

CHAPTER V

CONCLUSIONS & RECOMMENDATIONS

1.1 Conclusions

Based on the empirical results and discussion, it can be summed up as follows:

1. Factors that significantly influence labor demand in industrial sector in 2010-2015 are gross domestic regional product and government spending. Gross domestic regional product (GDRP) has positive impact toward labor demand, while government spending gives negative impact toward labor demand in industrial sector.
3. GDRP has positive impact toward labor demand, increasing in GDRP would have an effect on the increasing in the number of labor demand in industrial sector assuming the other variables considered fixed or constant.
4. Government spending gives negative impact on labor demand, and increase in government spending will decrease the number of labor demand in industrial sector in Indonesia.
5. Investment, minimum wage and money supply have no significant effect toward labor demand in industrial sector in Indonesia.

5.2 Recommendations

Based on the conclusions of the results study, some recommendations given are as follows:

1. GDRP is the most influential variable toward labor demand among other variables and it has effect on economic growth. GDRP gives positive influence toward demand for labor. Government should encourage society to buy Indonesian product and encourage export goods than importing goods from other countries.
2. Government and private needs to encourage labor-intensive industries than capital-intensive to increase the labor demand in Indonesia.
3. Government spending should be more prioritized to the expense for development that will absorb more labor. Government is expected to create fiscal stimulus for the expansion of industry and pull the labor.