

Islamic Economics Perspective on Unemployment in Lampung Province: The Effect of Education, Minimum Wage, And Economic Growth

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Abstract

The Minimum Wage of Bandar Lampung City has always increased but unemployment has fluctuated. The level of economic growth that has increased does not always result in a decreasing unemployment rate, and vice versa, unemployment is still increasing. This research method is quantitative research with path analysis techniques. The data used in this research is secondary data with panel data analysis by bringing together from 15 city districts in Lampung province using eviews 9 as a data analyzer. In this study, there are three structural equations and three test models carried out to test the structural equations, namely the pooled least square method, the fixed effects method, the random effects method with the model selection test, namely the brake or random effects method. Based on the results of panel data analysis and hypothesis testing, it can be concluded that simultaneously (f test) education, minimum wage and economic growth have a significant effect on unemployment with a probability value of $0.000030 < 0.05$. Partial analysis result (T test) Education has a significant effect on unemployment with a value of $0.00 < 0.05$. While the results of partial analysis (T test) city minimum wage and economic growth have no effect on unemployment with a value of $0.08 > 0.05$.

Keywords: Unemployment, Education, City Minimum Wage, Economic Growth.

1. Introduction

In an economy, economic growth is an indicator of the successful development of each region (Khoirudin & Musta'in, 2020). Government efforts to improve the welfare of the people are reflected in the level of economic growth. The higher the level of economic growth, the higher the level of public welfare. Economic growth can be seen from the increase in the value of Gross Domestic Product (GDP) over a certain period of time (Ari Kristin Prasetyoningrum & Sukmawati, 2018).

Too much unemployment can lead to political, security, and social disruptions that interfere with economic growth and development. The long-term result is a decline in a country's gross national product and per capita income (Rusyiana, 2013). The lack of income causes the unemployed to reduce their consumption expenditure, which leads to a decrease in prosperity and welfare. Based on data sourced from BPS, below is the percentage of open unemployment in Indonesia in 2017-2021.

Table 1.1.
Open Unemployment Rate of Regency or City in Lampung Province
Year 2017-2021

No	Region	Open Unemployment Rate (%)				
		2017	2018	2019	2020	2021
1	Bandar Lampung	8.1	7.27	7.15	8.79	8.85
2	Pringsewu	4.63	4.13	4.95	5.77	4.85
3	Metro	8.64	5.79	5.11	5.4	5.00
4	Lampung Utara	5.62	4.87	5.09	5.34	6.14
5	Lampung Selatan	4.8	4.49	4.7	5.19	5.27
6	Tulang Bawang	3.47	3.53	4.04	4.84	4.10
7	Pesawaran	5.73	4.64	4.42	4.64	4.19
8	Lampung Tengah	3.08	2.52	2.62	4.22	4.31
9	Mesuji	0.65	3.8	3.62	3.71	4.42
10	Way Kanan	2.88	4.45	3.6	3.56	3.36
11	Tulang Bawang Barat	1.86	2.93	3.59	3.46	3.35
12	Pesisir Barat	2.71	1.9	3.26	3.41	3.08
13	Tanggamus	5.08	2.23	3.98	2.96	2.93
14	Lampung Timur	3.89	3.83	2.89	2.64	3,05
15	Lampung Barat	0.96	2.76	1.68	2.13	2.83

Source: Central Bureau of Statistics of Lampung

Based on table 1.1, it can be seen that open unemployment fluctuates from year to year. Seen in 2017-2021, Bandar Lampung City is the area with the highest unemployment rate in Lampung Province, where Bandar Lampung City in 2021 reached 8.85 percent. Meanwhile, North Lampung ranks second reaching 6.14 percent and followed by South Lampung at 5.27 percent in 2021 and the lowest in West Lampung Regency at 2.83 percent.

A person's education reflects the level of intelligence (quality) or formal educational achievement of a country's population. Education has a positive impact on development, the higher the education of the population, the higher the contribution to economic activities, indicated by the amount of TPAK which increases along with the increase in education (Kurniawan & Handayani, 2014). The following is data on the population who have completed education. Based on data sourced from BPS, below is data on the average length of schooling in Lampung province in 2017-2021.

Table 1.2
Average Years of Schooling in Bandar Lampung City in 2012-2021

Year	Average Years of Schooling (%)
2017	7,79
2018	7,82
2019	7,92
2020	8,05
2021	8,08

Source: Central Bureau of Statistics of Lampung

Based on Figure 1.2, it can be seen that education has increased from year to year during 2017-2021. This increase should be followed by a reduction in the number of unemployed people, but unemployment in Bandar Lampung City ranks first with a high unemployment rate. In addition, the minimum wage is also a factor that affects unemployment.

Minimum wage is a minimum standard used by employers or industry players to provide wages to workers in a business or work environment (Sutama et al., 2019). Based on data sourced from BPS, below is the amount of the City Minimum Wage (UMK) in Lampung Province in 2017-2021.

Table 1.3
Minimum Wage in Lampung Province 2017-2021

Year	Minimum Wage	Percentage
2017	Rp 1.908.448	1,08
2018	Rp 2.074.673	1,08
2019	Rp 2.241.270	1,08
2020	Rp 2.432.001	1,08
2021	Rp 2.432.001	1,00

Source: Central Bureau of Statistics of Lampung

Based on table 1.3 City Minimum Wage (UMK) in Lampung Province continues to increase from 2017-2021. The higher the amount of wages set by the government, it will result in a decrease in the number of people working in the country. This is because the increase in wage levels causes companies to choose between using labor or using machines and technology. Apart from education, minimum wage, economic growth is also one of the factors that affect unemployment. A decrease in economic growth is considered capable of affecting the unemployment rate because it is increasing. The following data sourced from BPS below is the rate of economic growth in Lampung Province in 2017-2021.

Table 1.4
Economic Growth of Cities or Regencies in Lampung Province 2017-2021

Year	Economic Growth (%)
2017	5,16
2018	5,25
2019	5,27
2020	-1,67
2021	2,79

Source: Central Bureau of Statistics of Lampung

It can be seen in table 1.4 that economic growth conditions experienced the lowest point in 2020 which reached a point of -1.67 with the highest growth rate of 5.27. In 2019, consecutive increases have occurred in Lampung province in 2017 at 5.16 then 2018 with a figure of 5.25 after that in 2020 experienced a drastic decline to -1.67 and began to rise again in 2021 with a figure of 2.79.

Labor absorption through economic growth in suppressing unemployment, the placement of minimum wages is in accordance with the orders of Allah SWT in the Al-Quran surah At- Taubah verse 105:

وَقُلْ أَعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ وَسَتُرَدُّونَ إِلَىٰ عِلْمِ الْغَيْبِ وَالشَّهَادَةِ فَيُنبِّئُكُمْ بِمَا كُنْتُمْ تَعْمَلُونَ ۝ ١٠٥

“And say, “Do [as you will], for Allah will see your deeds, and [so, will] His Messenger and the believers. And you will be returned to the Knower of the unseen and the witnessed, and He will inform you of what you used to do.” (Q.S. At-Taubah [9]:105).

In this verse Allah SWT commands all His people to work well and unemployment is not something that is recommended and ordered, but what is an obligation is to work and produce to meet the needs of life. More than that, Allah will give a reward that is in accordance with the deeds / work that has been done. The above verse explains that according to the Islamic concept, wages consist of two forms, namely worldly wages and afterlife wages (Ridwan, 2014).

Bandar Lampung City based on the data obtained by the author found a gap or there is a gap between the theory and the situation in the field. The education variable that has increased every year but is not always followed by a decrease in unemployment because unemployment in Bandar Lampung City is still fluctuating. Likewise with the level of wages, the minimum wage of Bandar Lampung City always increases but unemployment fluctuates. The level of economic growth that has increased does not always result in a declining unemployment rate, and vice versa, unemployment is still increasing.

Based on the problems above, it raises the author's interest to conduct further research on the factors that influence the unemployment rate in Bandar Lampung City. Therefore, the author took the title "The Effect of Education, City Minimum Wage (UMK), and Economic Growth on Unemployment in Lampung Province in 2017-2021 in the Perspective of Islamic Economics".

2. Methodology

The type of research used in writing this article is quantitative research, which is research used to examine certain populations or samples. The data used is secondary data. The population used is in the form of a 5-year time series (2017-2021) in 15 districts / cities with a sample of 75 objects and the number of observations of all BPS data.

Data Collection Techniques

In this study, researchers used data collection techniques, namely as follows:

Observation

Observation is a complex process, a process composed of various biological and psychological processes. Two of the most important are the processes of observation and memory. This method is used to explore data that is easily observed directly. In this case, it uses the method of visiting official websites owned by institutions involved in economic activities. Such as the Central Bureau of Statistics, Ministry of Finance and so on.

Documentation

Documentation is a technique for obtaining data that is not directly on the research subject by means of documents used in the form of diaries, newspapers, and other references. The data collection method itself uses Lampung Province in Figures data where the data is an annual report on the entire state of Lampung Province which is indicated by certain numbers. This data can be accessed by the public through the Central Bureau of Statistics publicly and open to the public (Sugiyono, 2018).

Data Analysis Method

Panel Data Regression Equation Analysis Model

Panel data (pooled data) is a combination of cross section data and time series data (Ariefianto, 2012). In theory, the panel data regression model is described by the following equation:

$$Y = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \epsilon_{it}$$

This study uses evIEWS 9 to test the data. Estimation of the model used by panel data can be done with three methods, namely as follows Pooled Least Square Method (Common Effect), Fixed Effect Method, Random Effect Method.

Classical Assumption Test

The classical assumption test is carried out so that the results of the regression estimation carried out are completely free from symptoms of multicollinearity, normality, autocorrelation and heteroscedasticity. The classic assumption tests commonly used are normality test, multicollinearity test, and heteroscedasticity test (Sugianto, 2015).

Hypothesis Test

Hypothesis testing is used to determine the effect or determine the relationship between the independent and dependent variables, where one of the independent variables is made fixed or controlled. Hypothesis tests used in this study are the T test, F test, and R² test (Sugiyono, 2018).

3. Result and Discussion

Descriptive Statistical Analysis

Table 4.7
Descriptive Statistical Analysis

	Y	X1	X2	X3
Mean	4.183067	7.982933	2263533.	3.350267
Median	4.040000	7.600000	2263390.	5.010000
Maximum	8.850000	10.97000	2739983.	6.280000
Minimum	0.650000	6.390000	1908447.	-2.260000
Std. Dev.	1.648251	1.186923	234459.5	2.702745
N	75	75	75	75

Source: data processed, EvIEWS 9

Based on the data above, it can be seen that the variable Y (Unemployment) has a total sample size of 75 with a median value of 4.04 and a mean value of 4.18. Meanwhile, of the 75 data, the highest data value is the maximum value of 8.85 and the lowest value is the minimum of 0.65 with a standard deviation of 1.64.

In variable X1 (Education) the sample data owned is 75 with a mean value of 7.982933 and a median value of 7.600000. Then the maximum / highest value is 10.97000 and the minimum / lowest value is 6.390000 with a standard deviation of 1.186923. In variable X2 (MSE) the sample used amounted to 75 with a mean value of 2263533 and a median value of 2263390. Then the maximum / highest value is 2739983 and the minimum / lowest value is 1908447 with a standard deviation of 234459.5. In variable X3 (Economic Growth) the sample used amounted to 75 with a mean value of 3,350267 and a median value of 5.010000. Then the maximum / highest value is 6.280000 and the minimum / lowest value is -2.260000 with a standard deviation of 2.702745.

Regression Analysis

Panel Data Analysis Model Estimation

Pooled Least Square (Common Effect) Model

Table 4.8

Panel Data Analysis With CEM Model (Common Effect Method)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_TP	0.996522	0.114541	8.700135	0.0000
X2_UMK	0.000000555	0.000000741	0.747988	0.4569
X3_PE	0.018202	0.063355	0.287306	0.7747
C	-5.088427	1.865247	-2.728018	0.0080
R-squared	0.538037			
Adjusted R-squared	0.518518			

Source: data processed, Eviews 9

Based on table 4.7, it can be seen that if the analysis is carried out using the CEM model, the results of the analysis show that Education (X1) has a Probability value of 0.00, which means that the figure is less than 0.05, in other words Prob. $0.000 < 0.05$, with this the Education variable has an influence on Unemployment. Meanwhile, the City Minimum Wage (X2) has a Probability value of 0.45 and Economic Growth (X3) has a Probability value of 0.77, which means that the figure is above 0.05, so it can be said that the City Minimum Wage and Economic Growth have no effect on Unemployment. Furthermore, the coefficient of determination or R-Square is 0.53 so it can be said that in the analysis the three independent variables are only able to explain 53% and the remaining 47% is not explained in this study.

Fixed Effect

Table 4.9
Panel Data Analysis With Fixed Effect

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_TP	0.887368	0.870304	1.019606	0.3122
X2_UMK	0.000000112	0.000000746	0.149467	0.8817
X3_PE	-0.019254	0.050357	-0.382340	0.7036
C	-3.088748	6.167413	-0.500817	0.6184
R-squared	0.803600			
Adjusted R-squared	0.745025			

Source: data processed, Eviews 9

In table 4.8, it can be seen that when the analysis is done using the FEM model, the result of the analysis shows that the value of Prob. Education (X1) is $0.31 > 0.05$, so education has no effect on unemployment. In addition, the City Minimum Wage (X2) and Economic Growth (X3) also experience the same thing where the Prob. value of the city minimum wage is $0.88 > 0.05$ and the Prob. value of Economic Growth is $0.70 > 0.05$. Economic Growth is $0.70 > 0.05$, meaning that the City Minimum Wage and Economic Growth have no effect on Unemployment. Furthermore, the coefficient of determination or R-Square is 0.80 so that it can be said that in the analysis the three independent variables are able to explain 80% and the remaining 20% is not explained in this study.

Random Effect

Table 4.10
Analisis Data Panel Dengan Model Efek Acak (*Random Effect*)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_TP	1.000216	0.207890	4.811280	0.0000
X2_UMK	0.000000151	0.000000609	0.247057	0.8056
X3_PE	-0.011802	0.049408	-0.238874	0.8119
C	-4.102801	1.999798	-2.051608	0.0439
R-squared	0.281322			
Adjusted R-squared	0.250955			

Source: data processed, Eviews 9

In table 4.9, it can be seen that if the analysis is carried out using the REM model, the results of the analysis show that the Prob value. X1 (Education) is 0.000 <0.05, meaning that the Education variable has a significant effect on Unemployment. While the City Minimum Wage (X2) has a Probability value of 0.80 and Economic Growth (X3) has a Probability value of 0.81, which means that the figure is above 0.05, it can be said that the City Minimum Wage and Economic Growth have no effect on Unemployment. Furthermore, the coefficient of determination or R-Square is 0.28 so that it can be said that in the analysis the three independent variables are able to explain 28% and the remaining 72% is not explained in this study.

**Panel Data Analysis Model Selection
Chow Test**

Table 4.11
Model Selection Test with Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	5.505203	(14,57)	0.0000
Cross-section Chi-square	64.149901	14	0.0000

Source: data processed, Eviews 9

In table 4.10 that the Prob Cross-Section Chi-Square is 0.0000, this means that the cross-section prob value <0.05 or can be simplified to 0.0000 <0.05. Thus H1 is accepted or in other words that FEM is accepted in this study.

Hausman Test

Table 4.12
Uji Pemilihan Model Dengan Uji Hausman

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.720765	3	0.8683

Source: data processed, Eviews 9

In table 4.11, the prob cross-section random is 0.86 so that this exceeds 0.05 or $0.86 > 0.05$ so that in this case H_0 is accepted or REM is accepted in this study.

LM Test

Table 4.13
Model Selection Test LM Test

	Cross-section	Test Hypothesis Time	Both
Breusch-Pagan	31.97161 (0.0000)	1.202964 (0.2727)	33.17458 (0.0000)

Source: data processed, Eviews 9

It can be seen in table 4.12 that the value of both is $0.00 < 0.05$, which means that H_1 is accepted or in other words REM is accepted in this study's LM test..

Model Selection Conclusion

Table 4.14
Random Effect Model (REM)

Dependent Variable: TPT
Method: Panel EGLS (Cross-section random effects)
Date: 11/28/22 Time: 22:27
Sample: 2017 2021
Periods included: 5
Cross-sections included: 15
Total panel (balanced) observations: 75
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_TP	1.000216	0.207890	4.811280	0.0000
X2_UMK	0.000000151	0.000000609	0.247057	0.8056
X3_PE	-0.011802	0.049408	-0.238874	0.8119
C	-4.102801	1.999798	-2.051608	0.0439

Effects Specification		S.D.	Rho
Cross-section random		0.884721	0.5305
Idiosyncratic random		0.832286	0.4695

Weighted Statistics	
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R-squared	0.281322	Mean dependent var	1.622140
Adjusted R-squared	0.250955	S.D. dependent var	0.946092
S.E. of regression	0.818818	Sum squared resid	47.60284
F-statistic	9.264147	Durbin-Watson stat	1.441742
Prob(F-statistic)	0.000030		

Unweighted Statistics

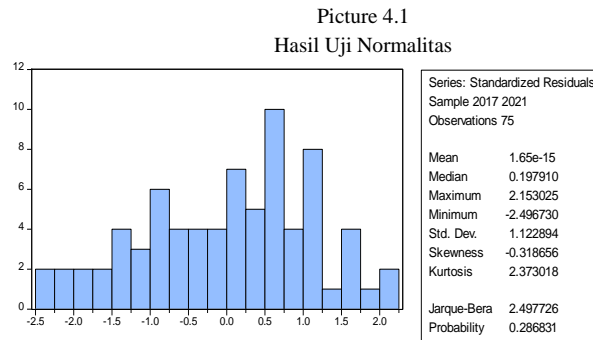
R-squared	0.535880	Mean dependent var	4.183067
Sum squared resid	93.30586	Durbin-Watson stat	0.735549

Source: data processed, Eviews 9

Based on the results of the panel data regression equation using REM above, it can be interpreted that:

- 1) The constant value of -4,102801 means that if the value of the independent variables is 0, the value of unemployment is -4,102801.
- 2) The coefficient value of education (X1) is 1.000216, which means that if the education variable increases by 1%, it will increase unemployment by 1.000216.
- 3) The coefficient value of City Minimum Wage (X2) is 0.000000151, which means that if the City Minimum Wage variable experiences a 1% increase, it will increase unemployment by 0.000000151.
- 4) The coefficient value of Economic Growth (X3) is -0.011802, which means that if the Economic Growth variable experiences a 1% increase, it will reduce the unemployment rate by 0.011802..

Classical Assumption Test
Normality Test



Source: data processed, Eviews 9

The results of the Normality Test based on the image of the results of data processing using Eviews 9 For Windows Software, obtained the results that the JB (Jarque-Bera) value is 2.497726 (> 5%) and the probability value is 0.266831 (> 5%). Thus the JB value and the Probability value > 0.05, it can be concluded that in this study the residuals are normally distributed.

Multicollinearity Test

Table 4.15
Multicollinearity Test

	TP	UMK	PE
TP	1.000000	0.173321	-0.016904
UMK	0.173321	1.000000	-0.623354

PE	-0.016904	-0.623354	1.000000
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Source: data processed, Eviews 9

Based on the test results or data processing in table 4.14 above, there is no single number that exceeds 0.90 so it can be said that this data does not occur multicollinearity.

Hypothesis Testing
Partial Test (T Test)

Tabel 4.16
Uji Parsial (Uji T)

Variable	t-Statistic	Prob.
X1_TP	4.811280	0.0000
X2_UMK	0.247057	0.8056
X3_PE	-0.238874	0.8119
C	-2.051608	0.0439

Source: data processed, Eviews 9

Based on the partial test results in table 4.16, it states that:

- 1) Variable X1 (Education) is worth Prob. 0.0000 so that this value does not exceed 0.05 in other words Prob. 0.00 < 0.05, so in the hypothesis H0 is rejected and H1 is accepted, which means that the education variable has a significant influence on unemployment.
- 2) Variable X2 (UMK) has a value of Prob. 0.8056 so that this value exceeds 0.05 in other words Prob. 0.80 > 0.05, so in the hypothesis H0 is accepted and H2 is rejected, which means that the City Minimum Wage variable has no influence on unemployment.
- 3) Variable X3 (Economic Growth) has a value of Prob. 0.8119 so that this value exceeds 0.05 in other words Prob. 0.81 > 0.05, so in the hypothesis H0 is accepted and H3 is rejected, which means that the Economic Growth variable has no influence on unemployment.

Simultaneous Test (F Test)

Table 4.17
Simultaneous Test (F Test)

R-squared	0.281322
Adjusted R-squared	0.250955
S.E. of regression	0.818818
F-statistic	9.264147
Prob(F-statistic)	0.000030

Source: data processed, Eviews 9

Based on table 4.17, the F test results show that the probability value is 0.000030 < 0.05, this means that H0 is rejected and H4 is accepted, it can be concluded that the independent variables (X1, X2, X3) have a significant effect on the dependent variable (Y). Thus, it can be concluded that the variables of Education, City Minimum Wage (UMK) and Economic Growth together have a significant effect on Unemployment in Lampung Province in 2017-2021.

Determinant Coefficient Test (R2)

The Determinant Coefficient Test (R2) is used to determine how much the relationship of several variables is in a clearer sense, so that in this study the resulting determinant coefficient which can be seen from table 4.17 above states that the R-Square value is 0.281322 The magnitude of this coefficient number means that the relationship caused by

Education, City Minimum Wage (UMK) and Economic Growth is 28% able to explain Unemployment and the remaining 72% is on other objects that are outside the research variables.

Discussion of Research Results

The Effect of Education, City Minimum Wage (UMK) and Economic Growth on Unemployment Partially in Lampung Province 2017-2021.

The effect of education on unemployment in Lampung Province in 2017-2021.

The results of research that has been conducted related to the effect of education level and open unemployment rate in Lampung province are as follows:

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_TP	1.000216	0.207890	4.811280	0.0000

Source: data processed, Eviews 9

Based on the results of the analysis above, it states that the coefficient value of the education level is 1.000216 with a prob value. or significant at $0.0000 < 0.05$. Thus rejecting H_0 and accepting H_1 , this means that the education variable has a positive and significant effect on unemployment in Lampung Province in 2017-2021. With a coefficient value of 1.000216, it means that every 1% increase in the level of education will result in an increase in the unemployment rate by 1.000216%. The existence of a positive relationship between education and unemployment means that an increase or decrease in the level of education in Lampung Province has an impact on unemployment in Lampung Province. This means that if the level of education increases then unemployment will increase, conversely if the level of education decreases then unemployment will decrease with the assumption that other variables are considered constant.

The Effect of City Minimum Wage (UMK) on Unemployment in Lampung Province in 2017-2021.

The results of research that has been carried out related to the effect of the City Minimum Wage (UMK) and the open unemployment rate in Lampung province are as follows:

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X2_UMK	0,000000151	0.0000006.09	0.247057	0.8056

Source: data processed, Eviews 9.

Based on the results of the analysis above, it states that the coefficient value of City Minimum Wage (UMR) is 0.000000151 and the prob. value or significant is $0.8056 > 0.05$. Thus accepting H_0 and rejecting H_2 which means that the City Minimum Wage (UMR) has no effect on Unemployment in Lampung Province. This is not in accordance with the existing hypothesis, which states that UMK has a significant effect on unemployment.

The Effect of Economic Growth on Unemployment in Lampung Province in 2017-2021.

The results of research that has been conducted related to the influence of Economic Growth and the open unemployment rate in Lampung province are as follows:

Variable	Coefficient	Std. Error	t-Statistic	Prob.
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X3_PE -0.011802 0.049408 -0.238874 0.8119

Source: data processed, Eviews 9.

Based on the results of the above analysis, the coefficient value of Economic Growth is -0.011802 and the prob. or significant value is 0.8119 > 0.05. Thus, accepting H0 and rejecting H3 which means that Economic Growth has no effect on Unemployment in Lampung Province. This is not in accordance with the existing hypothesis, which states that economic growth has a significant effect on the unemployment rate.

The Effect of Education, City Minimum Wage (UMK) and Economic Growth on Unemployment Simultaneously in Lampung Province 2017-2021.

The results of research that have been carried out related to the effect of education, MSEs, and economic growth on the level of open unemployment together in Lampung Province are as follows

Simultaneous Test (F Test)

F-statistic	9.264147
Prob(F-statistic)	0.000030

Source: data processed, Eviews 9

Based on the results of the F test using the Random Effect Model. The three independent variables namely Education, MSE, and Economic Growth have an F-Statistic value of 9.264147 with a probability value of 0.000030 which is smaller than the significant level of 0.05. This means rejecting H0 and accepting H4, which means that simultaneously or together there is a significant influence between Education, City Minimum Wage (UMK) and Economic Growth on Unemployment in Lampung Province in 2017-2021.

Unemployment in the Perspective of Islamic Economics.

In Islamic Economics, unemployment is not something that is recommended, because Islam teaches humanity to work and is a demand that must be done. Work as an element of production is based on the concept of istikhlaf, where humans are responsible for investing and developing the assets mandated by Allah to cover human needs in accordance with the words of Allah:

﴿اللَّهُ الَّذِي سَخَّرَ لَكُمْ الْبَحْرَ لِنَجْرِي الْفَلَاحُ فِيهِ بِأَمْرِهُ وَلِيَتَّبِعُوا مِنْ فَضْلِهِ وَلَعَلَّكُمْ تَشْكُرُونَ ۝ ۱۲ وَسَخَّرَ لَكُمْ مَّا فِي السَّمَوَاتِ وَمَا فِي الْأَرْضِ جَمِيعًا مِنْهُ إِنَّ فِي ذَلِكَ لَآيَاتٍ لِقَوْمٍ يَعْقِلُونَ ۝ ۱۳﴾

12. It is Allah who subjected to you the sea so that ships may sail upon it by His command and that you may seek of His bounty; and perhaps you will be grateful. 13. And He has subjected to you whatever is in the heavens and whatever is on the earth - all from Him. Indeed in that are signs for a people who give thought.”(Q.S Al-Jasyiah 12-13).

The meaning of the verse is that for humans, natural resources have been provided in the sky and on earth, so humans are encouraged to process them as a sense of gratitude and to know the signs of the greatness of Allah SWT. Humans who are willing to manage the natural resources that have been granted by Allah SWT. This task of processing natural resources must be done seriously because the extraordinary wealth of the earth needs to be explored so that hidden wealth can be utilized as much as possible for the ease of human life and the achievement of increased human welfare.

This research is also adjusted to the theory put forward by Muhammad Al-Bahi which states that the potential of existing resources must be utilized to find, create and pursue work, meaning that we must work as hard as we can to achieve prosperity and are prohibited from being lazy, in accordance with the Word of Allah in Q.s At-Taubah: 105 below:

﴿وَقُلْ أَعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ وَسَتُرَدُّونَ إِلَىٰ عِلْمِ الْغَيْبِ وَالشَّهَادَةِ فَيُنبِّئُكُمْ بِمَا كُنْتُمْ تَعْمَلُونَ ۝ ۱۰۵﴾

And say, "Do [as you will], for Allah will see your deeds, and [so, will] His Messenger and the believers. And you will be returned to the Knower of the unseen and the witnessed, and He will inform you of what you used to do." (QS. At-Taubah : 105)

The amount of unemployment, which shows the number of unemployed people, can be seen from the percentage of unemployment, which shows how large the percentage of unemployment is of the total labor force. High unemployment will affect economic growth negatively because economic growth will decline along with high unemployment in a region. This is because directly unemployment will have an impact on the lack of prosperity of the community which is of course in line with poverty (Dewi & Devi, 2022)

4. Conclusion

Based on the results of the analysis and discussion that has been presented in this research entitled "The Effect of Education, City Minimum Wage (UMK), and Economic Growth on Unemployment in Lampung Province in 2017-2021 in the Perspective of Islamic Economics", several conclusions can be presented, namely as follows:

1. Based on the panel data regression results on the education variable, it states that H1 is accepted and H0 is rejected. Thus the test results in this study conclude that education has a positive and significant effect on unemployment in Lampung Province in 2017-2021. This shows that the high level of education as measured by the Average Years of Schooling will affect the high and low level of Unemployment. If education increases, the unemployment rate in Lampung Province will increase.
2. Based on the panel data regression results on the City Minimum Wage (UMK) variable, it states that H2 is rejected and H0 is accepted. Thus the test results in this study conclude that the City Minimum Wage (UMK) has no effect on Unemployment in Lampung Province in 2017-2021. This shows that the high and low city minimum wages (MSEs) will not affect the high and low levels of unemployment.
3. Based on the panel data regression results on the Economic Growth variable, it states that H3 is rejected and H0 is accepted. Thus the test results in this study conclude that Economic Growth has no effect on Unemployment in Lampung Province in 2017-2021. This shows that high and low Economic Growth will not affect the high and low levels of Unemployment.
4. Based on the regression results in this study, it states that H4 is accepted and H0 is rejected. Thus the test results in this study conclude that simultaneously the variables of Education, City Minimum Wage (UMK), and Economic Growth have a significant effect on the Unemployment variable in Lampung Province in 2017-2021.
5. In Islamic economics, unemployment is not something that is recommended and ordered, but work and production are made one of the obligations for people who are able to fulfill their needs. The scholars state that creating jobs is the obligation of the state and is part of its responsibility for the maintenance and regulation of people's affairs as has been implemented by the apostle and companions.

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