

Abstract

Unemployment is one of the main and most common economic problems in both developed and developing countries, including Indonesia. Since the behavior of economic growth can't be predicted, plus the emergence of current trends of people actively looking for work and the dramatic growth in the world for the last several decades, the risk of high unemployment becomes an oncoming threat to every country in the world. Therefore, it's important for policymakers to understand the correlation between population growth and economic growth on unemployment and how significantly they influence the unemployment rate of a country. Using the fixed effect within estimation and the scope of 34 provinces in Indonesia with the period of 2016-2020, it shows that there is a positive and insignificant correlation between population growth and unemployment while economic growth has a negative and significant correlation towards unemployment.

Keywords: Unemployment, Population Growth, Economic Growth, Gross Regional Domestic Product, Fixed Effect Within Estimation