

## V. CONCLUSION AND IMPLICATIONS

### A. Conclusion

Based on the results of the analysis of the effect of Total Population (POP), Senior High School/ Vocational Education Graduates (SHS), Higher/ University Graduates (UNIV), Number of Industries (NI), Investment Value (INVEST), and Minimum Wage (MW) on Labor Supply (LFPR) of Central Java province can be concluded as follows:

1. The Total Population (POP) has significant effect in the Long-Run, meanwhile in the Short-Run has insignificant on the Labor Supply.
2. The Higher Education/ University Graduated (UNIV) has significant effect in the Short or Long-Run on the Labor Supply.
3. The Number of Industries (NI) has a significant effect in the Short and Long Run.
4. Investment Value (INVEST) has significant effect in the Long-Run, meanwhile in the Short-Run has insignificant on the Labor Supply.
5. The Minimum Wage (MW) has significant Long-Run or Short-Run effect on Labor Supply.

### B. Implications

Based on the results of the analysis of the effect of Total Population (POP), Senior High School/ Vocational Education Graduates (SHS), Higher/ University Graduates (UNIV), Number of Industries (NI),

Investment Value (INVEST), and Minimum Wage (MW) on Labor Supply (LFPR) of 10 Regencies/ Cities in Central Java Province can be implied as follows:

1. Increasing total population can increase Labor Supply and significantly, so an increase in total population can be one of the best ways to raise the LFPR.
2. The increase in Higher Education/ University Graduates can reduce the supply of labor both short-run and long-run. So that the government, especially the Ministry of Education, Culture, Research, and Technology (Kemendikbud-Ristek) can expand and require fieldwork programs such as MBKM and holding projects, to improve the skills of graduate students, and can be expected to be ready to enter the world of work later.
3. The increasing number of industries can increase the Labor Supply and significant, so an increase in number of industry can be one of the best ways to raise the LFPR and that also the Regencies Government can continue to improve the quality of the industries there, such as checking the quality of its performance and preventing corruption, collusion and nepotism routinely for industries, which can be expected to be of more high quality and trusted by the community to be able to decide to work in the local industry.
4. Increasing the investment value can decrease the Labor Supply but not significantly. The government can increase the value of companies so

that more capital investment can enter the country as existing data turns out that in 2021 the value of foreign investment is less than domestic investment, this shows that local governments must pay more attention.

5. Increasing the minimum wage can raise Labor Supply but not significantly. So that increasing UMK in Regencies Governments can be one way to increase LFPR. But this must also pay attention to the state of the local area.

### **C. Limitations of Research**

This researcher realized that there are still many limitations and shortcomings in this research. The limitation of this research is that the annual data (Time series) available is less long so that the Short and Long Run detection is less than optimal. In addition, for future research it is recommended to be able to use variables that have a relationship with Labor Supply or with the specifics of Labor Supply such as female Labor Supply, then research suggested variables such as working hours.