
Determinants Of Syariah Stock Value On The Indonesian Stock Exchange

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Abstract

This study aims to analyze the influence of skilled labor migration (brain drain), economic growth, and provincial minimum wages on the level of educated unemployment in Indonesia. The increasing number of university graduates who are not absorbed into the labor market has become a major concern, particularly in the context of transnational labor mobility. Panel data from 22 provinces in Indonesia during the 2014–2018 period were employed to examine the relationships among the variables using a panel data regression approach. The estimation model selected was the fixed effect model based on the Chow and Hausman tests. The results reveal that brain drain and economic growth significantly influence educated unemployment. Brain drain has a positive effect, indicating that increased migration of educated labor abroad correlates with higher domestic unemployment in this segment. Conversely, economic growth exerts a negative effect, reflecting that increased economic output can absorb more educated labor. However, the provincial minimum wage does not have a significant impact on educated unemployment, suggesting that wage rigidity is not a major factor in the absorption of highly educated workers. These findings underscore the importance of strengthening labor market policies and creating a competitive domestic economic ecosystem to retain highly skilled human resources.

Keywords: *Skilled Labor Migration, Economic Growth, Minimum Wage, Educated Unemployment, Indonesia*

INTRODUCTION

Economic development in a country aims to create public welfare through job creation and unemployment reduction. As a developing country, Indonesia faces serious challenges in the form of educated unemployment, which refers to graduates of higher education who are not absorbed into the labor market. Despite improvements in educational attainment, the imbalance between job creation and the supply of educated labor continues to result in high and fluctuating levels of educated unemployment.

One of the critical phenomena influencing this condition is brain drain, or the migration of skilled labor to foreign countries. Brain drain has the potential to reduce the domestic quality of human capital and exacerbate the gap between labor force growth and available employment opportunities. Additionally, macroeconomic factors such as economic growth and minimum wage policies are also believed to affect the dynamics of educated unemployment. While

economic growth is expected to absorb more labor, increases in minimum wages may impact firms' hiring policies

LITERATURE REVIEW

Brain Drain

Brain drain refers to the migration of skilled labor to other countries in pursuit of better living standards and career opportunities. This phenomenon has become a structural issue in national economic development. McKenzie (2010) argues that intellectual migration reduces the availability of productive human resources domestically. In Indonesia, Yasin (2015) identified two key factors driving brain drain: the inability of the country to accommodate skilled workers and the attraction of better pay and facilities abroad. The push-pull factor framework explains that internal push factors include stagnant economic conditions and job mismatches, while external pull factors consist of financial and professional incentives in destination countries. BNP2TKI reports that diploma holders dominate the educated migrant population, suggesting weak domestic absorption of university graduates.

Economic Growth

Economic growth plays a crucial role in labor absorption, including for educated workers. According to Okun's Law, there is a negative relationship between economic growth and unemployment rates. Gross Regional Domestic Product (GRDP) increases reflect productivity growth and job creation. In East Java, Sari (2013) found that economic growth contributed to reducing educated unemployment through expansion in labor-intensive industries. The neoclassical growth theory posits that output growth stems from increases in capital, labor, and technology. However, in Indonesia, the effects of economic growth on educated unemployment remain constrained by sectoral imbalances, informal sector dependence, and unequal regional development.

Provincial Minimum Wages

Provincial minimum wages (UMP) are set to protect workers from low-wage exploitation. However, increases in UMP have complex implications for unemployment. According to wage rigidity theory, raising wages without corresponding productivity increases may reduce labor demand. Huda (2018) showed that in East Java, rising minimum wages positively correlated with educated unemployment, as firms reduced recruitment to lower operating costs. Meanwhile, Mulyono (1997) noted that educated workers tend to prefer jobs aligned with their field and education level, which may increase job search duration despite rising wages.

Educated Unemployment

Educated unemployment refers to members of the labor force with upper secondary or higher education, such as high school, diploma, and university graduates, who are unable to find permanent employment. According to the Central Bureau of Statistics (BPS), this group is at high risk of unemployment due to selective job preferences and a mismatch between their skills and industry needs. Todaro and Smith classify unemployment into open, disguised, and underemployment, with educated unemployment often falling into these categories. Structurally, this issue relates to a mismatch between the education system and labor market demands.

METHOD

This study uses a quantitative approach with secondary panel data, which combines time series and cross-sectional dimensions to analyze spatial and temporal dynamics across provinces. Data were obtained from official publications of BPS, BNP2TKI, and relevant government policy documents. The data include the number of skilled labor migrants (brain drain), constant-price GRDP as a proxy for economic growth, and provincial minimum wages (UMP), covering 22 provinces from 2018 to 2024.

RESULTS AND FINDINGS

The findings underscore that brain drain is a major factor contributing to the increasing rate of educated unemployment in Indonesia. This phenomenon indicates that, although university graduates possess the necessary competencies, many prefer to work abroad due to limited domestic job opportunities aligned with their skills and expectations. Over the long term, this condition threatens the availability of high-quality human resources in strategic domestic sectors.

Economic growth was found to significantly reduce educated unemployment, consistent with classical growth theories and Okun's Law. Provinces experiencing higher GRDP growth show greater capacity to absorb higher education graduates. This highlights the need for development strategies focused on expanding high-tech and value-added labor-intensive sectors.

The insignificance of minimum wage effects suggests that educated job seekers are more concerned with job quality and relevance than salary levels alone. These results align with Mulyono's (1997) study, which found that educated job seekers are selective in accepting jobs, particularly with respect to career clarity and alignment with educational background.

CONCLUSION

1. Brain drain has a positive and significant impact on educated unemployment. The increasing number of educated individuals working abroad is associated with a rise in domestic unemployment among higher education graduates.
2. Economic growth has a negative and significant impact on educated unemployment. Increased economic activity contributes to better labor absorption, including among university graduates.
3. Provincial minimum wage does not significantly influence educated unemployment. This indicates that the job expectations and selectivity of graduates are influenced more by job suitability than wage fluctuations.

Overall, the results highlight the importance of labor market policy formulation and economic development strategies that can reduce the migration of educated labor and integrate them into the domestic economy.

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