

The Influence of the Number of Working Age Population, Minimum Wage and Investments on Economic Growth and Unemployment in Bali

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Abstract: Unemployment in developing countries like Indonesia is more common among young people and those who are educated or often. There are several factors that cause educated disruption to occur in each region. The research to analyze effect of the population of working age, minimum wage, investment directly on economic growth and indirectly on the educated unemployed in Bali. This research was conducted in 9 regencies / cities in Bali that using data from 2012-2019 sourced from the Central Statistics Agency of Bali Province. Data analysis technique used is Path Analysis. The results showed that 1) the variable working age population and investment had a positive and significant effect on economic growth, minimum wages had no effect on economic growth, 2) the number of working age population had a positive and significant effect on educated unemployment, minimum wage and economic growth has a negative and significant effect on educated unemployment, investment has no effect on educated unemployment, 3) The variable of economic growth mediates the influence minimum wage on educated unemployment in Bali.

Keywords: The Number of Working Age Population, Minimum Wage, Investment, Economic Growth, Educated Unemployment.

I. INTRODUCTION

Indonesia is one of the countries with the fourth largest population in the world after China, India and the United States. According to Bappenas in 2017 the population of Indonesia reaches 265 million. A large population is a potential resource for national development or in other words, the more the quality of the human resources of a country increases, the faster the success of economic development in that country (Faga and Sudibia 2015). In reality, considerable human resources do not always guarantee the success of economic development and can even become a burden for the sustainability of development itself (Sulistiawati, 2012). One of the burdens of the large amount of human resources is an increase in the number of workers that is not followed by expansion of employment, causing unemployment to rise. High unemployment means that the use of human resources or labor is not used efficiently (Meidani, 2011). Unemployment is considered to be a barrier to social progress and can lead to unintended consequences, this makes efforts to reduce the number of unemployed into development goals in developing countries (Aiyedogbon and Ohwofasa, 2012). The length of temporary unemployment (voluntary unemployment) is very relative, depending on several things is the support (finance) of the family, inheritance, and still has a reserve of income (savings), (Seran, 2017).

Labor problems such as unemployment are complex macroeconomic problems that are almost faced by every developing country and even developed countries (Murialti, 2016). Unemployment is a condition of not having a job or losing a job or the number of people who can work and find work actively but they cannot find it (Bakare, 2011). One of the causes of the high unemployment rate is the lack of harmony between labor growth and available employment (Ningsih, 2015). Unemployment can cause chains of effects on the country's economy such as not collecting taxes and increasing government expenditure (Sakiene, 2011).

Unemployment in developing countries like Indonesia is more common among young people and those who are educated or often called educated unemployment (Arndt and Sundrum, 2012). Chris Manning and Raden M. Purnagunawan (2011) argue that unemployed young people in Indonesia are relatively well educated, unemployed from middle class families who are generally able to spend more time looking for better jobs in the labor market. The educated unemployment rate is the ratio of the number of job seekers with high school education and above (as an educated group) to the size of the workforce in that group continues to increase (BPS, 2013). Educated unemployment often occurs in workers from rich or rich families. This happens because they tend to be willing to not work (unemployed) and get income from parents rather than having to work not in accordance with the work they want, and they are more selective in finding work such as a high position, comfortable place or facility and a large salary. (Putri, 2015).

Educated unemployment is a big problem for the Indonesian people. Educated unemployment from year to year actually experienced an alarming increase. According to the 2017 National Labor Force Survey (SAKERNAS), the number of open unemployment according to education completed in Indonesia reaches 7,005,262 people. This unique phenomenon occurs in unemployment with the level of elementary and junior high school education whose numbers have decreased when compared to the level of general / vocational, diploma, and university high school. The province's open unemployment rate in Indonesia in 2017 was 5.53 percent. Bali accounted for the smallest open unemployment rate at 1.48 and the largest was in Maluku at 9.29 percent. It is said that the workforce in the Province of Bali is far more absorbed compared to other Provinces. Bali is one of the provinces with the lowest open unemployment rates, but the unemployment rate in Bali tends to be greater than the level of high school education and above when compared to junior high school education and below.

Table 1. Open Unemployment Rate (TPT) According to Education Completed in Bali, 2013-2018 (percent)

Education Completed	Years						
	2012	2013	2014	2015	2016	2017	2018
<=Elementary School	0,99	0,46	0,56	0,83	0,30	0,54	0,52
Junior High School	1,83	1,31	1,78	0,79	0,65	1,34	0,62
Senior High School	2,74	2,88	2,29	2,87	2,71	1,78	1,41
Vocational High School	4,04	3,25	4,51	3,62	3,96	2,69	3,14
Diploma I/II/III	3,23	3,40	3,26	5,25	4,44	1,76	2,58
University	2,92	2,45	2,71	3,05	4,35	2,51	1,67

Source: *Badan Pusat Statistik, 2019*

Unemployment for junior high and elementary school graduates. This is certainly a problem because it connects high schools to the top which have greater requirements compared to junior high schools to the bottom, making it easier to prepare the job market. However, in a successful transition, the high school upwards was launched, which was higher than what we obtained from junior high school and below. Thus, it can be announced that the workforce with a level of Public High / Vocational, Diploma, and University education is classified as an educated workforce that is more unemployed when compared to elementary and junior high school education. Unemployment in the junior high school education group is low, this is related to the workforce in this group can be more absorbed by employment, this improvement needs to happen because they do not choose jobs. Improving the quality of the working-age population will lead to an increase in labor productivity, thereby increasing acquisition rates (Hukom, 2014).

The labor force who graduated from General / Vocational High School and Diploma I / II / III are still quite many who are unemployed compared to the number of unemployed from other education groups, this is possible because those in the education group prefer to choose jobs compared to the education group below. The unemployment rate of those with Diploma IV / University (S1 / S2 / S3) education is also quite high. In 2017 the TPT of those with Diploma IV / University education was 2.51 percent and decreased by 1.67 percent in 2018. But with their skills, the group's opportunity to enter the workforce either trying or becoming a laborer / employees will be greater than those with a general / vocational high school education and diplomas I / II / III. However, caution is needed in seeing the indications behind this phenomenon, because it requires deeper analysis with concrete data and realities of the field in educational efforts that are compatible with the world of work (link and match). Educated unemployment is influenced by the number of working age population. Improving the quality of the working age population will cause labor productivity to increase, so the unemployment rate drops (Hukom, 2014). When the number of working age population increases and is not matched by the quality and new employment, it will increase competition in looking for work that will cause unemployment (Ryan et al, 2017). This is in accordance with the theory of population Malthus who said that population

growth is faster when compared to the growth of the production of agricultural products, resulting in competition in getting food (jobs). According to the Central Statistics Agency of Bali Province in 2019 the number of working age population from year to year continues to increase from 2013-2018, the largest in 2018, amounting to 2.525.355 people.

The wage rate is one consequence of unemployment. The regions where wages are lower are paid in areas where the unemployment rate is high (Šileika and Jurgita, 2013), in addition the factor that causes unemployment is the minimum wage. According to Suryahadi et al (2003), the minimum wage is a form of compensation given to workers. If the higher the minimum wage is set, then the effect on increasing production costs, consequently to make efficiency, companies are forced to reduce labor, which will result in reduced economic growth and will impact on high unemployment (Solihin, 2014). Unemployment is different from educated unemployment, according to Wannakrairoj (2013) there is a wage gap between educated workers and uneducated workers. Educated workers tend to be more selective in looking for work, so educated workers tend to want a level of wage that is higher than the minimum wage, so that the higher the wage or salary offered (higher than the minimum wage), there will tend to be more educated workers who offer themselves to work. So the minimum wage has a negative effect on educated unemployment. According to the Central Statistics Agency of Bali Province the minimum wage in Bali has increased from year to year especially for the years 2013 - 2018. In 2013 the minimum wage in Bali reached Rp. 1.181.000, and in the end of 2018 it reached Rp. 2.127.157.

Sukirno (2010: 256) says that the relationship between investment and unemployment can be seen based on Harrod Domar's development theory. Harrod Domar's theory views capital formation as an expenditure that will increase the ability of an economy to produce goods and or services, as well as expenditure that will add to the effective demand of the whole community. Where if at a certain period of time a number of capital formation is carried out, then in the next period the economy has the ability to produce greater goods and or services. Investment affects the magnitude of the educated unemployment rate from the supply side. The greater the investment made, the amount of labor needed to produce goods and services will be greater, so that opportunities for employment will be greater and economic growth in the region will increase.

Mankiw (2000: 340) says that economic growth has a negative relationship to unemployment explained through Okun's law. Okun's Law explains that unemployment with output has an empirical influence. The output produced depends on the number of workers used. The greater the number of workers used, the output produced tends to be large, so this condition tends to increase labor demand and open up new jobs. Economic growth can provide opportunities for industries to increase production which has an impact on increasing the use of labor, thereby reducing the unemployment rate (Mentari and Mahaendra Yasa, 2016). According to the Central Statistics Agency of Bali Province in 2012 - 2017, Bali's overall economic growth varies greatly. Economic growth from 2012 to 2017 has fluctuated. The highest economic growth in Bali occurred in 2012, amounting to 6.96 and economic growth in 2018, amounting to 6,35 percent, down by 0,61 percent.

Another factor that can affect economic growth in Bali is investment. Economic growth in Bali which has been very rapid apparently can not be separated from the growth of the main factor of the investment development process, namely capital formation. Investment can be a starting point for the success and sustainability of development in the future, because it can absorb labor so that it can open new economic growth for the community which in turn will have an impact on increasing community income (Hugan, 2012). Additional workforce needs will broaden job opportunities and have an impact on increasing people's incomes. The success of investment in an area will be followed by additional investment in the region, both as a supporting investment and competitor so that the investment multiplier effect will have an impact on economic growth. The relationship between investment and economic growth is positive, where if investment is high then economic growth will tend to increase.

Determination of the level of wages is influenced by the economic conditions of a region that stimulates economic growth in the area. That is, the better the economic conditions of a region, the more economic growth of the region will also increase so that the determination of the minimum wage will also increase. Increased economic growth will increase community income, with an increase in income that occurs, the ability of people to meet their needs to be better, this shows that welfare in the form of community income began to increase (Oka and Arka, 2015). The Solow growth model shows how savings, population growth, and technological progress affect the level of economic output and its growth over time (Mankiw 2003). The demand for goods in the Solow model comes from consumption and investment while the supply of goods in this model is based on the production function, which states that output depends on the capital stock and working age population. When the minimum wage increases (capital), public consumption and investment will increase which will affect the increase in people's purchasing power so that economic growth will occur.

According to Todaro (2000: 116), traditionally population growth and working age population growth are considered as one of the positive factors that spur economic growth. A greater number of workers will increase productive workforce, while greater growth will increase the size of the domestic market. This can happen if the productive workforce can be absorbed by the available employment opportunities, and it will become a problem if the growth of the workforce far exceeds the available employment opportunities, namely the creation of unemployment. Furthermore it was said that the population problems that arose not because of the large number of family members, but because they were concentrated in urban areas alone as a result of the rapid rate of migration from villages to cities. However, a sufficient population with a high level of education and skills will be able to drive the pace of economic growth. Of the large population of productive age, they will be able to increase the number of available labor force and will eventually be able to increase the production of output in a region.

II. LITERATURE REVIEW

Wages are a form of compensation received by employees for a job or service that has been done, such compensation is in the form of money based on approval and is paid according to the work agreement between the company and the employee. The wages include basic wages and benefits used for himself or his family (Sumarsono, 2009). The more skilled a laborer is, the more expensive it will be in the labor market so that he will have a greater chance to choose a job that offers the highest wages (Pramana and Marhaeni, 2018). According to Suryahadi et al (2003), the minimum wage is a form of compensation given to workers. Pursuant to Government Regulation No.8 of 1981. Minimum Wages are wages that are set at regional, sectoral and sub-sectoral minimums. Wages have positive and negative effects on open unemployment. Wages have a positive effect because an increase in the amount of the minimum wage will add up to an increase in the unemployment rate, this unidirectional relationship is caused when the government increases the minimum wage then an increase in the labor supply increases, but the company prefers to reduce the number of workers so as not to experience a deficit, so that unemployment increases as wage increases set by the government (Yanthi and Marhaeni, 2015). Wages have a negative effect as seen from the number of labor supply, the reason being that the increase in the minimum wage will cause the supply of labor to increase so that educated unemployment decreases. If viewed from the employer the wage is a burden on companies where the addition of the minimum wage can cause a reduction in labor demand Wages have a positive and negative effect on open unemployment. Wages have a positive effect because an increase in the amount of the minimum wage will add up to an increase in the unemployment rate, this unidirectional relationship is caused when the government increases the minimum wage then an increase in the labor supply increases, but the company prefers to reduce the number of workers so as not to experience a deficit, so that unemployment increases as wage increases set by the government (Yanthi and Marhaeni, 2015). Wages have a negative effect as seen from the number of labor supply, the reason being that the increase in the minimum wage will cause the supply of labor to increase so that educated unemployment decreases. If viewed from the employer the wage is a burden on companies where the addition of the minimum wage can cause a reduction in labor demand.

People who are able to work are also called working-age population or laborers. Labor is the entire population considered to have the potential to work productively. According to Simanjuntak (2001: 2) workers include people aged 15-64 years who are already or are working, who are looking for work, and who are carrying out other activities such as schooling and household care. Manpower is divided into labor force and not labor force. the labor force is a workforce that is able and willing to work while not the workforce is a laborer who is capable but does not want to work (Marhaeni and Manuati, 2004: 5). According to Sumarsono (2009: 7) the labor force is a population that is able and willing to do work physically and physically, mentally and legally capable and does not lose the freedom to choose and do work and are willing to actively or passively do and find work while not force work is part of the workforce that is not actually involved in activities that produce goods and services, so it is not the labor force, that is, part of the workforce that is unable to find work. Improving the quality of the working age population will cause labor productivity to increase, so the unemployment rate drops (Hukom, 2014).

Investment is an investment for one or more assets that are owned and usually for a long time in the hope of earning profits in the future. Investment activities will have two effects, namely the direct effect on aggregate expenditure and the effect on production capacity. The direct effect of investment expenditure occurs on the aggregate demand side if investment expenditure increases, which then increases national or regional income through a multiplier process. The effect on production capacity, i.e. the effect of investment expenditure occurs on the aggregate supply side which is more long-term in nature, where an increase in investment expenditure will increase the amount of capital, with the amount of capital increasing, the economic production capacity will increase which will then increase the aggregate supply.

Economic growth is one of the most important indicators in analyzing economic development that occurs in a country. Where this economic growth shows the extent to which economic activity will generate additional income for the community in a given period. Because basically economic activity is a process of using factors of production to produce output, this process will in turn produce a flow of compensation for factors of production owned by the community. With economic growth, it is expected that people's income as the owner of production factors will also increase.

According to Asif Kamran, et al. (2014) Unemployment is those who do not have a job or workforce but are looking for work. According to Celik (2011) Unemployment is a condition where people have talent, work capacity and who want to work at the prevailing wage but do not get a job. One of the causes of the high unemployment rate is the lack of harmony between labor growth and available employment (Ningsih, 2015). High unemployment has adverse effects both on the economy, individuals and society, such as unemployment can cause people to not maximize the welfare that might be achieved (Sirait and Marhaeni, 2013). In a number of developing countries, there is a positive relationship between unemployment and education level. The higher the level of one's education, the more likely to be unemployed. The reason for this situation is that those who are not educated will not be able to meet their basic needs if they do not work, so they are willing to do anything to get these basic needs met, even though they only work on a limited basis. Whereas those who can get further education, they only want to work if the job gives relatively high money, status or satisfaction (Todaro, 2000). Educated unemployment is the working age population who are educated upper secondary and not working. If it is based on government policy on compulsory education for 9 years, then the educated class is the group which has undertaken basic education obligations and then decides to continue to a higher level of education (Mada and Ahsan, 2015: 58). The working-age population included in the educated unemployment is a workforce with a high school education level and above. Educated unemployment is a situation where educated workers experience difficult conditions to find work, the reason is not because there are no companies that want to accept them, but because educated workers are more selective in finding work such as high positions, convenient facilities and also large salaries. (Putri, 2015).

III. METHODS

The approach used in this study is a quantitative approach that is associative with the form of causal relationships. This research was conducted in the Regency / City in Bali. The data used in this research is secondary data. Secondary data used in this study are the number of working age population, minimum wage, investment, economic growth and unemployment according to the latest education completed (educated unemployment) Regency / City in 2012 to 2018 obtained from the Central Statistics Agency of Bali Province and SAKERNAS. To obtain the data needed in this study using non-participant observation methods. This data collection is done by observing, recording, and studying the description of books, scientific works such as journals and documents. This study uses an independent (exogenous) variable, namely the number of working-age population (X1) measured in person units, minimum wage (X2) measured in rupiah and investment (X3) measured in billions of rupiah. The intervening variable in this study is the economic growth (Y1) of Regency / City in Bali which is expressed in percent units. The dependent variable (endogenous) is educated unemployment (Y2) Regency / City in Bali which is measured in units of people. The data analysis technique used is the data of this research which is Path Analysis

IV. RESULTS AND DISCUSSION

1. The Influence of The Number of Working Age Population, Minimum Wage, and Investment on Economic Growth in Bali.

Coefficients ^a						
Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	7.052	.277		25.466	.000
	The Number of Working Age Population	1.575E-6	.000	.469	4.023	.000
	Minimum Wage	-8.217E-7	.000	-.601	-6.346	.000
	Ln_Investment	.065	.038	.210	1.731	.089

a. Dependent Variable: Economic Growth

Based on the results of the analysis it can be concluded that the number of working age population has a positive and significant effect on economic growth in Bali, which is indicated by a standardized coefficient beta value of 0.469 and probability value of $0.000 \leq 0.05$. This means that These results are consistent with the research of Khairil and Fatmawati (2018) that the number of productive / working age population has a positive and significant effect on economic growth in Bireuen and the number of working age population has a positive and significant effect on economic growth in Central Java Province, if followed by the availability of jobs (Pambudi, 2013).

Based on the result of the analysis it can be concluded that the wage rate has no effect on economic growth in Bali, which is indicated by standardized coefficient beta value of -0.601 and the probability value of $0.000 \leq 0.05$. In February 2019, there were 1.216.943 people (48,50 percent) working in formal activities and 1.292.373 people (51,50 percent) working in informal activities. Workers in Bali work more in the informal than the formal sector. The informal sector in this case is still many who have not applied the district / city minimum wage, because the income from informal companies is not fixed. This is the reason why district / city minimum wages do not affect or negatively affect the economic growth of Bali Province. Apart from that many Balinese still work part time or underemployed. According to the Central Bureau of Statistics of the Province of Bali 2019, the percentage of people working with 1-34 hours per week recorded 23.42 percent, this figure is high which can affect people's income or very far incomes with the regency / city minimum wage in Bali, while the population working full time was 76.58 percent.

Based on the result of the analysis it can be concluded that investment has a positive and significant effect on economic growth in Bali The standardized coefficient beta value is 0.210 and the probability value is $0.0445 \leq 0.05$. The results of the study are in line with Mutia Sari, Mohd. Nur Syechalad, and Sabri. Abd. Majid in (2016) which stated a positive relationship between investment and economic growth. This is consistent with Solow's theory which states that investment affects the level of the economy and its growth. Economic growth depends on capital development. Almost all economists emphasize the importance of investment (investment) as one of the main factors and determinants of economic growth. Investment, on the one hand, reflects effective demand, and on the other hand, reflects the ability of offers to create productive efficiency for future production.

2. The Influence of The Number of Working Age Population, Minimum Wage, Invesment, and Economic Growth on Educated Employment in Bali.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8061.180	4551.512		1.771	.082
	The Number of Working Age Population	.018	.002	.988	8.800	.000
	Minimum Wage	-.002	.001	-.255	-2.436	.018
	Ln_Investment	-94.835	182.717	-.055	-.519	.606
	Economic Growth	-1261.781	617.923	-.227	-2.042	.046

a. Dependent Variable: Educated Unemployment

Based on the results of the analysis it can be concluded that that the number of working age population has a positive and significant effect on educated unemployment in Bali, which is indicated by standardized coefficient beta value is 0.988 and probability value of $0.000 < 0.05$. This is consistent with the research of R. Achmad Ryan Z et al (2017) which states that the number of working age population has a positive and significant effect on educated unemployment in East Java, because the increasing number of working-age population and not balanced with the rate of employment opportunities can increase educated unemployment.

Based on the results of the analysis it can be concluded that the minimum wage has a negative and significant effect on educated unemployment in Bali, which is indicated by standardized coefficient beta value is -0.255 and the probability value is $0.009 \leq 0.05$. This is consistent with research conducted by Faga and Sudibia in 2018 which stated that the relationship between the minimum wage and unemployment was educated negatively and significantly in the regencies / cities of Bali province. These results are consistent with the research hypothesis because educated unemployment is different from open unemployment. According to Wannakrairoj (2013) there is a wage gap between educated workers and uneducated workers. Educated workers tend to be more selective in looking for work, so educated workers tend to want a level of wage that is higher than the minimum wage, so that the higher the wage or salary offered (higher than the minimum wage), there will tend to be more educated workers who offer themselves to work.

Based on the results of the analysis it can be concluded that investment has no effect on educated unemployment in Bali, which is indicated by standardized coefficient beta value is -0.055 and the probability value is $0.303 > 0.05$. These results are not in accordance with the research hypothesis that investment has a negative and significant effect on educated unemployment. Investment activities are very important because investment will be able to help in triggering economic growth. This increased production capacity will tend to require a large number of workers. The more number of workers needed, the output will be increased and the greater the chance of opening new jobs. Thus, the increasing employment opportunities are expected to reduce the level of educated unemployment in the Province of Bali. The Bali Provincial Investment and One Stop Services Office (PMPTSP) recorded that investment in Bali until the third quarter of 2019 reached Rp 9.71 trillion. Investment in the Island of the Gods is dominated by the tertiary sector. For domestic investment (PMDN) and foreign investment (PMA) which were realized at Rp 9.71 trillion more, investors were more interested in investing in the tertiary sector, compared to the primary and secondary sectors. According to him, the secondary sector is no longer attractive to investors because there are not many incentives for them. This sector presents many problems in terms of land access, logistics, fiscal, labor, to regional regulations. On the other hand, the tertiary sector which is increasingly invaded by consumers so that it has managed to grow to double the economic growth is actually tempting investors. Though this sector is very minimal absorption of formal workers and requires experts. This causes the results of the study are investments have a significant negative effect on educated unemployment, investment reduces the level of educated unemployment but not absorbed so much.

Based on the results of the analysis it can be concluded that economic growth has a negative and significant effect on educated unemployment in Bali. Which is indicated by standardized coefficient beta value of -0.287 and probability value of $0.023 \leq 0.05$. This means that economic growth has a negative and significant effect on educated unemployment in Regencies / Cities in Bali Province. This result is supported by the opinion of Al-Habees and Rumman (2012) who say that growth and educated unemployment move in the opposite direction, so that a higher growth rate will cause a lower unemployment rate.

3. The Indirect Influence of the number of working age population, minimum wage, and investment on the educated employment through economic growth in Bali

a) The indirect influence of the number of working age population on the educated employment through economic growth in Bali.

$$z = \frac{b_{1b7}}{s_{b_{1b7}}}$$

$$s_{b_{1b7}} = \sqrt{b_7^2 s_{b_1}^2 + b_1^2 s_{b_7}^2}$$

$$s_{b_{1b7}} = \sqrt{(1,575 E - 6^2)(617,923^2) + (-1261,78^2)(0.000^2)}$$

$$s_{b_{1b7}} = 0,777$$

$$z = \frac{(0,469)(-0,227)}{0,777}$$

$$z = -0,137$$

Because in absolute terms, Zhitung (-0.137) is smaller (-1.96), this means that economic growth is not a mediating variable. The number of working-age population to educated unemployed in Bali

b) The indirect influence of minimum wage on the educated employment through economic growth in Bali.

$$s_{b_{2b7}} = \frac{b_{2b7}}{s_{b_{2b7}}}$$

$$s_{b_{2b7}} = \sqrt{b_2^2 s_{b_7}^2 + b_7^2 s_{b_2}^2}$$

$$s_{b_{2b7}} = \sqrt{(-8,217 E - 7^2)(617,9^2) + (-1261,78^2)(0.000^2)}$$

$$s_{b_{2b7}} = -2,578 E - 7$$

$$z = \frac{(-0,601)(-0,227)}{-2,578 E - 7}$$

$$z = -529.197$$

Because in absolute terms, Zhitung (-529.197) is greater than (-1.96) this means that the variable minimum wage influences educated unemployment indirectly through economic growth in Bali. Can be interpreted as the variable of economic growth is a mediating variable in the level of wages to the number of educated unemployed in Bali.

c) The indirect influence of investment on the educated employment through economic growth in Bali

$$z = \frac{b_{3b7}}{S_{b3b7}}$$

$$S_{b3b7} = \sqrt{b_3^2 S_{b7}^2 + b_7^2 S_{b3}^2}$$

$$S_{b3b7} = \sqrt{(-0,065^2)(617,9^2) + (-1.261,78^2)(0,038^2)}$$

$$S_{b3b7} = -62,54754$$

$$z = \frac{(-0,210)(-0,227)}{-62,547}$$

$$z = -0,000762$$

Because in absolute terms, Zhitung (-0,000762) is smaller than (-1.96) this means that the variable of economic growth is not a mediating variable in the investment variable of the number of educated unemployed in Bali.

V. CONCLUSION

The conclusion in this study is the number of working age population, and investment have a positive effect on economic growth in Bali. The level of wages (minimum wage) has no effect on economic growth in in Bali. The number of working age population has a positive effect on educated unemployment in in Bali. The level of wages (minimum wage), and economic growth negatively affect educated unemployment in Bali. Investment has no effect on educated unemployment in Bali. Economic growth mediates the level of wages towards educated unemployment in Bali The number of working age population will greatly help an economy in an area if accompanied by the quality of the workforce itself. The Provincial Government of Bali is expected to participate in improving the quality of human resources so that the workforce is used to its full potential, not only that the government must be able to encourage employment opportunities for working age population, because improving the quality of the population must be accompanied by expansion of employment opportunities so that unemployment does not occur. Improving the quality of the working age population will cause labor productivity to increase, so the unemployment rate falls. In accordance with Law No. 13 of 2013 concerning Manpower or Article 89 of the Manpower Act stipulates that the minimum wage is determined by the government based on the necessities of decent living and by taking into account productivity and economic growth. For this reason, the application of fair wage standards will be able to increase the purchasing power of the people so that they can play a role in economic growth. The government must implement these rules firmly. Investment in the Province of Bali is very much in demand by foreign investors so that economic growth in the Province of Bali is developing very rapidly, but investment is only focused on the tertiary sector. It would be better if followed by other sectors both primary and secondary so that educated unemployed can be absorbed and work in it, this is because tertiary sector investment absorbs more informal sector workers than the formal sector.

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