Explaining Labor Absorption;
An Overview of Demographics, Industrialization and Education and Health Infrastructure

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Tris Kamila Rosida

Economics Development Department, Faculty Economics and Business, Malang State University, Indonesia.

triskamilarosida@gmail.com

Abstract: Explaining Labor Absorption; An Overview of Demographics, Industrialization and Education and Health Infrastructure

Labor is one of the important factors in economic development. The number of workers absorbed shows that the economic structure in a region is classified as advanced and running well. This study aims to analyze the influence of population, educational facilities, health facilities, and industrial growth on employment in Blitar City during the 2010-2020 period. The novelty of this study is to try to unravel the problem of employment through a review of demography, education and health facilities and industrial growth. The data used is panel data for 3 sub-districts sourced from BPS Kota Blitar. The results obtained in this study are that simultaneously the independent variables have a significant influence on employment absorption. But partially, the variables of population and health facilities have no effect on employment. The educational facilities variable has a negative but significant effect on employment absorption, and industrial growth has a significant positive influence on employment absorption in Blitar City. The implication of this research is that local governments must pay attention to the rate of population control so that the existing population is able to be absorbed into the available labor opportunities, and increase the guarantee of health facilities for the community.

Keywords: Labor; Population; Education; Health and Industry

INTRODUCTION

In achieving the main goals of regional development, participation is needed that involves the local government and the community in economic development (Ganie, 2017). The synergy between the local government and the community that occurs in development activities will also develop economic potential, so that company infrastructure and investment will also develop in line with advances in levels of education and technology which will also open up new jobs in the region (Pratiwi & Indrajaya, 2019).

Development in the context of improving the quality of human resources and society must be carried out in a sustainable manner by paying attention to capabilities that take advantage of the latest scientific developments and see how current global developments (Sari et al., 2016). Community welfare can be formed if it is accompanied by an increase in the quality of life that is decent and valuable with the adequacy of basic needs such as food, clothing and shelter so that in the end it also influences the need for education and employment (Klugman et al., 2011; Sabermahani et al., 2013; Yardimcioğlu et al., 2014).

The ongoing development process in an area will also change the structure of the economic sector (Pratiwi & Indrajaya, 2019). In the development process, one factor that has an important role is employment (Ganie, 2017). Economic development carried out by the region is a form of interaction of various factors such as capital, human resources, old resources, and so on. Therefore humans are an input factor as well as a workforce that consumes the results of development (Sari et al., 2016).

The benchmark in assessing the success of development can be seen from the absorption of labor in a region, which means it indicates the success of development as a whole. The manpower that is owned will of course also influence the process of output of goods and services, therefore a quality workforce is needed that is able to interact with other production factors to create added value in the production process (Dinh Su & Phuc Nguyen, 2020).

Changes in the macroeconomic environment that occur will increase unemployment on a large scale due to the limited number of available jobs (Sihombing 2019). According to Dwirainaningsih (2017), The dimensions of the workforce problem are not only limited to available job opportunities, but are also affected by the failure to create jobs that are not proportional to the growth in industrial output. This was exacerbated by other external factors such as increasing foreign debt, troubled balance of payments, and other policies that contributed to a decline in industrial growth and the availability of jobs (Todaro, 2011).

Figure 1. Percentage of Labor Absorption to Available Workforce 2016-2020
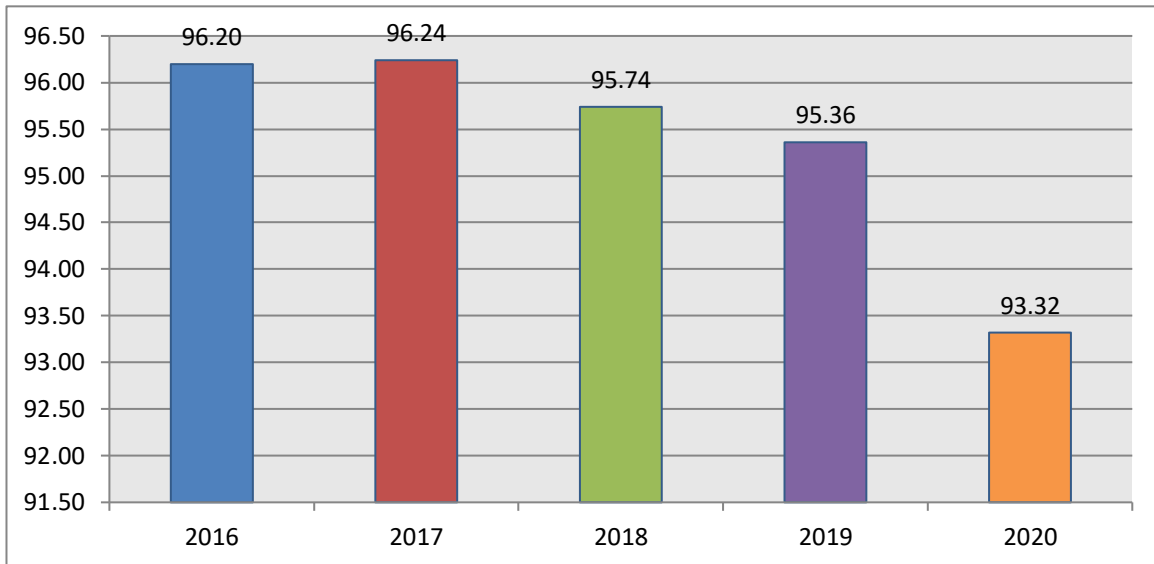
Source : BPS Blitar, 2021

During the 2015-2020 period, the absorption of labor in Blitar City to the availability of jobs in 2015 reached 75,516 people or 96.20%. Then in 2017, employment also increased by 96.24% or the equivalent of 77,674 people. However, in the following years, during the 2018-2020 period, employment in Blitar City continued to decline. In 2018, the workforce that was able to be absorbed was 95.74%, then decreased to 95.36% in 2019 and peaked in 2020 to decrease by 93.32% with an open unemployment rate reaching 6.68% (BPS, 2021)(BPS, 2021)(BPS, 2021)(BPS, 2021)(BPS, 2021).

Population growth in the 2015-2020 period in Blitar City showed significant changes. In 2015 the population growth rate was 0.73%, then increased to 0.88% in 2016, but in 2017 the population growth rate decreased drastically to 0.63%. then in 2018, the population growth rate increased again to 0.70%, but in the following year the population growth rate decreased, in 2019 the growth rate dropped significantly to 0.64%, and in 2020 it only increased by 0.01% (BPS Blitar 2020). The factors causing this decline were due to population migration to other areas, as well as the increasing death rate. In 2017, the death rate was 1,384 people. Next it increased in 2018 to reach 1,402 people, then the increase occurred again in 2019 reaching 1,520 people and by 1,287 people in 2020. And the number of residents who migrated out of town (moved out) reached 3,202 people in 2019 (BPS Blitar, 2019).

Educational facilities and infrastructure in the City of Blitar itself is quite adequate. The number of schools starting from the elementary-high school level in 2018 is 107 schools. Then increase to 109 schools in 2020. The Blitar City Government pays close attention to the educational aspect and designs strategies to improve the quality and service access to education at every level (RPJMD Blitar 2016-2021). Then, looking at the current health facilities in Blitar City, they are also very adequate. This is supported by the existence of main and supporting facilities that are side by side in each village. These facilities include general hospitals, maternity hospitals, health polyclinics, community health centers, sub health centers, and pharmacies. As the second city that has the smallest area in East Java Province, Blitar City is famous for its tours of the National Library and Bung Karno's Tomb. This tourism potential can encourage the growth of the industrial sector in Blitar City. Therefore, the dominance of the economy occurs not only in the trade & services sector, but also supported by the industrial sector. The industrial sector owned by Blitar City consists of formal and non-formal which includes the food and beverage industry, the clothing and leather industry, the handicraft and general industry, the metal and electronics industry, as well as the chemical and building industries (BPS Blitar, 2016).

According to Purwasih dan Soesatyo, (2017), an increase in population is a potential for the availability of labor for the region, but if the rate of population growth is not accompanied by the provision of employment it will create unemployment. As a leading sector, existing industries should be able to attract workers, especially for the regions. Industries in Blitar City that are still focused on arts and crafts should be able to absorb the available workforce. However, the industry in Blitar City has not been able to absorb the existing workforce so that the unemployment rate in Blitar City is still relatively high.

During the 2016-2020 period, industrial growth in the City of Blitar has increased significantly. The number of small and medium industries (IKM) in Blitar City in 2015 amounted to 2,375 businesses, then increased in 2016 to 4,745 businesses, and in subsequent years to 4,780 businesses (2017), 4,812 businesses (2018), 4,844 businesses (2019) , and in 2020 it had decreased to 4,793 business units (BPS, 2021).

Kepanjenkidul District is the area with the largest number of industries in Blitar City. As of 2020, the number of industries in Kepanjenkidul District has reached 1,780 business units. Then followed by the Sananwetan District which has 1565 business units, then the last is the Sukorejo sub-district which has 1448 business units in 2020. This is of course also a challenge for industrial development in the City of Blitar which in particular is still fixated on crafts and crafts to be able to compete with other regions that have their own superior

industries. With the existence of various industrial businesses spread across each sub-district, this will be very beneficial for development, especially in increasing the economic potential of Blitar City. The existence of an industry will encourage the availability of new jobs.

Figure 2. Growth in the Number of Industries in 3 Districts Over the Last 5 Years
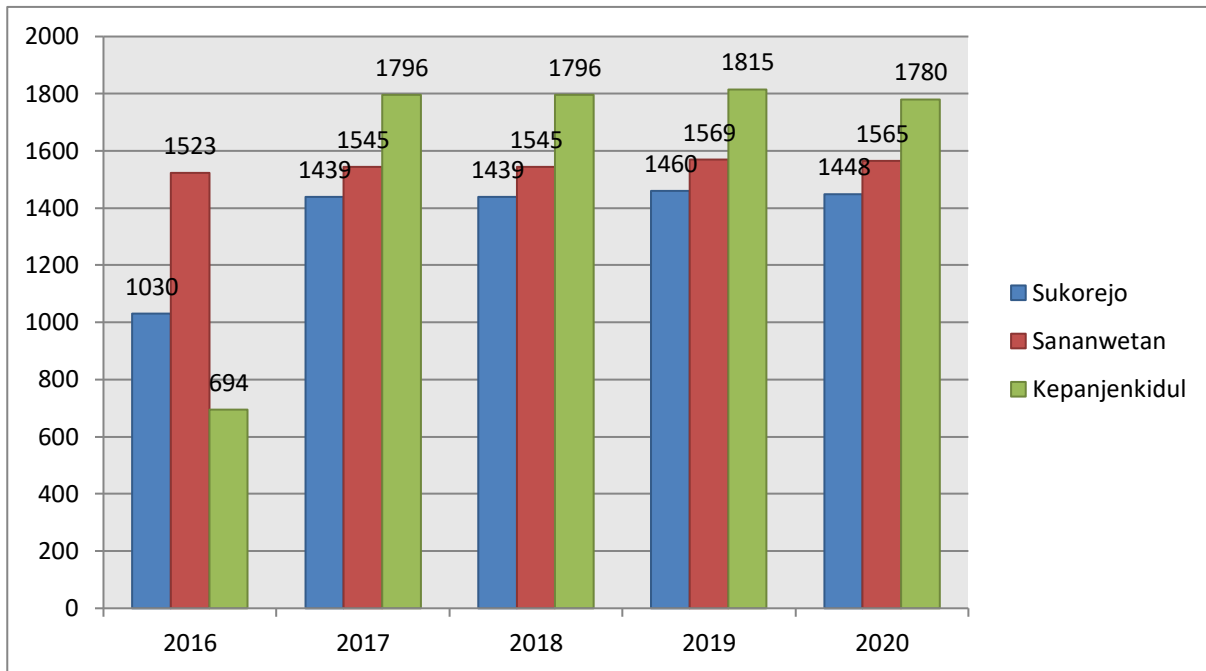
Source : BPS Blitar, 2021

The novelty of this study is to try to unravel the problem of employment in Blitar City, through an overview of population growth which has experienced significant changes, increased educational facilities at the SD-SMA level, adequate health facilities spread across each sub-district, and significant industrial growth over the years. last 5 years. This research is very rarely touched by other researchers, for that it is very important to do research. Researchers assume that it is important to conduct research related to employment in Blitar City. As the second smallest city in East Java, the average employment in Blitar City is still dominated by home and processed industries. In addition, the absorption of labor in the City of Blitar for the last 3 years has decreased, therefore it is important to know other factors which are assumed to have an influence on the absorption of labor in the City of Blitar.

LITERATURE REVIEW

Residents are defined as citizens who live in the territory of Indonesia or foreigners who occupy and live in Indonesia. Population is closely related in every aspect in a country.

This aspect relates to the structure, growth, distribution, mobility, quality and welfare of society. This will affect socio-cultural, political, economic conditions, to religious beliefs in the community environment. The population is the subject as well as the object of development, therefore it is necessary to foster and empower the community so that it can contribute to development (Sari et al., 2016). The contribution of the community that can drive development must of course be enjoyed by the residents themselves, thus it is important to carry out development in accordance with the potential capabilities and resources they have.

The population quantity will follow how the development of the population grows. The dynamics of development will always be influenced by population conditions. Economic growth can be encouraged if the population is so large followed by adequate quality, on the contrary it will become an obstacle and a burden for economic development if the population is large but has low quality resources (Sari et al., 2016).

The dynamic balance that occurs in population growth depends on the government's power to increase or decrease the total population (Kawet et al., 2019). The existence of population growth is influenced by births, deaths, and migration in and out of the population. In every region of a country or region, the population will be closely related to development and economic growth, because economic development will always involve human resources in every process as important factors that influence each other (Agustina dan Althofia 2015).

In line with Adam Smith's theory, which is known as the classical school, to initiate development and economic growth an effective allocation of human resources is required (Bresser-pereira, 2019; Ellerman, 2019; Gennaioli et al., 2020; Kurz, 2021; Rioux et al., 2020; Stahl, 2019; Wandel, 2019). Population distribution that occurs in various economic sectors in an area will result in the production of goods and services in large quantities (Pratiwi & Indrajaya, 2019). Each economic sector will have a different growth rate, and it also depends on the ability to absorb labor. Labor is a factor of production that has an important role, because producing each type of goods or services will depend on the productivity of the workforce you have (Kawet et al., 2019). But In other view of Marshall, the number of workers is not a determinant of increasing output and labor absorption. Rather, the productivity factor is the main factor in increasing output and absorption of productive labor. For this reason, productivity should be the focus of the government in maintaining market stability (Haini & Loon, 2021; Kerr, 2020; Popescu, 2021).

The balance between the demand for labor and the supply of work that occurs will reflect good labor absorption, and at the same time can also determine the level of balance wages (Pratiwi & Indrajaya, 2019). The more people involved as workers in the production process will increase the amount of goods & services and increase people's income, therefore the increasing number of people who can be absorbed into labor will have a positive impact on regional economic growth (Agustina & Althofia, 2015).

Every regional planning and development will always require human resources who have an understanding of knowledge in order to be able to provide solutions to any problems that occur. This of course requires high quality human resources, and education is seen as a means to obtain quality human resources (Sihombing, 2019). The education aspect is a form of investment in the economic sector in forming human capital (Rosmawati & Arisman, 2020). Education is considered as an activity that sees humans based on the values inherent in each individual (Bai, 2022; Guo & Qu, 2022; Kim, 2022; Mosquera, 2022; Ngo et al., 2022).

As one of the main assets in economic development, education must be considered as a whole so that development can be carried out in a sustainable manner (Lubis, 2014). Investment in education is a must, so the government must be able to build a system of good educational institutions and facilities. Education is directly related to labor (Agustina & Althofia, 2015). Developments carried out with the aim of improving facilities such as the construction of school buildings certainly affect employment, because in the process of such development requires workers who directly handle the construction of facilities (Al-Haddad et al., 2019; Jäger et al., 2020; Papadakis et al., 2020; Radulescu et al., 2019; Terziev, 2019). With the existence of adequate educational facilities, it will also directly increase opportunities to gain access to learning activities, so that it will affect productivity on the quality of human resources produced and have an impact on increasing the economic growth of a region (Bresser-Pereira, 2010; Mark R., 2010).

Health is an important component of human capital development (Agustina & Althofia, 2015). As one of the basic assets, restoration in the health sector must be carried out seriously by the government. The government's role in improving health services is expected to provide equal access to health for the community. With guarantees of adequate health services and access, each region will be able to produce competitive and productive

generations, and will affect employment absorption, so that it can assist in achieving regional economic growth (Gaspe & Van Staveren, 2003; Perkins et al., 2013).

This is in line with the theory of human capital which states that human resources play an important role in economic growth (Nurkholis, 2016). The competitiveness of the workforce will increase along with the attainment of quality human resources in the health sector, because they are able to produce higher productivity physically. The level of health in the community can be seen through the services and health facilities provided by the government.

According to Chusna (2013), industrialization is a business activity accompanied by efforts to increase labor productivity and human resources to gain profit. Industry is also one measure of the success of economic development in a region (Purwasih & Soesatyo, 2017). The ideal condition for development is to be able to reduce unemployment and be able to absorb as much labor as possible. In the theory also expressed by Purwasih & Soesatyo (2017), if the economic growth of a sector is higher, it will also affect the increase in employment opportunities from the related sector. Thus, between industry and employment have a close relationship.

In the structure of the economy, the industrial sector is the main factor that plays an important role in the contribution of regional income (Zenda & Suparno, 2017). The industrial sector has a strategic role in encouraging job creation. Industry itself is an activity in processing raw materials into goods that are ready to use and of value, while the type of industry according to labor is based on small industry, medium industry and large industry (Rakhmawati & Boedirochminarni, 2018). The rapid growth of the industrial sector can expand the competitiveness of labor absorption so that it will have an impact on increasing people's income and purchasing power (Chusna, 2013). Therefore, policies are needed that are able to encourage the growth of the industrial sector in order to be able to increase the economy evenly in a region (Zenda & Suparno, 2017).

METHODS

The location taken in this research is Blitar City, East Java Province. The choice of research location was based on a decrease in labor absorption and an increase in the number of poor people which reached 11,100 people and was exacerbated by the position of Blitar City as the area with the highest unemployment rate in the entire Kediri Regency. The analytical method uses descriptive analysis by taking secondary data from the Blitar City Central Statistics Agency (BPS). The type of data used is panel data from 3 sub-districts

spread across the City of Blitar. These sub-districts are Sukorejo, Sananwetan, and Kepanjenkidul) with an analysis period of 10 years (2010-2020).

Population data is taken from the total population in the area per sub-district, education facilities based on the number of school building facilities from the SD-SMA level in the sub-district, health facilities are seen based on the number of health facilities (Public and Private Hospitals, Pharmacies, Posyandu, Public Health Centers) and Community Health Centers) in the sub-district area, industrial growth according to the total number of non-formal and formal industries in the sub-district area. The data was analyzed using multiple linear regression between population, educational facilities, health facilities, and industrial growth on employment in Blitar City in the period 2010-2020 using EVIEWS v. 10. The multiple linear regression models in this study are as follows:

$$Y = a + \beta 1 X 1 + \beta 1 X 2 + \beta 3 X 3 + \beta 4 X 4 + e \qquad (1)$$

Where:

Y= Total labor absorption, a= Constanta, β1= Coeffisient X1, β2= Coeffisient X2, β3= Coeffisient X3, X1= District population variable, X2= Variable number of school facilities in the district, X3= Variable number of health facilities in the district, X4= Variable number of formal & non-formal industries in the district, e= *Error term*

RESULT AND DISCUSSION

Table 1. Comparison of CEM, FEM, REM Tests. Panel Data Estimation Model

Variabel	CEM	p>t	FEM	p>t	REM	p>t
Population	-0.662325	0.1625	-0.625674	0.7217	-0.780724	0.3553
School Facilities	-0.037085	0.0035	0.000480	0.9732	-0.011935	0.3579
Health Facilities	-0.000488	0.8255	-0.000945	0.6270	-0.000843	0.6532
Growth of Industries	0.547484	0.0219	0.811438	0.0008	0.731304	0.0011
Cons	12.65470	0.0170	9.177565	0.6227	11.82568	0.1909
	R-sq	0.736600	R-sq	0.828399	R-sq	0.695330

Source: Secondary data output after processing, 2022; (Kamila, 2021).

The three regression models (CEM, FEM, and REM) will be selected as regression model which will then be used for analysis. Therefore, the test is carried out:

Table 2. Chow, Hausman, and Lagrange test results

Test	Probability	Significance	Result
Chow	0,0038	0,05	FEM
Hausman	0,3382	0,05	REM
lagrange	0,4116	0,05	CEM

Source: Secondary data output after processing, 2022; (Kamila, 2021).

The results of the Chow, Hausman, and Lagrange tests indicate that the most appropriate regression model is CEM. The multiconerity test results are as follows:

Table 3. Multiconerity Test

Variable	VIF
Population	1.061451
School Facilities	2.313606
Health Facilities	1.839020
Growth of Industries	3.629073

Source: Secondary data output after processing, 2022; (Kamila, 2021).

Hasil pengujian multikoneritas menunjukkan semua variabel tidak ada yang memiliki nilai lebih dari 5 atau 10. Maka penelitian ini terbebas dari multikoneritas.

Table 4. Common Effect Model

Variable	Koefisien	Std. Eror	t-Statistik	Prob	Adj. R Square
(Constant)	12.65470	4.987286	2.537392	0.0170	
Population	-0.662325	0.461702	-1.434530	0.1625	
School Facilities	-0.037085	0.011625	-3.189958	0.0035	0.698972
Health Facilities	-0.000488	0.002193	-0.222513	0.8255	
Growth of Industries	0.547484	0.225519	2.427663	0.0219	

Source: Secondary data output after processing, 2022; (Kamila, 2021).

Determination Coefficient Test (R2)

The coefficient of determination aims to see or measure how far the model's ability to explain the dependent variable. From the Eviews v. output view. 10 in table 1 the value of Adjusted R Square is 0.6989. This indicates that the contribution of the independent variable to the dependent variable is 69.89%, while the remaining 30.11% (100-69.89) is determined by other factors outside the model which were not detected in this study.

F test (F-Test)

The results of Eviews data processing on the F test are to see whether or not there is an influence of the independent variables on the dependent variable and to test whether the model used is fixed or not. The results of data processing show a significant value at 0.0038 (Sig 0.0000 <0.05). This means indicating that the regression equation obtained is reliable

or the model used is fixed. then this means that the independent variables are able to explain the dependent variable together or there is a simultaneous influence of the independent variables on the dependent variable.

Table 5. Hasil Uji F

Effect Test	Statistic	d.f	Prob.
Cross-section F	6.954443	(2.26)	0.0038
Cross-section Chi-square	14.140581	2	0.0008

Source: Secondary data output after processing, 2022; (Kamila, 2021).

A region or area in its development will experience different population growth every time. The increasing population will affect the unemployment rate. Population growth and an increase in the labor force are positive factors in driving economic growth. However, the higher population growth will further increase the unemployment rate because the available jobs cannot absorb the number of workers (Kawet et al., 2019).

The independent variable population has a probability value of 0.1625, which is greater than the value $\alpha = 5\%$, this means that the population does not have a significant influence on employment in Blitar City. In addition, the population variable has a coefficient of -0.6623 which indicates that every increase in population by one unit number will reduce employment by -0.6623. The results of the processed research show that it is not in line with the research conducted by (Muslihatinningsih, et.al. 2020) which states that there is an influence between population size and employment in East Java. The absence of a significant influence between the variable population and labor absorption in Blitar City indicates that the labor absorption factor is not always influenced by the rate of population growth.

The increase in population is not always in line with the increase in the workforce because there are differences in needs in the job vacancies offered (Kawet et al., 2019). These results also indicate that the contribution of the population is not the main foundation in the supply of labor in the City of Blitar. If the population growth is not accompanied by an increase in the quality of human resources, it will cause various obstacles in development and exacerbate unemployment.

Government has set the goal of education is to shape the character of students to be superior, noble, capable, creative and independent. With education, in addition to providing the value of knowledge, individuals can develop the skills needed in accordance with the

conditions of the social environment that can help the development process (Kawet et al., 2019). Dwiarsyah & Lizar (2021) also revealed that government spending on the education sector also directly increases human capital which can help productivity growth. Concern for seeing the importance of education in the development of human capital can be realized by carrying out the construction of school building infrastructure.

The independent variable of educational facilities has a probability value of 0.0035, which is smaller than the value of α = 5%, this means that educational facilities have a significant influence on employment absorption in Blitar City. The coefficient of educational facilities has a value of -0.0370 which indicates that every reduction in school facilities in one unit number will reduce labor absorption by -0.0370%. This research is also in line with that conducted by Agustina & Althofia (2015) which states that spending on education has a significant influence on employment absorption in West Java Province. But research conducted by Mardiana, dkk., (2018) states that budget spending in the education sector has a negative and insignificant effect on employment. This is different from the results of the t test which shows that educational facilities have a negative but significant effect on employment. The education variable that has a negative but significant influence is assumed that the provision of a high budget for the construction of school buildings is able to create new jobs, both for development workers and school employees when the construction has been completed.

Expenditures in the education sector will help equalize access to education so that it will create many individuals who have quality human resources and are ready to compete in the labor market. In addition, the existence of educational infrastructure and infrastructure development projects will involve many parties and require workers, so that it will directly have an impact on employment and assist in the economic development of a region. Because spending on education is a form of investment in economic growth (Lubis, 2014).

Law No. 36 of 2009 reveals that health is a condition that characterizes the ability of the soul and mind to produce a productive life in social and economic terms. Therefore health is the essence of well-being in human capital development. It is important for stakeholders to pay attention to the welfare of society, especially in the health sector. Regional development that runs well also depends on the provision of quality human capital, the quality of Human Resources (HR) can be achieved by providing infrastructure that supports investment in available human resources in the region (Mardiana et al., 2018).

Improving the quality of health can be achieved by developing adequate infrastructure and health facilities. In 2010-2020 the construction of health facilities in Blitar

City has increased quite a bit, starting from posyandu, pharmacies, health centers to hospitals. However, based on the calculation results, the independent variable of health facilities has a probability value of 0.8255, which is greater than the value of α = 5%, thus the health facility variable does not have a significant effect on employment in Blitar City. The coefficient value of health facilities is -0.0004 indicating that a decrease in health facilities in one unit number will result in a decrease in the workforce of -0.0004%. These results are not in accordance with research conducted by (Dwiarsyah & Lizar, 2021) regarding the effect of spending on health which has an influence on economic growth and has implications for labor absorption in Bengkulu Province. Even though health facilities have been provided properly, in fact they have not affected the absorption of labor in Blitar City itself. This is due to the existence of other sectors that are more attractive to job seekers than the health sector. Considering that Blitar City is a city that focuses on the development of the arts and crafts industry.

Industry is a supporting sector for the economy in the region, the existence of the industrial sector will advance the economy if it is managed properly. Community welfare can be achieved because of the income from the industrial sector, which is able to provide jobs (Rakhmawati & Boedirochminarni, 2018). As a leading sector, the role of industry in a region is very important because it relates to the success of development which can encourage growth in various other sectors (Chusna, 2013). The industrial growth variable has a probability value of 0.0219 which is smaller than the value of α = 5%, this means that industrial growth has a significant influence on employment absorption in Blitar City. The number of industries also has a coefficient value of 0.5474 which indicates that an increase in the number of industries in one unit number will result in an increase in the workforce of 0.5474%. This is in line with research Zenda dan Suparno, (2017) which reveals that the number of industries has a significant influence on employment in the city of Surabaya. The existence of this significant influence is a good sign for the City of Blitar to continue to develop the potential of its human resources through existing industrial sectors.

The city of Blitar itself has 2 types of industry, namely formal and informal. These two sectors should receive special priority in development because they are proven capable of absorbing available labor and can reduce the unemployment rate. The measure of development success can be achieved by the availability of adequate employment opportunities, so that good labor absorption will directly increase income and increase

people's purchasing power so that a balance will be created in regional development. (Purwasih & Soesatyo, 2017).

CONCLUSION

This study shows that the population, educational facilities, health facilities, and industrial growth have a significant effect on employment in Blitar City. But partially, the variables of population and health facilities have no effect on employment. While the school facilities variable has a negative but significant effect on employment and industrial growth has a significant positive effect on employment in Blitar City.

In terms of population growth, it shows a fairly high number when compared to other regions in East Java. Residents have an important role in development because it contains the quantity and quality of human resources needed, especially for labor needs. However, the population does not always affect employment. Even though Blitar City has the highest unemployment rate in the entire Kediri Regency, the percentage of employment in the labor force population has reached 93.22% in 2020 (BPS Blitar, 2020), therefore the population has no influence on labor absorption. In addition to this, the government also continues to actively disseminate skills training for the workforce so that they can develop capabilities and provide new jobs for the people of Blitar City.

Properly and adequately available health facilities will encourage the quality of human resources. Regional development is not only based on physical capital, but also based on human capital. The quality of human resources can be realized by having health facilities that can create healthy and intelligent human resources. With the availability of health services, the population will have easy access to health which can boost their productivity for work. Health facilities in the city of Blitar are quite well available, there are hospitals, pharmacies, health centers to posyandu scattered in each sub-district to help the community to get adequate health services. Although the availability of health facilities can boost community productivity, health facilities have no influence on labor absorption. This indicates that there are no available jobs in the health sector for the community, therefore health facilities have no influence on employment in Blitar City.

Education is the main key to human capital development. With education, everyone can have knowledge and develop new abilities, and regions and regions can maximize the potential of their human resources because it can trigger productivity and creativity. The knowledge and skills acquired during the education period are later expected to contribute and contribute to regional development. The educational facilities

available in Blitar City are quite adequate, school buildings from the elementary-high school level are scattered in every sub-district and village so that the community can get good access to education. School facilities have an influence on labor absorption, the construction and renovation of school buildings that are taking place in several sub-districts of Blitar City can attract new workers. Thus education affects the absorption of labor in the City of Blitar.

Industrial growth in the City of Blitar is quite rapid, in 2020 the industry in the City of Blitar will reach 4,793 businesses consisting of the formal and informal sectors. The existence of industry as a leading sector certainly has an influence on economic growth and development of the City of Blitar, especially in terms of employment. Industries in the city of Blitar, which are still focused on arts and crafts, are of course still being carried out directly by the workers. Although the industry in Blitar City focuses on crafts and crafts, economic development in Blitar City has also begun to penetrate the creative and digital economy industries. Digitalization which has begun to be implemented in Blitar City is also an effort to achieve a smart city which is currently being developed by the Blitar City Government. The synergy between the craft industry and the digital creative industry in the future is expected to create broad employment opportunities for the people of Blitar City. The presence of industry in the midst of society does provide a stimulus to create jobs, so that in this case industrial growth does have a direct impact on employment in Blitar City.

The recommendations from this study have suggestions for the local government of Blitar City to pay attention to the rate of population control so that existing residents are able to be absorbed into the available labor opportunities, and increase guarantees of health facilities for the people in the City.

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