

# **THE IMPACT OF FREE TRADE ZONE POLICY ON THE WORKFORCE ASPECT IN BATAM CITY**

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## **ABSTRACT**

This thesis examines the impact of the Free Trade Zone (FTZ) policy on the workforce aspect in Batam City. Implemented since the 2009, the FTZ policy aims to boost investment and economic growth in Batam. The study finds that the FTZ policy has had significant positive impacts on Batam's workforce. There has been consistent growth in labor force participation and total employment, indicating increased job opportunities from growing industries like manufacturing, electronics, and shipbuilding. The minimum wage has also substantially increased, reflecting improving worker welfare. However, challenges remain regarding equitable opportunities, rights, and social welfare for local and migrant workers. The thesis concludes that sustained policy support, upgraded skills training, and collaboration between government, industry, and communities are important to optimize FTZ benefits for the workforce. While the FTZ has spurred job creation and economic growth, continuous efforts are required to promote inclusive and sustainable workforce development in Batam City.

**Keywords:** Free Trade Zone, Workforce Aspect, Policy