

ANALYSIS OF THE INFLUENCE OF UMKM, FOREIGN DIRECT INVESTMENT (FDI) AND GOVERNMENT CAPITAL EXPENDITURES ON UNEMPLOYMENT IN INDONESIA

Moh Faizal¹, Sanusi Fattah², Hamrullah³

¹²³ Hasanuddin University, Faculty of Economics and Bussines, Makassar

E-mail: ¹⁾ faizhal45@gmail.com, ²⁾ fattahsanusi@gmail.com, ³⁾ [hamrullah@gmail.coms](mailto:hamrullah@gmail.com),

Abstract

This study aims: 1) To analyze the influence of MSMEs on unemployment in Indonesia, 2) To analyze the effect of foreign direct investment (FDI) on unemployment in Indonesia, and 3) To analyze the effect of government capital expenditure on unemployment in Indonesia. The data collection in this study was carried out by searching documentation or information publications. Data analysis was performed using the Ordinary Least Square analysis method. The results of the study: 1) SMEs have a negative effect, both directly and indirectly on unemployment. If MSMEs increase, unemployment will decrease, 2) Foreign Direct Investment (FDI) has a negative effect, both directly and indirectly on unemployment. If foreign direct investment increases, unemployment will decrease, and 3) Government capital expenditure has a negative effect, both directly and indirectly on unemployment. If government spending increases, unemployment will decrease.

Keywords: *UMKM, Foreign Direct Investment (FDI), Government Capital Expenditures, Unemployment.*

1. INTRODUCTION

One of the key goals of economic development is to create enough jobs to keep pace with the growth of the labor force, which is growing faster than job opportunities. Indonesia has the fourth largest population in the world. According to the 2010 census, the population of Indonesia is more than 235 million people. The population structure in Indonesia includes young people. The number of young people is higher, so the population structure is like a pyramid. With a young population structure, the dependency rate in Indonesia is still high. The dependency ratio is the ratio between the working age population (15-64 years old) and the non-working age population (0-14 years old and 65 years old and older). The productive age population must support the non-productive age population. Since the dependency ratio in Indonesia is still high, this means that the productive age population still has to support a large portion of the non-productive age population.

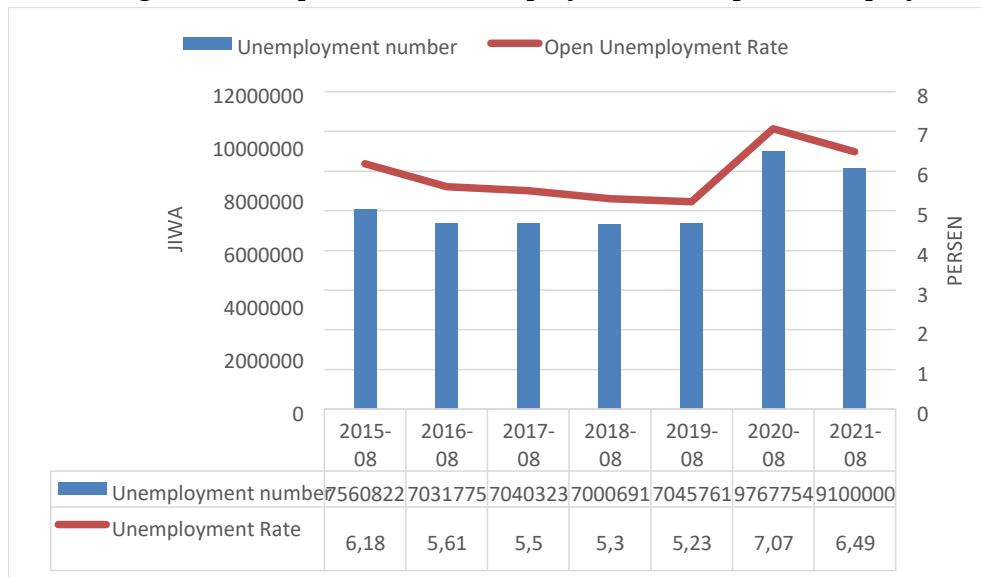
ANALYSIS OF THE INFLUENCE OF UMKM, FOREIGN DIRECT INVESTMENT (FDI) AND GOVERNMENT CAPITAL EXPENDITURES ON UNEMPLOYMENT IN INDONESIA

Moh Faizal, Sanusi Fattah, Hamrullah

Even so, it is estimated that between 2020 and 2030, the dependency ratio will be the lowest in Indonesia, compared with the dependency ratio in previous years. This is called the demographic reward. Based on the data of SUPAS 2005 (2005 Inter-Census Survey), the dependency ratio in Indonesia is 50.8 (Dewi, 2014). At the time of demographic addition, the dependency rate in Indonesia was estimated to be around 40%. In addition, the pandemic has caused a setback in the employment sector, namely an increase in the unemployment rate. Data from the Indonesian Chamber of Commerce and Industry in June 2020 showed that up to 6 million workers were laid off. As young people, fresh graduates are suffering greatly from the Covid-19 pandemic. Based on August 2020 BPS data, Open Unemployment Rate (TPT). Young population (15-24 years old) has the highest TPR, reaching 20.46%.

Based on BPS data, the number of unemployed people and the open unemployment rate in Indonesia from 2015 to 2021 generally do not show a steady decline, which can be seen in the chart below; If you look closely at the data on the number of unemployed people in the period 2015-2021, there is a fluctuation, although 2016 decreased compared to 2015 but in 2017 there was an increase in the number of unemployed people. This shows that unemployment is still a big problem, besides in 2020 there will be a significant increase, so the state needs to have specific policies, programs and targets based on the needs of the community to eliminate and reduce the number of unemployed people in Indonesia.

Figure 1.1 Graph of Total Unemployment and Open Unemployment Rate of TPT)



Indonesia 2015-2021 (2021 BPS Data).

Unemployment and employment remain a major concern in all countries of the world, especially in developing countries. These two problems form a unity, both creating a

dualism of mutually contradictory problems. This dualism occurs if the government is not able to properly utilize and mitigate the effects caused by these two issues. However, if the government can make use of excess human resources, the problem of duplication will not arise and will even have a positive effect on accelerating development. And vice versa, if the government is not used, it will create negative effects, namely, disrupt economic growth. Micro, small and medium enterprises (MSMEs) play an important and strategic role in national economic development. In addition to playing a role in economic growth and employment, MSMEs also play a role in the distribution of development outcomes (Suci, 2017). MSMEs have been shown to contribute up to 60.34% of gross domestic product, making this business sector worthy of being called the mainstay of the country's economic development (Gunartin, 2017). The establishment of micro and small enterprises (MSEs) has proven to be an unemployment opportunity given the substantial employment growth in the MSE sector in developing countries (Naudé, 2010).

Various policies and programs are implemented by the government to deal with unemployment in Indonesia. But it does not show maximum results, so this study tries to examine the competitiveness and role of micro, small and medium enterprises (MSMEs) as a means to achieve economic growth, sustainable with the aim of minimizing and significantly reducing the unemployment rate. Based on the results of the 2016 Economic Census, the number of micro, small and medium enterprises (MSMEs) in Indonesia is 26.26 million enterprises or has a contribution rate of 98.33%. This suggests that the analysis of the performance of MSMEs on unemployment in Indonesia is interesting, relevant and useful given the various development steps taken to maximize the potential of MSMEs to encourage employment in Indonesia.

Most previous studies have demonstrated that FDI can help reduce unemployment and increase GDP. FDI is considered important and should be increased, as long as that increase is for the benefit of the economy. Many previous studies have suggested policies to increase FDI (Ralhan, 2006; Shaari, Hong & Shukeri, 2012; Mun, Lin & Man, 2008). The opening of new foreign companies will create jobs for the unemployed in the country. Joshi VS Ghosal (2009), Lin MY, JS Wang (2004), Driffield, N., K. Taylor (2000), as well as Scherer, HJ (2012) explain that FDI can create many new jobs. Higher employment rates and increased productivity in the country. Denisia (2010) believes that FDI can increase productivity and competitiveness. Encouraging more FDI into the country can also increase GDP. Increased production, especially in the manufacturing sector, will help increase exports, thereby boosting economic growth. Therefore, FDI can directly and indirectly promote economic growth

The number of unemployed people in Indonesia requires serious management from the government to reduce unemployment by providing more job opportunities to absorb the workforce, as part of efforts to reduce the number of unemployed. by increasing investment

so that we can increase economic activity, especially by opening up opportunities for other countries to invest in Indonesia. One of the effects of investment to keep the gears of the national economy spinning is the growth of real and labor-intensive businesses that can absorb as much of the growing workforce as possible. work to reduce unemployment in Indonesia.

2. LITERATURE REVIEW AND HYPOTHESIS

Indonesia is a country with a dynamic employment problem. Legally, since 2004, the country has completed legal reform in the labor sector when in the same year, Law No. 2 on dispute settlement in labor relations was promulgated. It is one of three settlements that deal with the employment problem in this country. Previously there was Law No. 21 of 2000 on trade unions and Law No. 13 in 2003 about labor

Labor absorption is the number of jobs that have been filled, which is reflected in the large amount of labor force growth. The active population is absorbed and distributed in different sectors of the economy. The absorption of the population to work in different industries and fields of activity is due to the need for manpower. Therefore, labor absorption can be viewed as labor demand (Kuncoro, 2002).

Labor absorption is the number of workers employed in a business unit (Zamrowi, 2007). It can also mean that the population is absorbed into different sectors of the economy. The amount of jobs filled and exemplified by the large number of active people can be understood as labor absorption (Kuncoro, 2002). Labor absorption is the acceptance of labor subjects to do work as they are supposed to. The workforce is meant to be absorbed into different sectors of the economy. On the other hand, Indonesia has a lot of human resources. Therefore, human resources in the form of labor must be employed and utilized in the best way to accelerate economic growth.

According to Dumairy, the labor force is defined as the limited working age population in which each country has a different working age (Dumairy, 1996). The workforce is residents who are and are willing to work with the quality of work offered. According to the Main Employment Law No. 14 of 1969, a worker is any person who is able to perform work both inside and outside the employment relationship in order to produce goods and services that meet the needs of people's lives. .

According to the law of numbers. 13 2003, Chapter I, Article 1, paragraph 2, provides that labor is anyone who is able to perform work to produce goods and/or services to satisfy his or her own needs and community. In general, the population of a country is divided into two groups, namely those who work and those who do not. Residents cannot be considered workers if they exceed the working age limit of 64 years.

Indonesia itself has a working age limit of 15-64. There are also many people in Indonesia who think that ages 17 to 20 are considered suitable for the job, which causes different perceptions among people. During this time according to Central Bureau of

Statistics (BPS), labor force of working age (15 years or older) who is working or has a job but is temporarily not working and is looking for work.

The framework for this study is based on the theories and empirical studies outlined previously. Some research results show that there is a strong link between MSMEs, foreign direct investment and government investment spending, economic growth and unemployment in Indonesia. While increased foreign direct investment (FDI) and the growth of MSMEs and government investment spending will certainly have a positive effect on economic growth, which in turn will have a positive impact on the economy. absorption of the labor force and will have the effect of reducing the number of unemployed. in Indonesia. Based on this description, the researcher attempts to develop a research model. To facilitate the research activities carried out and to clarify the research framework, the relationships can be described as follows.

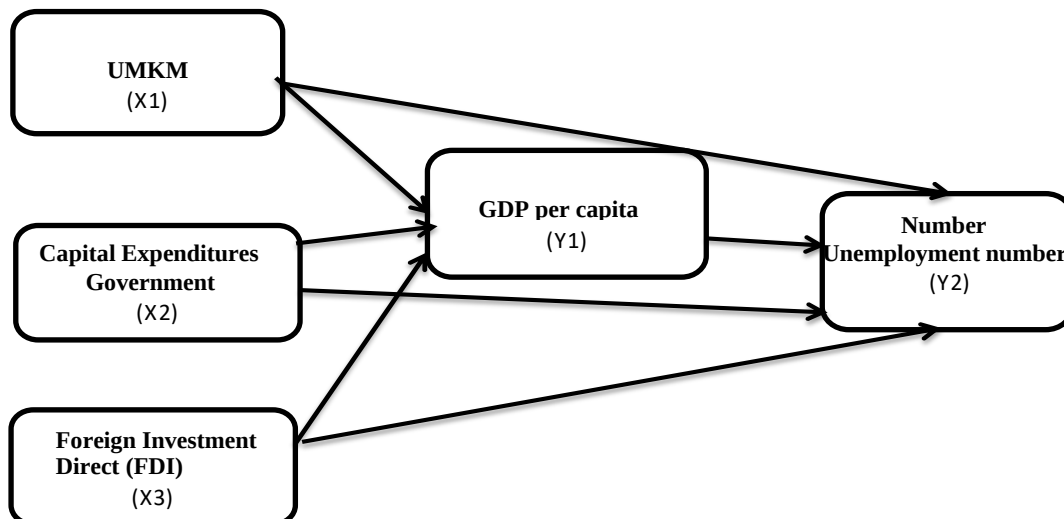


Figure 3.1 Conceptual Framework

hypothesis

The hypothesis is a temporary answer taken to answer the problems raised in this study which actually still have to be tested empirically. Based on the theoretical descriptions and empirical studies previously put forward, the hypotheses proposed are as follows:

- It is suspected that MSMEs directly influence the number of unemployed in Indonesia, either directly or through economic growth.
- Allegedly Foreign Direct Investment directly affects the number of unemployed in Indonesia, either directly or through economic growth.
- It is suspected that the Government's Capital Expenditures directly affect the number of unemployed in Indonesia, either directly or through economic growth

3. RESEARCH METHODS

1. Location and search plan

This study was conducted in 34 provinces of Indonesia. The type of research used is a quantitative study that measures and analyzes the effects of MSMEs, Foreign Direct Investment (FDI) and government investment spending on unemployment in Indonesia.

2. Data types and sources

Several theoretical, conceptual and empirical works used to explain the relationship between variables have been obtained from relevant textbooks and journals. The type of data that will be analyzed in this study is secondary data in the form of time series data, specifically time/time-specific data that in this study uses the period 2016-2021. .

The type of data used in this study is secondary data. The data sources for this study include a variety of sources, such as data from the Central Statistics Office (BPS), the Ministry of Cooperatives and Small and Medium Enterprises (MenKopUKM), the Ministry of Manpower, and taken from the official website is published officially. In addition, this data is derived from a number of previous research findings, including journals, theses, and other scientific works that support this research.

3. Data collection method

All data for this study were collected through a search of literature or published information by government or other official sources used to provide an additional description, supplementary description, or for processing. further reason.

4. RESULTS AND DISCUSSION

1. MSMEs (X1) and Economic Growth (Y1)

The test results show that the tcount value is 5.423. The values are distributed at $\alpha = 0.05$ with a df of 5 to obtain a ttable value of 2,570 such that the result of $tcount > ttable$ is $5.423 > 2,570$. The effect is certain to be positive, meaning that each MSME has grown, so economic growth will increase. With a p value < 0.05 , certain effects are significant. Therefore, it can be said that MSMEs have a positive and significant impact on economic growth. The results of this study are consistent with the findings of Simangunsong (2022) that there is a significant influence of micro, small and medium enterprises (MSME) on economic growth in Indonesia. For economic growth, this can be done by increasing the number of MSMEs in Indonesia. Therefore, it is necessary to develop an interest in community entrepreneurship through education and training.

Economic growth is one of the indicators that determines the success of a country as measured by national income. To encourage economic growth, micro, small and medium enterprises (MSMEs) have a crucial role to play. MSMEs also play a role in increasing the welfare of a country, especially developing countries including Indonesia. The existence of MSMEs has the potential to create jobs and increase incomes. MSMEs are recognized as playing an important role in economic development and growth, not only in developing countries but also in developed countries. In developed countries, the role of MSMEs is important as they absorb more workers than large enterprises (UBs) and contribute more to Gross Domestic Product (GDP) growth than UBs. In a developing country like Indonesia, MSMEs play a role in creating employment opportunities and income sources for the community, income distribution and poverty alleviation, as well as economic development. However, in terms of its contribution to GDP and non-oil and gas exports, particularly manufactured goods, and technological innovation and development, the role of MSMEs in developing countries is relatively small. (Tambunan, 2017).

2. MSMEs (X1) and Unemployment (Y2)

The test results show that the count is -8,347. The values are distributed at $\alpha = 0.05$ with a df of 5 to obtain a ttable value of 2,570 such that the result of $t_{count} > t_{table}$ is $8,347 > 2,570$. The effect is certain to be negative, meaning that for every increase in MSME, the unemployment rate will decrease. With a p value < 0.05 , certain effects are significant. Therefore, it can be said that MSMEs have a negative and significant impact on the unemployment rate. The results of this study are consistent with the findings of Ilmi (2021) that the presence of MSMEs in society also contributes to reducing the number of unemployed people in the lower middle class.

MSMEs are one of the important employment and economic sectors by attracting a large number of lower middle class workers and reducing the unemployment rate in Indonesia. As we all know, the MSME sector in Indonesia in 2020 saw a decline due to the COVID-19 pandemic, which was driven by the issuance of government regulations on social restrictions. in some areas of Indonesia to prevent the spread of COVID-19, which caused a temporary shutdown of the country's economy. duration and impact on the increase in the number of unemployed in Indonesia.

3. Foreign direct investment (X2) and economic growth (Y1)

The test results show that the tcount value is 6,251. The values are distributed at $\alpha = 0.05$ with a df of 5 to obtain a ttable value of 2,570 such that the result of $t_{count} > t_{table}$ is $6,251 > 2,570$. The effect is given as positive, which means that each foreign direct investment has increased, so economic growth will increase. With a p value < 0.05 , certain effects are significant. Thus, it can be said that foreign direct investment has a positive and

significant impact on economic growth. The results of this study are consistent with the findings of Gandhi et al (2022) that foreign investment has been shown to have an impact on economic growth in Indonesia. This study shows that there is a direct relationship between foreign direct investment and economic growth, both in the long run and the short run.

Economic growth is affected by capital formation or investment. Growing wealth will spur the production of goods and services, and this theory also holds that capital or investment is a requirement for a country's economy to grow in the long run. Country risk demonstrates the importance and encourages the circumstances and conditions of a country to conduct economic activities. If a country's country risk is high, foreign investors will benefit from more favorable investment conditions (Igamo 2015).

It is expected that the presence of foreign direct investment can contribute mainly to development through the transfer of wealth, technology and administrative expertise to accelerate the economic growth of a country. nation. Foreign direct investment increases wealth with the formation of fixed capital, which in turn promotes growth in the host country.

4. Foreign Direct Investment (X2) and Unemployment (Y2)

The test results show that the tcount value is -6,832. The given effect is negative, meaning that whenever foreign direct investment increases, unemployment falls. With a p value < 0.05, certain effects are significant. Therefore, it can be said that foreign direct investment has a negative and significant impact on the unemployment rate. The results of this study are consistent with the findings of Silaban and Siagian (2021) that investment has a negative impact on the unemployment rate. If investment increases, unemployment will decrease. Increased investment will create demand and increase production capacity. With the increase in production capacity, it will absorb a lot of labor.

In developing countries, foreign investment flows have increased rapidly in the past decades, in response to the era of globalization. The development of foreign investment plays a very important role for the host countries, as foreign investment brings technology, management skills, jobs as well as capital inflows. Foreign investment has a very important influence on the economic development of a country, if used wisely. Foreign investment has caused competition among countries to attract investors by offering various incentives (Irpan, et al, 2016).

Foreign direct investment increases the demand for skilled labor, which leads to an increase in the share of the company's total wages. Low labor wages are the driving force behind increased foreign investment. Low labor wages will reduce production costs relatively low, thereby reducing costs and increasing corporate profits, thereby investors see the potential and increase investment (Sarwedi, 2002).

5. Government investment spending (X3) and economic growth (Y1)

The test results show that the tcount value is 4,572. The values are distributed at $\alpha = 0.05$ with a df of 5 to obtain a ttable value of 2,570 such that the result of $tcount > ttable$ is $4.572 > 2.570$. The effect is given as positive, meaning that with each increase in government investment spending, economic growth will increase. With p value < 0.05 , certain effect is significant. Therefore, it can be said that public investment spending has a positive and significant impact on economic growth. The results of this study are consistent with the findings of Waryanto (2017) that capital expenditure has a positive and significant impact on economic growth.

It can be said that investment spending is one of the factors affecting the economic growth of a country and in previous studies, many studies have shown that investment spending has a positive impact on growth. economy. In general, it is known that economic growth is a commonly used indicator of the success of development. In the implementation of development, the goal of high economic growth is the main goal of developing countries because economic growth is closely related to the increase in goods and services produced in society, therefore, the more goods and services are produced, the greater the social welfare. Social happiness is a way of associating happiness with social choices that are objectively obtained by contributing to individual satisfaction in society (Badrudin, 2012).

6. Government Capital Expenditures (X3) and Unemployment (Y2)

The test results show a tcount value of -9.336. Values are distributed at $\alpha = 0.05$ with a df of 5 so that a ttable value of 2.570 is obtained so that the results of $tcount > ttable$ are $9.336 > 2.570$. The effect given is negative, which means that every time government capital spending increases, unemployment will decrease. With a p value < 0.05 , the influence given is significant. So it can be stated that government capital expenditure has a negative and significant effect on unemployment. The results of this study are in line with Siregar's research findings (2016) that government spending has a significant effect on investment.

In general, government capital expenditure is allocated to build facilities and infrastructure and is then expected to increase the intensity of economic activity. Fasoranti (2012), states that to be able to increase economic growth, the government must be able to control its direct spending. Expenditure that is continuously carried out will only cause inequality to increase, because only certain circles will enjoy it, but if on the other hand, development expenditure which has a larger proportion will have a direct effect on economic growth as well as on employment opportunities for workers who do not have jobs and will reduce the unemployment rate.

7. Economic growth (Y1) and unemployment (Y2)

The test results show that the count is -8,151. The values are distributed at $\alpha = 0.05$ with a df of 5 to obtain a ttable value of 2,570 such that the result of $t_{count} > t_{table}$ is $8,151 > 2,570$. The effect is certain to be negative, which means that whenever economic growth increases, unemployment falls. With a p value < 0.05 , certain effects are significant. Therefore, it can be said that economic growth has a negative and significant impact on the unemployment rate. The results of this study are consistent with the findings of Muminin and Hidayat (2017) that economic growth has a negative and significant impact on unemployment, that is, whenever economic growth increases, unemployment industry decreased.

Tambunan (2017) explains that unemployment can arise because the high rate of change of the labor force does not correspond to the existence of sufficiently wide jobs and the ability to absorb the labor force tends to occupy a small percentage. This is due to the low rate of job growth to accommodate a ready workforce. Job. Economic growth that is not accompanied by additional employment opportunities will lead to an imbalance in the distribution of additional income (*ceteris paribus*), thereby facilitating economic growth accompanied by increased poverty.

4. CONCLUSION

On the basis of the obtained research results, the following conclusions can be drawn:

- a. MSMEs have a direct and indirect negative impact on the unemployment rate. If MSMEs increase, unemployment will decrease. Indeed, MSMEs can create jobs and attract labor to reduce the number of unemployed.
- b. Foreign direct investment (FDI) has a negative effect, both directly and indirectly, on unemployment. If foreign direct investment increases, unemployment will decrease. Foreign direct investment brings technology, management skills, jobs as well as capital flows. This will encourage demand for labor so that the presence of foreign direct investment will have the effect of reducing the unemployment rate.
- c. Public capital expenditure has a negative impact, both directly and indirectly, on unemployment. If government spending increases, unemployment will decrease. Indeed, government capital expenditure will be distributed across different economic sectors. by increasing activity in different economic sectors will encourage the demand for labor so that the unemployment rate will decrease.

REFERENCES

- Anh Tru Nguyen (2022) The relationship between economic growth, foreign direct investment, trade openness, and unemployment in South Asia. Asian Academy of Management Journal
- Aremu (2011). Small and Medium Scale Enterprises as A Survival Strategy for Employment Generation in Nigeria, Journal of Sustainable Development 4(1)
DOI:10.5539/jsd.v4n1p200
- Åsa Johansson (2016) Public Finance, Economic Growth And Inequality: A Survey Of The Evidence. Publication by Jean-Luc Schneider, Deputy Director, Policy Studies Branch, Economics Department.
- Central Bureau of Statistics (BPS) (2021). Downloaded 5 January 2022. Available From <https://www.bps.go.id/>
- Badruddin, Rudy. 2012. Economics of Regional Autonomy. Yogyakarta: UPP STIM YKPN.
- Basema Al-Sharif (2019) The Role of Government Capital Expenditures in Economic Growth in Jordan. International Journal of Business and Economics Research Volume 8, Issue 2, April 2019, Pages: 69-77
- David Waweru (2021). Government Capital Expenditure and Economic Growth: An Empirical Investigation. Asian Journal of Economics, Business and Accounting 21(8): 29-36, 2021; Article no. AJEBA.69695 ISSN: 2456639X
- Dear Mahnaz Rahmat (2017) The Effect of Government Development Expenditures on Unemployment Rate in the Provinces. International Journal of Economics and Financial Issues, 2017, 7(5), 71-77.
- Denisia, V., 2010. Foreign Direct Investment Theory: An Overview Of The Main FDI Theories. European Journal of Interdisciplinary Studies, 3.
- Driffield, N., K. Taylor, 2000. FDI And The Labor Market: A Review Of The Evidence And Policy Implications. Oxford Review Of Economic Policy, 16(3): 90-103
- Dumayri (1996) The Indonesian Economy. Jakarta: Erlangga
- Ebi R.O (2019). Government Expenditure and Unemployment: Examination of the Nigerian Evidence. International Journal of Business & Law Research 7(1):25-33
- Fabus, M. (2015). Impact of foreign direct investment on unemployment development in selected regions of Slovak Republic. Economic AnnalsXXI, 155(11-12), 63-66
- Fasoranti, Mary Modupe. (2012). The Effects of Governments Expenditures on Infrastructures on the Growths of the Nigerias Economy, 1997-2009. Internationals Journal of Economic & Financial Issues, 2(4), 513-518.
- Gandhi, E. A., Pasaribu, E., Ekaputri, R. A., and Febriani, R. E. 2022. Foreign Direct Investment and Economic Growth: An Empirical Comparison of Indonesia and Singapore. Ecoplan, 5(2), 159-170.

ANALYSIS OF THE INFLUENCE OF UMKM, FOREIGN DIRECT INVESTMENT (FDI) AND GOVERNMENT CAPITAL EXPENDITURES ON UNEMPLOYMENT IN INDONESIA

Moh Faizal, Sanusi Fattah, Hamrullah

- Gunartin (2017). Strengthening MSMEs as Pillars for Building the Nation's Economy, Journal of Education, Law and Business Vol 2 No 2.
- Husniyah, A., Basyah, N. A., and Mustofa, A. 2022. The Impact of Micro, Small and Medium Enterprises (MSMEs) on Poverty and Unemployment Alleviation in Sibolga City. *Economica Didactica*, 2(1).
- Igamo, Alghifari Mahdi. 2015. The Effect of Economic Risk on Foreign Investment in ASEAN Countries (Comparative Case Studies Between Indonesia, Malaysia, Singapore, Thailand, Philippines, Brunei and Myanmar). *Journal of Development Economics*, 13(2), 75-85.
- Ignat Stepanok (2022) FDI and unemployment, a growth perspective. *Review of International Economics*
- Ilmi, Nida Alfi Nur. 2021. The Role of MSMEs in Reducing Community Unemployment Rates and MSME Strategies Amid the Covid-19 Pandemic. *Journal of Business Management*, 18(1), 96-107.
- Irpan, Hamidah M., Rosfadzimi, Hassan, A., Halim A., and Noorazilah. 2016. Impact of Foreign Direct Investment on the Unemployment Rate in Malaysia. *Journal of Physics Conference Series* 710(1).
- Jhingan, M.L, 2013, *Development and Planning Economics*, Jakarta
- Joshi, V., S. Ghosal, 2009. Impact of Foreign Direct Investment on Employment in Oman. *Conference of The International Journal Of Arts And Sciences*, 1(18): 34-51.
- Khaled Abdalla Moh'd AL-Tamimi (2019). The Role of Small Medium Enterprises in Reducing the Problem of Unemployment in Jordan. *European American Journals*
- Kolthoom Alkofahi (2020). The Effect of Foreign Direct Investment on the Unemployment Rate in Saudi Arabia. *International Journal of Economics and Finance*, Canadian Center of Science and Education, vol. 12(10),
- Kuncoro (2002). Wage Sharing System and Labor Absorption: *Economic Journal of Emerging Markets*
- Law Kyra (2014). Unemployment and The Creation of Micro and Small Enterprises. *International Borneo Business Conference*
- Lin, M.Y., J.S. Wang, 2004. Outward Capital Flow and Unemployment. *Public Finance*; Taiwan, 31-38.
- Maciej Woźniak (2019). Relations of GDP growth and development of SMEs in Poland Volume 159, 2019, Published by Elsevier B.V.
- Mohd Shahidan Shaari (2012). The Impact of Foreign Direct Investment on the Unemployment Rate and Economic Growth in Malaysia. *journal of Applied Sciences Research* 8(9):4900-4906
- Muminin, M. A., and Hidayat, W. 2017. The Effect of Economic Growth and Population on the Open Unemployment Rate in the Regency.