceh Province and cross sections in 8 regencies/cities in the Western Region of Aceh Province with a range of 2016 - 2020. The total data in this study as many as 115 data. The data collected is in the form of demand for labor in 3 sectors (agriculture, industry and services), minimum wage for Aceh Province, sectoral real GRDP (agriculture, industry and services) and investment in the Western Region of Aceh Province. The method of collecting data in this study is supported by literature studies, namely the method of collecting data

DETERMINATION OF MINIMUM WAGES, GRDP AND INVESTMENT ON LABOR ABSORPTION IN THE AGRICULTURAL SECTOR FOR THE WEST OF ACEH PROVINCE

Ira Manyamsari, Noratun Juliaviani, Anisah Nasution

by collecting information that is relevant to the topic or problem that is the object of this study. This information was obtained from data from BPS, the Department of Manpower,

3.3 Data Analysis Technique

This research uses multiple regression analysis method with panel data that can be used to help explain the problems in the problem formulation. The panel data method is a combination of cross-sectional data arranged based on a time series (Gujarati, 2003). Before continuing to test the parameters of the regression equation, a model is determined in estimating panel data, namely as follows:

a. ChowTest

The Chow test is a test conducted to determine whether the CEM model is better than the FEM model or vice versa. This test can be referred to as Fstatistics. The chow test was carried out by looking at the significance value in the FEM model through the statistical F test. The Chow test is also known as the statistical F test or the Likelihood Test Ratio.

H0 = Common Effect Model

H1 = Fixed Effect Model

b. Hausman test

The purpose of the Hausman Test is to see whether the most appropriate model to use is the Fixed Effect Model (FEM) or the Random Effect Model (REM). In this test, following Wald's criteria as a reference (Firdaus, 2011)

H0 = Random Effects

H1 = Fixed Effects

c. Langrange Multiplier Test

The Lagrange Multiplier (LM) test is a test to find out which model is most appropriate for the panel data, whether it is the Random Effect model or the Common Effect model. Breusch Pagan is the one who developed the Random Effect significance test. The Breusch Pagan method for the Random Effect significance test is based on the residual value of the OLS method.

H0 = Common Effect

H1 = Random Effects

The model used in this study is as follows:

$$\ln Y = \alpha_0 + \ln \beta_1 X_1 + \ln \beta_2 X_2 + \varepsilon$$

Where:

Y : Labor absorption (Person)

X1 : Aceh Provincial minimum wage (Rupiah)

X2 : Investment (Billion Rupiah)

4. RESULTS AND DISCUSSION

4.1 Minimum Wage Development

A number of costs incurred by a company to pay workers who have done their work to produce goods or services are called wages. Wages that continue to increase will have an impact on labor supply. One of the efforts that the government can make to protect workers from low wages is through regulation of minimum wages. The purpose of regulations related to minimum wages is to protect the welfare of workers and be able to increase the productivity of workers. The basic needs of a person's life that have been adjusted to socio-economic conditions are called Minimum Living Needs (KHM), so this is the reason for the minimum wage that needs to be applied.

Aceh Provincial Minimum Wage increases every year. In 2016, the Aceh Province minimum wage was Rp. 2,118,500.00-. In 2020, the Aceh Province minimum wage value reached Rp.



3,165,930.00-. This shows that the minimum needs for living in Aceh Province are increasing every year. With an increase in the minimum wage every year, the supply of labor will increase (BPS, 2021)

4.2 Investment Development

Capital investment is an investment expenditure or company for the purchase of capital goods and production equipment to increase the production capacity of goods and services available in an economy. An increase in the number of capital goods allows an economy to produce more goods and services in the future. The evolution of investment realization in Aceh Province. The investment value during the 2016-2020 period tends to fluctuate. The average realized investment value during the 2016-2020 period reached IDR 3,211.38 billion per year, increasing from IDR 2,465.10 billion in 2016 to IDR 8,241.10 billion in 2020 (BPS, 2021). According to the Aceh Provincial Investment Coordinating Board (2020), this condition occurred because the investment climate and political and economic conditions in Aceh Province in 2017 were not good, which caused investment to be diverted outside Aceh Province. Although investment tends to fluctuate, its contribution to employment is quite good. This was caused by the global economic crisis which caused investors to reduce their investment. In 2018 it increased to Rp. 970 billion, until 2020 the total investment reaches Rp. 8,241.10 billion rupiah. This increase in investment is due to the fact that the investment climate in Aceh Province has improved and investors are very confident about investing in Aceh Province due to relatively stable economic, social, political and security conditions.

4.3 Parameter Analysis of Regression Model

From the results of selecting the model used in panel data in the multiple regression analysis method is *Random Effect Model*, where the *Breusch Pagan probability value* is 0.0000 which is less than the 10% test level. The results of multiple regression are as follows:

Table 4.3. Results of multiple regression analysis

Variables	coefficient	Prob
X1	-1.877013	0.0562
X2	-0.005951	0.0189
C	52013.48	0.0000

From Table 1, it can be seen that the variable X1 or the Minimum Wage variable has a coefficient value -1.877013 with a probability value of 0.0562 which is less than the 10% test level. It can be interpreted that the minimum wage has a significant negative effect on employment in the western region of Aceh Province. When the minimum wage increases by 1%, employment will decrease by 1.87%. This is in accordance with the theory of labor demand, where the minimum wage and employment have a negative slope. Absorption of labor is closely related to the minimum wage, when the minimum wage increases, business people will reduce labor because it will have an impact on increasing production costs. This research is the same as the research conducted by Junrillah and Nurhayani (2021) with the title The influence of gross regional domestic product in the agricultural sector, provincial minimum wages and investment on employment in the agricultural sector in Batanghari Regency. The results obtained are UMP worth 2,870 with a Sig value of 0.043. This means that the UMP has a negative and significant influence on employment in the agricultural sector in Batanghari Regency.

X2 variable or investment variable has a coefficient value of -0.005951 with a probability value of 0.0189 which is smaller than the 10% test. It can be interpreted that investment has a negative and significant impact on employment in the agricultural sector in the western region of Aceh Province. When investment increases by 1%, employment decreases by 0.005%. This

DETERMINATION OF MINIMUM WAGES, GRDP AND INVESTMENT ON LABOR ABSORPTION IN THE AGRICULTURAL SECTOR FOR THE WEST OF ACEH PROVINCE

Ira Manyamsari, Noratun Juliaviani, Anisah Nasution

happened because investment in the agricultural sector in the Western Region of Aceh Province has not yet been focused on increasing production yields, but investment has been more focused on sectors other than agriculture. This is the same as research conducted by Belmondo and Triani (2020) which says that investment has a negative and significant effect on employment in the agricultural sector in Indonesia.

5. CONCLUSION

5.1 Based on the results of calculations and analyzes that have been carried out, it can be concluded that:

1. The minimum wage has a significant negative effect on employment in the agricultural sector in the western region of Aceh Province. When the minimum wage increases by 1%, employment will decrease by 1.87%.
2. Investment has a significant negative effect on employment in the agricultural sector in the western region of Aceh Province. When investment increases by 1%, employment decreases by 0.005%.

5.2 Suggestions

Based on the results of the research, there are things that need to be done further, including:

1. The government pays more attention to the problem of absorbing labor in the Western Region of Aceh Province, especially in the agricultural sector
2. Business actors should be more aggressively looking for investors so they can help support production output so that they can add to the workforce. Thus the absorption of labor in the Western Region of Aceh Province will increase and unemployment will decrease.

REFERENCES

- [Ministry of Manpower and Transmigration] Ministry of Manpower and Transmigration of Banten Province., 2011. Work Situation and Employment Opportunities in Districts and Cities in Banten Province. Banten: Ministry of Manpower and Transmigration.
- Central Bureau of Statistics. 2012., Statistics Indonesia 2012. Jakarta.
- Central Bureau of Statistics. 2020., Aceh in Figures 2020. BPS, Aceh.
- Central Bureau of Statistics. 2021., Aceh in Figures 2021. BPS, Aceh.
- Basri, H., and Putra, A., 2021. The Effect of GRDP in the Agricultural Sector and the Provincial Minimum Wage on Absorption of Labor in the Agricultural Sector. *Journal Development*, 9(1), 11-21.
- Belmondo, B., & Triani, M. (2020). The Effect of Economic Performance, Investment and Wages on Absorption of Labor in the Agricultural Sector in Indonesia. *Journal of Economic and Development Studies*, 2(4), 49-54.
- Firdaus M., 2011. *Econometric Applications for Panel Data and Time Series*. Bogor (ID): IPB Press.
- Fithriyah, Z. and Malik, N., 2016. The Effect of Banking Credit on Manufacturing Industry Growth in Supporting Indonesia's Economic Growth. *Journal of Development Economics*. doi: 10.22219/jep.v8i1.3596.
- Junrillah, T., Junaidi, J., & Nurhayani, N., 2021. The effect of the agricultural sector's gross regional domestic product, provincial minimum wages and investment on employment in the agricultural sector of Batanghari Regency. *e-Journal of Regional Economic and Development Perspectives*, 10(3), 169-179.
- Mankiw, N Gregory., 2006. *Introduction to Macroeconomics*. Jakarta: Selemba Empat.



- Sulistiawati, R., 2012. The Effect of Investment on Economic Growth and Absorption of Labor and Community Welfare in Provinces in Indonesia. *Untan Journal of Economics, Business and Entrepreneurship*. doi: 10.26418/jebik.v3i1.9888.
- Widyawati, RF, 2017. Analysis of the Linkages of the Agricultural Sector and Its Influence on the Indonesian Economy (Input Output Analysis). *Economic Journal*. doi: 10.21831/economia.v13i1.11923.
- Ariska, S., and Sentosa, SU, 2021. The Influence of Inflation, Education and Wages on Job Opportunities and Poverty in Indonesia. *Journal of Economic and Development Studies*, 3(3).
- Neumark, D., 2015. Reducing poverty via minimum wages, alternatives. *FRBSF Economic Letter*, 2015-38.
- Meer, J. and West, J., 2016. Effects of the minimum wage on employment dynamics', *Journal of Human Resources*. doi: 10.3368/jhr.51.2.0414-6298R1.
- Sudirman, MA, 2018. The Influence of Household Consumption, Investment on Economic Growth in Jambi Province Sudirman, M. Alhudori Faculty of Economics, Batanghari University', *Journal of Economics and Business*.
- Sandy, M., 2018. The Effect of Regional Minimum Wage, Investment and Economic Growth on Labor Absorption in Pangkep Regency. Doctoral dissertations. Alauddin State Islamic University Makassar.
- Sulfinana., 2021. The Influence of Production, Investment, and Number of Business Units on Labor Absorption in the Small and Medium Industry Sector in Gowa Regency. Thesis. Muhammadiyah Makassar University.
- Sukirno, S., 2016. *Development Economics*. 2nd edition. Jakarta (ID): Kencana.
- Cuyvers, L. et al., 2011. Determinants of foreign direct investment in Cambodia. *Journal of Asian Economics*. doi: 10.1016/j.asieco.2011.02.002.
- Dewata, BK and Swara, IWY, 2013. Effect of Total Exports, Labor, and Labor Wages on Foreign Direct Investment in Indonesia. *Udayana University Development Economics E-Journal*.
- Bellante, D and Mark Jakson., 1990. *Labor Economics*. Jakarta: LPFE UI.
- Handoko, T. Hani., 1987. *Personnel Management and Human Resources 2nd Edition*. Yogyakarta: BPFE-Yogyakarta.
- Luca, DL, & Luca, M., 2019. Survival of the Fittest: The Impact of the Minimum Wage on Firm Exit. NBER Working Paper Series, National Bureau of Economic Research, Inc., 25806, 1-44, Cambridge, MA.