Characteristics Of Youth Unemployment: Before And During The Covid-19 Pandemic In Indonesia

Cindy Aprilia [1], Yulia Anas [2]
[1] Universitas Andalas Limau Manis
Email: [1] cindyapriliaaa3@gmail.com

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ABSTRACT

This research aims to investigate the characteristics of young unemployment before and during the covid-19 pandemic in Indonesia, as well as to identify changes in the characteristics of young unemployment during this period. Young unemployment refers to individuals within the labor force, actively seeking employment, aged between 15 and 24 years, and not attending school. The study utilizes raw data from the Indonesian National Labor Force Survey (SAKERNAS) for the periods of August 2019 and 2020. To achieve these objectives, a binary logistic regression analysis with interaction effects is employed. The research findings indicate that young individuals within the labor force who are characterized as female, unmarried, have attained a minimum level of high school education, have not participated in any training, and possess work experience are more likely to experience unemployment before and during the covid-19 pandemic. Moreover, the occurrence of the covid-19 pandemic in 2020 has indeed had a significant impact on youth unemployment in Indonesia. The changes in the characteristics of youth unemployment during the pandemic are observed among young individuals within the labor force who are unmarried, have work experience, and reside in rural areas.

INTRODUCTION

Inadequate efforts to manage population growth can have a negative impact on economic and social aspects, and cause significant burdens, one of which is the increase in high unemployment rates due to the excess labor force that cannot be absorbed by existing employment opportunities. In fact, unemployment has a worse impact on youth than others (Dagume & Gyekye, 2016).

Unemployment is a serious problem in the global economy, affecting countries at different levels of development. High unemployment can undermine a country's macroeconomic stability

(Mankiw, 2003), negatively impacting the increase of poverty, income inequality, and crime rates in society (Chikako, 2018). An individual is considered unemployed if, in the last seven-day period, he or she has not engaged in any work activity and is actively trying to find a job but has not been successful. This concept only includes individuals who are willing and able to work, either previously employed or seeking employment opportunities. (Batu, 2016).

According to the United Nations (2019), the importance of focusing on the youth workforce is a major concern for developing countries, including Indonesia. Figure 1 shows that the unemployment rate is higher in the young age group compared to other age groups. The youth age, according to the United Nations, ILO, and BPS, is between 15-24 years old. This age range may vary from country to country due to differences in customs, traditions, behavior, and location (Msigwa & Kipesha, 2013).

Figure 1 Graph of Unemployment by Age Group (Percentage) in 2019 and 2020 in Indonesia
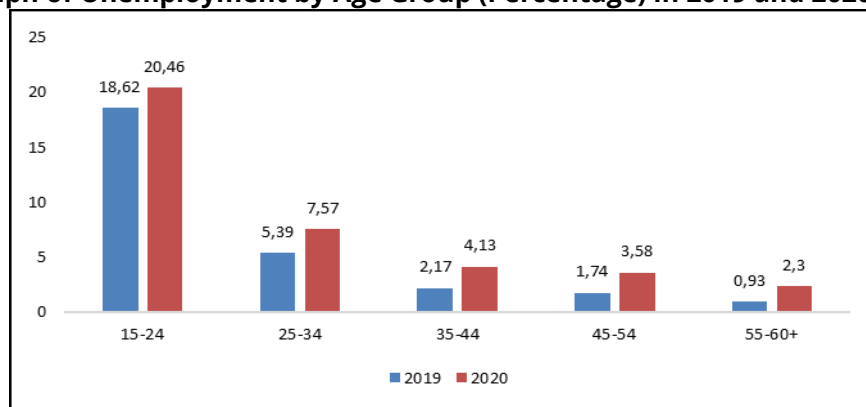

Source: Sakernas, 2019 and 2020 (data processed)

People aged 15-19 years old have difficulty finding work due to low knowledge and skills. Meanwhile, 20-24 year-olds with tertiary education also face difficulties entering the workforce due to lack of experience and skills mismatch with labor market demand (Abrar et al., 2019). The transition from school to work is challenging for the youth labor force, and many unprepared recent graduates experience long job search durations.

Indonesia is faced with the challenge of having the highest youth unemployment rate in the Southeast Asian region, second only to Brunei Darussalam. Figure 2 shows that Southeast Asia's youth unemployment rate increased in 2020. The increase was triggered by the impact of the global covid-19 pandemic which began in early 2020.

Figure 2 Chart of Youth Unemployment in Southeast Asia (Percentage) in 2019 and 2020
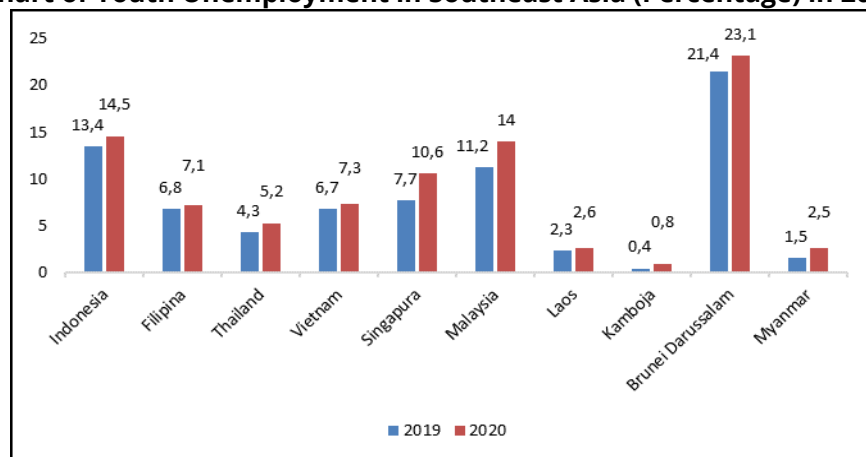
Source: World Bank Data, 2019 and 2020

The pandemic outbreak has caused disruptions in various sectors including the economy. According to BPS data (2020), Indonesia's economy shrank to 5.32 percent in the second quarter of 2020 due to government measures and policies in an effort to contain the virus transmission. These actions include the implementation of the Large-Scale Social Restrictions (PSBB) policy to reduce the spread of covid-19 (In accordance with Government Regulation No. 21 of 2020).

The PSBB policy resulted in reduced movement and the closure of shopping centers, resulting in a negative impact on economic activity. Many businesses experienced a drastic drop in revenue and the risk of bankruptcy. To survive, businesses made difficult decisions such as reducing working hours, layoffs, temporary layoffs, and reduced wages.

O'higgins (2001) states that labor market shocks affect young workers more than adults because of the vulnerability of young people to unemployment and layoffs. According to information from BPS in April 2020, around 15.6 percent of the workforce in Indonesia experienced termination of employment (PHK), while as many as 13.8 percent of them did not receive severance compensation. The majority of laid-off workers are young, 15-24 years old (Wijaya et al., 2021). The number of young workers laid off due to the impact of COVID-19 reached 518 thousand.

High levels of youth unemployment pose a serious threat to society in various social and economic aspects. Their failure to find employment and their vulnerability cause negative impacts such as individual demoralization, human capital depreciation, psychological problems, and social exclusion. This can lead to a sense of hopelessness in finding a job or continuing schooling. Impacts include increased crime and violence, drug problems, psychological and social problems, prostitution, increased cost of living, tax erosion, and wasted government investment in education and training.

Youth unemployment has great potential, such as high morale, enthusiasm, quick learning of new technologies, and higher productivity levels than other age groups (Msigwa & Kipesha, 2013). However, if there is a lot of youth unemployment, it will be a waste of human resources. Indonesia faces a demographic bonus, but a crucial challenge is the high level of youth unemployment (Maryati, 2015). Thus, addressing youth unemployment is an important and strategic priority to ensure that Indonesia is able to capitalize on the potential of the coveted demographic bonus.

The causes of youth unemployment can be viewed from two economic perspectives, namely macro and micro. Macroeconomic factors, such as aggregate demand, wages, inflation, GDP and other macro variables, affect the unemployment rate (Philbert, 2017). Meanwhile, from a microeconomic perspective, individual characteristics are a determining factor as the youth labor force is not a homogeneous group (Ahmad & Azim, 2010).

There is significant variation in the participation of youth in the labor market, which is influenced by factors such as gender, marital status, education level, training, work experience, and location of residence. In order to capitalize on the demographic dividend and improve the country's welfare, it is necessary to have a youth workforce policy that suits their characteristics.

LITERATURE REVIEW

The unemployed are individuals who are currently unemployed, actively seeking work, preparing to start a business, have stopped looking for work because they believe they will never find it, and those who have found and accepted a job offer, but have not yet started working. According to the United Nations, BPS and ILO definitions, youth comprise the age group between 15-24 years old. The International Labour Organization (ILO) states that the reason for defining youth in the range of 15 to 24 years is that this age range was chosen because it focuses on an important period in a person's life when they experience the transition from education to the world of work.

If the amount of available labor exceeds demand, the impact will lead to a situation of unemployment. The equilibrium point in the labor market lies at WL. When the wage rate exceeds equilibrium (indicated by W1), the supply of labor will exceed demand. Conversely, when the wage rate is below equilibrium (indicated by W2), the demand for labor will exceed the supply. This gap between supply (Ls) and demand (Ld) is known as unemployment.

Figure 3 Labor Market Equilibrium Curve
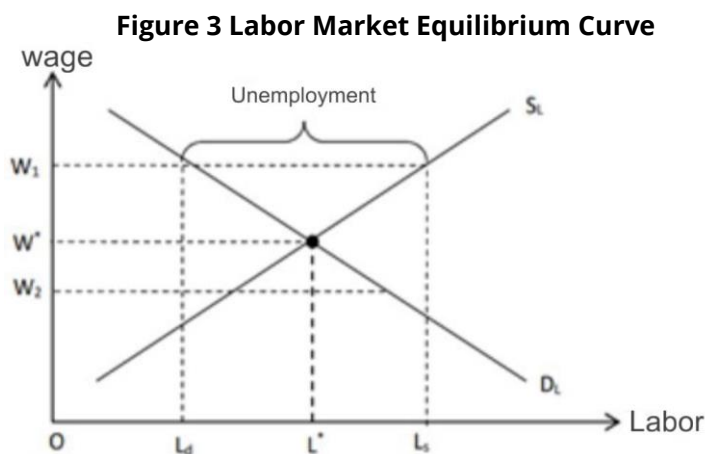
Source: Simanjuntak (1998)

The findings of the ILO (2020) reveal that in terms of labor, young people are the most at risk and vulnerable from the covid-19 outbreak. There are three ways in which the covid-19 pandemic has affected employment: first, the covid-19 pandemic has disrupted formal and informal training and education; second, newcomers have difficulty finding jobs; and third, workers have experienced a decrease in the number of jobs and their salaries. Many businesses have been forced to cease operations during the Covid-19 pandemic, including the hospitality, restaurant, public transportation, and entertainment services sectors, where many young people working there have been forced to stop working, resulting in an increase in youth unemployment (Joyce & Xu, 2020).

Gender discrimination theory states that women's employment options are more limited than men's due to household responsibilities, which results in women limiting their job search outside of their area of residence and to a narrower range of hours. On the human capital theory, productivity levels are lower among women than among men due to the much higher activity levels of young men than young women (ILO, 2004).

Young workers still live with their parents and enjoy the financial freedom to pursue their career interests without worrying about providing for others (Ahmad & Azim, 2010). Therefore, young unmarried individuals tend to be more prone to unemployment (Saragih & Usman, 2021).

Simanjuntak (1998) states that people with low education tend to accept any sector job. This means that individuals with low education tend not to be selective about working (Ahmad & Azim, 2010). Borjas (2013) states that new graduates tend to choose not to work if the wages offered by companies are lower. The level of productivity of individuals is directly proportional to the length of time they have attended training (Simanjuntak, 1998). In Yanindah's (2021) research, it is revealed that individuals who take part in training have a better chance of getting a job.

ILO (2004) states that individuals with no work experience reduce the chances of getting a job in the modern economic sector. Limited work experience causes youth unemployment to tend to be high (Foot & Li, 1988). Todaro & Smith (2004) revealed that urban industrial growth will generate new job opportunities, but with the development of labor-saving technology.

Individuals residing in urban areas are mostly looking for jobs in the formal sector and it takes a relatively long time (Simanjuntak, 1998).

METHODS

We used raw data from the Indonesian National Labor Force Survey (Sakernas) for the August period of 2019 and 2020. The data used is in the form of a Sakernas survey questionnaire, with questions that include information on age, unemployment, gender, marital status, education level, training, work experience, and place of residence. Sakernas data for the August 2019 period is used as a representation before the Covid-19 pandemic, while data for the August 2020 period is used as a representation during the Covid-19 pandemic.

This study uses cross section data with binary logistic regression analysis techniques to analyze the probability or tendency of individuals to become youth unemployed based on characteristics such as gender, marital status, education level, training, work experience, and place of residence. This study uses interaction effects in binary logistic regression to compare two states (categories), namely before covid-19 and during the covid-19 pandemic. This interaction effect involves a moderating variable, which affects the relationship between the explanatory variable and the response variable depending on the value of the moderating variable.

The interaction indicates a synergistic or multiplication effect which is tested by including the product variable (XZ) in the model. Moderating variables play a role in strengthening or weakening the direct relationship between response variables and explanatory variables. This study aims to determine which characteristics have the most influence on youth unemployment during the covid-19 pandemic.

The following is the initial binary logistic regression equation model adopted from Saragih & Usman's (2021) research:

$$g(x) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 Z + \beta_8 X_1 Z + \beta_9 X_2$$
$$+ \beta_{10} X_3 Z + \beta_{11} X_4 Z + \beta_{12} X_5 Z + \beta_{13} X_6 Z$$

Description:
g(x) = youth unemployment (1 = unemployed; 0 = not unemployed)
β_0: intercept
$\beta\_(1)$.....β_12: coefficient
X1 = gender (1 = female; 0 = male)
X2 = marital status (1 = unmarried 0 = other)
X3 = education level (1 = at least high school / vocational school 0 = junior high school and below)
X4 = training (1 = never; 0 = participated)
X5 = work experience (1 = none; 0 = some)
X6 = place of residence (1 = urban; 0 = rural)
Z = year (1=2020; 2019)
X1Z = interaction of gender with year
X2Z = interaction of marital status with year
X3Z = interaction of education level with year
X4Z = interaction of training with year
X5Z = interaction of work experience with year
X6Z = interaction of residence with year

The tests that will be carried out to obtain the validity of the results to be obtained are as follows: Model Fit Test (Goodness of Fit Test)

H0: The model does not fit
H1: Model fit

Simultaneous Parameter Testing (Likehood Ratio Test)
H0: None significant
H1: At least one is significant
Partial Parameter Testing (Wald Test)
H0: There is no significant effect among the explanatory variables
H1: There is a significant effect among the explanatory variables
Odds Ratio

RESULTS

Investing in youth plays a key role in economic growth and progress. Decent work for youth has a multiplier effect on the economy, stimulating consumer demand and tax revenues. Success in early career development is linked to long-term career opportunities, liberating from social dependency, leading to self-reliance, reducing poverty, and encouraging social participation.

In capitalizing on the important role of young people, it is important to formulate policies and strategies that are appropriate to the national context. These policies need to consider the unique needs and characteristics of youth, supporting their growth and development. Therefore, the results of this study regarding the characteristics of youth unemployment can guide the formulation of employment policies, strategies and programs, especially in the face of economic crises or pandemics such as covid-19. The arrival of the covid-19 pandemic in early 2020 in Indonesia and the implementation of social isolation policies (PSBB) in response have triggered a widespread economic crisis. Its significant impact was also felt on the labor market and is expected to last in the long term (Vespignani & Yanotti, 2020). Based on the tabulation results in Figure 4, it shows that before the pandemic, in 2019, the unemployment rate in the young age group was 24.04 percent, while the rest were either employed or unemployed. However, in 2020, the youth unemployment rate increased by 3 points to 27.56 percent, while the percentage of unemployed youth decreased.

Figure 4 of Indonesia's Young Labor Force (percentage)
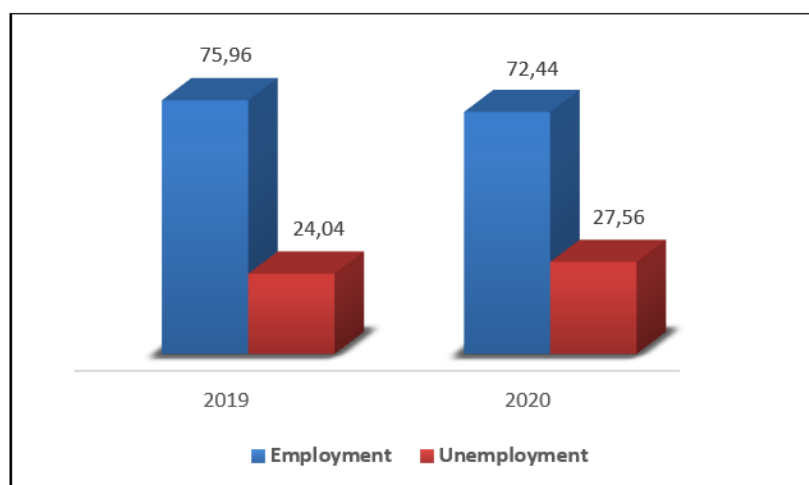

Source: Sakernas, 2019 and 2020 (processed)

The increase in youth unemployment in Indonesia is related to the symptoms of the covid-19 pandemic in 2020. The government's response to the virus situation involved the

implementation of the Large-Scale Social Restrictions (PSBB) policy to control its spread. In the midst of an economic recession, youth unemployment spiked as new individuals in the job market lacked skills and experience, making finding a job more difficult. The pandemic also resulted in the closure of shopping centers and even the bankruptcy of some businesses, triggering a wave of layoffs that added to the number of unemployed, especially among youth.

Figure 5 Graph of Job Advertisements in Indonesia in 2019 and 2020
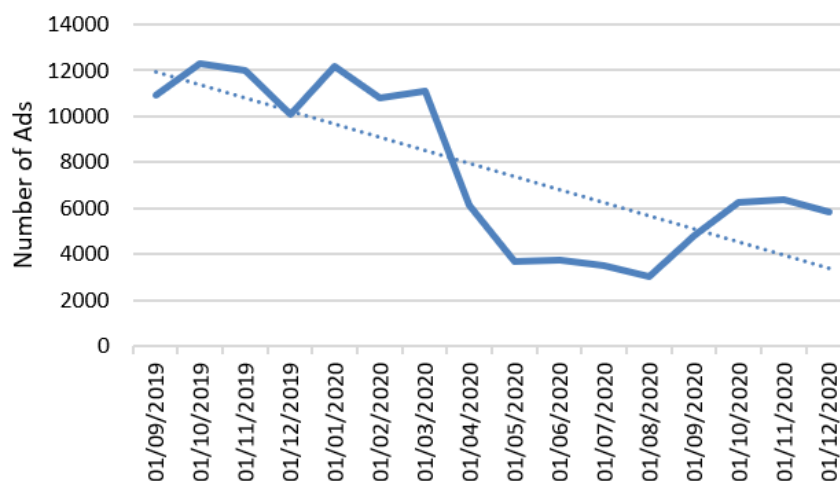
Source: Statistics Indonesia, 2021

The young labor force plays a crucial role in the economy, as their productivity is high thanks to good physical condition and health. A high unemployment rate reflects the ineffective utilization of labor resources. Economic factors such as low economic activity, recession, inflation, technological change, and discrimination affect unemployment. Meanwhile, individual factors that will be discussed in this study such as gender, marital status, education, training, work experience, and place of residence also play a role in unemployment.

The following is a description of the characteristics of youth unemployment in Indonesia based on the tabulation estimation results obtained as follows:

Table 1 Overview of Youth Unemployment by Characteristics in Indonesia in 2019 and 2020 (percentage)

Variabel	Kategori	2019	2020
gender (X1)	Female (1)	41,83	40,09
	Male (0)	58,17	59,91
marital status (X2)	Not Married (1)	92,56	93,21
	Others (0)	7,44	6,79
education level (X3)	At least senior high school or vocational school (1)	75,85	77,22
	Junior High School or Below (0)	24,15	22,78
training (X4)	Not participating (1)	90,61	84,02
	Participate (0)	9,39	15,98
work experience (X5)	Available (1)	70,58	64,62
	Not available (0)	29,42	35,38
place of residence (X6)	Urban (1)	53,40	54,96
	Rural (0)	46,60	45,04

Source: Sakernas, 2019 and 2020 (processed)

Data from Table 1 shows that the percentage of female youth unemployment in 2019 was 41.83%, which decreased to 40.09% in 2020. This reflects that the covid-19 pandemic encouraged women to work for family financial support, as many layoffs occurred due to the pandemic. On the other hand, the percentage of male youth unemployment in 2019 was 58.17%, rising to 59.91% in 2020.

Youth unemployment rates generally tend to be higher for men than women. Data from BPS reveals that in 2019 and 2020, male labor force participation was higher than female. Particularly in the role of head of the family, men are often the backbone of the family in earning a livelihood. Therefore, they tend to be more selective in finding work, considering their income and status. This tendency is due to the prestige of men in choosing a job that suits their preferences, including in terms of income and job position (Adriani, 2017).

Most of the young workforce (aged 15-24 years) generally have no desire to get married because they have not yet reached the age of maturity. Even so, there are some who choose to marry at that age. Table 1 shows that unemployed youth who are not married have the highest proportion compared to youth who have a status of marriage.

This shows that married youth tend to be more motivated or forced to work due to family responsibilities. In 2019, unemployment among unmarried youth reached 92.56%, increasing to 93.21% in 2020. In contrast, youth with other status in 2019 reached 7.44%, then fell to 6.79% in 2020.

Education is a crucial factor in shaping quality human resources, especially the workforce. However, Indonesia as a developing country faces a high level of youth unemployment, especially among secondary education (SMA/SMK). Based on Sakernas 2019 data, youth unemployment with at least a high school education reached 75.85%, increasing to 77.22% in 2020. The difficult transition from education to the world of work is due to a lack of experience and skills. Youth with higher education generally come from families with upper-middle income. Therefore, they tend to be willing to wait for job opportunities in the formal sector.

In Indonesia, the labor sector faces two key challenges. First, limited employment, indicating limited job opportunities. Second, low labor productivity which is partly due to the skills gap. In 2019, unemployed youth who did not participate in training reached 90.61%, falling to 84.02% in 2020. Meanwhile, youth unemployment who participated in training in 2019 was only 9.39%, rising to 15.98% in 2020. Young people who participate in training are generally better prepared for the demands of the job and are more qualified. Not only that, participants are also given a certificate as part of the training, which can add value when looking for a job.

Work experience at a young age plays a key role in career development. Although typically perceived as having limited experience, opportunities to gain work experience early in a career can have long-term benefits for youth. In 2019, youth unemployment with work experience reached 70.58%, which dropped to 64.62% in 2020. This shows that young people with work experience tend to experience higher levels of unemployment compared to those without previous work experience.

Location of residence has an influence on a person's activities, including youth. The difference between urban and rural environments can affect their work and activities. Table 1 shows that the unemployment rate among youth living in urban areas is generally higher than those living in rural areas. In general, more youth want to live in cities than in rural areas. This is because many youth decide to move from villages to cities in search of jobs. The reason behind this move is that cities offer a number of benefits, such as better facilities, diverse job opportunities, and more rapid technological advancements, although cities are often densely populated. Although employment opportunities in cities are not always able to accommodate all youths looking for work, many youths are unable to find jobs and end up unemployed.

Then, when conducting inferential analysis using binary logistic regression, the following results were obtained:

Table 2 Summary of Binary Logistic Regression Estimation Results

Variabel	Keterangan	Coefficeient	Prob	Odds Ratio
	coefficient	-2,582	0,000	0,076
X_1	gender	0,213	0,000	1,237
X_2	marital status	1,122	0,000	3,071
X_3	education level	0,542	0,000	1,719
X_4	training	0,116	0,001	1,123
X_5	work experience	-0,167	0,000	0,846
X_6	place of residence	0,023	0,282	1,023
Z	year	0,231	0,000	1,260
X_1Z	interaction of gender with year	-0,008	0,784	0,991
X_2Z	interaction of marital status with year	0,103	0,048	1,109
X_3Z	interaction of education level with year	-0,511	0,146	0,950
X_4Z	interaction of training with year	-0,011	0,805	0,989
X_5Z	interaction of work experience with year	-0,262	0,000	0,770
X_6Z	interaction of residence with year	-0,017	0,000	1,170
Number of Observations		**102.191**		
Likelihood Ratio Test		**0,000**		
Hosmer-Lemeshow Test		**0,000**		

Source: Stata output (processed), 2023

This likelihood ratio test aims to test the joint impact of the explanatory variables on the response variable in the model. The probability value (prob > chi2) is 0.0000, which is lower than the 5% test significance level (0.05). Therefore, H0 is rejected and H1 is accepted. This indicates that in this simultaneous test, there is at least one explanatory variable that significantly affects the response variable.

The Goodness of Fit test with the Hosmer-Lemeshow Test is used to check the fit of the model to the data, in order to explain the response and explanatory variables. The output results show a probability value (prob > chi2) of 0.0000, lower than 0.05. Therefore, H0 is rejected, and it is concluded that the model does not fit the data. However, keep in mind that this cannot directly conclude whether the model in this study is good or not.

this study is good or not. This is due to the view that the Hosmer-Lemeshow Test is not suitable for assessing the fit of logistic regression models on large samples, as expressed by Paul et al. (2013).

According to Yu et al. (2017) the null hypothesis can be accepted when the sample is small, but rejected with a large sample. In other words, sample size affects the assessment of model fit. The test is successful if the sample is more than 1000, but invalid if the sample exceeds 25,000 because the sample ratio affects the validity of the chi-square estimate. In this study, the sample amounted to 102,191, exceeding 25,000, which may have resulted in the rejection of H0.

After the likelihood ratio test significance test shows rejection of the null hypothesis (H0), it is continued with the partial parameter significance test or Wald test. This test aims to identify the effect of each explanatory variable on the response variable. With a significance level of 5% (0.05), H0 is rejected if the p-value is smaller than 0.05. Analysis through the Stata application shows that explanatory variables with P > |z| less than 0.05 accept H1. So the explanatory variables that have a significant effect are gender, marital status, education level, training, work experience, years, marital status and years, work experience and years, and residence and years.

Thus, the binary logistic regression model equation formed is as follows:

$$\hat{g}(x) = -2{,}582 + 0{,}213X_1 + 1{,}122X_2 + 0{,}542X_3 + 0{,}116X_4 - 0{,}167X_5 + 0{,}231Z +$$

$$0{,}103X_2Z - 0{,}262X_5Z + 0{,}157X_6Z$$

DISCUSSION
Gender

The data in Table 2 indicates that female youth are more likely to experience higher unemployment rates than male youth, with a ratio of 1.237 times. This finding supports the indication of gender discrimination, in accordance with gender theory which highlights the differences in roles and contributions between men and women in social culture.

Simanjuntak (1998) points out that men's mobility is higher, giving them an edge in finding jobs outside their home areas. Mulla (2021) emphasizes the difficulty of young women's transition into the world of work. Female youth unemployment has social and economic impacts, triggering the feminization of poverty. This phenomenon drives some to engage in prostitution as a means of survival, contributing to the risk of HIV/AIDS (Philbert, 2017).

Marital Status

Unmarried youth have a significant impact on the likelihood of being youth unemployed, amounting to 3.071. The results of this study are similar to (Alawad et al. (2020), Saragih & Usman (2021), and Wardhana et al. (2019) which state that unmarried individuals have a higher chance of experiencing unemployment at a young age.

Young people who are not married tend to be more flexible in dealing with periods of unemployment because they do not yet have family responsibilities. On the other hand, young people who are married face greater family responsibilities, encouraging them to be more flexible in dealing with unemployment.

Education Level

Education is an investment for the future and the creation of superior human resources. People who have at least a high school education have the potential to experience unemployment at a young age about 1.719 times higher than those who only have a junior high school education and below. Youth with higher education tend to pursue higher salaries, where the market wage must be at least equivalent to the reservation wage for individuals to choose work over unemployment (Borjas, 2013).

The majority of educated workers come from stable economic backgrounds and can support adequate education (Nagib, 2008). Therefore, educated youth can survive unemployment due to family financial support. On the other hand, those who have only completed junior high school and below must work to fulfill their daily needs, even if the job is not to their preference.

The causes of high unemployment among highly educated youth involve poor education, mismatch of skills with labor market demand, job preferences, job availability, and slow growth of the private sector compared to the number of graduates (Ahmad & Azim, 2010).

Training

Training is a solution to the problem of youth unemployment. However, in Indonesia, training efforts have not had a significant impact in reducing unemployment, especially for new graduates. The results of this study reveal that the chances of youth unemployment who do not participate in training are 1.123 times greater than those who do.

This finding is consistent with previous research by (Suhaeri, 2021) which indicates that training for the young labor force can reduce the risk of unemployment. Gebisa & Etana (2019)

also confirmed that effective training can reduce the risk of unemployment among youth, while individuals with less skills or untrained tend to have a higher risk of unemployment.

Denu et al. (2005) revealed that too much emphasis on academics in the education system could result in a lack of skills in line with the demands of the job market. Therefore, training tailored to the demands of the labor market plays a crucial role in improving employment prospects and reducing youth unemployment.

Work Experience

Young people with work experience face a higher risk of unemployment at a young age, which is about 1,820 times higher than those without previous work experience. This finding is in contrast to the summary of the research described earlier.

However, this finding is in line with previous figures indicating that the percentage of unemployment is higher among young people who have work experience compared to those who have no work experience. Saragih & Usman (2021) also support this finding by indicating that work experience can increase the risk of unemployment among the young labor force.

According to Aryati et al. (2014), people who have work experience tend to have a higher probability of experiencing unemployment because they have higher standards in finding a new job that is better than their previous job.

Marital Status and Year Interaction

In 2020, young people who are unmarried have a 1,109 times higher chance of experiencing unemployment compared to those with other marital statuses. Marital status is an important variable in unemployment, especially for individuals affected by layoffs due to the covid-19 pandemic (Putri, 2021).

According to Tansel & Tasci (2021), married people bear more financial responsibility for their families, prompting them to more actively seek employment with the aim of earning income. In contrast, unmarried individuals may be able to survive situations such as PSBB because family responsibilities are not yet present. When the majority of young people experience layoffs, those who are unmarried tend to be less motivated to look for work, making the unemployment rate higher for the unmarried. According to Susilo (2022), the responsibility of providing for the family makes married individuals more reluctant to be unemployed in situations such as the covid-19 pandemic.

Interaction of Work Experience and Year

In 2020 or during the covid-19 pandemic, the labor force with experience tends to experience unemployment 0.770 times greater than those without work experience. This suggests an increase in unemployment among young people without work experience in Indonesia during the pandemic. Research by Saragih & Usman (2021) revealed that young people with work experience tend to seek employment in the formal sector. However, the adverse impact of the covid-19 pandemic on the formal sector has caused many companies to experience a financial crisis and reduce their workforce, including layoffs (Dewi et al., 2022). The decrease in job vacancies and layoffs resulted in tighter competition for jobs, as well as a surplus of labor due to decreased demand. As a result, there has been a surge in unemployment, particularly among young people with work experience, during the Covid-19 pandemic.

Interaction of Residence and Year

In 2020, the labor force living in urban areas is 1.170 times more likely to experience unemployment than those living in rural areas. Urban areas generally offer more job opportunities especially in the service sector and creative industries for young people. However, the impact of the covid-19 pandemic is disrupting economic activity in cities due to the spread of

the virus and mobility restrictions. The pandemic has had a greater impact on cities dominated by the industrial and service sectors (Walter, 2020).

While urban areas offer a wide range of job opportunities, competition is also fierce. Many job seekers are attracted to live and work in cities because of the greater choice of jobs (Susilo, 2022). However, this intense competition can make the time it takes to find a job longer. The covid-19 pandemic has also resulted in fewer job vacancies in urban areas, exacerbating the situation of youth unemployment in urban areas during the pandemic (Egessa et al., 2021).

CONCLUSION

The COVID-19 pandemic has had a significant impact on labor conditions, including an increase in the number of layoffs. Consequently, the youth unemployment rate in Indonesia has increased during 2020. The research findings reveal that several explained variables have an impact on youth unemployment before and during the covid-19 pandemic in Indonesia. These characteristics include gender, marital status, education level, training, work experience, years, as well as interactions between marital status and years, work experience and years, and residence and years.

Furthermore, the characteristics that have a higher tendency to experience youth unemployment before and during the COVID-19 pandemic in Indonesia are being female, being unmarried, having at least a high school education, not attending training, and having work experience. Among these characteristics, the groups most likely to experience higher unemployment are those who are unmarried, have at least a high school education, and are female.

The impact of the covid-19 pandemic that occurred in 2020 is evident in the changes in youth unemployment rates in Indonesia, as evidenced by the year variable, which shows an increase in the tendency of youth unemployment in that year. The analysis also reveals the existence of interactions that reflect changes in the characteristics and characteristics of young people. The analysis also reveals interactions that reflect changes in characteristics and their increase due to the COVID-19 pandemic in Indonesia. During 2020, the characteristics of youth unemployment have changed, including an increase in the propensity for unemployment among those who are unmarried, have work experience, and live in urban areas.

SUGGESTION

From the above conclusions, several suggestions can be made for the youth workforce. First, they need to be active in creating self-employment opportunities, such as setting up MSMEs and using digital platforms and social media to promote. This will help reduce reliance on limited job openings. For young women with limited mobility, developing household businesses and selling products online could be a more flexible alternative. Furthermore, it is important for young people to optimize the potential in rural areas. This includes developing the plantation and arts sectors, and innovating to add value. Fresh graduates from universities can also contribute by utilizing their expertise to help develop the potential of the village according to their majors, thus creating local jobs. The government can support by increasing the effectiveness of social security institutions to collect data on job seekers, as well as improving job canvassing services to facilitate access to information on job vacancies for young people.

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