ABSTRACT

Unemployment is very influential on economic conditions. The high level of open unemployment can lead to various other new problems such as poverty and crime, so that the problem of unemployment must be overcome. This study aims to analyze the factors that influence the unemployment rate in Central Java Province in 2017 to 2020 by using several independent variables such as population, Gross Regional Domestic Product (GRDP), local tax revenues, per capita consumption, and the occurrence of the COVID-19 pandemic in 2020.

This study uses a panel data regression analysis method with Eviews 10 software. The number of observations in this study is 140 consisting of time series data from 2017 to 2020 and cross section data using 35 districts/cities in Central Java Province.

The results of this study indicate that the population has a negative effect on the open unemployment rate and the COVID-19 pandemic has a positive effect on the open unemployment rate, and local tax revenues have a negative effect on the open unemployment rate, while the variables of Gross Regional Domestic Product (GRDP) and consumption per capita has no effect on the open unemployment rate.

Keywords: Open Unemployment Rate, Gross Regional Domestic Product (GRDP), population, local taxes, consumption per capita, COVID-19, Central Java Province.