

## Unemployment in the Perspective of Macroeconomics and Islamic Economics: Evidence from Indonesia

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<b>Received</b> 12-01-2023	<b>Abstract:</b> This research aims to analyze the study of unemployment in Indonesia from the perspective of macroeconomics and Islamic economics. This study uses a qualitative method with a literature review approach that originates from secondary data in the form of Indonesian government policy reports related to unemployment. The findings of this study indicate that the open unemployment rate in Indonesia has decreased compared to last year. Meanwhile, in terms of gender, the open unemployment rate in the male labor force is still experiencing a significant decline compared to the open unemployment rate in the female labor force. Unemployment in Indonesia from a macroeconomic perspective it is known that the decline in the unemployment rate in Indonesia is in line with the improvement in Indonesia's economic recovery and improvement in employment conditions. The view of the Islamic economy on unemployment in Indonesia is that Islam always encourages its followers to try to fulfill their economy. Unemployment in the Islamic view is one of the benchmarks in a country's economic growth. Islam strictly prohibits its followers from being unemployed or not working. The goal of alleviating unemployment in Islam is seen from the vertical (God) and horizontal (human) dimensions, namely trying to seek the pleasure of Allah, and trying to achieve human goals in the world.	<b>Keywords:</b> Unemployment, macroeconomics, and Islamic Economics
<b>Accepted</b> 20-01-2023		
<b>Published</b> 24-01-2023		
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### INTRODUCTION

Countries that experience high inflation rates identify that their economy is bad (Yanindah, 2022). Mostly in a country, the problem of unemployment is difficult to overcome because the population in each country will certainly increase every year so that there will also be an increase in people who need jobs accompanied by an increase in the workforce (Siregar, 2020). From the explanation above, what affects the unemployment rate is the regulation of minimum wages, the authority of the trade union market, the role of efficiency wages, and whether or not how to find work is effective. Meanwhile, what affects inflation is the amount of currency circulating in the community and the Indonesian bank as the controlling party, therefore there is no connection between the problem of inflation and unemployment in the long term. As the money supply increases, an increase in government spending or a cut in taxes increases aggregate demand and moves the economy to a point on the Phillips curve with lower unemployment and higher inflation (Muryani *et al.*, 2021). And vice versa. With this understanding, the Phillips curve offers policymakers a choice of a combination of inflation and unemployment (Ibnu Abbas & Farida Rahmawati, 2020).

In everyday life, people often encounter many unemployed people (Puspajuita, 2017). But strangely, at the same time, they also encounter

cases of difficulty finding people who want to work (Oktafianto *et al.*, 2019). Many jobs that can be done in this life are just abandoned (Yunitasari *et al.*, 2021). This shows that being unemployed is not always synonymous with not having a job, but rather it could be due to laziness (Wulandari *et al.*, 2019). Islam hates unemployment because of laziness, and vice versa, and likes people who are willing to work hard. In fiqh, working for a living is obligatory, while doing nothing is unlawful (Suharti *et al.*, 2021). This is because an unemployed person does not take advantage of the gifts that God has given, in the form of mind favors, strength favors, health, and so on. By nature, humans are perfect beings who have unique, diverse, and appropriate self-competencies in a particular field of work. Humans have potential that can be used to work. Standing idle not only makes people unable to earn but can also lead them to the bad behavior of begging, even harming other people, to make ends meet (Khalifaoui & Guenichi, 2022).

According to Yusuf Qaradawi, unemployment is divided into two types: *jabariyah* unemployment, namely unemployment because there is no other choice because they do not have knowledge and skills so they are forced to become unemployed *khiyariyah* unemployment, namely people who prefer to be unemployed, and depend on other people even though they can work for a living (Husain *et al.*, 2019). Unemployment can have a negative impact, on yourself, your family,

and the surrounding environment. The personal effects can be physical effects, such as headaches, stomach aches, sleep problems, lack of energy, hypertension, heart disease, and kidney disease; it can also have psychological effects, for example, feelings of shame, depression, sensitivity, anxiety, anger, fear, hopelessness, decreased self-esteem, loneliness, and social isolation, to an increase in hostility. Within the family, unemployment can lead to marital friction, spousal depression, family conflict, child abuse, and abandonment of families that are supposed to provide for themselves (Raies, 2020).

Islam always encourages its people to strive (Abdurraheem & Suraju, 2018). Being unemployed for people who can work is a despicable act with various disadvantages and negative impacts. One's obligation is to try, while the matter of achieving certain income targets is something else. The amount of income can be adjusted to the maximum capacity available and to the priority scale of fulfilling the needs described by the Prophet Muhammad in his hadith. So, prioritize self-support, family, close relatives, and meeting the needs of life's goals and aspirations to be successful by trying and working hard, of course.

Unemployment is one of the benchmarks in a country's economic growth (Jaas, 2022). Islam strictly forbids its people to be unemployed. The goal of alleviating unemployment in conventional economics and Islamic economics tends to be the same, that is, both are trying to increase economic growth (Chachi, 2021). But it turns out that Islamic economics has another goal. In addition to increasing economic growth, it is also to carry out Allah's commands, namely having a decent job to avoid harmful actions. Here it can be seen that the goal of alleviating unemployment in Islam is seen from the vertical (*habluminallah*) and horizontal (*habluminannas*) dimensions, namely trying to seek the pleasure of Allah, and trying for worldly goals.

Humans in meeting their daily needs are not spared from the name of work. Lots of work can be done according to the skills they have. The choice in working for them is to get a decent life for the future. Work is a right for every individual. Working or not is the choice of each individual.

Most of the factors that they can choose to work or not are the salary factor. Wages or salaries are needed by a person to meet the needs of himself and his family even though Allah has guaranteed sustenance for every living thing. Even though Allah has promised to bear human sustenance, that does not mean that there are no conditions that need to be met (Ali *et al.*, 2022).

Islam has warned its people not to let anyone become unemployed so they don't fall into poverty, because it is feared that poverty can lead people to do anything, including harm (Haji-Othman *et al.*, 2020). Welfare can be obtained for anyone who wants to do good deeds, regardless of whether male or female. In this verse, there are three indicators to measure welfare and happiness in Islam, namely monotheism, consumption, and the elimination of all forms of fear and anxiety.

However, with limited employment opportunities, there are still many people who are not working. Based on a report from the Central Statistics Agency, the number of unemployed in Indonesia in August 2022 was 9.10 million people. This number decreased compared to the number of unemployed people the previous year which reached 9.77 million people.

Islam is a good religion so all of its activities always prioritize blessings and kindness for others. Not only that, but all activities of Muslims also have clear goals, as will be discussed in this study, namely unemployment in Indonesia from the perspective of macroeconomics and Islamic economics.

## **METHOD**

This research has used a qualitative method with a literature review approach that originates from secondary data in the form of Indonesian government policy reports related to unemployment in Indonesia (Tilleczek, 2020). Specifically, secondary data on unemployment in Indonesia from an Islamic economic perspective has been taken from books, journals, and research that are relevant to the topic of the study and research.

## **RESULTS AND DISCUSSION**

### **Introduction to Unemployment**

Unemployment is a condition of people who do not work. However, this person is part of the workforce (Rainsford *et al.*, 2019). People who are included in the labor force but do not have a job and are not looking for work can be categorized as unemployed. According to the center and employment training, in general, what is meant by unemployment is a person who can and can do work, but that person has not been able to get a job that earns income (Žárská, 2020). Unemployment is related to the availability of job vacancies, where the availability of vacancies is related to investment and the investment is obtained from a combination of savings from unused residual income. With high national income, the desire to open new production levels is lower which will use new workers (Antillón *et al.*, 2014).

A workforce is a group of people aged 15-64 years who have or have worked but are temporarily unemployed and do not have a job (Dawson & Thomson, 2018). According to the Central Bureau of Statistics employment indicator, the unemployed are people who are still looking for work and are not working or are still planning new businesses, or who are already working but have not started working yet, so they are not looking for work. In general, unemployment is defined as a condition for people who are included in the labor section not working and actively looking for work. If a person does not have a job but is actively looking for work, he is not considered unemployed (Pambayun, 2021).

Unemployment is qualified to be: 1) Open unemployment. What is meant is people who have tried their best to get a job but have not yet got it. This is because there is an imbalance between job vacancies and workers. 2) Hidden unemployment. Unemployment is the cause of workers not being able to work optimally for several reasons. One of the reasons is that some companies cannot compare with too many workers, so their activities are not efficient. 3) Underemployed. Forces that cannot work optimally due to the unavailability of work are included in this category. In addition, this category of working hours is less than 35 hours a week. The workforce can only work one to two days a week, or only one to four hours a day. 4) Seasonal unemployment. This type of unemployment is strongly influenced by the state of the season, such as workers in the agricultural and fisheries sectors. Usually, this seasonal unemployment is only active during the main

harvest. After this period, they are forced into unemployment (Tadjoeddin, 2015).

The negative impact of unemployment on the economy: *First*, people cannot achieve the maximum level of welfare. This is because, if there is unemployment, the real income of the people is lower than their potential income so their level of prosperity will also be low. This condition will have an impact on increasing poverty (Pritadrajati *et al.*, 2021). *Second*, it reduces the national income of the taxation department. As a result of high unemployment rates will result in a decline in economic activity thereby reducing people's income. This is because the tax revenue received from the community is also reduced. If tax revenues decrease, the money used for government economic activities will decrease, so development will continue to decrease (Rini & Hamonangan Tambunan, 2021). *Third*, growth in the economic sector cannot be encouraged. As a result of significant unemployment on people's purchasing power, there will be reduced demand for produced goods and services (Hamzah *et al.*, 2021). Where this condition cannot stimulate investors to establish new industries and expand them. So, it will result in a decrease in the level of investment thereby hampering economic growth (Garz & Martin, 2021).

The negative impacts of unemployment in terms of religion are: *first*, it is dangerous for faith. This is due to the condition of the unemployed who are always lacking, thus encouraging them to commit crimes that justify any means to make ends meet. Therefore, they must be able to strengthen their faith patiently and gratefully. In this way, the poor will suppress their desires in the face of temptations that might shake their faith. *Second*, it will harm one's morals. The unemployed who live among the rich (working people) will encourage to do things that are not justified by the Shari'a so which will undermine their good morals. *Third*, it will endanger the continuity of the household (Pontoh & Projo, 2022). Unemployment can threaten his family in terms of development, both continuity, and maintenance. For example, a young man wants to get married, but he is thinking about how to pay the dowry and provide for his family later, while he is still unemployed. So that he has difficulty realizing his dream of going down the aisle. Therefore, in the Koran, it is ordered for young people who cannot afford to marry to maintain their honor (Adinugraha, 2018).

### Causes and Impact of Unemployment

Unemployment is a macroeconomic problem with direct links to humanity. In theory, unemployment can be distinguished, among others:

#### **Structural changes**

Unemployment occurs because of job changes that do not match the jobs of people who want to work. This happens because there is something new in the use of sector contributions to organizing the economy. Workers who want to work somewhere do not meet the requirements so they do not meet these requirements.

#### **The influence of the seasons**

Usually occurs on certain days or months, for example, Eid al-Fitr or year-end holidays. Tourism is the main pillar of people's holidays, the tourism staff there will be very busy and even provide vacancies for the unemployed. However, under normal conditions, the sector will remain calm and there will be seasonal unemployment.

#### **Low investment**

Investment always follows technological developments. Invest in business capital to drive economic growth and reduce poverty. As one of the low-level investments, namely economic instability, this will trigger an increase in the unemployment rate. Changes in investment increase income and output.

#### **Low skill level**

Expertise in the field of work is very important because it affects economic growth. Often people who have high skills will be productive at work because they already know their skills, while people who do not have skills will find it difficult to get a job which will lead to unemployment. Professional knowledge can be achieved through the development of educational human resources. The higher the level of education, because they already have a lot of experience, skills, and ability to work will be higher. However, if those who already have skills or special skills do not have a job, they will lose their job.

#### **Unequal employment opportunities**

People who are ready to work but do not have jobs should look for work, but lazy people tend to stay at home until they find a job. As a rule, there are fewer jobs in rural areas than in cities.

#### **Lack of information**

In today's complex era, people who are looking for work must also be looking for information through technology such as gadgets. However, due to economic constraints, there are not many people who are unwilling to accept technology, making it difficult to find work, so they are unemployed for a long time.

#### **Psychological**

The more unemployed, the greater the burden that must be borne. The unemployed have unusual behavior, such as feeling depressed because they often stay at home, which can affect their psychological burden (Hall, 1983).

The impact of unemployment on the country's economy, in economic growth, in managing the trajectory of economic growth, unemployment is often caused by poverty. When the government adjusts the wage payment system, it is income, if the source of income decreases, welfare will also decrease and have an impact on poverty (Ssenyonga, 2021). High national income enables rapid economic development. In economic development, the government's failure to eradicate poverty is caused by the government's failure to control the rate of economic growth. The high unemployment rate is a problem. The more unemployed, the lower the national income. Employment growth is lower than labor force growth so more and more workers in the economy cannot find work (Kumar *et al.*, 2021).

The impact of unemployment on the individual, in the case of individual unemployment, will have many impacts, for example, skills will be lost due to long periods of unemployment, so the skills possessed will not be continuously improved so which will reduce the level of work skills. From a social perspective, a large number of unemployed people will experience a shortage, so they must take action to meet their daily needs. However, through ways such as begging or singing, they also influence crime and criminal behavior to enrich their lives (Ahn *et al.*, 2004).

Poverty and social inequality become a holistic relationship. Inequality will have a negative impact, poverty will also exacerbate economic disparities, and thinking about overcoming poverty

and unemployment will take a long time (Wahyuningsih *et al.*, 2020). Labor issues are a real problem, and are very closely related to surrounding conditions, even though employment issues have created new difficulties in the economic and non-economic sectors with high

unemployment rates which cause poverty (Wibowo & Ridha, 2021).

Specifically, according to the types, some of the solutions to overcome unemployment in Indonesia are as follows:

Table 1. Solutions to overcome unemployment in Indonesia

No	Types of Unemployment	Solution
1	Fictional Unemployment and Voluntary Unemployment	Increasing job opportunities by building new companies, building highways, schools, and public facilities. increasing new investors through deregulation and de-bureaucratization. Add new jobs in the agricultural sector to expand immigration.
2	Conjunctral Unemployment	Increase people's purchasing power and increase market demand. In this way, the company can increase its workforce to increase production. Set bank interest so that investors can invest more funds to obtain higher profits.
3	Structural Unemployment	Opening workplaces to adapt to changing economic sector workers. Providing labor training for the unskilled unemployed.
4	Seasonal Unemployment	Skills training in other fields for other jobs, usually by farmers waiting for the harvest season. Announce vacancies in the community.
5	Deflationary Unemployment	Organizing employment training especially for Indonesian Workers to work so that they are not only manual workers but also skilled workers.
6	Technology Unemployment	Preparing communities for technical training or providing technical related learning in schools. Introducing the technology at an early stage. Train educators to master new technologies and make them easier to deploy.

Source: Processed secondary data, 2022.

The several policies of the Indonesian government in overcoming unemployment are as follows:

Table 2. Policies of the Indonesian government in overcoming unemployment

No	The nature of unemployment	Indonesian Government Policy
1	Economical	The government's policy in dealing with unemployment is to provide sustainable employment in the short and long term. Increasing employment opportunities and reducing unemployment are related to the state's gains and the welfare position of its people. Increased employment opportunities can also increase the country's productivity and gains, especially for people's welfare.
2	Improving Revenue Sharing	A large unemployment rate can have an impact on social inequality. The more unemployed, the higher the group of workers without income. On the other hand, high employment opportunities mean an increase in wages. It can be concluded that efforts to increase employment opportunities can be used to increase income.

3	Socio-political in nature	From a macroeconomic perspective, it is important to increase family welfare and stability. By avoiding crime, on the one hand, unemployment makes workers without income, but on the other hand, the lack of work does not reduce the need to make a living. Creating political stability, economic and economic growth to increase the prosperity of its people.
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Source: Processed secondary data, 2022.

### Relationship between Inflation and Unemployment

Inflation is a common trend where prices continue to rise. An increase in one or two commodities is no longer called inflation, but if it continues to spread to the majority of commodities. This is because inflation is influenced by the government (Fitzgerald *et al.*, 2021). After all, the government plays an important role in controlling the people's economy (Chu *et al.*, 2021).

Under high inflation rates, according to speculation, the unemployed will receive a considerable workload, and this condition will also be taken advantage of by producers by adding this condition to the goods they produce, thereby increasing the need for labor. A high inflation rate will have both good and bad effects, but the bad impact is even greater because the majority of countries are less efficient in dealing with economic and investment issues (Korkmaz & Abdullazade, 2020).

The inflation rate was so high that many people were fired because reduced production made goods scarce on the market. Someerson and Solow experimented with the relationship between inflation and unemployment. Suppose wages increase, the production budget increases, and product values also increase, meaning that inflation and wages increase (Pangeiko Nautwima & Romeo Asa, 2021).

At times of low unemployment, the rate of inflation is reflected by rising wages, as this makes it more difficult for firms to find qualified workers for commodity production. Therefore, companies must determine high wages to attract workers to work for the company. Conversely, if there are many unemployed workers, wages will be very low, because companies can easily find workers. In the long term, inflation and unemployment are not mutually exclusive issues, the same is true of

minimum wage regulations and union market power. On the other hand, inflation mainly depends on the central bank's money supply. The public will tend to issue or exchange their money in the form of ready-to-use goods or goods that must be produced first because of the high inflation rate (Gomis-Porqueras *et al.*, 2020).

Even so, with inflation and unemployment, there was a positive effect from the expansionary policies of the government which resulted in increased production so that the unemployment rate fell because more companies recruited more workers. The advantage for the company is that the company's profit increases which also increases workers' salaries. With rising inflation, companies and workers also hope that inflation and wages will increase, with that the government will carry out contractionary policies, namely where the level of production will decrease which will increase the unemployment rate. So in a long time, inflation will increase, as well as the unemployment rate (Chu *et al.*, 2021).

### Unemployment in Indonesia from a Macroeconomic Perspective

Indonesia's unemployment rate reached 5.86% in August 2022 the Central Statistics Agency reported that the number of unemployed people in Indonesia was 8.42 million in August 2022. Thus, the open unemployment rate in Indonesia is 5.86%. Sarnita Sadya Nov 7, 2022 - 12:05 PM A+ A- The Central Statistics Agency noted that the number of unemployed people in Indonesia reached 8.42 million in August 2022. This number has increased compared to February 2022 which was 8.40 million people. However, when compared to the same period a year earlier, the number of unemployed in Indonesia was recorded to have decreased. In August 2021, the number of unemployed people in Indonesia was 9.1 million people. When compared to the total workforce of 143.72 million people, the open unemployment rate in Indonesia was

monitored at 5.86% in August 2022. This figure increased by 0.03% compared to February 2022 which was 5.83%. Based on gender, the male open unemployment rate tends to be higher, namely 5.93%. Meanwhile, the female open unemployment rate was recorded at 5.75%. By region, the open unemployment rate in urban areas was monitored at 7.74% in August 2022. This figure was much

higher than the open unemployment rate in rural areas which was 3.43%. Meanwhile, the labor force participation rate was recorded at 68.63% in August 2022. The percentage has increased compared to August 2021 which was 67.80%. The labor force participation rate in August 2022 was also the highest since 1986 (Irawan & Yuristia, 2021).

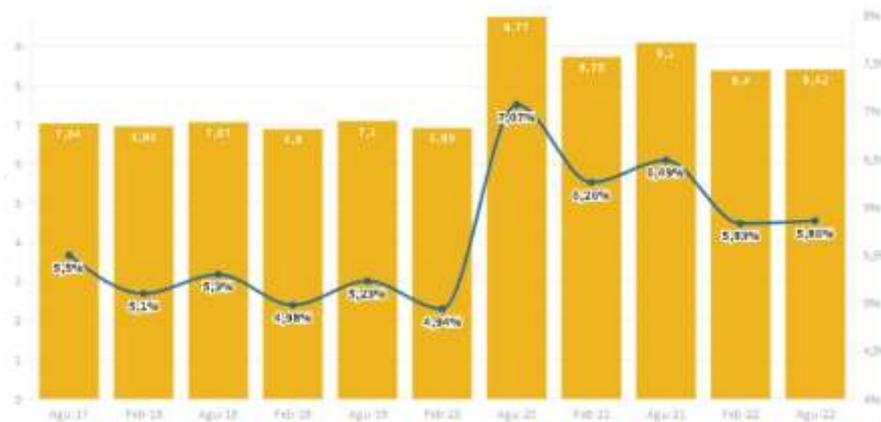


Figure 1. Number and Rate of Unemployment in Indonesia (August 2017 - August 2022)  
Source: Central Bureau of Statistics, 2022.

The Central Statistics Agency reports that there are 9.1 million unemployed people in Indonesia as of August 2021. This number is down by around 670,000 people from the position in August 2020 which reached 9.77 million people.

The number of unemployed or open unemployment rate in August 2021 reached 6.49 percent of the total workforce or the equivalent of 9.10 million. This number is lower than the open unemployment rate in August 2020.

The open unemployment rate for August 2021 has decreased compared to August 2020. At that time, the open unemployment rate reached 7.07 percent, or the equivalent of 9.77 million people. According to BPS, the trend of declining unemployment is in line with the economic improvement in 2020.

Meanwhile, in terms of gender, the open unemployment rate in the male labor force is still experiencing a significant decline compared to the open unemployment rate in the female labor force. The open unemployment rate in the male workforce fell from 7.46 percent in August 2020 to 6.74 percent in August 2021. Meanwhile, the open unemployment rate in the female workforce moved

from 6.46 percent to 6.11 percent in the same period (Kurniasari *et al.*, 2020).

Unemployment in Indonesia from a macroeconomic perspective it is known that the decline in the unemployment rate in Indonesia is in line with the improvement in Indonesia's economic recovery. In line with the improvement in the Indonesian economy, employment conditions have also continued to improve. This can be seen from the open unemployment rate in Indonesia, August 5.86%, down from August 2021.

BPS noted the working-age population in August 2022 was 209.42 million people, an increase of 2.71 million people compared to August 2021. Most of the working-age population was in the labor force, namely 143.72 million people, the rest included 65 non-labor force 70 million people (Yunus *et al.*, 2022).

Based on the National Labor Force Survey in August 2022 there were 143.72 million people, an increase of 3.57 million people compared to August 2021. A total of 135.30 million people were workers or an increase of 4.25 million from the same period the previous year, and as many as 8.42 million were unemployed, but when compared to the same

period the previous year, it had decreased by 680 thousand people. Because not all of the additional labor force is absorbed in the job market, some of it becomes unemployed. On the one hand, economic growth has been able to absorb 4.25 million workers, but at the same time, there has been an addition to the workforce of 3.57 million people (Wanto *et al.*, 2021).

The decline in unemployment occurred in the male and female population, even when viewed by region. In August 2022 the male open unemployment rate was 5.93%, higher than the female open unemployment rate which was 5.75%. The open unemployment rates for men and women decreased by 0.81% points and 0.36% points respectively when compared to August 2021. When viewed by area of residence, the urban open unemployment rate (7.74%) is much higher than open unemployment rate in rural areas (3.43%). The urban and rural open unemployment rates have the same pattern as the national open unemployment rate, which is down compared to August 2021, by 0.58% point and 0.74% point respectively (Putra *et al.*, 2021).

In August 2022, the open unemployment rate for the young age group (15–24 years) was the highest open unemployment rate, reaching 20.63%. Meanwhile, the open unemployment rate for the elderly group (60 years and over) is the lowest, namely 2.85%. The pattern of the open unemployment rate by age group is also the same as the previous year. Compared to August 2021, only the 25–29-year-old group experienced a decrease in the open unemployment rate, namely a decrease of 1.08 percentage points (Novalia *et al.*, 2019).

Based on the results of the analysis it is known that the number of unemployed in Indonesia has decreased. The open unemployment rate for the 2020-2022 period is the highest in the West Java region, in West Java, there is 8.31% and the lowest number of unemployed is in West Sulawesi, which is 2.34%.

Here are 10 regions with the highest unemployment rate in Indonesia:

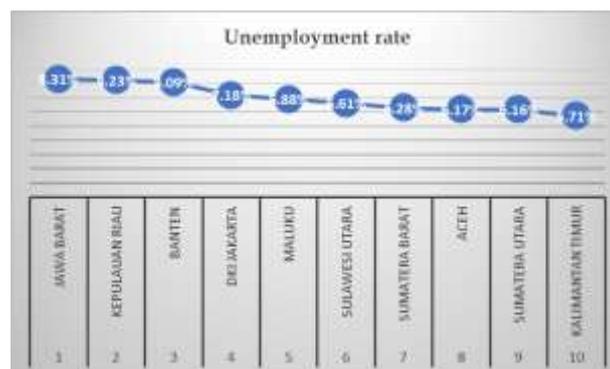


Figure 2. The unemployment rate in Indonesia

### Alleviation of Unemployment Problems with an Islamic Economic Perspective

Resolving unemployment is still a big and tough task for the Indonesian state because, in several regions in Indonesia, the level of unemployment cannot be resolved and even tends to increase (Sugiartiningsih *et al.*, 2019).

In West Java alone, based on data from the Central Statistics Agency, 2.43 million people, or 9.82 percent were unemployed, even though there was a decrease of 0.64 percent from last year. However, the open unemployment rate in West

Java is still high compared to other provinces in Indonesia (Prasetyo, 2021).

The still high rate of open unemployment in West Java is a serious concern for the West Java provincial government, through the Nakertrans Forum in the field of manpower and transmigration, the West Java provincial manpower and transmigration service is preparing material for the formulation of a work plan for the upcoming 2023 fiscal year (Amrial *et al.*, 2019).

The high unemployment rate in West Java is correlated with the poverty rate in West Java, partly due to the difficulty for people to find work. The availability of jobs is not sufficient when compared to the number of people looking for work, even if there is employment, they must compete with outside workers who have certain skills, while people who have limited skills, especially those who do not have any skills, are sure to be unable to compete with outside workers (Hudawi, 2014).

This shows the Indonesian people that the current system is capitalism, a system that creates rules of life-based on limited human reason, including solving unemployment. So that the capitalist system has proven to be incapable of providing jobs for its people; instead, the people are losing competitiveness with workers from outside (Hashmi, 2010).

So, how to solve the problem of unemployment? If the Indonesian Muslim community wants to restore the rules of life with Islam, then Islam will provide a solution born from the Creator, namely Allah SWT (Iqbal, 2000). Because Islam is a religion that not only regulates matters of worship but also matters of life, Islam has rules such as regulations regarding health, education, the economy, and others, including solving the problem of unemployment. In Islam, there are several steps that a leader will take in overcoming unemployment because the leader is responsible for managing his people. A hadith states that: "The Imam (Caliph) is *raa'in* (caretaker of the people) and he is responsible for managing his people." (Narrated by al-Bukhari) (Ghaffar & Alam, 2021).

The *first* step is in the field of education (Bello *et al.*, 2019). Education in countries that apply Islamic law will be easily obtained even for free. Not only that, the people are freed to choose according to their potential, including providing expertise or skills to the people, especially for men who have work obligations. *Second*, prepare facilities and infrastructure for all people, especially men, to want to work. Like giving capital for free and others. *Third*, the obligation to work is only for men, this is all for the sake of eliminating competition between female and male workers.

Except for work that requires women to do it. *Fourth*, the industrial sector in Islam will absorb more domestic workers and be managed directly by the state. With the aim that people can easily get a job and no one is unemployed (Wahab *et al.*, 2018). Through several steps above, Islam can resolve the unemployment rate, thus the prosperity will be felt by Muslims and non-Muslims will also feel it.

## CONCLUSION

This research concludes that the open unemployment rate in Indonesia has decreased compared to last year. Meanwhile, in terms of gender, the open unemployment rate in the male labor force is still experiencing a significant decline compared to the open unemployment rate in the female labor force. Unemployment in Indonesia from a macroeconomic perspective it is known that the decline in the unemployment rate in Indonesia is in line with the improvement in Indonesia's economic recovery and improvement in employment conditions. The view of the Islamic economy on unemployment in Indonesia is that Islam always encourages its followers to try to fulfill their economy. Unemployment in the Islamic view is one of the benchmarks in a country's economic growth. Islam strictly prohibits its people to be unemployed (not working). The goal of alleviating unemployment in Islam is seen from the vertical (God) and horizontal (human) dimensions, namely trying to seek the pleasure of Allah, and trying to achieve human goals in the world.

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