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ANALYSIS OF UNEMPLOYMENT PROBLEMS IN ECONOMIC GROWTH

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Abstract

The aim of this research is to determine the problem of unemployment in economic growth. This research method uses qualitative research, literature study. Research results The high unemployment rate makes it difficult for a country to develop and the level of welfare is also low. In a digital era like this, human resources should be more creative and active because there are many platforms that provide job vacancies and there are now many types of work, starting from part time, remote, freelance, most of which are on the WFH (Work From Home) system.) and can be done anytime and anywhere. In fact, quite a few also generate high income.

Keywords: Unemployment, Growth, Economy

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INTRODUCTION

Unemployment is an employment problem that is often faced by every country, especially developing countries like Indonesia.1 Unemployment is still a common topic where it seems as if the problem will never be resolved. Even though we have entered a more advanced and modern digital era, the unemployment rate continues to increase. The high unemployment rate is not matched by the large number of job opportunities, so that this gives rise to and causes other problems such as social inequality, crime, and even inflation. Inflation itself has an impact on economic growth in Indonesia. The economy in Indonesia will continue to be hampered if the unemployment problem is not resolved. Quoted from the Indonesia Good page, based on a report from the Central Statistics Agency (BPS), the number of unemployed people in Indonesia has reached 7.86 million people in August 2023. This number is greater than in February 2019 when the number of unemployed people was 7.05 million people. The number of unemployed also cannot decrease significantly due to population growth which continues to increase. Fulfilling daily needs requires costs, therefore people need income to meet their living needs. Limited employment opportunities mean that people cannot move freely because they have to limit all their expenses, while the price of necessities is getting more expensive day by day and population growth is also out of control. Indonesia's population will reach 278.7 million people in mid-2023 and is the fourth largest in the world after India, Tingkok and the United States. This problem is in accordance with Malthusian growth theory, where the speed of population growth is faster than food production (Rusli, 2012). So it will be a problem when the resources to meet the main needs of life are small compared to their availability.

LITERATURE REVIEW

According to (Putong, 2003: 264) unemployed are people who have reached working age, and they are actively looking for work, but have not yet found a job. Meanwhile, residents who have reached working age and are looking for work are referred to as the labor force. 3 In the definition that has been determined internationally, what is meant by unemployment is someone who has been classified in the labor force, who is actively looking for work at a certain wage level. , but cannot get the job they want. 4 The theory of unemployment is divided into three, namely:

1. Classical Theory The classical theory policy is that when there is a surplus of labor, wages decrease, affecting business productivity. The need for labor continues to increase as a result of companies being able to increase work productivity due to reduced costs. (Marpaung 2020:89)
2. Keynes' Theory Keynes's theory emphasizes the opposite of Classical Theory in order to solve the problem of labor shortages. Based on Keynes' theory, unemployment is caused by low aggregate demand, meaning poor consumption, not low output, is what hinders economic development.
3. Malthus's Population Theory Malthus's theory states that populations tend to multiply without limit until they exceed the limits of food and subsistence needs. During this time, competition arose to survive and earn a living among the population, ultimately they had to be eliminated and could no longer receive food or other necessities. During this competition, there will definitely be populations marginalized and classified as unemployed (Maros and Juniar, 2016:90)

Types of Unemployment The following explains the types of unemployment:

1. Open Unemployment This type of unemployment refers to the workforce that does not have a job at all and is looking for work. An example is a new graduate who is looking for his first job after completing his education or someone who
2. lost his job because the company he worked for went bankrupt or experienced a decline in business.
3. Underemployment: Unemployment is a type of workforce that is already working but not working optimally. Someone who falls into this group usually works less than 35 hours a week and is still looking for another job. Examples include honorary teachers or part-time workers.
4. Disguised Unemployment This unemployment occurs when someone does not have a job but is not registered as unemployed because they are not looking for work. Or in another sense, disguised unemployment is a type of unemployment that occurs when someone has a job but their work productivity is low. This can be caused by work that is not appropriate to the field of work or too little task load in working time.

5. Cyclical Unemployment Cyclical unemployment is a type of unemployment that occurs due to economic fluctuations in a country, where a decrease in people's purchasing power causes companies to reduce production and reduce the number of employees' jobs or possibly lay off employees. An example is an automotive industry worker who lost his job due to a decline in demand for cars.
6. Frictional Unemployment Frictional unemployment is a type of unemployment that occurs because of the gap between labor force and employment opportunities. Frictional unemployment occurs when someone looks for a new job or changes jobs, and takes time to find a job that matches their qualifications. Examples include a new graduate who is looking for his first job and needs time to adjust to the job market or a worker who wants to change jobs and needs time to find a job that suits his qualifications and desires.

METHODSE RESEARCH

The research method used in this research is a qualitative research method. Qualitative research methods are approaches used to understand social phenomena in natural contexts. Several related articles and journals provide an overview of qualitative research methods. One of them is an article that discusses the use of library research as a method for collecting data by understanding and studying theories from various sources. According to Zed (2004) there are four stages of library study, namely preparing the necessary equipment, preparing a working bibliography, organizing time and reading and recording research material. Collecting data by searching for sources and constructing them from various sources such as books, journals and existing research. Library materials obtained from various reference sources are analyzed critically and in depth in order to support proportions and ideas (Mubarok & Abadi, 2020)

MEETN AND DISCUSSION

1.Causes of Unemployment

There are many factors that cause unemployment. The following are several factors that cause unemployment (Franita, 2016: 90) Imbalance between job seekers and job opportunities. The number of job seekers is not balanced with the available job

opportunities, so that existing job opportunities cannot accommodate job seekers. This is related to the rapid population growth which is not matched by the creation of large job opportunities, so that job seekers find it difficult to find work even though their qualifications match the existing jobs. Skills and Education Unemployment rates are often higher among those who do not have sufficient skills or education. Unemployment rates are also higher among less skilled and less educated groups. Unequal Job Opportunities In general, job vacancies are only concentrated in the city and this means that residents outside the city have little opportunity to work because access to the city may still be limited, making job seekers from outside the city find it difficult. Information provided Incomplete The lack of information conveyed regarding job vacancies makes it difficult for job seekers to obtain more detailed information. For example: someone uploads job information but only says "Job vacancies open at PT. XYZ" but does not convey what qualifications and types of jobs are available. Of course, people who want to apply feel confused because the information provided is not detailed.

1. Psychological Burden

   Unemployed people tend to suffer psychological burdens due to feelings of inferiority or low self-esteem because they do not have a job.

2. Poverty

   Poverty is a person's inability to meet the minimum standard of living because it is caused by low income and not being able to fulfill all basic life needs such as consumption, education, health, etc.

3. High Crime Rates

   Crime is one of the impacts of unemployment because if someone does not work and has no income, that person will not be able to fulfill their daily needs. In terms of economic factors, criminal acts can occur because people's adequacy in daily activities is not able to improve their welfare. So, quite a few people look for shortcuts by committing criminal acts in the hope of improving their welfare.

4. Social gap

   Social inequality is a state of imbalance that exists between communities

which results in quite striking differences. Social inequality arises because of the economic imbalance between individuals or groups of society. This event occurs when there are significant differences in wealth, income, and economics between people which ultimately creates a gap between the rich and the poor.

2. Solutions to Overcome Unemployment

Unemployment has had many negative impacts on the individuals experiencing it and also on the country. For this reason, the problem of unemployment must be addressed immediately to improve the quality and welfare of society and the country. The following are effective efforts to overcome unemployment, including the following:

1. Improving the Quality of Education

Improving the quality of education can be an effective solution to reduce the unemployment rate in a country. This is because quality education can equip individuals with the skills and knowledge needed to enter the world of work and compete in it. Apart from that, quality education can help to innovate and open up new job opportunities.

2. Development of Hard skills and Soft skills

*Hard Skills*is the knowledge and technical abilities possessed by an individual which includes knowledge about the design and features of a product from a company, then developing it with technology, being able to overcome problems that occur and analyzing the products created. Meanwhile, soft skills are skills possessed by a person that are related to the characteristic factors that a person uses to socialize and collaborate

These two skills must be trained in order to meet the skills needs in accordance with the demands of modern industry so that job seekers do not have difficulty when looking for work.

3. Entrepreneurship

Apart from looking for work, another alternative that can be done as a solution to reduce the unemployment rate is entrepreneurship. Entrepreneurship can be done from home with minimal capital. When the business has developed, we

have the opportunity to open new job opportunities. This certainly provides double benefits and solutions. Apart from not being unemployed anymore, we also help other people to get jobs. There are many things you can do to become an entrepreneur, for example becoming a reseller, trading, etc.

4. Opening Internship and Work Practice Programs

   Internship and work practice programs will provide hands-on work experience to individuals who may not have had previous experience. This can improve their qualifications and make them more attractive to potential recruiters. This program also provides an opportunity to build a professional network. Meeting people in a particular industry can help individuals get references and recommendations that can strengthen their chances of getting a job.

5. Increasing Capital Circulation

   Increasing the circulation of capital in an economy can contribute to overcoming unemployment if done correctly. The reason is, increasing capital circulation can encourage overall economic growth. The more businesses develop, the more job opportunities will be available.

KESCONCLUSION

Unemployment is a serious problem that affects individuals and society at large. Unemployment can be caused by various factors, such as an imbalance between job seekers and job opportunities, lack of skills and education of job seekers, uneven employment opportunities, incomplete job vacancy information, individuals who are lazy about working, and wages that do not match skills and expectations. job seekers. The impact of unemployment can also have negative impacts on individuals and society, such as reduced income, increased poverty, and mental health problems. Solutions to overcome unemployment include improving the quality of education, job training, encouraging entrepreneurship, opening informal job opportunities, and strengthening labor-intensive sectors. In overcoming unemployment, there needs to be cooperation between the government, the private sector and society to create more and better quality jobs.

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