Increase in Unemployment Rates During the Covid-19 Pandemic

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ABSTRACT

This study aims to determine the increase in unemployment in Indonesia during the corona pandemic (covid-19) that is currently hitting, unemployment is one of the problems caused by the presence of covid-19. The purpose of writing this article is to provide information and see how big the unemployment rate in Indonesia is due to the covid-19 pandemic. The type of research method used is descriptive qualitative. The data and information that have been obtained are then collected, analyzed, and concluded. The results of this study are the number of unemployed that occurred in the quarter or period of August. The number of open unemployment recorded in Indonesia reached 9.77 million people or reached 7.07% in Indonesia. The number of workers affected by Termination of Employment (PHK) is one of the factors causing the increase in unemployment in 2020. The number of open unemployment has increased from August 2019 of 5.23% or 7.1 million people to 7.07% or 9.77 people compared to the previous year. Then the number of unemployed had decreased in February by 6.26%. However, the unemployment rate increased again after the government set the PPKM policy, causing an increase in unemployment in August 2021 with a total of 4.49%.

Keywords: Increase; Unemployment; Covid-19 Pandemic

INTRODUCTION

The world is currently being hit by a deadly virus commonly known as Corona or Covid-19 (Peng et al., 2021; Prawoto, Priyo Purnomo, et al., 2020; Prawoto, Purnomo, et al., 2020; Ramadhana, 2020). With the continued spread of this virus, the corona virus causes a prolonged pandemic to continue and lurk in various parts of the world and our country, namely Indonesia, is no exception. The ongoing Covid-19 pandemic is an event of the spread of a coronavirus disease outbreak originating from Wuhan, China, where the initial appearance of this disease began in early 2019, a disease that attacks the respiratory tract, has early symptoms such as difficulty breathing, coughing, sore throat and fever. . Various virus variants continue to appear starting with the Alpha, Beta, Gamma, Delta, Lambda, Kappa variants, until the variant that has just been detected by WHO, namely the Omicron variant. Which is where this variant can mutate quickly so that it can cause a spike in the number of people exposed to the virus (Alharthi et al., 2021; Haug et al., 2020; Ratten & Jones, 2020; Suprianto et al., 2020).

With the continued emergence of new variants and the increasing number of deaths caused by COVID-19 in Indonesia, it cannot be taken lightly. The government continues to implement policies to minimize the number of exposures to COVID-19. New policies continue to be implemented in various countries including Indonesia, where the government has implemented a number of new policies related to breaking the chain of transmission of the COVID-19 virus. The Indonesian government implemented various policies during the pandemic. At the beginning of the pandemic, the Indonesian government implemented a large-scale social restriction policy (social distancing or PSBB) which was implemented through PP No. 21 of 2020 and one of the policies implemented in 2021 is the Application of Community Activity Restrictions (PPKM) issued through circular letter No. 7 of 2021. The Rules for the Implementation of Community Activity Restrictions (PPKM) itself consists of four levels, namely 1 (one), 2(two), 3(three) and 4(four). Of course, there are several policies implemented by the government that affect various fields or sectors such as education, social and economic sectors.

In this condition, the most visible impact is on the economic sector. When talking about economic problems, unemployment is one part of the economy. Unemployment is one of the things affected by the Covid pandemic. With the spread of the Covid-19 virus in Indonesia, which still exists today, it is possible that the unemployment rate will continue to increase every day (Rosyidi et al., 2021; Sulistiadi & Rahayu, 2020; Windarwati et al., 2020).

The limited space for movement has caused many jobs to be closed and not allowed, which previously were used by several groups of people to be used by the community as a means of fulfilling their daily needs. However, due to covid, it had to be closed. As in the work of traders, employees and so on. the number of companies that went bankrupt and could not survive, the lack of company income, caused not a few employees to be forced to be laid off by small and large companies.

Restrictions on people's activities in obtaining income in the form of work cause the number of unemployed to increase rapidly. The main problem that is often faced by all countries, especially Indonesia and one of these problems is unemployment. Unemployment does not only cause social problems but can also affect the economic growth of a country, especially developing countries such as Indonesia. Unemployment itself has reached conditions that are relatively worrying in Indonesia. The number of unemployment that continues to increase is a concern that must be minimized as soon as possible because it can lead to deviant or criminal behavior and encourage rampant poverty.

During the COVID-19 pandemic, economic growth in Indonesia was classified as very weak. Economic growth in 2020 reached 2.7%, which is very low compared to the economic growth before the pandemic hit Indonesia in 2019 of 5.02%, this can be seen if economic growth experienced a very large decline which almost reached the level of 50%.

Thus, it can cause an increase in unemployment in Indonesia. This is what underlies the author to find out how much the number of unemployed has increased during the COVID-19 pandemic in Indonesia.

METHOD

This study uses a descriptive qualitative approach. Descriptive research is to analyze then describe and examine the problem clearly by using and utilizing sources from library research with factual or realism (Creswell, 1999, 2010; Creswell & Clark, 2017; John W Creswell, 2013). Qualitative methodology becomes a research mechanism that produces descriptive data in the form of words or terms written or spoken (oral) or from the form of policy actions.

Meanwhile, the data collection method used by the author is a library research method. Library research is research conducted by citing several literatures such as books, magazines, brochures and other essays that are closely related to the problem being studied. In other words, the author collects data in connection with the object to be studied and then concludes the results of the data that have been found previously. The purpose of qualitative research is to understand the views of individuals, find and explain the process, and explore in-depth information about the subject or limited research setting. The data source of this research is secondary data. Secondary data through this method is obtained by browsing the internet, journals, articles, and literature books as well as other relevant sources related to the increase in unemployment during the COVID-19 pandemic (Rahmawan, 2021).

RESULTS AND DISCUSSION

The COVID-19 pandemic has hit Indonesia since the beginning of 2020, precisely in March 2020 the first Covid-19 case was announced. Until now, the corona virus is still lurking throughout Indonesia and this has caused paralysis in various fields of human life, one of which is in the economic field (Murapi et al., 2021).

The impact caused by the COVID-19 pandemic in the economic sector has had a very large impact, and one of the things that has become a concern is the high number of unemployed. According to sadono sukirno, unemployment is an event where a person is not tied to a job and the person does not have a job and wants to get a job but has not yet found a job (Zubaidi et al., 2020). From this explanation it can be concluded that unemployment is a person who does not have a job but is active in looking for work but has not found and obtained a job. At the time of the covid-19 pandemic as it is happening at this time it is very difficult for someone to get a job, moreover, many companies have a large amount of income so they inevitably have to adjust the amount of their income to the number of employees they want to need (Indayani & Hartono, 2020).

Not a few companies in Indonesia have closed their businesses or personal activities since the COVID-19 pandemic. So that the workers who work in the company must be affected because a company they occupy experiences a decline or closure. Many rules have been set by the government since the beginning of the pandemic, starting from social distancing, PSBB, and recently PPKM (Adhitya et al., 2021). All the policies that have been set have been quite successful in reducing and tackling the Covid-19 virus. Judging from the case terjanggkit decreasing. However, this makes the economy increasingly unstable. This resulted in millions of people having to lose their jobs and income and become victims of layoffs (Mardiyah & Nurwati, 2020). Not a few companies have to decide to lay off their employees, both in the formal and non-formal fields, thereby making the unemployment rate increase rapidly, especially at the beginning of the pandemic.
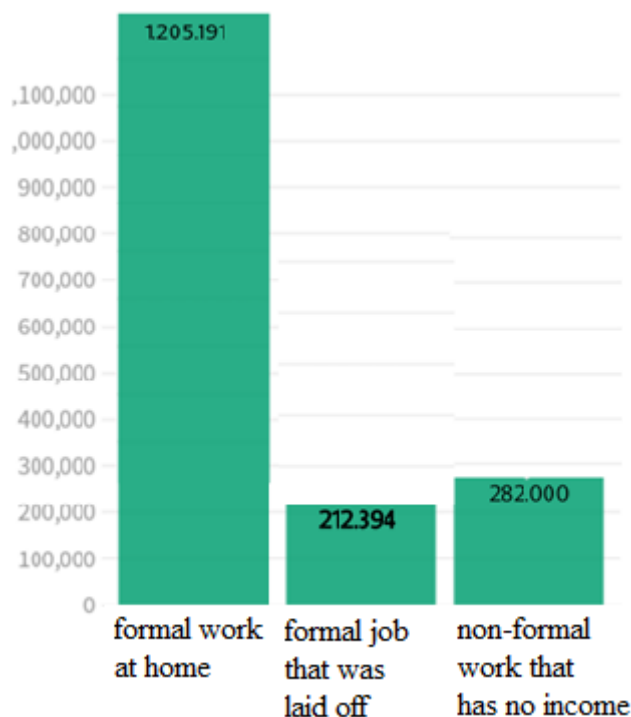

Figure 1. Number of workers affected by the pandemic

Based on the picture or data above, the Ministry of Manpower (Kemenaker) revealed that the total number of laid-off employees was 1,205,191 people. While the number of employees who were laid off in the formal sector was 212,394 people and a number of employees or workers from the formal sector who were laid off by 212,394,

formal workers who were laid off were 1,205,191 people. Meanwhile, from the non-formal sector, the Ministry of Manpower noted that people who do not have an income are around 282,000 people. Meanwhile, based on data from BP Jamsostek, it predicts more than the previous data who were laid off and laid off in the formal sector by 454,000 people, which reached 50% of the total data from the Ministry of Health. Meanwhile, the non-formal sector reached a fairly high figure of 537,000 people. It is different again with the case of work in the informal sector which has a larger total than the workforce in the formal sector, which reaches 71.7 million people or 56.7% of the total workforce. Based on data in 2018, 85% of them are in the field of micro-enterprises. Judging from these data, it can be concluded that the impact caused by COVID-19 is very influential, not a few workers have been laid off by companies, many workers have lost their jobs in the midst of a pandemic which makes the economy slower and has difficulty in overcoming the economy (Indayani & Hartono, 2020).

According to BPS, the Open Unemployment Rate (TPT) is a measuring tool used as an indicator in describing the lack of labor utilization resulting from not being absorbed by the labor market. Based on the results of the National Secretariat in August 2020 the number of TPT was 7.07%. Of the 100 people in the workforce, there are about 7 unemployed.
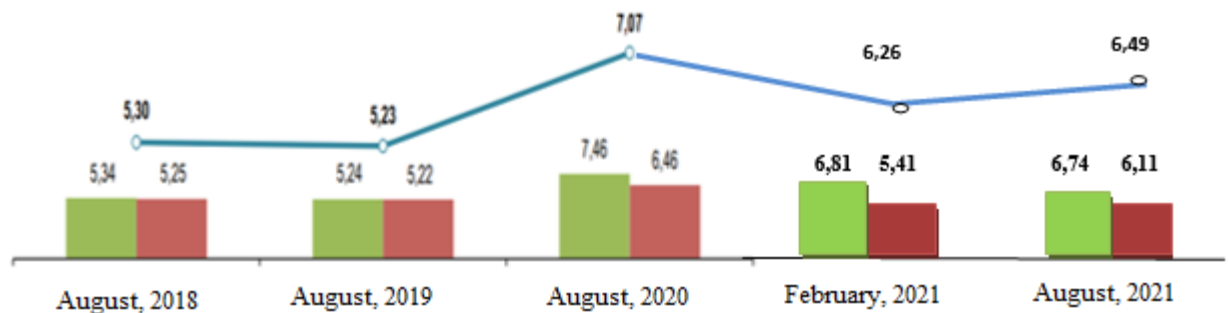

Figure 2. Open unemployment rate by gender August 2018-2021 from BPS

Based on the picture above, the Central Statistics Agency (BPS) No.84/11/Th. XXV!, November 5, 2021, recorded the number of unemployed in the August 2020 period, where unemployment was increasing very high. The number of open unemployment recorded in Indonesia is 9.77 million people or as much as 7.07% of which the share of the unemployment rate in men is 7.46% compared to the female unemployment rate which is relatively low at 6.46% of the entire workforce. . Initially,

in August 2019 the number of unemployed in Indonesia was at 7.10 million people or 5.23%., where the share of the unemployment rate for men was 5.24%, which means that the number increased by 2.12%. in 2020, while the female unemployment rate was 5.22%, which means the number of unemployed experienced an increase of 1.24% in 2020 from the total workforce.

The pandemic is still ongoing in 2021 where the number of unemployed has decreased compared to 2020. The number of open unemployment was recorded in February 2021 as much as 6.26, meaning that the number of open unemployment decreased by 0.81. Which is where the division of the unemployment rate for men is 6.81%, the number of declines that will occur is 0.61% in 2021, while the unemployment rate for women is 5.41%, which means the number of declines that will occur is 1.05% in 2021. February of the total workforce. However, the increase in unemployment occurred again after previously experiencing a decline, which is because the government has again set a policy due to the surge in exposure to COVID-19 and the various variants that continue to lurk so that the government must establish a PPKM policy in August 2021 and there is an increase in the number of unemployed is 6.49%, this is an increase in the number of unemployed by 0.23%, where the division of the male unemployment rate is 6.74 which means it has decreased, while the female unemployment rate has increased by 0.7% in August 2021. .

Figures in August 2018 the number of unemployed in Indonesia reached 5.30%. Which means that in 2018 unemployment had decreased because it was before the pandemic with the number of unemployed 5.23% from 2018, which was 5.30, but in 2019 the number of unemployed increased rapidly which reached 7.07% (badan pusat stastistik, 2020).

The number of unemployment rates that have occurred in the last 10 years in Indonesia. Which is where in 2010 in February the open unemployment rate reached 7.41% then in August 2010 the number of unemployed decreased to 7.20%. However, in February 2011, the number of open unemployment again increased to 7.50%, but the decline in the number of unemployed decreased very rapidly in August 2017 to reach the level of 6.30%. The unemployment rate continues to change every year, both changes with the number of unemployed increasing and the number of open unemployment decreasing.

Based on the above data, the open unemployment rate can also be seen in several ways, such as the unemployment rate by blood of residence and by age group. The unemployment rate according to the area of residence can be seen from two, namely urban and rural areas. In August 2020, the number of urban unemployment was recorded at 8.98%, at which time unemployment increased. The number of unemployed in February 2021 was recorded to have decreased compared to the previous year which was recorded at 8.00%, which means it experienced a decrease of 0.98% in August 2020. However, after experiencing a decrease in the number of unemployed, the number of unemployed

at the city level again experienced a decline. an increase with a recorded amount of 8.32%, which means that there has been a change or increase of 0.32%. Meanwhile, the rural unemployment rate in August 2020 was recorded at 4.71% and experienced a decrease in unemployment with the number recorded in February 2021 at 4.11% with a decrease of 0.54%. Then at the end of 2021, precisely in August 2021, there was an increase again with the number of unemployed 4.17 with an increase or change of 0.16%.

TPT according to age group which for the young age group 15-24 years has the highest number of unemployed compared to the number of other age groups reaching 20.46% in August 2020 which is the highest unemployment rate in the last two years. Compared to August 2020, the number of unemployed in 2021 experienced a decrease in the number of unemployed reaching 19.55% in August 2021. Then for TPT for the 25-29 age group it reached 5.04% in August 2020 and also experienced a decrease in the number of unemployed in 2017. 2021 in August with a total of 4.44, which means a decrease of 0.60% compared to the previous year. Compared to all age groups, the old age group 60 and over is the lowest unemployment group which in August 2020 only amounted to 1.70% but in August 2021 the number of unemployed for the old age group has increased by 2.73 which means experiencing total increase of 1.3% (badan pusat stastistik, 2021).

CONCLUSION

The COVID-19 pandemic has hit Indonesia since the beginning of 2020, precisely in March 2020 the first Covid-19 case was announced. The impact of the pandemic has had a very large impact, especially in the economic field. One thing that has become a concern is the high number of unemployed people. The number of companies that closed the company and suffered losses caused the company to terminate their employment (PHK). This then led to a buildup of the number of unemployed during the COVID-19 pandemic. It was recorded in the results of BPS data that the number of unemployed in August 2020 experienced a high increase with a total of 9.77 million people or as much as 7.07%. the number of unemployed in February had decreased by 6.26. However, the increase in unemployment rose again in August 2021 this was due to the implementation of the PPKM policy so that there was an increase in unemployment by 6.49%. The unemployment rate can also be seen from the division of the unemployment rate by urban and rural areas. Urban unemployment is higher than the number of rural unemployed, both of which experienced an increase in August 2020, then decreased in February 2021 and increased again in August 2021. With the total number of unemployed in urban areas of 8.32% and the number of rural unemployment is 4.17%. The unemployment rate can also be seen from the age group, which for the age of 15-24 is the highest number of unemployed reaching 19.55%.

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