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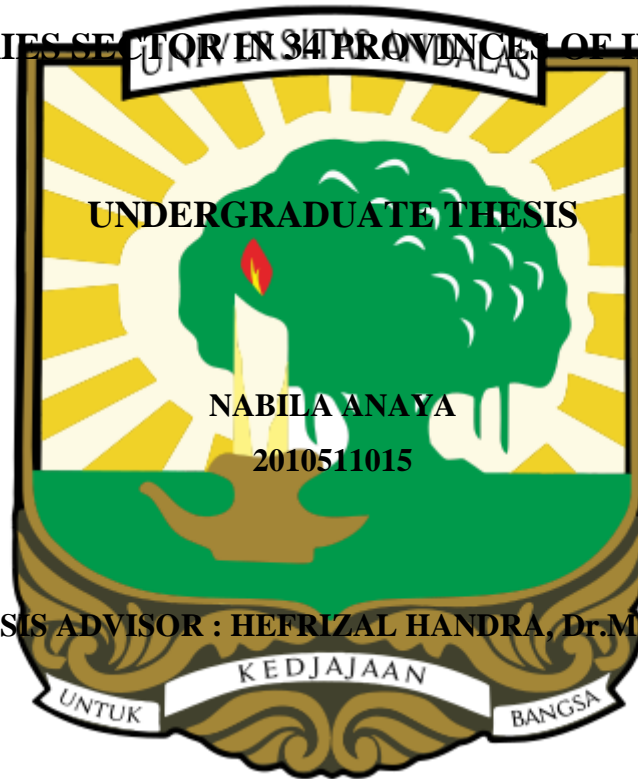
DEMAND FOR LABOR ANALYSIS OF MICRO AND SMALL INDUSTRIES SECTOR IN 34 PROVINCES OF INDONESIA

UNDERGRADUATE THESIS

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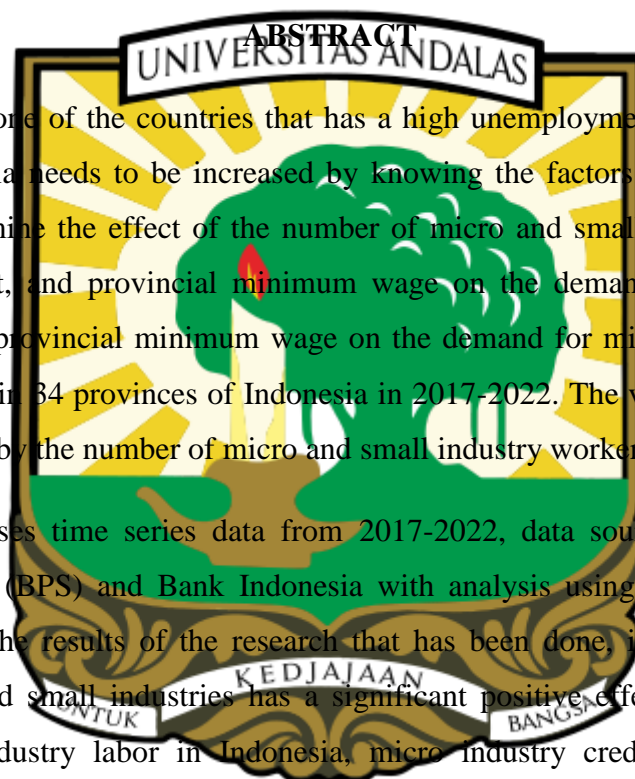**DEPARTMENT OF ECONOMICS**
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Demand For Labor Analysis Of Micro And Small Industries Sector In 34 Provinces Of Indonesia

by

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ABSTRACT

Indonesia is one of the countries that has a high unemployment rate, so the demand for labor in Indonesia needs to be increased by knowing the factors that influence it. This study aims to determine the effect of the number of micro and small industries, micro and small industry credit, and provincial minimum wage on the demand for industrial labor. industry credit, and provincial minimum wage on the demand for micro and small industry labor. labor demand in 34 provinces of Indonesia in 2017-2022. The variable The dependent variable is projected by the number of micro and small industry workers.

This study uses time series data from 2017-2022, data sourced from the Central Bureau of Statistics (BPS) and Bank Indonesia with analysis using panel data regression analysis. Based on the results of the research that has been done, it can be seen that the number of micro and small industries has a significant positive effect on the demand for micro and small industry labor in Indonesia, micro industry credit has a positive and insignificant effect, small industry credit has a significant positive effect, provincial minimum wages have a significant negative effect on labor demand in the micro industry, while provincial minimum wages have a positive and insignificant effect on labor demand in small industries in Indonesia.

Keyword : Labor Demand, Number of Company, Credit, Provincial Minimum Wage, Panel data regression.

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