

**ANALISIS PENGARUH UMK, PDRB INDUSTRI PENGOLAHAN, PDRB
INDUSTRI NON PENGOLAHAN TERHADAP PENYERAPAN TENAGA
KERJA PADA INDUSTRI PENGOLAHAN DI KABUPATEN/KOTA
PROVINSI JAWA BARAT**

ABSTRACT

This study aims to analyze the effect of Regency/Municipality Minimum Wages (UMK), Gross Regional Domestic Product (GRDP) of the Manufacturing Sector, GRDP of the Non-Manufacturing Sector, and the impact of the COVID-19 pandemic on labor absorption in the manufacturing industry across regencies and municipalities in West Java during 2016–2024. The study employs panel data and applies panel data regression analysis. The results indicate that the Random Effect Model (REM) is the most appropriate model. Partially, minimum wages have a positive and significant effect on labor absorption. Manufacturing GRDP has a positive but insignificant effect, while non-manufacturing GRDP has a positive and significant effect on labor absorption. The COVID-19 dummy variable has a negative and significant effect on labor absorption. These findings suggest that economic growth and appropriate wage policies can support employment expansion, while economic shocks such as the COVID-19 pandemic reduce the capacity of the industrial sector to absorb labor.

Keywords: Minimum Wage, Manufacturing GRDP, Non-Manufacturing GRDP, Labor Absorption, West Java.

