ANALYSIS OF THE EFFECT OF THE COVID-19 PANDEMIC ON ECONOMIC GROWTH AND UNEMPLOYMENT RATES IN INDONESIA

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ABSTRACT

The COVID-19 epidemic, which has been going on since March 2020, has affected every facet of life. The study's goal is to describe the influence of the COVID-19 epidemic on Indonesia's economic growth and unemployment. The study used data from 30 provinces acquired from official online documents between February and August 2020, which were the hardest hit by COVID-19, which had a significant impact on Indonesia's economic growth and unemployment rates. A quantitative technique is used in research. Secondary data was gathered from paperwork and literacy studies found on associated official websites. Multiple linear regression models are used in data analysis. The study's findings revealed that while the COVID-19 pandemic had no major impact on Indonesia's economic growth, it did have a considerable impact on the country's unemployment rate. The COVID-19 pandemic did not affect Indonesia's economic growth, but the COVID-19 epidemic and government policies caused the country's unemployment rate to rise. This condition necessitates the closure of economic firms, resulting in job losses.

Keywords*: COVID-19 Pandemic, Economic Growth, Unemployment Rate*

1. INTRODUCTION

The World Health Organization (WHO) announced in March 2020 that the world is facing a pandemic known as Corona Virus Infectious Disease 2019 (COVID-19) (Li et al., 2020). In early December 2019, a pneumonia outbreak in Wuhan City, Hubei Province, China, triggered the COVID-19 pandemic. The virus has spread to other countries after being studied. COVID-19 spreads at a breakneck speed till the end of 2020. As of October 2020, the COVID-19 pandemic had spread to over 200 countries, causing varying degrees of fatalities (WHO, 2020). Indonesia is one of the countries that has been accused of being slow to respond to the COVID-19 outbreak (Fauzi & Paiman, 2020). The first case of COVID-19 in Indonesia occurred in Depok City, West Java, in March 2020. Following that, COVID-19 spread swiftly, and within a month, the number of COVID-19 infections had surpassed 1,500, with 139 deaths. By the end of March 2021, the number of verified COVID-19 cases in Indonesia had risen to over 1.3 million persons, with over 40 thousand deaths. (COVID-19.go.id, 2021). With this number, Indonesia is one of the Southeast Asian countries with the highest number of COVID-19 positive cases (WHO, 2020).

For all countries affected by the Covid-19 pandemic, including Indonesia, it was a difficult time. The pandemic affects not just health, but also other elements of life, such as economic and social factors. The region's social limitations and quarantine policies have the potential to hinder the community's ability to engage in economic activity, causing the flow of products and services to be restricted. This situation existed for a long period, resulting in a drop in economic growth in places affected by the COVID-19 epidemic (Chaplyuk et al., 2021). Other economic effects, such as an increase in the unemployment rate, will follow the slowing of economic growth (Coibion et al., 2020). The COVID-19 pandemic's economic impact may also have ramifications in other areas, such as social problems. For all countries affected by the Covid-19 pandemic, including Indonesia, it was a difficult time. The pandemic affects not just health, but also other elements of life, such as economic and social factors. The region's social limitations and quarantine policies have the potential to hinder the community's ability to engage in economic activity, causing the flow of products and services to be restricted. This situation existed for a long period, resulting in a drop in economic growth in places affected by the COVID-19 epidemic (Chaplyuk et al., 2021). Other economic effects, such as an increase in the unemployment rate, will follow the slowing of economic growth (Coibion et al., 2020). The COVID-19 pandemic's economic impact may also have ramifications in other areas, such as social problems.

Economic inequality in a region can be caused by several circumstances, including weakening economic development and growing unemployment during pandemics. According to previous research by Jalil and Kasnelly (2020), the COVID-19 pandemic has an impact on the rising unemployment rate, with the expectation that it will continue to rise if the pandemic is not passed or addressed soon. According to another study by Indayani and Hartono (2020), the COVID-19 pandemic weakened economic activity in Indonesia, while unemployment rose as a result of job losses or layoffs. Junaedi and Salistia (2020) also identified that all countries throughout the world must continue to be aware of the rising number of cases and time exposure to the COVID-19 pandemic to avoid a greater impact on economic growth. Another study by Mardiyah and Nurwati (2020) found that the government is working to improve the economic situation in communities affected by the COVID-19 outbreak. The COVID-19 pandemic has also been studied by Fikri and Gopar (2021). As a result of the enactment of PSBB or lockdown, this epidemic has an impact on the rate of economic growth and an increase in unemployment, according to the findings of his research.

This study looked at the influence of the COVID-19 epidemic on Indonesian economic development and unemployment rates based on some of the following theories and some references to earlier studies. Previous research has had certain limitations because they provided distinct projections and analyses on a small scale. As a result, measurements will be taken with a bigger sample of 30 provinces in Indonesia, and the association between these factors will be measured directly in the outbreak-hit region in Indonesia over the past year. Secondary data was used in this study, which was conducted utilizing quantitative descriptive methods. During the COVID-19 pandemic, the research is planned to provide a more detailed picture of the effects of economic growth and unemployment rates. The number of positive cases and the number of deaths caused by COVID-19 during the pandemic demonstrate the pandemic's impact. COVID-19 pandemic impact as determined by the number of COVID-19 patients. While the variables of free economic growth, as measured by the percentage rate of economic growth in Indonesia, and unemployment rate, as measured by the percentage rate of individuals who do not work in each region compared to the number of residents in Indonesia.

2. LITERATURE REVIEW

2.1 COVID-19 Pandemic

COVID-19 is not the only occurrence that has occurred in people's lives. Before COVID-19, at least 15 pandemics had occurred. Pandemics have a lengthy history, dating back hundreds of years BC. When humans quit their nomadic lifestyle and seek to settle down, pandemics occur. The COVID-19 pandemic, on the other hand, is one of the largest in human history in terms of the scope of its dissemination, the number of positive cases, and the number of deaths (Morens, Markel, and Taubenberger, 2020). In general, a pandemic is defined as an event having a high rate of occurrence or prevalence, particularly when it comes to the timing and breadth of the widespread and rapid spread. A pandemic, according to Morens, Markel, and Taubenberger (2020), is an epidemic that spreads globally. Pandemics are frequently linked to the spread of infectious diseases, such as the Spanish Flu pandemic, HIV pandemic, and Ebola pandemic. Pandemics are classified as transregional (occurring on one continent or between regions), interregional (involving two or more areas), or worldwide, depending on the breadth of the outbreak (occurs in almost all of the region).

At the start of the COVID-19 pandemic, the fatality rate was fairly high but varied among regions; in Hubei, roughly 86 percent of COVID-19 illnesses are not documented by the government (Yang et al, 2021). The death rate in COVID-19 patients, or Case Fatality Rate (CFR), ranged from 0,08 to 15,49, according to Oke and Heneghan (2020). According to Meyerowitz-Katz and Merone (2020), the Infection Fatality Rate (IFR) in infected populations is around 0.68 percent. In most nations affected by the second wave of the COVID-19 epidemic, CFR has decreased (Fan, et al, 2020). However, other nations, such as Indonesia, continue to have a significant death rate due to COVID-19. According to Kahar et al (2020), Indonesia has the highest CFR in Southeast Asia. According to Kemenkes (2021), Indonesia's CFR is still 4.35 percent until the end of 2020, even though it continues to exhibit growth. According to Satyakti (2020), the true number of COVID-19 positive patients could be 1.9 to 2 times the number of cases declared by the government.

2.2 Economic Growth

Economic growth is a quantitative statistic that describes a country's ongoing improvement in economic conditions over a certain period. An increase in economic activity leads to an increase in the production of goods and services, resulting in a rise in national output or income (Siahaan, Purba, and Simangunsong, 2001). Economic growth is calculated using the value of money as expressed in Gross Domestic Product (GDP) by looking at the entire output of goods and services produced in a quarter or year and then compared to the preceding period (Marginingsih and Sari, 2019). Economic growth is a criterion for a country's success in development. The planning of a country's economic development was originally directed around the challenge of economic growth (Todaro and Smith, 2011). Where a country's high level of development advancement is assessed by the overall and per capita growth rates of its gross domestic product (GDP). Economic development aims to enhance people's lives by increasing their income. In addition, rising salaries represent a greater ability to produce goods and services.

Economic growth is a process in which a country's economy develops, resulting in the development of goods and services and increased affluence. As a result, if economic growth is strong, the number of things created will rise as well. This will improve the general well-being of the community (Ardiansyah, 2017). Economic growth is the process of an economy's productive capacity expanding constantly or steadily over time, increasing national income and output (Antasari and Soleh, 2012). Economic growth, according to some perspectives, is the process of growing product and service production in a community's economic activities in order to increase output or national income so that economic growth can be accomplished to the maximum extent possible.

2.3 Unemployment Rate

The unemployment rate refers to the percentage of the working-age population that is looking for work but unable to find it (Case and Fair, 2007). The number of individuals who are born each year is increasing, resulting in a growth in the number of job searchers and, as a result, the workforce. Unemployment is commonly caused by a disparity between the workforce and the number of jobs available. Economic growth is influenced by employment. When the country's gross domestic product (GDP) expands, employment rises and unemployment falls. Unemployment is defined as a member of the labor force who has not been able to find work. The workforce is defined as someone between the ages of 15 and 65 who is physically fit for work and has a desire to work; the problem is that the conditions that make it difficult to obtain work (Indayani and Hartono 2020). Because many people have to abandon their employment as a result of the COVID-19 outbreak, it makes it difficult for many people to obtain work. This increases competition among workers.

Not everyone expects to wish to be unemployed; after all, in today's world, when job rivalry is fierce, everyone wants to survive by finding suitable employment. There are three sorts of unemployment: 1. covert unemployment (when someone works less than 35 hours per week), 2. underemployment (when someone works less than 35 hours per week), and 3. open unemployment (when someone does not have a job) (Franita, 2016). Because of weak economic growth, which has a negative impact on revenues, many businesses are forced to lay off employees involuntarily (layoffs). Unemployment that is done voluntarily Alternatively, someone who is capable of and capable of finding a respectable job chooses not to work (Soetrisno H, 1992). Frictional unemployment, also known as frictionless unemployment, happens when there are no jobs available (supply and demand of labor). As a result, prospective workers are unable to find work for a variety of reasons, including earnings that fall short of expectations and a lack of job opportunities (Johannes, 1981).

Hypothesis

a. COVID-19 Pandemic Relationship to Economic Growth in Indonesia

The COVID-19 pandemic has had a substantial impact on human quality of life in a variety of ways, including physical, psychological, and environmental (Banarjee et al, 2020). The influence on the economy, on the other hand, is extremely noticeable. According to McKibbin and Fernando (2020), all countries affected by the COVID-19 pandemic will experience a drop in economic growth at varying rates, depending on the measures implemented and the population size. Changes in distribution and demand for products and services as a result of the activity limitation policy enacted during the COVID-19 epidemic were primarily responsible for the economic slowdown (Vitenu-sackey and Barfi, 2021). This is in line with Hanoatubun's research (2020), which demonstrates that one of the COVID-19 pandemic scenarios is a strong intervention scenario, where significant actions to reduce economic growth are more likely based on the findings of a simple analysis.

The rise and fall of a country's gross domestic product (GDP) is also an indicator of Indonesia's economic progress, according to Indayani and Hartono (2020), because it is related to the number of unemployed. Every year during the COVID-19 pandemic, the economy slowed by up to 2.97 percent, and Indonesia's economy slowed as a result of the viral outbreak. According to Gordon (2016), capital accumulation factors, natural resource productivity, human resources, political institutions, entrepreneurship and new products, changes in economic structure, and environmental factors (disease outbreaks, natural disasters, climate change due to global warming) all influence a country's GDP growth. The COVID-19 pandemic is one of the epidemics that has occurred in this scenario, and it is directly linked to economic growth. As a result of the above explanation, the first hypothesis offered in this study is as follows:

H1: COVID-19 pandemic has a significant positive impact on economic growth in Indonesia

b. COVID-19 Pandemic Relationship to Unemployment Rate in Indonesia

The increase in COVID-19 instances will have an impact not only on social and health issues, but it is also apparent that the economy will have an impact on the number of COVID-19 cases in Indonesia. Since the appearance of the COVID-19 virus in March 2020, national economic growth has been drastically reduced. During the COVID-19 epidemic, the economy slowed, increasing unemployment and poverty. According to Coibion et al (2020), the COVID-19 pandemic resulted in many people losing their jobs, while the new workforce did not strive to find work due to a lack of new job opportunities. Furthermore, the COVID-19 epidemic resulted in a drop in income, followed by an increase in the number of individuals living in poverty. The poor, according to Whitehead et al (2021), are the most vulnerable population afflicted by the COVID-19 Pandemic. According to the World Bank, the number of poor people in the world would rise to 130 million by 2020. (Tateno & Zoundi, 2021). The same situation occurred in Indonesia, where the COVID-19 pandemic resulted in a rise in unemployment of more than 7% and a 9.77 percent increase in poverty (BPS, 2021).

The COVID-19 pandemic impacted 2.8 million workers, with 1.7 million losing their employment owing to layoffs and 749.4 thousand workers being disturbed by 282 workers (Agustina, 2020). Meanwhile, the Indonesian Labor Protection Agency (BP2MI) reports that 100,094 Indonesian migrant workers from 83 countries have been ordered to return home in the last three months. According to Jalil and Kasnelly (2020), the COVID-19 pandemic has resulted in rising unemployment, which is expected to persist if the government does not address the problem of the COVID-19 pandemic soon. The ongoing rise of unemployment, government limits on closures, PSBB, and social distance are all due to the number of layoffs during this epidemic. The recent COVID-19 outbreak is to blame for the rising jobless rate. As a result of the preceding explanation, the second hypothesis suggested in this study is as follows:

H2: COVID-19 pandemic has a significant positive effect on the unemployment rate in Indonesia

Conceptual Framework

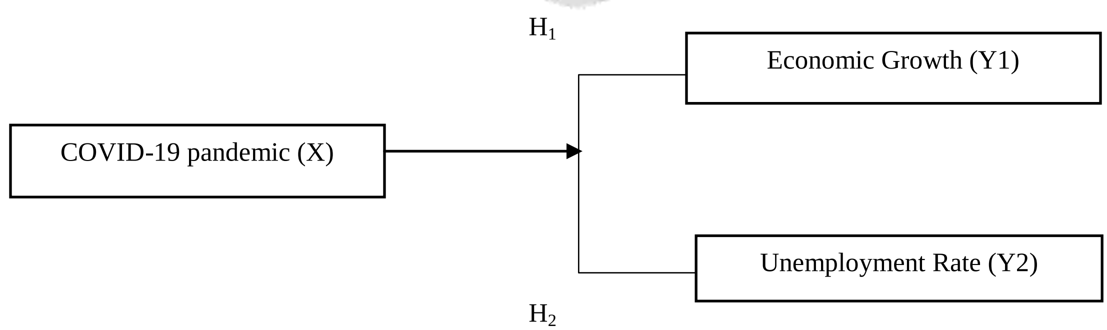

Figure 1. Conceptual Framework

3. METHODOLOGY

A quantitative technique is used in this study. Quantitative research makes use of data in the form of a set of numbers that can be studied using statistical methods (Lerche, 2012). This study's data comes from secondary sources. Secondary data is information received or gathered from existing sources by those conducting the study (Hasan, 2002: 58). Researchers employ documentation and literacy studies from associated official sites as secondary data sources. The population for this study was drawn from 34 Indonesian provinces. The sample was chosen by qualifying the sample area in Indonesia with the highest number of COVID-19 cases. Except for Jambi, Gorontalo, and Maluku, the findings of the sample selection were discovered across 30 provinces across Indonesia, with the highest average COVID-19 spread. The goal of the research is to show how the COVID-19 pandemic in Indonesia affected people. The number of COVID-19 patients, economic growth, and unemployment rate per province in February and August 2020 are the data required.

With data from covid.go.id, the study's bound variable was the COVID-19 pandemic, as measured by the number of COVID-19 patients. While the free variable of economic growth, as measured by the percentage rate of economic growth in Indonesia with data from the Central Statistics Agency (BPS), and the unemployment rate, as measured by the percentage rate of people not working in each region compared to the number of residents in Indonesia with data from the Central Statistics Agency (BPS).

Two data analysis techniques are used in data analysis. This technique seeks to characterize the data as a whole by first doing descriptive statistical analysis (Fengju, 2012). The next analysis technique is multiple regression analysis, which is utilized by Rahmawati (2019) to look for a relationship between variables X and Y using the Microsoft Excel 2019 application. The following are the multiple regression analysis models that were used:

$$Y1 = a + b1X1 + e$$
$$Y2 = a + b1X1 + e$$

Where,

Y1	: Economic Growth
Y2	: Unemployment Rate
a	: Constant
X	: COVID-19
B1	: Regression Coefficient
e	: Standard Error

3.1 Operational Definition

Independent Variables

The COVID-19 is the study's independent variable (X). A pandemic is a phrase used to describe the rapid spread of new diseases around the world (World Health Organization, 2020). Coronaviruses (Cov) are viruses that infect the respiratory system, according to the World Health Organization (WHO). This viral illness, known as COVID-19 or coronavirus, is an epidemic of infectious diseases with a quick transmission rate that can kill people of all ages. The death rate from this virus is very high and continues to rise to this day.

Dependent Variables

Economic Growth

Economic growth (Y1) is a criterion for a country's success in development. The rate of unemployment in a region is affected by economic growth; the higher the rate of economic growth in a region, the greater the chance for enterprises to flourish and the creation of work possibilities for the people of that region. Economic growth can be defined as the expansion of economic activities that result in a rise in the number of products and services generated in society (Sukirno, 2010).

Unemployment Rate

Unemployment Rate (Y2) is defined as someone who is employed and actively seeks work at a specific wage level but is unable to find it. Unemployment in a region is a problem that affects more than just the economy. On the other hand, the issue of unemployment is intertwined with the social and educational sectors. In today's world, not only those with a low level of education are unemployed; people with a higher degree of education are also unemployed (Sukirno, 2008).

4. DATA ANALYSIS AND DISCUSSION

Descriptive Statistical Analysis

Table 1. Results of Descriptive Statistical Analysis

Variable	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
COVID-19 Case	90	70	39.751	4238.322222	6931.075033
Economic Growth	90	-16.52	37.19	-0.190222222	7.177834793
Unemployment Rate	90	2.42	15.92	7.102222222	2.920686305

Source: Processed Data (2021)

The total data employed in this study is 90 data, according to the results in table 1. The average monthly addition of COVID-19 cases in Indonesia was 4238,322 with a standard deviation of 6931,075 for the lowest number of COVID-19 cases in March and the greatest number of COVID-19 cases in the East Jakarta area of 39,751 in August. In June, the least economic value increase in the Bali region was -16.52%, while the greatest value was 37.19% in West Papua in August. With a standard deviation of 7,177%, the average economic growth was -0.190 %. In June, the unemployment rate in central Sulawesi fell to 2.42%, whereas in August, the unemployment rate in south Sulawesi increased to 15.92%. The average increase in the unemployment rate is 7,102% with a standard deviation of 2,920%.

Multiple Linear Regression Analysis

Table 2. Regression Analysis Results (Y1)

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	- 0,0595	0,8928	- 0,0667	0,9470
Total Positive Cases (X)	- 0,0000	0,0001	- 0,2795	0,7805

Source: Processed Data (2021)

Table 3. Regression Analysis Results (Y2)

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	6,1942	0,3130	19,7906	0,0000
Total Positive Cases (X)	0,0002	0,0000	5,5383	0,0000

Source: Processed Data (2021)

Based on the results of table 2 above can be made a linear regression equation that is Economic Growth = -0.0595 + -0.0000X1 + e and the results in table 3 above can be made a linear regression equation that is Unemployment Rate = 6.1942 + 0.0002X1 + e, X1: COVID-19.

The regression equation in table 2 above the first indicates that if the number of COVID-19 cases is 0, Indonesia's economic growth is -0.0595. Furthermore, if the number of COVID-19 cases increases by one, the number of deaths decreases to -0.0000. While the regression equation in table 3 above the first indicates that if the number of COVID-19 instances is 0, Indonesia's unemployment rate is 6.1942. In addition, if the number of cases of COVID-19 rises by one, the number of deaths rises by 0.0002.

T-test (Partial)

The significance level for the variable number of COVID-19 cases is 0.781 > 0.05, indicating that economic growth in Indonesia does not affect the number of COVID-19 cases. When compared to the estimated t value of -0.279 from table t of -1,987, this value also comes to the same conclusion. While the variable number of COVID-19 instances is 0.000 0.05, this indicates that Indonesia's unemployment rate has a considerable impact on the number of COVID-19 cases. This conclusion is supported by the fact that the estimated t value of 5.538 is higher than the table t value of 1,987.

Table 4. Anova Test Results (Y_1)

ANOVA

	df	*F*	*Significance F*
Regression	1	0,078	0,7805
Residual	88		
Total	89		

Source: Processed Data (2021)

Table 5. ANOVA Test Results (Y_2)

ANOVA

	df	*F*	*Significance F*
Regression	1	31	0,00000
Residual	88		
Total	89		

Source: Processed Data (2021)

Table 6. Regression Statistics (Y_1)

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0,0298
R Square	0,0009
Adjusted R Square	0,0105
Standard Error	7,2153
Observations	90

Source: Processed Data (2021)

Table 7. Regression Statistics (Y_2)

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0,5084
R Square	0,2585
Adjusted R Square	0,2500
Standard Error	2,5293
Observations	90

Source: Processed Data (2021)

Discussion

The first hypothesis of the COVID-19 Pandemic having no significant effect on Economic Growth in Indonesia cannot be accepted based on the results of the tests that have been conducted. This contradicts some earlier research (McKibbin and Fernando, 2020). The increased number of cases and length of exposure to the COVID-19 pandemic has a greater influence on economic contraction in all countries, thus the globe must remain vigilant (Junaedi and Salistia, 2020). The government is working to help areas affected by the COVID-19 outbreak recover their economic status (Mardiyah and Nurwati, 2020). According to Fikri and Gopar (2021), the COVID-19 pandemic has an impact on the rate of economic growth and increases unemployment as a result of the implementation of PSBB or lockdown.

The favorable impact of the COVID-19 epidemic provides Indonesia with an opportunity to boost local economic growth. Because of the COVID-19 epidemic, the government has prioritized and strengthened purchasing power within the country. Even though global economic development is currently threatened, the government may make appropriate use of investment to maintain stability. In the economic field, the government's achievement in the last two years has been to effectively survive the economic recession in 2020. This accomplishment is inextricably linked to the government's effectiveness in combating the COVID-19 outbreak. The government's attempts to retain investor trust resulted in capital flows returning to Indonesia, assisting in the strengthening of the Indonesian stock market's fundamentals. Although economic growth slowed on one side, it increased on the other, with one of the most notable examples being in the sphere of electronic commerce, pharmaceuticals, food, and beverage. Because it still complies with health protocols, electronic commerce benefits consumers by providing security and simplicity in dealing. In terms of time, energy, and price choices, consumers become more effective and efficient than in traditional transactions. The existence of internet commerce benefits the government by increasing state revenue from the value-added tax (VAT) sector, and it can also boost national economic growth. As a result, it can be argued that electronic commerce supports Indonesia's economic growth, which is currently dropping owing to the COVID-19 pandemic. As a result, the COVID-19 epidemic has had little impact on Indonesia's economic growth, and this study contradicts certain prior findings.

The second hypothesis in this study is that the COVID-19 Pandemic has a major impact on Indonesia's unemployment rate, which is supported by the findings of the tests. Indonesia's economy has slowed as a result of the COVID-19 pandemic, and unemployment has risen as a result of job losses or layoffs (Indayani and Hartono, 2020). Many workers were laid off as a result of the COVID-19 pandemic, and the new workforce did not look for work owing to a lack of fresh opportunities (Coibion et al, 2020). As a result of the COVID-19 epidemic, income has decreased, and the number of destitute individuals has increased. As a result of the enactment of PSBB or lockdown, this pandemic has an impact on the rate of economic growth and an increase in unemployment (Fikri and Gopar, 2021). The ongoing rise of unemployment, government limits on closures, PSBB, and social distance are all due to the number of layoffs during this epidemic. The recent COVID-19 outbreak is to blame for the rising jobless rate.

The rising number of unemployed is one of the most eye-catching aspects of the COVID-19 pandemic. Several businesses have shut down as a result of the COVID-19 pandemic. Many businesses continue to operate, but they are unable to generate revenue or profit. As a result, the corporation is unable to cover the cost of each employee's compensation or wage burden. Employees were eventually laid off as a result of the company's decision. Layoffs affect employees in both the formal and informal sectors. Those who seek the assistance of permanent workers, as well as those who become workers, employees, and employees, are classified as formal sector workers. Non-formal sector workers, on the other hand, are those who try on their own, hoping for assistance from non-permanent workers, free workers, and unpaid workers. Employees who have been laid off exist, and there is also an undefined time restriction. Workers will inevitably be unemployed for a while. Furthermore, COVID-19 requires the government to implement different measures, such as government laws on social distance, lockdown, and PSBB for red zone locations, limiting community movement and resulting in the unemployment of many people. Given the many elements that influence the unemployment rate in Indonesia, the variable effect of the COVID-19 epidemic is 25%. As a result, this proportion has a considerable impact on the unemployment rate in Indonesia.

5. CONCLUSION

The COVID-19 epidemic has certainly had a significant impact on global economic growth, not just in Indonesia. To handle economic growth and the occurrence of job losses (layoffs), which resulted in a lot of unemployment during the COVID-19 epidemic, numerous essential government policies are required. The establishment of the Committee on Handling COVID-19 and National Economic Recovery is one of the government's measures. The goal is to accelerate the recovery and transformation of the national economy by implementing and controlling strategic policies, solving strategic policy problems, including problems faced by real business sectors, supervising strategic policy implementation, establishing and implementing policies, and taking other necessary steps to maintain economic growth, job availability, and public spending capabilities. Researchers discovered that while the COVID-19 pandemic had little impact on Indonesia's economic growth, it did have a major impact on the country's unemployment rate, with a significance of 25%. As a result of the COVID-19 pandemic's disruption of commercial activities in Indonesia, many enterprises eventually opted to make job cuts (layoffs).

From the findings of this study, some recommendations were made to future researchers, including the use of objects and more years to track the progression of COVID-19 cases, as well as the examination and consideration of various government policies aimed at reducing the outbreak's chain of transmission. This is because the findings of this study contradict prior research, which found that while government policies addressing COVID-19 cases did not influence economic growth, the COVID-19 pandemic has a considerable impact on Indonesia's unemployment rate. In addition, the government's role is required in dealing with the COVID-19 pandemic, which has caused significant unemployment rates in Indonesia. The government's nine regulations serve as the foundation for allocation, distribution, and stability programs. The government must first allocate qualified inputs and resources to its policy direction (allocation policy) to new vulnerable groups affected by COVID-19, such as businesses that require large audiences, freelancing daily employees, street vendors, laid-off workers, farmers, and the impoverished, among others (Eddyono et al., 2020). As a result, the government's responsibility in avoiding and dealing with the outbreak must be proactive to minimize Indonesia's unemployment rate.

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