

THE EFFECT OF GDP, FDI, AND POPULATION GROWTH ON OPEN UNEMPLOYMENT IN INDONESIA: AN ISLAMIC ECONOMIC PERSPECTIVE

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ABSTRACT

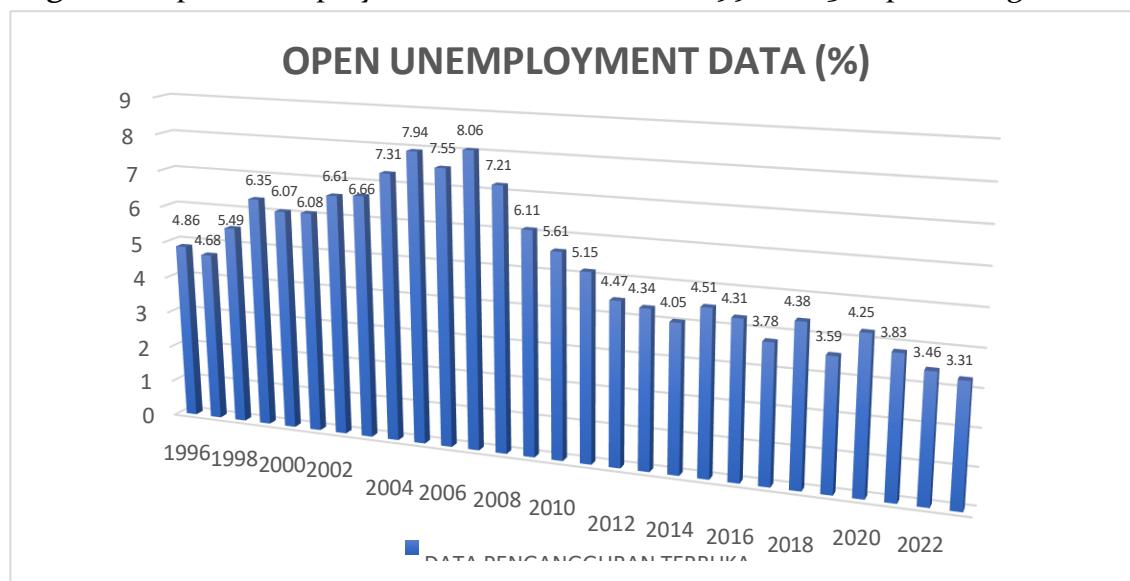
Indonesia is one of the developing countries in ASEAN. With a population of approximately 281.6 million people in 2024, Indonesia ranks as the fourth most populous country in the world. However, despite this large population, the unemployment rate in Indonesia remains relatively high. This study aims to analyze the influence of Gross Domestic Product (GDP), foreign direct investment (FDI), and population growth on open unemployment in Indonesia in both the long term and short term. The research method used is descriptive quantitative with a sample of 28 years, covering the period from 1996 to 2023. The approach applied is the Vector Error Correction Model (VECM). The results of this study show that the variables of FDI and population growth have a significant effect on open unemployment in the long term, while the GDP variable does not have a significant effect on open unemployment in the long term. In the short-term analysis, the variables of Gross Domestic Product (GDP), foreign direct investment (FDI), and population growth all have no significant effect on open unemployment, due to structural changes in the economy, investment, and demography requiring time to have a tangible impact on unemployment levels. Based on the summarized discussion, it can be concluded that the variables of Gross Domestic Product (GDP), foreign direct investment (FDI), population growth, and open unemployment can be estimated using the Vector Error Correction Model (VECM)

A. INTRODUCTION

Indonesia is one of the developing countries in ASEAN, as a developing country Indonesia is not let go from problem economy. In the classification of countries based on level welfare society, Indonesia is one of the developing countries facing problem unemployment. If unemployment is not addressed immediately, it can lead to social vulnerability and ultimately poverty (Harahap et al., 2023).

Indonesia is one of the countries that is ranked as the fourth most populous country in the world. However, even so, the unemployment rate in Indonesia is still relatively high. Unemployment is very complex problem Because influence at a time influenced by many interrelated factors interact (Salsabella et al., 2020). The height number unemployment is caused by the amount request company or field work that is not in accordance with they are the seekers workers, the number of companies looking for diploma graduates or Bachelor's degree. Therefore, unemployment is responsibility answer collectively, especially Again government For Can look for solution so that press number unemployment in Indonesia (Ardian et al., 2022).

Figure 1. Open unemployment data in Indonesia 1996-2023 in percentage form



Source: World Bank 2024, processed .

If we Look from the data above level unemployment open from 1996 to 2023 shows fluctuating trend. At the beginning period, level unemployment relatively steady at around 4% to 5%, but at the start 2000s increased in a way significant, achieving peaked at 8.06%, which may be caused by changes policy employment, crisis financial, or factor economy others. After reach peak, level unemployment start decrease in a way gradually, with a number of variation small in the middle period. Unemployment rate down with Enough consistent in a number of year final until reached 3.31% a year This trend indicates economic recovery, increasing employment opportunities, and the efficacy of the government's unemployment policies.

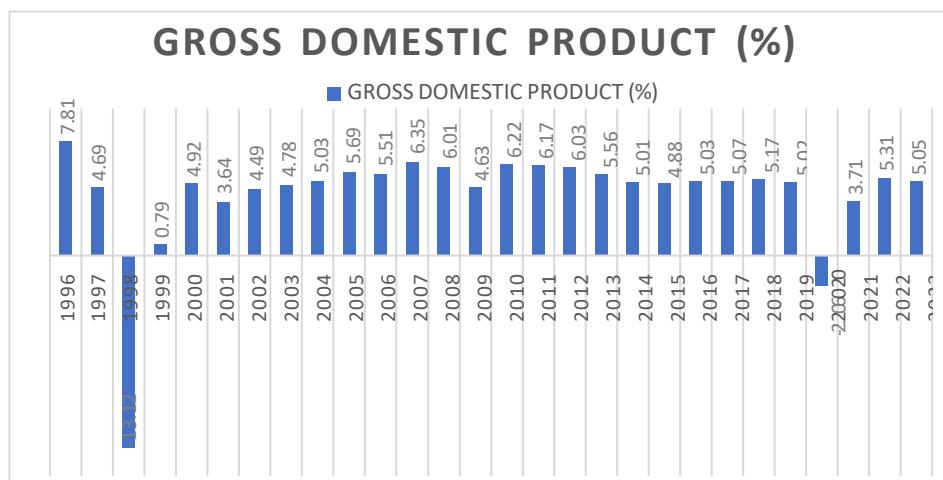
In population science, people who are looking for work are included in the population, which is called the labor force. So, if people in the workforce do not work, they are called unemployed. In unemployment there is unemployment open

employment, workforce work in the city face problem unemployment under Employment. In unemployment open type This Lots found in the city that is develop (Anggraini et al., 2023).

Unemployment open is type unemployment where the number chance available work more A little than amount power continuous work increased. Therefore, more and more economic workers are unemployed. When this situation continues, they cannot do their jobs and become unemployed part-time (Indira Innaya Shelisa, 2023). Unemployment rate open in Indonesia still become challenge Serious in development economy national. Although various indicator macroeconomics like Product Gross Domestic Product (GDP), *Foreign Direct Investment* (FDI), and the amount of resident Keep going experience growth from year to year, thing This No in a way automatic impact on the decline number unemployment open. Phenomenon This indicates existence imbalance between growth economy and absorption power Work (Globalization et al., 2024).

Growth economy is business for increase production for achievement measurable output from GDP usage in a country. Growth economy defined as a process of change that occurs in a related area with activity economy, where production goods and services produced by the community increased and resulted in improvement welfare society, and where a country experiences improvement capacity goods economy in term long time (Yuniarti & Imaningsih, 2022). Growth economy plays a big role in support development a business. Growth economy that continues to be continued will can push opportunity business open width, the output produced increases, absorption power Work can be optimal (Astuti et al., 2019).

Figure 2. Gross Domestic Product data in Indonesia 1996-2023 in percentage form



Source: *World Bank 2024, processed*.

Indonesia's GDP growth in the period 1996–2023 showed a fluctuating pattern, influenced by the economic crisis and global dynamics. A sharp decline occurred in 1998 (-13.13%) due to the Asian monetary crisis, and returned to negative in 2020 (-2.07%) due to the COVID-19 pandemic. After each crisis, the Indonesian economy was able to recover in a way gradually. In the period 2004–2019, growth tend stable in the range of 5–6%, reflecting consolidation economy. Although thus, growth This Not yet fully

inclusive. Because not yet capable in a way significant lower number unemployment open. After pandemic, trends positive return seen, with growth above 5% in 2022 and 2023. However, the resilience economy to shock Still become notes important. Indicator furthermore that is *Foreign Direct Investment* (FDI) is indicator important in effort subtraction unemployment, because improvement investment, good from in and also abroad, can push growth economy through improvement activity economy, opportunities work and welfare public (MAYANIL ADEWI, 2022). Increased investment contributes to increased demand for inputs and labor productivity, thereby reducing the unemployment rate (Ekonomi et al., 2023). On the other hand, the growth population is also high factors that influence unemployment, because increase amount resident will increase amount force work. However, if improvement force Work No balanced with improvement chance work, then will cause surge number unemployment (Geli et al., 2021).

The problem of unemployment has always been a problem that needs to be solved in the Indonesian economy. The high unemployment rate will affect a country's economy. In relation to Islamic Economics, unemployment is explained in detail in the Qur'an and As-sunnah. One of the Words of Allah SWT regarding unemployment is Q.S. Al-A`raf (7) verse 10:

تَسْكُرُونَ مَا قَلِيلًا مَعَايِشٌ فِيهَا لَكُمْ وَجَعَلْنَا الْأَرْضَ فِي مَكَانٍ كُنْجُمْ وَلَقَدْ

"Indeed, we have put You all in advance earth and we make for you in advance earth (source) of livelihood. Very little You give thanks." (QS Al - A'raf (7): Verse 10).

The interpretation of the explanation of the verse above is that Allah SWT has spoken to remind His servants of the gift that has been given to them, namely that He made the earth and all the goodness contained in it, efforts, and benefits that become a means of their livelihood. Even though God's grace is abundant, very few people are grateful. Muhammad Nasib Arrifai, Tafsir Ibnu Katsir Volume 2 (Jakarta: Gema Insani Press, 1999), p. 340.

The problem unemployment very much complex for discussed, because from unemployment We can connect to indicators related economy with unemployment. Like research conducted by Lina Marlina with title study namely "Analysis Influence Human Development Index, Economic Growth and Minimum Wages on the Open Unemployment Rate in Indonesia". Research aiming for analyze influence index development human. growth economy and minimum wage against level unemployment open in Indonesia. Based on results multiple linear regression, namely the calculated F test in a way simultaneous index development human, growth economy and minimum wage together have influence negative and significant to level unemployment open in Indonesia. While based on the T test partial index development man No influential significant to level unemployment open, growth economy and minimum wage influence significant to level unemployment open (Marlina, 2022).

Growth *Gross Domestic Product* (GDP), investment foreign direct, and growth population is a number of factor economy that affects level unemployment open in Indonesia. Therefore that, research This aiming for analyze How influence

Gross Domestic Product (GDP), investment foreign direct, and growth resident to level unemployment open in Indonesia in perspective economy Islam with use approach Vector Error Correction Model (VECM) in the period 1996-2023.

B. METHOD

The research method used in this study is a quantitative method. The population in this study is a 28-year time span regarding Gross Domestic Product (GDP), foreign direct investment, population growth, and open unemployment rates from 1996 to 2023. The sample is one part of the characteristics possessed by a population. In this study, the method used in taking samples is saturated sampling, which consists of all members of the population used as samples with the number of research samples consisting of 28 years from 1996 to 2023 for each variable. The use of this sample is because it requires generalization with fewer defects (Sandu Siyoto, 2015).

Sources in research This is the data obtained from publication annual *World Bank*, Central Statistics Agency (BPS), and other literature that discusses about study this. The approach used in study This is approach *Vector Autoregressive (VAR)/ Vector Error Correction Model (VECM)* and as tool analysis is *the Eviews 10* program.

C. RESULT AND DISCUSSION

Data Stationarity Test

Stage Data First is a unit root test for see stationarity of data. This test developed by Dickey and Fuller, with use *Augmented Dickey Fuller Test (ADF)*. The stationarity test that will be used is the ADF (*Augmented Dickey Fuller*) test with use level real 5%. (Agus Tri Basuki, 2017)

Table 1 Stationarity Test Results

Variables	ADF Value	Stationary Test on 1 st Difference			Prob	Caption		
		MacKinnon's Critical Values						
		1%	5%	10%				
PT	-4.618782	-3.711457	-2.981038	-2.629906	0.0011	Stationary		
GDP	-6.546561	-3.711457	-2.981038	-2.629906	0.0000	Stationary		
FDI	-7.262795	-3.857386	-3.040391	-2.660551	0.0000	Stationary		
PP	-4.438462	-3.711457	-2.981038	-2.629906	0.0018	Stationary		

Source: Processed results Eviews 10

Stage results *first difference* like seen in Table 1 variables Open Unemployment, *Gross Domestic Product (GDP)*, Foreign Direct Investment and Growth Resident Already stationary with level significance 5% with ADF t statistic value > MacKinnon t critical values and values probability < 0.05. After all variables are stationary, we can proceed to the next test, namely the Lag Length Test.

Optimal Lag Test

Lag is useful for showing how long a variable reacts to another variable, determining the optimal lag is also useful for eliminating autocorrelation problems in a system. Testing the optimal lag length can be identified with use Akaike Information

Criterion (AIC), Schwarz Information Criterion (SIC), Hannan-Quinn Criterion (HQ), and so on. The selected lag is a model with the smallest AIC and SIC values and the largest HQ value.

Table 2 Lag Length Test Results

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-717.3259	NA	1.35e+20	57.70607	57.90109*	57.76016*
1	-699.7929	28.05284*	1.22e+20*	57.58343*	58.55853	57.85388
2	-684.5799	19.47256	1.46e+20	57.64639	59.40158	58.13321

Source: Processed results Eviews 10

According to Results of Table 2 above *Lag Length* test, lag 1 is the lag used for test model next. This is due to the smallest FPE and AIC values among the other lags, which is shown with sign stars at lag 1.

Granger Causality Test

Granger causality test was performed for determine are two variables relate One each other or no. In other words, is it There is connection because consequence significant between One variables and variables others, because every variable in study own possibility for become endogenous variables or exogenous. In the study This bivariate causality test uses the VAR *Pairwise Granger Causality Test* and uses level 5% real. The results of the *bivariate Granger causality* test analysis served in table following.

Table 3 Granger Causality Test Results

Null Hypothesis	F-Statistic	Prob
GDP does not Granger Cause PT	2.51558	0.1258
PT does not Granger Cause GDP	1.36175	0.2547
FDI does not Granger Cause PT	1.06865	0.3157
PT does not Granger Cause FDI	4.72275	0.0442
PP does not Granger Cause PT	7.16935	0.0132
PT does not Granger Cause PP	0.17812	0.6767

Source: Processed results Eviews 10

Variables *Gross Domestic Product* (GDP) in terms of statistics No significant in influence unemployment open, then hypothesis zero accepted as proven with mark probability more from 0.05 which is 0.12 and vice versa variable Open Unemployment does not significant in influence variable *Gross Domestic Product* (GDP) because mark The probability is >0.05, which is 0.25. Both variable This accept null hypothesis.

Variables Foreign Direct Investment (FDI) in general statistics No significant in influence Open Unemployment, then hypothesis One accepted as proven with mark probability more from 0.05, which is 0.31. While variable Open Unemployment has an impact significant in influence variable investment foreign direct (FDI) then hypothesis zero rejected Because mark the probability

is <0.05 , which is 0.04. So, the result This there is connection causality one way between variable Foreign Direct Investment (FDI) and Open Unemployment.

Variables Growth Resident influential significant in influence variable Open Unemployment then hypothesis two is rejected Because mark the probability is

<0.05 , which is 0.01. While in the variable Open Unemployment in general statistics No significant in influence variable Growth Population, then hypothesis zero accepted as proven with mark probability >0.05 is 0.67. It is concluded that there is causality one way between variable Growth Resident with variable Open Unemployment, namely only Growth Residents who are statistics significant influence Unemployment Open and not applicable on the contrary.

Modeling Vector Error Correction Model (VECM)

The VECM model restricts connection term long between variables in the study with still bring up existence connection dynamic in term in short. Next, VECM testing was carried out with compare t -statistic and t- table values for determine whether There is significant influence between variable independent and variable dependent.

Table 4 Vector Error Correction Model (VECM) Test Results

Long- term				
Variables	Coefficient	T- Statistics	T-Table	Information
GDP	-0.044961	-0.83507	1,711	Not significant
FDI	0.780541	3.96504	1,711	Significant
PP	80.06634	4.00677	1,711	Significant
C	-0.825435			
Term Short				
Variables	Coefficient	T- Statistics	T-Table	Information
CointEq1	-0.245938	-0.70921	1,711	Not Significant
D(PT(-1),2)	-0.658395	-2.22705	1,711	Significant
D(GDP(-1),2)	-0.050374	-1.18120	1,711	Not Significant
D(FDI(-1),2)	0.237443	1.38677	1,711	Not Significant
D(PP(-1),2)	30.06578	0.92116	1,711	Not Significant
C	0.007439	0.05047	1,711	Not Significant

Source: Processed results Eviews 10

Based on table 4. above long-term *Vector Error Correction Model (VECM)* test results long there are 2 variables significant namely FDI with proven that t- statistic value $>$ t- table namely $3.96504 > 1.711$. With thus can it is said that variable investment foreign significant direct (FDI) to variable unemployment open. So is it with variable growth significant population to unemployment open proven from t- statistic $>$ t- table or $4.00677 > 1.711$. While variable *Gross Domestic Product (GDP)* does not significant to variable unemployment open proven from t- statistic value $<$ t- table namely $-0.83507 < 1.711$.

In the term short variable *Gross Domestic Product* (GDP), investment foreign direct investment (FDI), and growth resident You're welcome No significant proven from t- statistic value < t- table that is with GDP value (-1.18120 < 1.711), FDI (1.38677 < 1.711), and PP (0.92116 < 1.711).

Analysis test *Forecast Error Variance Decomposition* (FEVD)

Stage next, after analyze behavior shock through response impulsive, is predict contribution every variable study to shock or change variable certain. Results of the analysis *Forecast Error Variance Decomposition* (FEVD), which is taken from the data that has been processed, can be seen here (A et al., 2021).

Table 5 Variance Decomposition test results (VD) _ PT

Variance Decomposition of D(PT):

Period	SE	D(PT)	D(GDP)	D(FDI)	D(PP)
1	0.596903	100.0000	0.000000	0.000000	0.000000
2	0.616791	94.71719	4.851824	0.068653	0.362336
3	0.713596	88.60355	4.968290	4.534248	1.893914
4	0.779767	86.82023	6.452907	4.675064	2.051794
5	0.821863	86.20321	5.840234	5.781268	2.175289
6	0.864862	87.14599	5.661511	5.228127	1.964372
7	0.904530	87.92607	5.246293	5.009477	1.818160
8	0.940402	88.51707	5.010206	4.772986	1.699737
9	0.976469	89.10329	4.739724	4.565800	1.591185
10	1.011016	89.58553	4.538621	4.378612	1.497240

Source: Processed results Eviews 10

From table 5 above, the results obtained from the *variance decomposition test* on the open unemployment variable show that all open unemployment variables, *Gross Domestic Product*, foreign direct investment (FDI), and population growth experience fluctuating changes in each period.

Table 6 Results of Variance Decomposition test (VD) _ GDP

Variance Decomposition of D(GDP):

Period	SE	D(PT)	D(GDP)	D(FDI)	D(PP)
1	3.305843	0.000161	99.99984	0.000000	0.000000
2	4.079003	6.506139	91.49267	0.649932	1.351260
3	4.632790	5.114282	92.64914	1.064219	1.172355
4	5.420213	5.536208	90.96498	1.749863	1.748953
5	5.797237	5.020652	91.51616	1.907962	1.555224
6	6.375942	4.710902	91.71307	1.948554	1.627472
7	6.738471	4.516503	92.22635	1.792710	1.464442
8	7.180672	4.334137	92.60232	1.653665	1.409883
9	7.534463	4.205191	92.97711	1.502128	1.315572
10	7.907892	4.089943	93.26952	1.382427	1.258107

Source: Processed results Eviews 10

From table 6 above, the results obtained from the variance decomposition test on the *Gross Domestic Product* (GDP) variable show that all open unemployment, *Gross*

Domestic Product, foreign direct investment (FDI), and population growth variables experience fluctuating changes in each period.

Table 7 Variance Decomposition test results (VD) _ FDI

Variance Decomposition of D(LOGFDI):

Period	SE	D(PT)	D(GDP)	D(FDI)	D(PP)
1	0.748445	0.879190	4.612178	94.50863	0.000000
2	0.943549	12.46912	13.30447	59.85530	14.37111
3	1.108768	9.994327	12.11636	66.93396	10.95535
4	1.200837	9.896884	14.30538	63.42919	12.36854
5	1.308464	11.26315	14.33474	62.45555	11.94656
6	1.394706	10.79899	15.71249	61.08958	12.39894
7	1.482227	11.10036	15.59920	61.17179	12.12865
8	1.561169	11.17430	16.40128	60.00999	12.41443
9	1.637971	11.18714	16.48870	59.99902	12.32514
10	1.710208	11.26000	16.85922	59.46918	12.41160

Source: Processed results Eviews 10

From table 7 above, the results obtained from the *variance decomposition test* on the foreign direct investment (FDI) variable show that all open unemployment, *Gross Domestic Product*, foreign direct investment (FDI), and population growth variables experience fluctuating but balanced changes in each period.

Table 8 Variance Decomposition test results (VD) _ PP

Variance Decomposition of D(LOGX3):

Period	SE	D(PT)	D(GDP)	D(FDI)	D(PP)
1	0.004241	4.981980	8.997639	14.80700	71.21338
2	0.006794	20.49578	3.720269	45.70802	30.07594
3	0.007753	17.72353	2.876937	51.43564	27.96389
4	0.008565	15.61895	3.032943	52.96769	28.38042
5	0.009532	15.93564	2.581483	55.56778	25.91510
6	0.010265	15.00129	2.352252	57.44262	25.20384
7	0.010965	14.60580	2.283880	58.19387	24.91645
8	0.011657	14.31097	2.117306	59.39129	24.18043
9	0.012277	14.01517	2.045351	60.01271	23.92677
10	0.012882	13.79077	1.962516	60.64832	23.59839

Source: Processed results Eviews 10

From table. 8 Decomposition testing on population growth variables shows the following results: 1). The effect of PP variables on PT is that the higher the period, the value fluctuates. 2). The effect of PP variables on GDP is that the higher the period, the smaller the value. 3). The effect of PP variables on FDI is that the value fluctuates, but from period -2 to period -10 it increases in each period. 4). The PP variables on PP are that the higher the period, the lower the value in each period.

The Influence of Gross Domestic Product (GDP) on Open Unemployment in Indonesia

Based on the tests conducted, the *Gross Domestic Product* (GDP) variable in the long term has a coefficient value of -0.044961 with a t-statistic value of -0.83507. This shows that the t-count value of the *Gross Domestic Product* (GDP) variable is smaller than the t-critical value with a significance level of 5% (-0.83507 < 1.711). The estimation results show that the *Gross Domestic Product* (GDP) variable does not have a significant effect on the open unemployment variable at alpha 5%.

The short-term estimation results show that the coefficient value of the *Gross Domestic Product* (GDP) variable is -0.050374 and the t-statistic value is -1.18120. The t-count value of GDP is smaller than the t-table value with a specified significance level of 1.711. The estimation results indicate that the *Gross Domestic Product* (GDP) variable does not have a significant effect on the open unemployment variable at alpha 5%. So H_0 is rejected. Because results estimate show insignificance.

These results are in accordance with research conducted by Sarito. Pasuria and Nunuk Triwahyuningtyas stated that that variable product domestic gross No own influence to unemployment in Indonesia. (Pasuria & Triwahyuningtyas, 2022) On the other hand the results This different with research conducted by Dyah Puspa Rahmiati and Maya Panorama which states that product domestic gross impact Good to unemployment. (Rahmiati & Panorama, 2022).

In the short and long term, increases in GDP often do not directly create jobs if they are driven more by sectors that are not labor-intensive, such as the financial or technology industries. In addition, businesses can increase productivity through automation and efficiency without the need to add new workers. Then there is the importance of distinguishing between economic growth and job creation. If the growing sector does not have a large labor absorption capacity or if the available labor does not meet the needs of the industry, the unemployment rate will remain high even though the economy continues to grow.

The impact of foreign direct investment (FDI) on open unemployment in Indonesia

Based on the tests conducted, the foreign direct investment (FDI) variable in the long term the coefficient value is 0.780541 with a t-statistic value of 3.96504. This shows that the t-count value of the foreign direct investment (FDI) variable is greater than the t-critical value with a significance level of 5% (3.96504 > 1.711). The estimation results show that the foreign direct investment (FDI) variable has a significant positive effect on the open unemployment variable at alpha 5%, which means that if happen improvement foreign direct investment (FDI) so will cause unemployment open increase as big as 0.780541 percent, then H_1 is accepted. Because results estimate show existence influence significant on both variables.

Based on the results obtained study This in line with research conducted by Erlinda Rizky Larasati which found results in term long variable investment foreign Direct Investment (FDI) in Indonesia 1991-2020 had an impact positive and significant to unemployment in Indonesia. (Larasati, 2023)

The short-term estimation results show that the coefficient value of the foreign direct investment (FDI) variable is 0.237443 and the t-statistic value is 1.38677. The t-count value of foreign direct investment (FDI) is smaller than the t-table value with a significance level of 5% ($1.38677 < 1.711$). The estimation results indicate that the foreign direct investment (FDI) variable does not have a significant effect on the open unemployment variable at alpha 5%. This result is not in line with the research conducted by Erlynda Rizky Larasati, namely in term short influential positive and significant to unemployment in Indonesia 1991-2020 (Larasati, 2023).

Investment foreign direct (FDI) influences unemployment open in term long. Because push growth industry, creating field Work new, and improve capacity state production. With time, FDI can help absorb Lots power work, especially in sector congested work like manufacturing and services. However, investment need time For happen, start from planning and development infrastructure until operationalization business and companies foreign tend depend on power work that has been done skilled or even bring power Work from their country of origin, so the impact of FDI on unemployment domestically yet feel in a way direct.

The Impact of Population Growth on Open Unemployment in Indonesia

Based on the tests conducted, the long-term population growth variable has a coefficient value of 80.06634 with a t-statistic value of 4.00677. This shows that the t-count value of the population growth variable greater than the critical t-value with a significance level of 5% ($4.00677 > 1.711$). The estimation results show that the population growth variable has a significant positive effect on the open unemployment variable at alpha 5%, which means that if happen improvement population growth so will cause unemployment open increase as big as 80.06634 percent. So H_2 is accepted. Because results estimate show existence significant influence to variable population growth against open unemployment.

The results of this study are in line with research conducted by Habel Taime and Putri Nadya Djaelani with title study namely " Influence Economic Growth and Growth Resident on Unemployment Rate in Regency Mimika". The results obtained mark coefficient regression on variables growth resident of 0.451. The coefficient the worth positive It means happen connection positive between growth resident with level unemployment (Djaelani & Taime, 2021).

The short-term estimation results show that the coefficient value of the Population Growth variable is 30.06578 and the t-statistic value is 0.92116. The calculated t-value of Population Growth smaller than the t-table value with a significance level of 5% ($0.92116 < 1.711$). The estimation results indicate that the Population Growth variable does not have a significant effect on the open unemployment variable at alpha 5%.

In the term length, growth resident influential significant to unemployment open. Because improvement amount resident will increase amount force job seeking jobs. If growth chance Work No comparable with growth population, then unemployment open will increased. In addition, in term length, level unemployment can increase. Because reason like lack of investment in the sector congested work and imbalance between skills power work and needs industry. However, growth resident No influential in a way significant to

unemployment open in term short, because the labor market Work Still can absorb more Lots power Work in a larger scale small, especially If there is flexibility in informal sector or policy government that supports creation field fast work. In addition, the impact growth resident to unemployment usually need time for seen in a way real, so that in term short the effect Not yet significant.

DISCUSSION

Research result show that variable *Gross Domestic Product* (GDP) does not own influence significant to unemployment open Good in term short and also term length, which indicates that growth economy No in a way direct create field Work new capable absorb power Work optimally. While that, variable *Foreign Direct Investment* (FDI) is proven influential positive significant to unemployment open in term long, which means the increase in FDI actually correlated with the rise unemployment, possibility Because incoming investment nature capital intensive

and less absorb power Work local. However, in term short, FDI does not show influence significant. As for the variables growth resident own influence positive significant to unemployment open in term length, shows that improvement amount resident enlarges amount force work that is not balanced with availability field work. In the long term short, growth resident No show influence significant to level unemployment open.

D.CONCLUSION

In research this variable that influence unemployment open in long term is variable investment foreign direct investment (FDI) and growth population. This is means When investing foreign direct investment (FDI) and growth resident increase so will followed with increasing unemployment too open. While variable *Gross Domestic Product* (GDP) does not influential significant to unemployment open Because if growing sector No own Power absorb power great job or If power available work No fulfil need industry, level unemployment will still tall although economy Keep going developing. In the research term short variable *Gross Domestic Product* (GDP), investment foreign direct investment (FDI) and growth resident You're welcome No influential significant to variable unemployment open. Because, change structural in economy, investment and demographics need time for influence level unemployment in a way real.

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