

## **DEMAND AND SUPPLY OF MILENIAL LABOR AND WAGES: THEORIES AND SOME PORTRAITS IN INDONESIA**

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**Abstract:** *The labor issue is a very complex and big problem. Good working conditions, high output quality, decent wages and the quality of human resources are issues that always arise in discussions about the workforce in addition to issues of industrial relations between workers and the business world. It can be said that employment in Indonesia is still facing several imbalances, both structural and sectoral. then one of the targets that need to be pursued is to increase the efficiency of the workforce. The demand for labor, which is affected by the marginal value of the product (Value of Marginal Product, VMP), the supply of labor, which is influenced by the free working hours of individual workers and wages, theoretically must be considered so that the policies implemented are close to the desired goals.*

**Keywords:** *Labor demand, labor supply, Value of Marginal Product, wages*

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### **Introduction**

The problem of employment is a very complex and big problem. Complex because the problem affects and is influenced by many interrelated factors interacting with patterns that are not always easy to understand. Big because it involves millions of souls. To describe the employment problem in the future is not easy because apart from basing it on past employment figures, it is also necessary to know future production prospects. Good working conditions, high quality output, decent wages and quality human resources are issues that always arise in labor discussions in addition to issues of industrial relations between workers and the business world. This paper wants to explain the theory related to labor and some of its portraits in Indonesia, where the discussion starts from the theory of labor demand, the theory of labor supply, the theory of wages and a portrait of labor in Indonesia. It is hoped that with this explanation, the complexity of employment can be better understood.

### **Labor Demand**

Demand in an economic context is defined as the maximum amount of a good or service that a buyer wants to buy at every possible price in a certain period of time. In relation to labor, the demand for labor is the relationship between wage rates and the number of workers desired by employers to be employed. So that the demand for labor can be defined as the number of workers employed by an entrepreneur at each possible wage rate in a certain period of time. Miller & Meiners (1993), argues that the demand for labor is influenced by the marginal value of the product (Value of Marginal Product, VMP). The product's marginal value (VMP) is the multiplication of the Marginal Physical Product (MPP) and the price of the product in question.

Marginal Physical Product (MPP) is the increase in total physical product that comes from adding one unit of variable input (labor). Assuming that the company operates

in a perfectly competitive market, the value of VMP, which is the multiplication of MPP x P, will be the same as the input price of the product concerned, namely PN. The value of VMP = P is obtained from the statement that the optimal input combination or minimum cost in the production process will occur when the isoquant curve becomes tangent to the isocost. If the isocost line angle equals  $-w/r$ , while the angle at each point on the isoquant is the same as  $MPP_i/MPP_K$ , then the optimal input combination is:  $w/r = MPP_L/MPP_K$  or  $MPP_K/r = MPP_L/w$ . Where  $r$  is the implicit interest rate derived from capital while  $w$  is the wage rate per unit. If the above equation is expanded in general it will become:

$$MPP_x/P_x = MPP_y/P_y$$

In other words, minimizing input costs or maximizing output for using inputs requires the use of combinations such that the MPP for each input costs the same for each input. Thus an increase in one unit of input, for example  $x$ , will increase production costs by as much as  $P_x$ , while at the same time increasing the product's value by  $MPP_x$ . That means the  $P_x / MPP_x$  ratio is the rate of change in a firm's total costs for each change in its physical output, which definitively means equal to its marginal cost { Marginal Cost, MC). From here, the above equation can also be changed to:

$$MPP_x/P_x = MPP_y/P_y = MPP_N/P_N = 1/MC$$

Assuming that the company operates in a perfectly competitive market, the above equation can be changed to:  $MPP_x/P_x = MPP_y/P_y = MPP_N/P_N = 1/MC = 1/MR = 1/P$  From the above equation we can see that:  $MPP_x/P_x = 1/MR = 1/P$ , so  $MPP_x \times P = P_x$  for all inputs. This means that the VMP curve for labor is the -short-run-labour demand curve of the firm in question operating in a perfectly competitive market (providing the quantity of all other inputs is constant). For every company operating in a perfectly competitive market, the price of its output is always constant regardless of the quantity of output it sells. We also assume constant input prices here. It offers perfect elasticity for all companies.

If the wage rate per unit of constant quality labor is  $w_0$ , then the optimal quantity of workers is  $L_0$ . The horizontal line departing from  $W_0$  is the labor supply curve for each firm operating in a perfectly competitive labor market. The company will use additional labor if the  $MPP_i$  is greater than the optimal workforce by the company is  $L_3$ . Then the wage rises to  $W_i$ , the optimal level of energy absorption also propagates to  $L_2$  where the new horizontal wage line intersects the  $VMP_i$  curve. Due to the complementarity of inputs, an increase in wages causes the marginal physical product of capital to decrease and shift to the left to become  $VMP_i$ . the new intersection of the horizontal wage line (the labor supply curve) is point C, the optimal level of labor absorption will decrease to  $L$ . if points A and C are connected, a demand curve for labor  $dL-dL$  will be obtained. Thus, with the amount of labor used, the marginal physical product of capital will decrease. Each unit of capital now produces less output and thus cannot absorb many units of labour. The  $MPP_R$  will decrease as the absorbed workforce decreases. The firm will recruit for each unit of input up to a point where the value of its marginal product equals its price. The  $MPP_R$  will decrease as the absorbed workforce decreases. The firm will recruit for each unit of input up to a point where the value of its marginal product equals its price. The  $MPP_R$  will decrease as the absorbed workforce decreases. The firm will recruit for each unit of input up to a point where the value of its marginal product equals its price.

## Labor Offerings

Labor supply is the amount of labor that can be provided by labor owners at each possible wage within a certain period of time. In classical theory, human resources (workers) are

individuals who are free to make decisions whether to work or not. Even workers are free to set the number of hours they want. This theory is based on the theory of consumers, where each individual aims to maximize satisfaction with the constraints they face. According to GS Becker (1976), individual satisfaction can be obtained through consumption or enjoying free time (leisure). While the constraints faced by individuals are the level of income and time. Working as a controversy from leisure causes suffering, so people only want to do it if they get compensation in the form of income,

The combination of non-market time and the best market goods is the combination that lies on the highest indifference curve that can be achieved with certain constraints. As shown in Figure 3, the labor supply curve has a backward curved side. At a certain wage level, the provision of individual working time will increase if wages increase (from  $W$  to  $W_1$ ). After reaching a certain wage ( $W_1$ ), the increase in wages actually reduces the time provided by individuals for work purposes (from  $W_1$  to  $W_N$ ). This is called the Backward Bending Supply Curve.

Layard and Walters (1978), stated that individual decisions to increase or decrease free time are influenced by wage levels and non-work income. The level of productivity always changes according to the production phase with a pattern of initially rising to a peak then declining. The greater the elasticity, the greater the role of labor input to produce output, meaning the smaller the amount of labor demanded. Meanwhile, to describe the pattern of combinations of factors of production that are not comparable (variable proportions), isoquants curves are generally used, namely curves that describe various combinations of factors of production (labor and capital) that produce the same production volume. The isoquant slope describes the marginal rate of technical substitution or known as the MRS. This is intended to see the relationship between labor and capital factors which are the slopes of the isoquant curve.

## **Wage Theory**

The theory of price formation (pricing) and utilization of inputs (employment) is called the theory of marginal productivity (marginal productivity theory), commonly also called the theory of wages (wage theory). Marginal productivity is not fixated solely on the demand side of the labor market. It is well known that a competitive firm that buys labor in a perfectly competitive market will deploy or absorb labor up to the point where the wage rate equals the value of the marginal product (YMF). So basically, the VMP curve is a curve of a company's demand for labor. Wage levels and input utilization (employment) are both determined by the interaction between supply and demand. Talking about the theory of the marginal productivity of wages is tantamount to talking about the theory of the demand for prices; and we cannot talk about the theory of demand for these prices because actually the price is not only determined by the demand, but also by the supply.

## **Wage Equalization Process**

Whether we realize it or not the level of satisfaction (or level of dissatisfaction) of each worker for a job is not the same, it is understandable that there may be differences in wage rates that reflect differences in tastes or preferences for each type of work. This possibility of differences in wage rates reflecting differences in tastes or preferences for each type of work is what is often referred to as the theory of equalizing wage rates (theory of equalizing wage differences). Sometimes a person is willing to sacrifice his dislike of a job in order to get high rewards; or vice versa there are people who want to accept a job that pays low wages, even though he can get a job that pays higher wages, simply because he likes the job.

Now let's look at Figure 4. We assume that there are only two types of work here. The ratio or comparison of wage rates in both types of work, namely  $W_1/W_2$ , we measure via the vertical axis. While the horizontal axis measures the employment ratio or the comparison of employment by the two types of work. The labor demand curve or line points downward (meaning that the lower the wage rate, the more workers a company absorbs). The supply curve is the other way around, pointing upwards, which means that the more companies need workers, the greater the level of wages that must be paid.

In this analysis we assume that all workers can do all the work. The shape of the supply curve also points upward due to differences in preferences among workers for the two types of jobs available. If they have no preference at all, then the shape of the supply curve is straight and horizontal. The steeper or the greater the angle of the supply curve to the horizontal line, the greater the tendency of workers to choose one job over another. In this situation, equilibrium is established at the point where DD and SS intersect, or point E. This gives rise to a relative wage ratio, say 1.4. and the labor absorption ratio, let's say 0.8. it means in equilibrium condition, the wage rate of job 1 is 40 % higher than the wage provided by job 2. This theory tells us that a relatively higher wage rate must be offered by job 1 in order to obtain the labor it needs. Of course this is not the same as the everyday reality we face. We often see people who are willing to do jobs they don't like with low wages. This happens because the causative factor is not solely the preferences of the workers, but also the skill factor and limited employment opportunities. We often see people who are willing to do jobs they don't like with low wages. This happens because the causative factor is not solely the preferences of the workers, but also the skill factor and limited employment opportunities. We often see people who are willing to do jobs they don't like with low wages. This happens because the causative factor is not solely the preferences of the workers, but also the skill factor and limited employment opportunities.

### **Minimum wage**

The minimum wage is a controversy, those who support the policy argue that the minimum wage is needed to meet the needs of workers to arrive at the "living wage" level of income, which means that working people will get a decent income for their lives. Minimum wages can prevent workers in a monopsony market from exploiting labor, especially those who are low skilled. Minimum wages can increase labor productivity and reduce the consequences of unemployment as conventional economic theory predicts.

In addition, the determination of the minimum wage does not have a clear target for reducing poverty. From these differences of opinion, we can trace the consequences of setting a minimum wage that may arise -with several assumptions, firstly that all sectors and all workers are subject to the minimum wage policy, secondly the potential consequences of the shock effect on workers are applied - in the history of its development There are various theories for determining the prevailing wage rate, the classical adherents state that wages are determined by marginal productivity but Marshall and Hicks state that marginal productivity only determines the demand for labor, not the supply of labor. Ultimately, however, the supply and demand for labor determines the prevailing wage rate.

However, sometimes this balance does not always show the level of wages that occur in the labor market because in practice there is government interference or because someone determines the level of the minimum wage. In the long run, part of the reduction in the demand for workers stems from a reduction in the number of firms, and partly comes from changes in the number of workers absorbed by each firm. The number of companies may decrease because the imposition of the minimum wage rate cannot be borne by all companies. Only companies that can afford the minimum wage -or that manage to get around the law- will survive. As an example, let's say that a certain number of companies pay higher wages than  $W_m$ , especially for

superior workers. The introduction of a minimum wage rate will increase the average wage, but will not spur the quality of workers as a whole. As a result, companies that absorb workers of lower quality, but have to pay higher wages, will find it increasingly difficult to compete with companies that originally paid high wages but indeed have superior quality workers. The impact of enacting the minimum wage law depends on the seriousness of its implementation. If the law is not enforced and its implementation monitored, then there will be no significant changes. The analysis of minimum wages is identical to other analyzes of price controls. -wages are the price of labor-although the impact of imposing minimum wage levels is easy to see, - Because this provision clearly states which fields of work are regulated by the minimum wage and what exceptions may still be allowed - it does not mean that the application of such a minimum wage is always effective. There are always ways to get around or reduce the effectiveness of minimum wage laws.

For example, if previously low-wage workers received additional benefits or rewards, such as cheap lunches, cheap tickets to a show or ball game, then after the minimum wage law was enacted, companies reduced such additional benefits so that in the end the outlay on workers was not increased greatly, and the total income of the workers also did not increase much. More and that the company still has a myriad of ways to offset the increased spending on wages for its workers. For example, a company requires its workers to buy various necessities at the company's shop, or live on rent -of course in company-owned houses. It is not impossible that the profit from the shop or company housing exceeds the marginal cost. so that practically the company's expenses for wage increases are offset. Thus, even if the government imposes a minimum wage rate, workers may not necessarily earn the actual minimum wage. Another method is to recruit workers from relatives or those close to the company owner. Through this method the company can pay less than the minimum wage rate, and it is free from the monitoring of the labor department. These ways are an explanation of why small grocery stores and restaurants are able to compete with larger ones and are usually more efficient. Laundries run by retired husband and wife can compete with more efficient chain laundry companies, because the "workers" in the couple's laundries are themselves who do not need to be "paid" a certain level of wages.

The workers are not homogeneous, but vary, and the minimum wage level is usually only reserved for certain groups of workers, to varying degrees. So here it will not be seen the effect of the implementation of the minimum wage on total employment, but only on certain groups that receive legal protection of the minimum wage. Or groups that really receive the influence of the law. Enactment of the minimum wage actually harms certain groups. Minimum wage regulations limit job opportunities for the unskilled. It turns out that the company then increases its expertise or skills and becomes more capital intensive; so long as possible they intensify the use of capital rather than labour. Besides that,

Several studies have shown that wages have a positive relationship to labor productivity. using data from the South African Reserve Bank for the period 1996-2009 also found a positive and significant relationship in the long term, but this increase in real wages had a negative impact on the informal sector where there was substitution between informal workers and formal workers. Meanwhile, the relationship between the minimum wage and labor productivity can be explained by the spillover effect mechanism. If the government issues a new minimum wage regulation whose number increases from the old one, there will be a change in the wage level within the company. An increase in the minimum wage will cause the wages of workers who were at the old minimum wage level to experience an adjustment in the minimum wage increase equal to the increase in the statutory minimum wage.

Likewise, workers with more than one year of service, long working years, higher education, and so on will experience wage adjustments by the company to avoid injustice if the

wage increase is only for workers whose working period is less than 1 (one) year. Therefore, the increase in the minimum wage is thought to have a spillover effect on the wages of workers who are paid higher than the minimum wage and have worked for more than one year.

In industrial relations, spillover effects refer to externalities (side effects) from wages or wage increases. These externalities can take several forms, such as positive or negative effects on employment and wage increases in other sectors or for other groups of workers. Employers must pay the minimum wage to low-wage workers, but of their own accord they also tend to increase the wages of workers who have earned more than the minimum wage. Stewart stated that the minimum wage spillover effect on the distribution of wages might be expected for various reasons. First, an increase in the minimum wage increases the relative price of low-skilled labour. This can lead to an increase in demand for certain types of more skilled labor thereby increasing wage levels for certain types of work that are already above the minimum. Second, an increase in the minimum wage can also cause firms to reconfigure the way they use labor to realign the marginal product of the minimum wage worker with the new minimum wage, and this can impact the marginal product of other workers. Third, Minimum wage increases can cause companies to increase the wages of some workers above the minimum wage to maintain wage differentials which are potentially important to worker morale and motivation and can affect productivity. Fourth, an increase in the minimum wage can increase the reservation wages of those looking for work in certain sectors thereby increasing the wages that must be paid by employers in that sector to recruit.

Meanwhile, according to Campolieti, spillover impacts directly or indirectly from the minimum wage can occur for several reasons. First, the minimum wage can increase the wage rate of low-skilled workers thereby increasing the relative price of low-skilled workers. This increase in the wages of low-skilled workers can encourage employers to substitute relatively cheaper inputs (substitution between inputs is possible) and cause an increase in the demand for more skilled workers. Second, the minimum wage can increase the wages of workers who earn more than the minimum wage if employers wish to maintain a wage differential between low-skilled workers who earn the minimum wage and more skilled workers who earn above the minimum wage.

Empirical findings from several studies show that minimum wage increases have a positive and significant relationship to wage distribution, among them by Rama, Campolieti, Dewi, Ferraro et al, and Howell. According to Card & Krueger, it is important to understand the effect of minimum wages on wages because policy makers and researchers regard minimum wages as an anti-poverty policy. There are two channels of how the minimum wage affects wages, namely directly and indirectly. The first channel, namely the direct effect, where the minimum wage increases the wages of workers whose wages are below the minimum wage. The second channel is the indirect or spillover effect, in which the minimum wage increases wages for workers whose wages are above the minimum wage. The spillover effect of minimum wage increases on wage increases is thought to have a positive relationship with labor productivity. This positive relationship occurs because, first, wage increases cause workers to be more motivated thereby increasing labor productivity, second, there is substitution from unskilled workers to skilled workers, third, there is substitution from labor to capital (substitution effect), fourth, there is human capital accumulation, and fifth, there is a decrease in the turnover rate.

Several empirical studies also show that the minimum wage has a positive impact on labor productivity. Meanwhile, there are several empirical studies showing that the minimum wage has no impact on labor productivity. This is presumably because the minimum wage is only a stepping stone whose impact can only be seen in the long term or the lack of employer compliance and the actions of different employers. Research on the relationship between the minimum wage and labor productivity in Indonesia conducted by Soekoer shows that an

increase in the minimum wage is not able to boost labor productivity in 33 provinces in Indonesia. This is presumably because the minimum wage, which is naturally a lump sum wage, is less effective in spurring workers who have received higher wages/salaries to exert greater effort or performance. However, Soekoer's research has a fundamental weakness, namely the use of productivity variables as measured using the Gross Regional Domestic Product (GRDP) per worker, which includes both formal and informal business activities.

While the minimum wage is still not widely implemented by the informal sector. Therefore, the relationship between minimum wages, wages, and productivity must be seen sectorally and in formal workers, so that the effect can be tested validly. Based on the background that has been described, this study aims to examine the spillover effect of minimum wage increases on wages and analyze the effect of wages on labor productivity in the manufacturing industry in Indonesia. By analyzing these two things, the relationship between the minimum wage and productivity can be shown. The hypothesis of this study is that there is a spillover effect from the minimum wage increase on workers' wages which has implications for increasing labor productivity in the manufacturing industry sector in Indonesia. This research focuses on medium to large-scale manufacturing industries because the majority of workers are formal workers with a fixed salary and adequate protection. In addition, the selection of large and medium scale industries is based on the premise that the application of the minimum wage policy in Indonesia is mostly carried out by these industries rather than small and micro scale industries due to consideration of the company's financial capacity. This study uses a recursive model to test the hypothesis of an increase in the minimum wage, where the effect on productivity occurs through an increase in workers' wages. the selection of large and medium scale industries is based on the premise that the implementation of the minimum wage policy in Indonesia is mostly carried out by these industries rather than small and micro scale industries due to consideration of the company's financial capability. This study uses a recursive model to test the hypothesis of an increase in the minimum wage, where the effect on productivity occurs through an increase in workers' wages. the selection of large and medium scale industries is based on the premise that the implementation of the minimum wage policy in Indonesia is mostly carried out by these industries rather than small and micro scale industries due to consideration of the company's financial capability. This study uses a recursive model to test the hypothesis of an increase in the minimum wage, where the effect on productivity occurs through an increase in workers' wages.

## **Method**

This study uses descriptive qualitative, to be precise library research, which uses reference sources from existing books and journals.

## **Result and Discussion**

### **Portrait of Millennial Workforce in Indonesia**

Millennials are the nation's great hope when it comes time to become leaders in the future. As a replacement generation, the existence of millennials is expected to improve labor conditions in Indonesia later. The millennial generation is generally a group of people born over the 1980s to 1997 and the generation that has passed the second millennium (the next generation in the digital era), they are required to always adapt quickly and excel due to intense competition. As a result, the mindset of adapting to the times makes the millennial generation selective in choosing jobs. This condition causes uncertainty whether they become an opportunity or a threat in the future. The millennial generation must be ready to face challenges in the world of work because

they will play an important role in taking control to replace their predecessor generations in the future. Millennials must be able to overcome challenges, such as technological advances, mindset adjustments, and alignment of expectations and performance.

Entering the peak year of the demographic bonus which is expected to come in 2020-2030, is both an opportunity and a challenge for Indonesia. The National Development Planning Agency (Bappenas) projects that Indonesia's population in 2018 will reach 265 million people, of which 179.13 million people (67.6%) are in the productive age category (14-64 years). This means that more than 50% of Indonesia's population is of an age that can still work actively and carry out productive activities (dominance of the millennial generation). The demographic bonus can be disastrous if the productive age does not get decent job opportunities. Especially with the development of globalization resulting in intense job competition. Therefore, efforts are needed to improve the quality of resources optimally. Workforce training programs through the introduction of new skills is one way to improve the quality of the workforce. This will make it easier for the industry to meet the demand for labor while reducing the unemployment rate. Then the government should provide business capital stimulus for creative industries that are just starting a business. Activities that will run need maximum assistance to support new business turnover. Finally, the improvement of online product marketing techniques. The growing digitization demands new businesses that are more creative and fast-paced. Then the government should provide business capital stimulus for creative industries that are just starting a business. Activities that will run need maximum assistance to support new business turnover. Finally, the improvement of online product marketing techniques. The growing digitization demands new businesses that are more creative and fast-paced.

As an illustration, the portrait of employment can be seen in the following data:

**Table 1.**

**Number and Percentage of Working and Unemployed Population in Indonesia in 2022**

Working Population and Unemployment	Number and Percentage of Working and Unemployed Population					
	Working Residents			Unemployment		
	2022			2022		
	February	August	Annual	February	August	Annual
Percentage (%)	94.17	94.14	-	5.83	5.86	-
Total (Thousand people)	135611.90	135296.71	-	8402.15	8425.93	-

Source: BPS, Sakernas 2022

**Table 2.**

**Population 15 Years and Above Working According to Main Employment in 2022**

NO	Main Field of Work	2022	
		February	August
1	Agriculture, Forestry and Fisheries	40,635,997	38,703,996
2	Mining and excavation	1,587,978	1,530,157



3	Processing industry	18,671,926	19,172,397
4	Procurement of Electricity, Gas, Steam/Hot Water and Cold Air	309,484	311,124
5	Water Procurement, Waste Management and Recycling, Waste and Garbage Disposal and Cleaning	534,247	511,150
6	Construction	8,188,425	8,481,349
7	Wholesale And Retail Trade; Car and Motorcycle Repair and Maintenance	25,800,553	26,193,890
8	Transportation and Warehousing	5,710,510	5,805,308
9	Provision of Accommodation and Provision of Food and Drink	9,635,433	9,607,709
10	Information and Communication	1,097,558	1,009,091
11	Financial Services and Insurance	1,512,007	1,626,460
12	Real Estate	450,519	450,007
13	Company Services	1,940,203	2,237,712
14	Government Administration, Defense and Compulsory Social Security	4,633,405	4,875,999
15	Education Services	6,626,638	6,512,249
16	Health Services and Social Activities	2,384,745	2,234,153
17	Other Services	5,892,267	6,033,962
	<b>Total</b>	<b>135,611,895</b>	<b>135,296,713</b>

Source: BPS, Sakernas 2022

**Table 3.**  
**Percentage of Total Formal Labor by Gender 2020 -2022**

Gender	Percentage of Formal Labor by Gender (Percent)		
	2020	2021	2022
Man	42.71	43.39	43.97
Woman	34.65	36.20	35.57

Source: BPS, Sakernas 2022

**Table 4.**  
**Data on the Number of Foreign Workers in Indonesia**

date	Number of foreign workers in Indonesia
2017	85974
2018	95335
2019	109546
2020	93761
2021	88271
2022	96574

Source: BPS, Sakernas 2022

**Table 5**  
**Average Net Wage/Salary (Rupiah) for Workers/Employee/Employee According to Highest Education Graduated and Type of Main Job, 2022 (In Rp.)**

Pendidikan Tertinggi yang Ditamatkan	2022								
	Jenis Pekerjaan Utama 1								Jumlah
	0/1	2	3	4	5	6	7/8/2009	x/00	
Tidak/Belum Pernah Sekolah	837 810	NA	3 021 152	2 200 589	1 063 141	1 271 022	1 747 254	1 264 660	1 525 537
Tidak/Belum Tamat SD	1 700 831	2 233 595	1 598 454	1 464 594	1 160 281	1 673 335	1 866 898	1 630 319	1 690 277
Sekolah Dasar	1 689 360	2 658 401	2 342 052	1 820 675	1 410 984	1 925 765	2 102 096	2 073 634	1 975 332
Sekolah Menengah Pertama	1 706 853	2 992 951	2 577 769	1 847 443	1 555 271	2 168 436	2 363 830	2 652 635	2 220 221
Sekolah Menengah Atas (Umum)	2 146 445	3 520 081	2 991 055	2 520 569	2 219 262	2 609 309	2 987 905	3 754 609	2 870 914
Sekolah Menengah Atas (Kejuruan)	3 337 277	3 754 875	3 164 589	2 321 951	2 350 854	2 275 895	3 067 416	3 555 112	2 963 630
Diploma I/II/III/Akademik	3 592 086	6 077 584	4 042 085	4 617 506	4 018 522	3 588 677	4 448 672	4 383 452	3 983 395
Universitas	4 233 812	8 613 045	4 539 253	6 146 459	5 466 260	4 364 654	5 027 441	5 525 748	4 761 827
<b>Rata-rata</b>	<b>3 777 066</b>	<b>6 308 763</b>	<b>3 683 218</b>	<b>2 820 772</b>	<b>2 155 187</b>	<b>2 041 859</b>	<b>2 693 843</b>	<b>3 626 335</b>	<b>3 070 756</b>

**Notes/Notes:**

- 0/1. Professional Staff, Technicians and the Like
- 2. Leadership and Management Force
- 3. Administrative Personnel and the Like
- 4. Sales Force
- 5. Service Business Workforce
- 6. Agricultural Business Personnel, Kehutgame, hunting, and fishing
- 7/8/9. Production Workers, Transportation Equipment Operators, and Workersyes rude
- X/00. Other

**Conclusion**

It can be said that employment in Indonesia is still facing several imbalances, both structural and sectoral. Even though there has been a shift, the majority of Indonesia's workforce is still working in the agricultural sector. In this connection, one of the goals that needs to be pursued is to increase the efficiency of the workforce. To realize the utilization of manpower, it is necessary to implement various policies to expand productive employment. The main objective of the policy is to create conditions and atmosphere which not only provide the widest possible space for initiatives for economic actors but also at the same time encourage and assist the development of small businesses, businesses in the informal sector and traditional businesses.

Theoretically, labor demand, labor supply and wages must be considered so that the policies implemented are close to the desired goals.

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