Abstrak

The aim of this study was to examine the effect of Industry Number, Output Value, and Wage Level on Labor Absorption in micro and small industries in Indonesia from 2013 to 2017. This study uses quantitative regression analysis using panel data method and using EViews 10 as a data processing tool. The data used are secondary data in the form of time series data consist of 5 years data and cross section data consist of 34 Indonesian province. The data contained in this research are taken from Badan Pusat Statistik (BPS).

The results showed the variable Industry Number, Output Value, and Wage Level had a significant positive effect on Labor Absorption. All of independent variables (Industry Number, Output Value, and Wage Level) can explain their effects on the dependent variable (Labor Absorption) to micro and small industry in Indonesia from 2013 to 2017.

Keywords : Micro and Small Industry, Output Value, Wage level, Labor Absorption.