ABSTRACT

This thesis assesses the association between COVID-19 pandemic with the unemployment rate in Indonesia, particularly at the provincial level. This research uses OLS-fixed effect specification to control the time invariant unobserved variables in province level panel data from the year 2018 up to 2021. I use this period to highlight the difference of unemployment rate before and after the coronavirus outbreak. This research uses COVID-19 positive cases per 100,000 population and COVID-19 Infection Fatality Ratio as main variables of interest. The data on COVID-19 variables are obtained from *kawalcovid19* and *infeksi emerging* provided by the Indonesian Ministry of Health. This paper also uses other independent variables such as Average Years of Schooling and Labor Participation, which were obtained from *Badan Pusat Statistik.* This research finds that in a provincial state, Infection Fatality Ratio has shown to be significantly correlated with the rise of Unemployment Rate. My finding shows that an increase of Infection Fatality Ratio brought a positive correlation to Unemployment by 3.69%. Having a similar effect with Infection Fatality Rate, the total positive case per 100,000 population also correlates positively with Unemployment Rate without control but not significantly when I added control variables.