

ABSTRACT

West Java Province faces significant challenges in the labor sector. In addition to having a relatively high unemployment rate, the province also has the largest population in Indonesia. The large population puts pressure on the labor market, leading to an imbalance between the demand for jobs and the availability of labor.

This study analyzes the effect of minimum wage, gross regional domestic product and human development index on the open unemployment rate in West Java Province during the period 2017-2023. The variables analyzed include open unemployment rate, minimum wage, gross regional domestic product (GRDP) and human development index (HDI). The data were analyzed using panel data regression model with Fixed Effect Model (FEM) with Panel Corrected Standard Errors (PCSE).

The results show that partially, the GRDP and HDI variables have a negative and significant influence on the open unemployment rate in West Java Province. On the contrary, the minimum wage variable has a positive and significant influence. Simultaneously, minimum wage, GRDP, and HDI variables have a significant effect on the open unemployment rate variable in West Java Province.

Keywords: *Unemployment, Minimum Wage, GRDP, HDI*