



Determinant Analysis of Labor Absorption in the Agricultural Sector in South Sulawesi Province (1999 - 2019)

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Abstract: This study aims to examine and analyze the direct and indirect effects of investment in the agricultural sector, regional capital expenditures for the agricultural sector, the Provincial Minimum Wage (UMP) on the absorption of labor in the agricultural sector in South Sulawesi Province through the Gross Regional Domestic Product (GRDP)) the agricultural sector and the Human Development Index (IPM). The data used in this study is secondary data from the Central Bureau of Statistics (BPS) in the form of a time series from 1999 to 2019. In this study using the structural equation regression analysis method using SPSS software . The analysis technique used in this study is Path Analysis. The results of the study show that investment in the agricultural sector has an effect both directly and indirectly on the employment of the agricultural sector in South Sulawesi Province through the agricultural sector's Gross Regional Domestic Product (GRDP). Regional capital expenditures for the agricultural sector influence both directly and indirectly the absorption of labor in the agricultural sector in South Sulawesi Province through the agricultural sector's Gross Regional Domestic Product (GRDP) and the Human Development Index (IPM). The Provincial Minimum Wage (UMP) has no direct or indirect effect on employment in the agricultural sector in South Sulawesi Province through the agricultural sector's Gross Regional Domestic Product (GRDP) and the Human Development Index (IPM).

Keywords: Labor Absorption; Agricultural Sector; South Sulawesi Province

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INTRODUCTION

An economy that is developing rapidly is not a guarantee that a country is said to be prosperous if it is not followed by expanding job opportunities to accommodate new workers who enter the world of work every year. farmers, expand employment opportunities, and encourage equity. The agricultural sector in Indonesia is still playing an important role side by side with other sectors, most of Indonesia's population still depends on the agricultural sector. In line with research by Dewi, RF, Prihanto, PH, & Edy, JK (2016: 19) found that the growth of GRDP in the agricultural sector, potential land area, provincial minimum wage and investment have a significant effect on employment in the agricultural sector. In line with the research of Alexandj, M. F ., & Oville, M (2013: 71) who found the results of the estimation of the agricultural sector model for the MSE, consumption, investment, and GRDP variables to have a significant effect on employment in the agricultural sector.

From the results of previous research there are different problems related to the agricultural sector workforce in South Sulawesi Province. Based on data obtained from the Central Statistics Agency (BPS) of South Sulawesi Province, the agricultural sector is one of the largest contributors to absorbing workers, where in 2018 it

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absorbed 1,426,501 workers and in 2019 absorbed 1,377,408 workers. The large number of people working in the agricultural sector is expected to prosper the workforce, but what happens is that government policies in the agricultural sector tend to focus more on increasing production and output. so that it pays little attention to the quality of life of the workforce, the alignment of the agricultural sector workforce is very lacking so that the added value of agriculture is not enjoyed by the workforce, meaning that agricultural development policies are not successful. There must be political will from the government to improve the lives of workers.

Table 1. Minimum Wage for South Sulawesi Province 2010-2019

Year	Million Rupiah
2010	1,000,000.00
2011	1,100,000.00
2012	1,200,000.00
2013	1,440,000.00
2014	1,800,000.00
2015	2,000,000.00
2016	2,250,000.00
2017	2,435,625.00
2018	2,647,767.00
2019	2,860,382.00

Source: BPS 2010-2019

Table 2. The average monthly net income of informal workers by employment in South Sulawesi Province in 2019

Sector	Revenue (Million Rupiah)
Agriculture	1,659,937
Industry	1,803,898
Service	2,169,985

Source: BPS 2019 (Data processed)

BPS data shows that many residents of South Sulawesi Province are still working in the agricultural sector, however, government policies in the agricultural sector tend to focus more on increasing production and output. thus paying little attention to the quality of life of the workforce. The data from table 1 and table 2 shows that the wages received by informal workers indicate that the income of informal workers who work in the agricultural sector still has an income below the Provincial Minimum Wage. It is hoped that the minimum wage set by the government will also have an impact on informal sector workers. If the minimum wage is set as the wage basis for informal sector workers such as the agricultural sector, it is likely that the welfare of informal workers will increase.

This study aims to examine and analyze the effect of investment on employment in the agricultural sector in South Sulawesi Province, both directly and indirectly through the Gross Regional Domestic Product (GRDP) of the agricultural sector, the effect of regional capital expenditure in the agricultural sector on employment absorption in the agricultural sector in Sulawesi Province. South, both directly and indirectly through the agricultural sector's Gross Regional Domestic Product (GRDP) and the Human Development Index (IPM). And the influence of the Provincial Minimum Wage on the absorption of labor in the agricultural sector in South Sulawesi Province, both directly and indirectly through the agricultural sector's Gross Regional Domestic Product (GRDP) and the Human Development Index (IPM).

METHODOLOGY

The data used in this study is secondary data from the Central Bureau of Statistics (BPS) in South Sulawesi Province which includes data on domestic investment and data on foreign investment in the agricultural sector, regional capital expenditure data for the agricultural sector, data on the Provincial Minimum Wage (UMP). South Sulawesi Province, Gross Regional Domestic Product (GRDP) data in the agricultural sector, Human Development Index (IPM) data and population data absorbed in the sector in the form of a time series from 1999 to 2019. The analysis technique used in this study is Path Analysis (Path Analysis). In this study using the method of structural equation regression analysis using SPSS software.

RESULTS

research was conducted to test whether there is a direct effect of investment in the agricultural sector, regional capital expenditures in the agricultural sector, provincial minimum wages, economic growth in the agricultural sector, and the Human Development Index on employment in the agricultural sector in South Sulawesi

Province. And the indirect effect of investment in the agricultural sector, regional capital expenditure in the agricultural sector, the minimum wage on employment in the agricultural sector in South Sulawesi Province through agricultural economic growth and the Human Development Index (IPM) is as follows:

Table 3. Estimation Results of the Direct Effect of Independent Variables on the Dependent Variable

Variable Relations	Coefficient	t- count	Sig	Information
X ₁ → Y ₁	0.288	1,848	0.042	Significant
X ₂ → Y ₁	0.782	5,914	0.000	Significant
X ₃ → Y ₁	0.063	0.459	0.652	Not significant
X ₂ → Y ₂	0.123	2,257	0.037	Significant
X ₃ → Y ₂	0.352	1618	0.123	Not significant
X ₁ → Y ₃	0.621	5.131	0.000	Significant
X ₂ → Y ₃	0.214	2.152	0.048	Significant
X ₃ → Y ₃	0.003	0.043	0.966	Not significant
Y ₁ → Y ₃	0.818	8,086	0.000	Significant
Y ₂ → Y ₃	0.354	4.159	0.001	Significant

* Significant at $\alpha = 5\%$;

Based on table 3 the results of testing the direct effect of investment in the agricultural sector, capital expenditure in the agricultural sector, the Provincial Minimum Wage (UMP), the Gross Regional Domestic Product (GRDP) of the agricultural sector and the Human Development Index (IPM) on employment absorption in the agricultural sector in South Sulawesi Province show that:

The results of testing the effect of agricultural sector investment on the agricultural sector's Gross Regional Domestic Product (GRDP) obtained a coefficient value of 0.288, this means that every 1 percent increase in agricultural sector investment increases the agricultural sector's Gross Regional Domestic Product (GRDP) by 28.8 percent and a probability value of 0.042 < 0.05 and declared a positive effect. The results of this study prove that the greater the investment made in the agricultural sector, the more positive it will have on the Gross Regional Domestic Product (GRDP) of the agricultural sector in South Sulawesi Province. The results of testing the influence of regional capital expenditure in the agricultural sector on the Gross Regional Domestic Product (GRDP) of the agricultural sector obtained a coefficient value of 0.782, this means that every 1 percent increase in regional capital expenditure in the agricultural sector will increase 78.2 percent of the sector's Gross Regional Domestic Product (PDRB). agriculture and a probability value of 0.000 < 0.05, is stated to have a positive effect. The results of this study indicate that the greater the regional capital expenditure in the agricultural sector, it will have a positive influence on the agricultural sector's Gross Regional Domestic Product (GRDP). The results of testing the effect of the Provincial Minimum Wage (UMP) on the Gross Regional Domestic Product (GRDP) of the agricultural sector obtained a probability value of 0.652 > 0.05, declared to have no effect. The results of this study indicate that the high and low Provincial Minimum Wage (UMP) has no effect on the Gross Regional Domestic Product (GRDP) of the agricultural sector.

The results of testing the influence of regional capital expenditure in the agricultural sector on the Human Development Index (IPM) obtained a probability value of 0.123 meaning that every 1 percent increase in regional capital expenditure in the agricultural sector will increase 12.3 percent of the Human Development Index (IPM) and a probability of 0.037 < 0.05, stated positive effect. The results of this study indicate that the greater the regional capital expenditure in the agricultural sector, the more it will have a positive effect on the Human Development Index (IPM) in South Sulawesi Province. 0.123 > 0.05, declared no effect. The results of testing the effect of agricultural sector investment on employment in the agricultural sector obtained a coefficient value of 0.621, which means that every 1 percent increase in agricultural sector investment will increase 62.1 percent of employment in the agricultural sector and a probability value of 0.000 < 0.05, is stated to have a positive effect.

The results of this study indicate that the amount of investment in the agricultural sector has a positive and significant effect on employment in the agricultural sector. The results of testing the effect of regional capital expenditure in the agricultural sector on employment in the agricultural sector obtained a coefficient value of 0.214, which means that every 1 percent increase in regional capital expenditure in the agricultural sector will increase 21.4 percent of employment in the agricultural sector and a probability value of 0.048 < 0.05 is declared to have an effect positive. The results of this study indicate that the greater the regional capital expenditure in the agricultural sector, the more it will have a positive effect on employment in the agricultural sector. The results of testing the influence of the Provincial Minimum Wage (UMP) on employment in the agricultural sector obtained a probability value of 0.966 > 0.05, otherwise it had no effect.

The results of testing the effect of the agricultural sector's Gross Regional Domestic Product (GRDP) on the employment of the agricultural sector obtained a coefficient value of 0.818, which means that every 1 percent increase in the agricultural sector's Gross Regional Domestic Product (GRDP) will increase 81.8 percent of the agricultural sector's employment and a probability value of 0.000 < 0.05 is stated to have a positive effect.

The results of testing the effect of the Human Development Index (IPM) on employment in the agricultural sector obtained a coefficient value of 0.354, which means that every 1 percent increase in the Human Development Index (IPM) will increase 35.4 percent in employment in the agricultural sector and a probability value of 0.001 < 0.05 stated to have a positive effect.

Table 4. Estimation Results of the Indirect Influence of the Independent Variables on the Dependent Variable

Variable Hub	Sobel Test Statistics	Std Error	P-Value	Information
$X_1 \rightarrow Y_1 \rightarrow Y_3$	1.7999	0.1308	0.041	Significant
$X_2 \rightarrow Y_1 \rightarrow Y_3$	4.7815	0.1337	0.000	Significant
$X_3 \rightarrow Y_1 \rightarrow Y_3$	0.4557	0.1130	0.648	Not significant
$X_2 \rightarrow Y_2 \rightarrow Y_3$	1.9984	0.0217	0.045	Significant
$X_3 \rightarrow Y_2 \rightarrow Y_3$	1.5054	0.0827	0.132	Not significant

*Significant at $\alpha = 5\%$

The results of testing the indirect effect of agricultural sector investment on employment in the agricultural sector through the agricultural sector's Gross Regional Domestic Product (GRDP) obtained a p-value of 0.041 < 0.05, which means that agricultural sector investment has a positive effect on agricultural sector employment through product Gross Regional Domestic (GDP) of the agricultural sector.

The results of testing the indirect effect of regional capital expenditure in the agricultural sector on employment in the agricultural sector through the agricultural sector's Gross Regional Domestic Product (GRDP) obtained a p-value of 0.000 < 0.05, which means that regional capital expenditure in the agricultural sector has a positive effect on employment agricultural sector through the Gross Regional Domestic Product (GRDP) of the agricultural sector.

The results of testing the indirect effect of the Provincial Minimum Wage (UMP) on employment in the agricultural sector through the agricultural sector's Gross Regional Domestic Product (GRDP) obtained a p-value of 0.648 > 0.05, which means that the Provincial Minimum Wage (UMP) has no effect on absorption agricultural sector workers through the agricultural sector 's Gross Regional Domestic Product (GRDP).

The results of testing the indirect effect of regional capital expenditure in the agricultural sector on employment in the agricultural sector through the Human Development Index (IPM) obtained a p-value of 0.045 < 0.05, which means that regional capital expenditure in the agricultural sector has a positive effect on employment in the agricultural sector through Human Development Index (IPM).

The results of testing the indirect effect of the Provincial Minimum Wage (UMP) on employment in the agricultural sector through the Human Development Index (IPM) obtained a p-value of 0.132 > 0.05, which means that the Provincial Minimum Wage does not affect employment in the agricultural sector through the Index Human Development (IPM).

Based on the results of direct and indirect testing, hypothesis 1) It is suspected that agricultural sector investment has an effect directly or indirectly through the agricultural sector's gross regional domestic product on the employment of the agricultural sector in South Sulawesi Province, declared appropriate so that the first hypothesis is accepted. 2) It is suspected that the regional capital expenditure in the agricultural sector influences directly or indirectly through the agricultural sector's gross regional domestic product and the Human Development Index (IPM) on the employment of the agricultural sector in South Sulawesi Province, declared appropriate so that the second hypothesis is accepted. 3) It is suspected that the Provincial Minimum Wage (UMP) influences directly or indirectly through the agricultural sector gross regional domestic product and the Human Development Index (IPM) on the employment of the agricultural sector in South Sulawesi Province, declared inappropriate so the third hypothesis is rejected.

DISCUSSION

The Direct Effect of Investment in the Agricultural Sector on the Gross Domestic Product of the Agricultural Sector

The greater the investment made in the agricultural sector, the more positive it will have on the gross regional domestic product of the agricultural sector in South Sulawesi Province. The South Sulawesi Provincial Government is carrying out a strategy, one of which is the development of leading sector commodities in the areas of new economic growth centers. The dominance of this sub-sector was marked by a growth of 5.32 percent in 2018 which was supported by three main commodities. The main agricultural commodities are rice, corn and cassava. South Sulawesi is a national food barn in Eastern Indonesia. Based on the explanation above, investment in the agricultural sector will have a positive impact, such as an increase in the amount of goods produced (output), this will have an impact on increasing income and expanding employment so that it will encourage an increase in gross regional domestic product, there will be sector investment. agriculture can be used as a source of costs development.

Research results from Suratman, S., Yurisinthae, E., & Sudrajat, J. (2016: 85) states that there is a significant positive effect of investment in the agricultural sector on the growth of the agricultural sector. In research from Awunyovitor, D. and Sackey, RA (2018: 11) also explains that investment has a positive and significant influence on growth in the agricultural sector. Investment in the agricultural sector will create new jobs so that people will benefit from continuing their agricultural business.

The Direct Effect of Regional Capital Expenditure in the Agricultural Sector on the Gross Regional Domestic Product of the Agricultural Sector on the Human Development Index

Apart from being the gateway to the eastern region of Indonesia, South Sulawesi province also has considerable natural resource potential, especially agriculture. With its strategic geographical location and natural potential, the autonomy program is an opportunity to accelerate regional development. To finance development, funds are needed, which is not small. Government spending has a short-term effect on the economy, especially related to the procurement of fixed assets, in a slowing economic condition, the Government's contribution from Government spending is more needed to be able to immediately improve economic conditions to further increase economic growth in the future.

Referring to Sollow's theory to spur economic growth through the provision of factors of production, therefore the stipulated APBD must be able to become the basic framework for accelerating development in the Province of South Sulawesi. According to Jhingan, ML (2003) the role of government spending in economic development lies in increasing the rate of economic growth, providing employment opportunities, increasing income and living standards, reducing income inequality and prosperity, in encouraging private initiative and business, and in realizing regional balance within economy. This research is in line with Dumairy (2001) which states that the government spends a lot of money to finance its activities. These expenditures are not only for running the government's day-to-day operations, but also for financing economic activities.

The Effect of the Provincial Minimum Wage on the Gross Regional Domestic Product of the Agricultural Sector

Minimum wages are basic wages and allowances that are determined regionally, sectorally and sub-sectorally. Wages are a form of compensation, in which workers receive rewards from their employers for work or services performed to fulfill their daily needs (Indrajaya, IGB, & Ningsih, NMC 2015). In this study, it turned out that the Provincial Minimum Wage had no effect on the Gross Regional Domestic Product (GRDP) of the agricultural sector, based on data from BPS the wages received by workers in the agricultural sector, in this case, informal workers still earn wages below the Provincial Minimum Wage (UMP) set. local government, this is due to the fact that even though the minimum wage has been set, in reality employers pay workers below the applicable minimum wage. This is due to the inability to pay the wages. The results of this study are different from the research of Inradewa, IGA, & Natha, KS (2015) which states that the wage rate of a region has a positive effect on GRDP.

The Direct Effect of Regional Capital Expenditure in the Agricultural Sector on the Human Development Index

The greater the regional capital expenditure in the agricultural sector, the more it will have a positive influence on the human development index in South Sulawesi Province. Allocating the budget to capital expenditures for the agricultural sector, such as the procurement of aids and infrastructure development, will spur the development of the agricultural sector. It is this development that increases people's productivity and is expected to increase employment opportunities, so that capital expenditure in the agricultural sector indirectly helps people to meet their needs.

These results support the research hypothesis and are relevant to the results of previous research conducted by Si'lang, ILS, Hasid, Z., & Priyagus, P. (2019). found that partially Expenditure variable Directly the Government has positive effect and significant to the Human Development Index (IPM) in West Sulawesi Province, in line with research Baeti, N (2013) prove government spending specifically in the education and health sectors have a positive and significant impact on the HDI in Central Java. Likewise research conducted by Pratowo, NI (2012). which can prove that Regional Expenditure significantly has a positive influence on the human development index in Central Java Province. In addition, the results of the study show that if the regional capital expenditure variable in the agricultural sector is a variable that affects the Human Development Index (IPM) in South Sulawesi Province, it can illustrate that in addition to increasing production in the agricultural sector, the South Sulawesi Provincial government can accelerate the increase in the Human Development Index. (IPM) through appropriate and productive fiscal policies.

Direct Effect of Provincial Minimum Wage on Human Development Index

The minimum wage is expected to help low-income residents, especially the working poor. The main purpose of setting a minimum wage is to meet minimum living standards such as for health, efficiency and welfare of workers. Apart from that, setting a minimum wage also aims to equalize income, increase the purchasing power of workers and expand employment opportunities. However, in this study the Provincial Minimum Wage (UMP) has no effect on the Human Development Index (IPM), this is because the Provincial Minimum Wage (UMP) only applies to formal workers and does not yet apply to informal workers. So that the Provincial Minimum Wage (UMP) cannot be used as a factor that can affect the rise and fall of the Human Development Index (IPM). This research is in line with Isnawati's research results (2018) showing that the UMR is not significant to the Human Development Index for the 2011-2015 period in Central Java Province from an Islamic Economic perspective.

The Direct Effect of Agricultural Sector Investment on Labor Absorption in the Agricultural Sector

Factors that cause investment in the agricultural sector to directly affect employment in the agricultural sector, namely with investment in the agricultural sector (development of superior commodities, opening of new land, increasing area, and developing agribusiness) require manpower to realize this investment. Based on the previous presentation on theoretical studies, it has been explained that investment activities enable a society to continuously increase economic activity and employment opportunities, increase national income and increase the level of community prosperity. Investment plays an important role in driving the economy because with the formation of capital it forms production capacity and creates new fields so that it can expand employment opportunities. With the formation of new jobs, investment indirectly reduces the number of unemployed (Todaro, 2000).

This analysis is supported by previous research by Alexandi, M. F, & Ovilla, M. (2013). the results of the estimation of the investment variable have a significant effect on employment in the agricultural sector. The impact of investment in the agricultural sector in general has a positive effect on output formation, income generation, and especially in job creation. The role of the agricultural sector in economic development in Indonesia, especially in South Sulawesi Province, is highly expected considering that Indonesia is an agrarian country, the agricultural sector is expected to be able to contribute and be able to create higher value added in the various commodities it produces. The growth of the agricultural sector as one of the leading centers which is still able to survive in the current unstable economic situation, cannot be separated from the role of investment in the agricultural sector. In terms of its natural resources, Sulawesi Province has enormous opportunities for investment activities, both Foreign Investment (PMA) and Domestic Investment (PMDN). The condition of increasing investment in South Sulawesi Province has certainly increased the demand for inputs, one of which is labor, so that the current impact is that the level of employment opportunities always increases from year to year. Investment aims to update and increase the existing capital stock. High investment must be accompanied by appropriate development policies, the use of funds channeled by the government and the private sector must be carried out effectively and efficiently.

The Direct Effect of Regional Capital Expenditures in the Agricultural Sector on Absorption of Labor in the Agricultural Sector

The results of this study prove that the greater the regional capital expenditure in the agricultural sector, the more it will have a positive effect on employment in the agricultural sector. Regional capital expenditure by the South Sulawesi provincial government in the agricultural sector in the form of procuring agricultural processing equipment and developing agricultural infrastructure with this capital expenditure, people who want to work in the agricultural sector can increase their production and income. This research is in line with Keynesian theory which considers active fiscal policy to solve economic problems, especially related to employment opportunities. He even supports deficit spending by the government, because government spending can push the economy to reach full employment conditions.

This research is in line with research conducted by Satrio, AMA (2021) in his research which found that capital expenditure has a positive and significant relationship in influencing the number of workers absorbed in Makassar City.

According to Cambridge figures, active fiscal policy is more effective than monetary policy in overcoming economic problems. Capital expenditure can be interpreted as government financing/expenditures used to build, procure or buy assets because capital expenditure is the formation of fixed assets, so the positive impact that is generated also lasts for a long time, in addition to opening employment opportunities, government spending can increase people's income, which then drives an increase in aggregate demand. This increase in aggregate demand will stimulate producers to increase production capacity and encourage investments that can create new job opportunities. Government spending in the form of capital expenditure is part of fiscal policy (Sukirno, 2000), namely a government policy to manage the course of the economy by determining the amount of government revenue and expenditure each year which is reflected in the APBD document.

The Effect of the Provincial Minimum Wage on Absorption of Labor in the Agricultural Sector

Based on the analysis above, there is conformity with the existing theory, namely according to N. Gregory Mankiw, which states that for most workers, this minimum wage has no effect. Wages play an important role in employment because it is one of the factors that, when viewed from the supply side, affects employment. However, the results of this study found that the Provincial Minimum Wage has no effect on employment in the agricultural sector in South Sulawesi Province because in practice, the minimum wage cannot function as a safety net because it only reaches a small proportion of workers or laborers. This will be a challenge for local governments in improving the welfare of people who work in the agricultural sector, especially since the agricultural sector is still one of the sectors that absorbs a large enough workforce.

The study that supports this finding comes from Terrell's study (2004) which found that: (1) the legal minimum wage has a significant positive effect on wages for workers in the covered sector (formal sector), but has no effect on wages for workers in the uncovered sector (informal sector). A 10% increase in the legal minimum wage will increase the average wage in the covered sector by about 1%; (2) the legal minimum wage has a significant negative effect where an increase in the minimum wage causes reduced employment opportunities in the covered sector. It is estimated that a 10 percent increase in the minimum wage will reduce employment

opportunities by 1.09 percent; (3) the minimum wage has a negative effect on another dimension of the covered sector, namely hours worked, where a 10 percent increase in the real minimum wage causes a 0.62 percent decrease in the average number of hours worked, (4) the impact of the minimum wage on employment, wages and hours worked for workers across a range of skills indicate that the minimum wage has the greatest impact on workers at the bottom of the income distribution (2nd to 5th decile) of the distribution of workers according to skills.

The Direct Influence of Agricultural Sector Gross Regional Domestic Product on Absorption of Labor in the Agricultural Sector

The PDRB structure of South Sulawesi Province is still supported by the agriculture, forestry and fisheries sectors with a contribution of IDR 104.01 trillion or around 22.50 percent of all sectors. Based on BPS data, the total workforce in South Sulawesi for the August 2018 period was 3,988,029 people and employment in the agricultural sector dominated around 37.79 percent or 1,507,076 workers from all economic sectors. It is not wrong to say that the agricultural sector is still the mainstay of the economy of the majority of South Sulawesi's population. Gross Regional Domestic Product is a picture of economic activity in a region, therefore the amount of GRDP produced is very dependent on the potential of natural resources and production factors of the area. GRDP is a reflection of economic growth (additional output produced), if GRDP increases, the number of employment opportunities will be even greater. GRDP can affect employment absorption with the assumption that if the GRDP value increases, the total value of output or sales in all economic units in an area will increase.

The results of this study refer to the theory of the relationship between the Gross Regional Domestic Product of the agricultural sector and theoretical employment as indicated by Okun's Law. According to Okun's Law, there is a negative relationship between unemployment and Gross Domestic Product (GDP). In this case Okun stated that if there is a decrease in unemployment by 1 percent, it will encourage an increase in GDP growth approaching 2 percent. In other words, Okun's Law states that if GDP increases by 2 percent, then there will be an increase in employment, which then reduces the unemployment rate by 1 percent. This is because the working population contributes to producing goods and services, while the unemployed do not contribute. Okun revealed that the higher the unemployment rate, the lower the economic growth rate of a country.

The results of this research have similarities with research conducted by Muhtamil, M (2017) The regression results of the GRDP variable affect employment absorption in districts/cities in Banten Province. The results of this study are also in line with the research of Chandra, AS, Yulmardi, Y., & Erfit, E. (2020). The GRDP of the agricultural sector has an effect on the absorption of labor in the agricultural sector in Jambi Province. When looking at the results of research on the effect of the agricultural sector's Gross Regional Domestic Product on employment in the agricultural sector, it can be concluded that the agricultural sector has a significant effect on employment, because absorption of labor in the economic sector occur evenly, despite the lack of wages earned through the agricultural sector. This has become the government's concern to carry out the development of the agricultural sector in increasing the productivity of informal workers in the agricultural sector through agricultural management counseling to support a quality workforce and pay attention to the welfare of farmers which can later reduce unemployment.

The Direct Effect of the Human Development Index on Absorption of Labor in the Agricultural Sector

The Human Development Index explains how people can access development outcomes in terms of income, health, education and so on. In this study, the Human Development Index (IPM) has an effect on the absorption of labor in the agricultural sector, by producing or increasing agricultural production it will help people's consumption thereby affecting health conditions so that people can work, in addition to the productivity they have for work, income obtained as labor in the agricultural sector can increase household spending. Yuliathinerda G. A., (2019) which states that there is a positive influence between the human development index on employment.

Effect of Agricultural Sector Investment on Absorption of Labor in the Agricultural Sector through the Gross Regional Domestic Product of the Agricultural Sector

The research results are in accordance with the theory of economic growth according to Harrod-Domar investment activities are considered as one of the important factors and have two roles at once to influence the economy. The results of the research put forward by Mariana, MSU (2014), investment has a positive and significant influence through the intervening variable of economic growth (PDRB). The research results are in accordance with the research conducted by Hidayat, MH, & Nugroho, S. (2014) The investment flow with the PDRB mediating variable on employment can be stated that high investment will be followed by the creation of new jobs, so that it can absorb more workers. Investment has a significant positive effect on employment through economic growth.

In the classical theory of economic growth, capital is the main factor for driving the Gross Regional Domestic Product (GRDP). Capital can come from investment both from within the country and from abroad (Fazaalloh, 2019). One of the important benchmarks in determining the success of economic development is the increase in the Gross Regional Domestic Product (GDP), which illustrates a real impact from the implemented development policies. One of them is fair investment concessions, so it is a very important factor in economic growth. Savings and investment are the central forces behind the increase in Gross Regional Domestic Product (GRDP) thereby increasing economic growth. One indicator of the successful implementation of development that can be used as

a macro benchmark is economic growth (Bunaya, B. 2019).

The Indirect Effect of Regional Capital Expenditure in the Agricultural Sector on the Absorption of Labor in the Agricultural Sector through the Gross Regional Domestic Product of the Agricultural Sector

Related to the results of the analysis test above, it does not mean that the stewards (local government) do not direct all their capabilities and expertise in making effective use of capital expenditures to be able to generate quality value. However, it takes a long time to be able to feel the benefits of the capital expenditure application. This research is in line with the research of Anitasari and Sholeh (2015) concerning the effect of government spending on economic growth in Bengkulu Province showing that government spending has an effect on economic growth of Bengkulu province by 51.4%. Government spending is intended so that the implementation of public services provided by the government and development can take place as planned. Government spending on development aims to make the wheels of the economy grow by increasing the development of facilities and infrastructure by the government. The development of facilities and infrastructure by the government can directly affect the economy of a region and provide a multiplier effect. The results of this study are in line with the findings of Zuhri S (2015) in Central Java, that labor has an effect on Central Java's Gross Regional Domestic Product (GRDP) in the long term. The significant influence of labor on growth is mainly due to the position of labor as a factor of production as well as a source of local revenue from the tax sector and consumers.

The results of this study are in contrast to research conducted by Setiyawati and Hamzah (2007) concerning the effect of development spending on economic growth. According to him, development spending does not have a significant effect on economic growth. This is possibly caused by leakage or irregularities, fraud, and misuse of capital expenditure funds. The role of local government can be seen from the amount of government spending which is reflected in policies to purchase goods and services and the costs that must be incurred to implement these policies. The capital expenditure budget is used to empower various economic sources to encourage equity and increase per capita income. Development funds are also one of the inputs that can produce all outputs.

The Indirect Effect of the Provincial Minimum Wage on Absorption of Labor in the Agricultural Sector through the Agricultural Sector Gross Regional Domestic Product

Judging from the minimum wage data in South Sulawesi Province from year to year, the number is always increasing with the aim of creating fulfillment for workers, but that only applies to workers in the formal sector, unlike the case with informal sector workers, they get wages in accordance with the employer's agreement, but from the results of the study show that the rise and fall of the provincial minimum wage does not have an effect on employment through the Gross Regional Domestic Product (GRDP) of the agricultural sector, so the policy of the South Sulawesi Provincial government in determining the value of wages must be precise to improve a decent life, especially for informal sector workers so that can improve welfare and also does not reduce the workforce.

Based on previous research that has been previously described, namely research by Darsana, IB (2020) to get the results of the research on the UMK variable negatively affecting employment without going through the intervening variable of economic growth but the results of the research by going through the intervening variable of economic growth in Bali Province to have a positive effect on employment. And Sulistiawati (2013) with her research which concluded that wages have a significant effect and have a negative relationship to employment. The path coefficient which is negative means that the effect of wages on employment is not unidirectional, meaning that if there is an increase in wages, it has the potential to reduce employment, especially workers with low productivity.

The Indirect Effect of Regional Government Capital Expenditures on Absorption of Labor in the Agricultural Sector through the Human Development Index

The research illustrates that in addition to increasing production in the agricultural sector, the South Sulawesi provincial government can accelerate the increase in the Human Development Index through appropriate and productive fiscal policies. Regional Capital Expenditures in the agricultural sector in the form of infrastructure development of other supporting facilities in the education sector clearly have a major influence in increasing the Average Years of Schooling (RLS) and Expectations of Years of Schooling (HLS) which are indicators of HDI. In the health sector, the addition of health facilities has clearly had a major effect on increasing life expectancy (AHD), which is an indicator of the HDI.

The results of this study support the research hypothesis and are relevant to the results of previous research conducted by Baeti, N (2013) proving that government spending, especially in the education and health sectors, has a positive and significant effect on HDI in Central Java. Likewise research conducted by Pratowo, NI (2012) which can prove that Regional Expenditure significantly has a positive influence on the Human Development Index in Central Java Province.

The government as the steward in realizing this is in the form of allocating capital expenditures aimed at principals in the form of human development. the role of the government as a policy maker is expected to achieve sufficient economic growth in encouraging superior human development, as is the case with the economic development approach, the concept of human development can also be measured, namely through a

composite index known as the Human Development Index (IPM). Regional governments must be able to allocate regional spending through development expenditures in supporting sectors to increase the HDI so that the employment rate increases.

The Indirect Effect of the Provincial Minimum Wage on Absorption of Labor in the Agricultural Sector through the Human Development Index

This study shows the fact that the wages received by workers in the agricultural sector are lower when compared to the Decent Living Needs (KHL), which means that the absorption of labor in the agricultural sector is influenced by other factors. The results of research by Sulistiawati, S (2013), which states that wages have a significant effect on employment absorption in Indonesian provinces is acceptable, because it is statistically proven. The path coefficient which is negative means that the effect of wages on employment is not unidirectional, meaning that if there is an increase in wages, it has the potential to reduce employment, especially workers with low productivity. This is because employers will only pay labor wages in accordance with their productivity, meaning that labor with low productivity will receive low wages and vice versa.

Nationally, the primary sector is the sector that absorbs the most labor but has the lowest labor productivity, while the secondary sector is the sector that absorbs the least labor but has the highest worker productivity. The same condition also occurs in the province where labor productivity in the primary sector is lower when compared to labor productivity in the secondary sector. According to Bappenas (2010: 38), in the last 5 (five) years the number of informal workers has reached around 70 percent, while formal workers are only around 30 percent. Wages in the informal sector are not regulated and this sector has a very low quality workforce, so that it has limited opportunities to get good jobs. On the other hand, formal economic activities are characterized by higher average wages than the UMP and relatively good working conditions, but are still unable to absorb large numbers of workers.

subsistence agricultural sector, which has a surplus of labor, and low wages, and (2) the modern urban industrial sector, which has a high level of productivity and also higher wages, and become a reservoir for labor transfers from the traditional sector. The difference in labor wage rates in these two sectors will attract a lot of labor to move (migrate) from the agricultural sector to the industrial sector. The marginal productivity of labor in the industrial sector is higher than the wages they receive, resulting in the formation of a surplus in the industrial sector. The industrial sector surplus from this wage difference is fully reinvested and the wage rate in the industrial sector is assumed to be constant and the amount is set to exceed the average wage rate in the agricultural sector. The labor transfer process is then determined by the overall level of investment and capital accumulation in the sector.

CONCLUSION

Based on the research results that have been analyzed. The author draws conclusions from research on the determinants of employment in the agricultural sector in South Sulawesi Province (1999-2019) as follows: 1) Investment in the agricultural sector influences directly or indirectly through the agricultural sector's Gross Regional Domestic Product on employment in South Sulawesi Province 1999-2019. The results show a positive correlation which means that any increase in the value of investment in the agricultural sector will have an impact on increasing the absorption of labor in the agricultural sector. This shows that investment in the agricultural sector can be the main instrument in encouraging employment in the agricultural sector in South Sulawesi Province. 2) Regional capital expenditures for the agricultural sector have had an impact both directly and indirectly through the Gross Regional Domestic Product of the agricultural sector and the Human Development Index on employment in South Sulawesi Province 1999-2019. These results show a positive correlation, which means that any increase in regional capital spending in the agricultural sector will have an impact on increasing employment in the agricultural sector. This shows that regional capital expenditure for the agricultural sector can be the main instrument in encouraging employment in the agricultural sector in South Sulawesi Province. 3) The Provincial Minimum Wage has no direct or indirect effect through the agricultural sector's Gross Regional Domestic Product and the Human Development Index on employment absorption in South Sulawesi Province 1999-2019. The results show that an increase in the Provincial Minimum Wage has no impact on employment absorption in the agricultural sector. This shows that the Provincial Minimum Wage is not an instrument used to encourage employment in the agricultural sector in South Sulawesi Province.

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