

## EMPLOYMENT ANALYSIS DISTRICT/CITY OF RIAU ISLANDS PROVINCE CITY EMPLOYMENT ANALYSIS DISTRICT/CITY PROVINCE OF RIAU ISLANDS

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**Abstract**-The purpose of this study is to explain the conditions of employment in the Riau Islands Province in 2014, which has decreased both the labor force and those who work and also increase the number of unemployed. The implementation of this research activity took place at the Regional Development Planning Agency (BAPPEDA) of the Riau Islands Province. The research method was done by observing secondary data with data from the Central Statistics Agency. This research is a descriptive study. Based on the results of the research, the highest number of the urban labor force is in Batam. The working-age group at the 15-44 years old have a more significant number than the age group above 45. Age groups by sex are more male workforce than the female workforce. Workforce education is more high school graduate education. Riau Islands has a workforce absorption of 896, 931 people with an unemployment rate of 69,160 people. The highest district/city labor force participation rate (TPAK) is the Anambas Island District. The highest occupation is the labor/employee employment field. Young male sex groups dominate the conclusions of the number of workforce and labor force participation. Batam is one of the most significant contributors to the workforce. The industry, trade, and hotel business sectors are the highest contributors to absorbing sports.

**Keywords:** Labor Force, Labor Force Participation Rate, Unemployment, Main Employment Field.

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### I. INTRODUCTION

Labor is all matters relating to labor before, during, and after work. National development is carried out in the context of full Indonesian human development and the development of Indonesian society as a whole to create a prosperous, just, prosperous, equitable society, both material and spiritual, based on Pancasila and the 1945 Constitution of the Republic of Indonesia. Implementation of national development, workers, have a significant role and position as actors and development goals. The role and position of the workforce, employment development is needed to improve the quality of the workforce and its participation in development and to improve the protection of workers and their families following human dignity (Law No. 13 of 2003). The central and regional governments as Fitbit policymakers to participate fully to open up employment opportunities so that the utilization of human resources in Indonesia, including in the Riau Islands Province, can be optimally absorbed. Riau Islands Provincial Government, as one of the youngest provinces in Indonesia, of course, in practice must provide a variety of supporting infrastructure along with a set of regulations that can support the creation of new job opportunities that will be absorbed by the people of the Riau Islands themselves.

Local government policy, in this case, the Riau Islands Provincial Government, will not produce optimal performance outcomes if it is not supported by seriousness and improvement in the quality of human resources of the Riau Islands community. This means that synergic cooperation between policymakers is needed, namely the Riau Islands Provincial Government and the seriousness of improving the quality of community human resources as stakeholders of the Riau Islands by increasing education and work skills independently. The employment situation in Riau Islands Province in 2014 experienced a decline in both the labor force and those who worked and experienced an increase in unemployment. The number of workers decreased by 26,854 a year from 2013. The population of employed also decreased by 29,004 people.

### II. LITERATURE REVIEW

Soleh (2017) explained that the condition of labor demand in Indonesia, the Indonesian labor market experienced a reasonably good development; this is evidenced by the increase in the number of jobs and a

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decline in open unemployment at the same time as population growth is quite high. Even though labor demand always fluctuates every period and year, there are various seasonal factors, labor market turnover, and the world economic climate. In general, to overcome the problems relating to labor and unemployment in Indonesia can be done with the following strategies, namely increasing the competence and productivity of labor to enter the labor market through harmonization.

The role of the Riau Islands Province Government will be essential, given the population growth of the Riau Islands Province is expected to continue to rise in the future. Absorption of the budget to improve the quality of human resources in the Riau Islands Province has become an urgent matter in the competitive digital era. Community participation in the Riau Islands Province is also expected to work independently by entering the micro and medium business market. This is because the work labor market that the community wants to enter does not only rely on the public sector, such as the government sector but also to become civil servants and the military or police. Swaramarinda (2014) explained that unemployment that occurred in Jakarta caused poverty to increase and was seen in various regions. A slowdown in worker growth causes an increase in unemployment in various developing countries compared to the acceleration of labor force growth. Various policies need to be prepared by local governments that can increase the absorption of unskilled labor to protect the poor and reduce unemployment.

Baskoro & Kuntoro (2017) concluded that young male age groups dominate the number of the labor force and the labor force participation rate in East Java. Surabaya is one of the cities contributing to the most significant workforce with the most populous population. Triono (2017) Research explains that an increase in the rate of population growth and the labor force in the city can be seen that the number of populations that increases each year turns out to have a direct relationship with the number of unemployed. An increase in population will increase unemployment. This indicates a positive and robust relationship between population and unemployment. An increase in population will result in a surge in the workforce. Likewise, a surge in the labor force will increase labor absorption, if all workforce meets the criteria for labor demand. Muhdar (2015) explains the results of research that Overcoming the Problems of Employment and Unemployment can be done in a way first, in national development, macroeconomic policies that rely on synchronizing fiscal and monetary policies are directed at creating and expanding employment opportunities. The synergy of central government policies with the policies of the provincial and district/city governments constitutes a mutually supporting unit for the creation and expansion of employment opportunities.

Junaidi & Zulfanetti (2016) explained that the abundance of the existing workforce without being matched by an adequate number of labor needs would impact the low selling value of the existing workforce. If this is not resolved immediately, it will create unemployment and weaken the economy. Based on the background described above, this study will analyze employment in 2017 in the Riau Islands Province using data obtained from the Regional Development Planning Agency (BAPPEDA) of the Riau Islands Province and Data from the Central Statistics Agency.

### III. DATA COLLECTION

The implementation of this research activity took place in the regional development planning agency (BAPPEDA) of the Riau Islands Province. The research method is by observing secondary data from BAPPEDA in the Riau Islands Province and with data from the Central Statistics Agency. This research is a descriptive study. The analysis is carried out using the interpretation of the results and discussion. The results of the 2017 data will be combined assumptions with the results achieved in the future using trend analysis that can be used in policymaking.

### IV. ANALYSIS DATA

#### Number of Labor Force, Population Number, and Education by City and Regency of Riau Islands Province

Table 1 is a workforce data of the population of each city and regency in Riau Islands Province in 2017 based on survey data obtained from the Central Statistics Agency (BPS) of Riau Islands 2019.

**Table 1**  
**Labor Force Data and Population Amount**

| <b>The region</b> | <b>Total Labor Force</b> | <b>Total population</b> |
|-------------------|--------------------------|-------------------------|
| Riau islands      | 966,091                  | 2,082,694               |

|                 |         |           |
|-----------------|---------|-----------|
| Karimun         | 100,824 | 229,194   |
| Bintan          | 67,678  | 156,313   |
| Natuna          | 36,901  | 76,192    |
| Phallus         | 40,800  | 89,330    |
| Anambas Islands | 18,944  | 41,412    |
| Batam           | 605,518 | 1,283,196 |
| Tanjung Pinang  | 95,426  | 207,057   |

Source: BPS Kepri, 2019

Based on table 1 above, the highest number of the labor force in Riau Islands Province is in Batam 605,518 people, with a total population of 1,283,196 people living in the city. While Tanjung Pinang, as the provincial capital city, has a workforce of 95.426 people with a population of 207,057 people. While the regency, Karimun is a district with a workforce of 100,824 people with a population of 229,194. While the district with the lowest labor force is the Anambas Islands, with 18,944 people with a population of 41,412 people.

A young age group is a group that is relatively dynamic in various aspects, especially in mobility. The younger age group tends to move to get the best education or employment. Population structure in Riau Islands Province in 2017 can be seen in the following table:

**Table 2**  
**Structure of Working Age Population by Age Group**

| Age group | amount    |
|-----------|-----------|
| 15-19     | 133,788   |
| 20-24     | 183,041   |
| 25-29     | 237,164   |
| 30-34     | 240,975   |
| 35-39     | 202,927   |
| 40-44     | 148,427   |
| 45-49     | 100,599   |
| 50-54     | 69,679    |
| 55-59     | 49,230    |
| 60-64     | 32,616    |
| 65-69     | 20,513    |
| 70-74     | 12,732    |
| 75+       | 10,991    |
| amount    | 1,442,682 |

Source: BPS Kepri, 2019

Based on table 2 above, it can be seen that the working-age group in the Riau Islands at the age of 15 - 44 years has a higher number than the age group above 45 years. The age group of 15-44 years is 1,146,322 people. The age group of 45 years and over is 296,360 people.

The labor force by looking at the sexes of men and women in the Riau Islands in 2017. The workforce of each region is usually dominated by the type of male workforce rather than the female workforce, can be explained by the table below:

**Table 3**  
**The Labor Force Declines Male and Female Gender Age Groups**

| Age group | Workforce |        |
|-----------|-----------|--------|
|           | Male      | Girl   |
| 15-19     | 19,938    | 19,484 |
| 20-24     | 53,955    | 48,314 |
| 25-29     | 60,166    | 54,445 |
| 30-34     | 98,886    | 52,116 |
| 35-39     | 131,629   | 67,589 |

|        |         |         |
|--------|---------|---------|
| 40-44  | 78,284  | 44,862  |
| 45-49  | 71,493  | 25,313  |
| 50-54  | 47,393  | 16,934  |
| 55-59  | 23,726  | 18,074  |
| 60-64  | 24,458  | 9,032   |
| amount | 609,928 | 356,163 |

**Source: BPS Kepri, 2019**

Table 3 above shows that the labor force, according to an age group based on sex in the Riau Islands Province is more male labor force is approximately 63.1% of the total workforce. The total male workforce is 609,928 people, while the female workforce is 356,163 people.

Workforce by looking at education in the Riau Islands in 2017. Education in the labor force today for the industry is the average high school education required, as shown in the table below:

**Table 4  
 WorkForce According to Education**

| Level of education<br>Workforce         | Total Labor Force<br>(Soul) |
|---|-----------------------------|
| Never / Never Attended School           | 12,101                      |
| No / Not yet finished elementary school | 84,326                      |
| Primary school                          | 119,289                     |
| Middle School                           | 140,811                     |
| High school                             | 279,000                     |
| Vocational School                       | 173,070                     |
| Diploma                                 | 39,748                      |
| University                              | 117,746                     |
| <b>amount</b>                           | <b>966,091</b>              |

**Source: BPS 2019**

Based on table 4 above, the workforce's education is more high school graduates (279,000) or around 28.9% of the workforce. The lowest workforce education is never / never attended as many as 12,101 people or as much as 1.3% of the total workforce.

**Total Labor Force Participation Rate, unemployment rate, and the unemployment rate**

The government often uses data on labor force participation rates as an indicator of the success of its scholars in assessing employment in an area. Based on the Data of the Riau Islands Central Statistics Agency about the workforce and not the workforce of the Riau Islands Province in 2017, the table below can be explained.

**Table 5  
 Number of residents from the workforce and non-labor force**

| The region          | Workforce |              | Not the<br>WorkForce |
|---------------------|-----------|--------------|----------------------|
|                     | Work      | Unemployment |                      |
| <b>Riau islands</b> | 896,931   | 69,160       | 488,678              |
| Karimun             | 95,079    | 5,745        | 58,632               |
| Bintan              | 62,212    | 5,466        | 41,142               |
| Natuna              | 35,398    | 1,503        | 14,675               |
| Phallus             | 39,484    | 1,316        | 23,080               |
| Anambas Islands     | 17,962    | 982          | 9,193                |
| Batam               | 558,154   | 47,364       | 289,566              |
| Tanjung Pinang      | 88,642    | 6,784        | 52,390               |

**Sources, BPS, 2019**

Based on table 5 above, if you look at the status of the Riau Islands region, there are 896,931 people with employment, with an unemployment rate of 69,160 people if based on the regions most contributing to

employment and unemployment in the Riau Islands is the City of Batam with 558,154 people working and 47,364 people unemployed.

The lowest contributor to the labor absorption and retention force in the Riau Islands is the Anambas Islands, with 17,962 people working and 982 unemployed people. So, it can be concluded that Batam City has a potential economic contributor in the Riau Islands Province.

**Table 6**  
**Level Workforce Participation, Open Unemployment Rate, and Unemployment**

| The region          | TPAK (%) | Unemployment | TPT (%) |
|---------------------|----------|--------------|---------|
| <b>Riau islands</b> | 64.72    | 69,160       | 7,16    |
| Karimun             | 63.31    | 5,745        | 5.7     |
| Bintan              | 62.34    | 5,466        | 8.08    |
| Natuna              | 67.48    | 1,503        | 4.07    |
| Phallus             | 66.37    | 1,316        | 3.23    |
| Anambas Islands     | 69.28    | 982          | 5,18    |
| Batam               | 65.25    | 47,364       | 7.82    |
| Tanjung Pinang      | 62.19    | 6,784        | 7,11    |

Source: BPS Kepri 2019

Based on table 6 above, the Labor Force Participation Rate (TPAK) in Riau Islands Province shows that the regency/city with the highest TPAK is Anambas Islands Regency at 69.28 the lowest TPAK is in Tanjung Pinang City at 62.19. There are four regencies/cities with TPAK above the average of the Riau Islands Province, namely Batam City, Lingga Regency, Natuna Regency, and Anambas Islands Regency. Based on Table 6, it also explains that the highest contributor to open unemployment (TPT) is the Bintan Regency, with a total TPT percentage of 8.08%. Regency or city, the lowest contributor to open unemployment (TPT), is Lingga Regency with a TPT percentage of 3.23%.

**Table 7**  
**Population Aged 15+ Who Worked a Week Ago According to Status**  
**The main job**

| Main Job Fields   | amount         |
|---|----------------|
| Trying Alone  | 167,787        |
| Trying to be assisted by Temporary Workers / Unpaid Workers | 49,091         |
| Work with Permanent / Paid Workers                          | 29,302         |
| Worker / Labor / Employee                                   | 585,197        |
| Free Workers in Agriculture                                 | 3,690          |
| Free Workers in Non-Agriculture                             | 28,087         |
| Unpaid Workers / Family Workers                             | 33,777         |
| <b>amount</b>   | <b>896,931</b> |

Based on table 7 above, the primary employment status in Riau Islands Province in 2017, the highest in the labor/employment field of 585,197 people. The lowest primary employment status is free employment in Agriculture by 3,690 people. This shows that Riau Islands Province is an industrial area spread in Batam City, Karimun, and Bintan Regencies, which are Free Trade Zone (FTZ) areas.

## V. STUDY RESULTS, SUMMARY AND CONTRIBUTION

### The number of Labor Force and Population-Based on Cities and Regencies in the Riau Islands.

Based on data from the Riau Islands Central Statistics Agency, the labor force correlates with the population. They were settled in an area. Batam City has the highest number of labor force and population. If based on regency, Karimum has the highest number of labor force and population. While the region which has the lowest number of the labor force and population is Anambas Regency, based on these results it can be concluded that the density of the population residing in the area is directly proportional to the number of the existing workforce, where if the density of the population in the area is high then the existing workforce

will be high, and vice versa if the density of the population in the area a little so the number of the workforce is also small.

The population density in Batam can occur because Batam is an industrial center in the Riau Islands, many industrial companies, both foreign-owned and domestic private. Besides, Batam is also the largest trading center in the Riau Islands Province. Batam is also an office center, although Batam is not a provincial capital. Based on this, there will undoubtedly be many migrants from outside Batam looking for work. In addition to the population of Indonesia, many foreigners only live in Batam. Based on BPS data, the productive age of the population between 15 and 64 years still has high productivity. Based on statistical data, the population of the Riau Islands Province in 2017 amounted to 2,082,694 people; from that population, the productive age of the population was 1,398,446 people.

The ratio of male and female gender workforce groups in the Riau Islands is more significant than the male gender population. Percentage of labor force population of males and females compared to 63: 37. According to Tusianti & Abdurrahman (2018), to anticipate inequality based on gender or sex, at least three factors play a significant role in boosting women's formal labor. The three variables according to the order of most significant influence are industry share in GRDP, the average length of schooling, and workforce receiving training. Labor-intensive industries should provide more significant opportunities for women.

Moreover, Indonesia is currently undergoing a process of transformation into the industrial sector. While from the individual side, women must be given the highest opportunities in education and job training. Increasing women's opportunities for higher education can increase economic growth.

The labor force based on education in Riau Islands Province has more than 452,070 high school / vocational school graduates than graduates. This is because the workforce needs of industrial companies do not require high thinking. Natural Research, Syamsul, (2016) states that the number of unemployed graduates is more than that of unemployed vocational/high school graduates. This means that SMK / SMA graduates are absorbed more by industry than graduate graduates. This happens because most of the industrial sector in Indonesia does not need workers who are too smart. Staff who are too smart are considered demanding, especially regarding salary, which makes the industry repeatedly think of recruiting graduates. Let alone the industrial sector, small entrepreneurs (SME class), definitely prefer vocational/high school graduates over undergraduate degrees. To guard the shop, do packaging, send goods, input data, and other simple things. Moreover, instinctively, a scholar, does not want to be employed as a shopkeeper.

The unemployment rate in Riau Islands Province is equal to 69,160 people from the workforce as many as 966,091 people. It can be concluded that the unemployment rate is minimal, at only 7.16% of the workforce. This is because residents who work in the Riau Islands Province are dominant migrants who are recruited from outside the Riau Islands to work in manufacturing, trading, and others. Probosiwi Research (2016) There is a very close relationship between high unemployment and poverty. Factors affecting the expansion of employment opportunities include the development of the population and workforce, economic growth, and policies regarding the expansion of employment opportunities themselves. The highest absorption of labor is employment as a Worker / Labor / Employee of 585,197 people. Riau Islands has three regions as the Free Trade Zone, namely Batam, Bintan, and Karimun, in that area the most labor. Purwasih & Yoyok (2017) explained that labor absorption is the real amount of labor employed in business units. The industrial sector is one sector that functions to open up employment opportunities for the workforce. Industrial Sector in Sidiarjo Regency The next five years, the number of workers absorbed in the industrial sector continues to increase.

Rochmani, Yunastiti & Agustinus (2016) research also explains that the Government and business actors need to pay more attention and promote economic support to the manufacturing industry sector, hotel and restaurant trade, and agriculture compared to other sectors. This is because these three sectors rank in the top three in their contribution to the pace of economic growth. These three sectors also provide the largest share in employment.

### **Factors Affecting Job Opportunities**

Job opportunities in the Riau Islands Province can go up and down depending on several factors. These factors are divided into three factors, namely the first population growth factor. That a large population will encourage a large workforce as well, conversely a small population will encourage a small workforce. The second factor is the industrial sector, industry, and trade. The three sectors absorb more labor-intensive labor. The labor force in Indonesia still has much unemployment spread across regions throughout Indonesia, so it requires a labor-intensive business sector to absorb the workforce. Third Factor

Economic conditions, right economic conditions will encourage investment into the area, so job opportunities are higher.

**Conclusion:** Young age groups of male sex dominate the number of the labor force and labor force participation in Riau Islands Province. Batam is one of the most significant labor force contributors and the most populous city of its population and also Batam as economic support for the Riau Islands. The industrial, trade, and hotel business sectors are the highest contributors to employment.

**Suggestion:** in this study that the most substantial unemployment is in Batam, it is necessary to multiply the business sector by bringing in investors. The government needs to pay more attention to making the business sector policies needed in Riau Islands is a labor-intensive sector.

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