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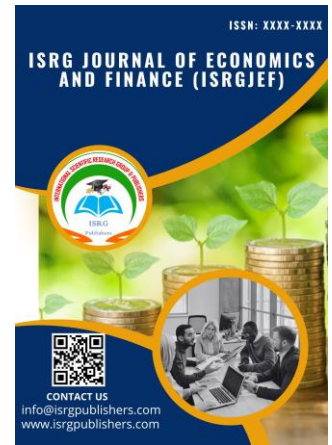
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THE EFFECT OF AVERAGE LENGTH OF SCHOOLING, MINIMUM WAGE, AND ECONOMIC GROWTH ON THE ABSORPTION OF FEMALE WORKERS IN MATARAM CITY IN 2014-2023

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Abstract

This study aims to analyze the influence of the average length of girls' schooling, minimum wage, and economic growth on the absorption of female workers in Mataram City in the 2014-2023 period. This study uses a quantitative method with multiple linear regression analysis. The data used is secondary data obtained from the Central Statistics Agency of Mataram City. The results of the study show that the average length of girls' schooling does not have a significant influence on the absorption of female workers. The minimum wage has a positive and significant influence on the absorption of female workers, while economic growth does not have a significant effect on the absorption of female workers in Mataram City. These findings can be a consideration for local governments in designing more inclusive policies to increase women's labor force participation.

Key Words: Average length of school, Minimum Wage, Economic Growth, Female Labor Absorption

INTRODUCTION

Economic development is essentially a series of government policy efforts in achieving a positive result that has an impact on the welfare of the community, expanding employment opportunities by balancing the increasing number of jobs and directing the distribution of income evenly in each region (Sukirno, 2006). Labor absorption is one of the key components in economic

development. A high level of labor absorption indicates the success of a country or region in providing jobs for its people, so that it is able to reduce the unemployment rate and improve social welfare (Iskandar, 2024).

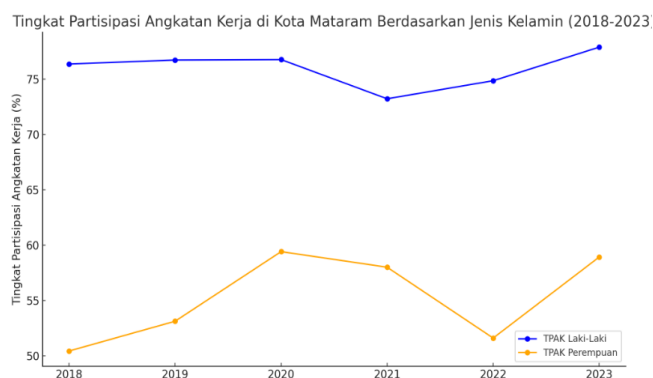
Women make up the majority of the population in all parts of the world, but women tend to lag behind to enter the labor market. Increasing women's participation in the world of work has become one of the important issues around the world. According to the World Economic Forum (2023), gender equality in the labor market is still a major challenge, especially in developing countries. In many countries, women's participation in the labor market is still lower than that of men. In the current era of globalization in every work environment, women's abilities with equal degrees and equal job opportunities should be carried out in order to create adequate quality human resources.

The World Bank (2023) states that women's empowerment in the workforce, through the implementation of policies that support equality, will have a positive impact not only on women's welfare, but also on the economy as a whole. By reducing the gender gap in the workforce, the country can increase productivity and encourage more inclusive and sustainable economic growth.

Gender mainstreaming is one of the policies included in Law (UU) No. 17 of 2007 concerning the National Long-Term Development Plan. Gender mainstreaming was built to integrate gender into one of the integral dimensions of planning, budgeting, implementation, monitoring, and evaluation of development policies, programs, and activities (Kuncoro, 2018). West Nusa Tenggara Province is one of the regions in Indonesia that has committed to implementing gender mainstreaming in various aspects of development. This commitment is in line with Presidential Regulation No. 9 of 2000 on Gender Mainstreaming in National Development and various central government policies that promote gender equality.

Mataram City as the capital city of NTB Province is also an economic center and the government has an important role in employment. The economy in Mataram City is supported by various sectors such as services, trade, tourism, and education, all of which contribute to labor absorption (BPS Mataram, 2024). However, employment conditions in Mataram City show significant gender inequality. Based on the latest data in 2023 from the Central Statistics Agency (BPS Mataram, 2024), the Labor Force Participation Rate for men reached 77.88% while for women it was only 58.92%.

Graph Comparison of Male and Female Labor Force Participation Levels in Mataram City



Source : BPS, 2023

This reflects a number of factors, including social stereotypes that place women in traditional roles in the family, limiting their ability to actively participate in the job market. Education is one of the main factors that influence a woman to decide to enter the labor market. According to Suryadarma (2020), the average length of schooling for women has a significant effect on their ability to get

a job with a decent salary. Higher education opens up more job opportunities for women and increases their productivity. Therefore, access to education for women is very important to increase their participation in the world of work. In addition to the education factor, policies regarding the minimum wage also play an important role in influencing the absorption of female workers. Higher minimum wages are often an incentive for women to enter the labor market. However, Booth & Francesconi (2021) found that the increase in the minimum wage can also have a negative impact on the level of labor absorption, especially in labor-intensive sectors, due to the increase in production costs faced by companies. Another factor is economic growth, which is theoretically expected to increase labor absorption. Kabeer (2015) in his research stated that inclusive economic growth will create more job opportunities for women, especially in the formal sector. However, she also emphasized that in developing countries, despite economic growth, women often still experience limited access to formal work due to structural barriers such as cultural norms and gender discrimination. From the description above, this study aims to analyze the extent of the influence of the average length of schooling, minimum wage, and economic growth on the absorption of female workers in Mataram City during the period 2014-2023.

LITERATURE REVIEW

Workforce

The workforce is the population of working age (15 years and above) or 15-64 years old, or the population who can potentially work. In other words, labor force is the number of people in a country who can produce goods and services if there is a demand for labor and if they are willing to participate in those activities (Ananda et al., 2022).

Labor Force Participation Rate

The Labor Force Participation Rate (TPAK) is the percentage of the number of labor force to the total working-age population in an area. TPAK shows how large the proportion of the working-age population is economically active, both by working and looking for work (BPS, 2024)

Gender Equality

Gender equality is the equal role of men and women to get the same opportunities and rights that will be obtained as human beings who will be able to play a role in socio-cultural, economic, and other activities so that they can also enjoy the fruits of hard work in development and economic growth (Nurjati, 2015)

Average Length of School for Girls

Average length of schooling is an educational indicator that measures the number of years of formal education that has been completed by the population of a region or country. Usually, this indicator is measured in the population aged 25 years and above, because at that age a person has generally completed their formal education, be it primary, secondary, or higher education (BPS, 2024)

Minimum Wage

According to Simanjuntak (2001), the minimum wage is the lowest wage level set by the government or certain institutions as a safety net to protect workers from exploitation carried out by employers.

Regarding the Minimum Wage (UM), there are two types: the **Provincial Minimum Wage** which applies to all districts/cities in one province, and the **Regency/City Minimum Wage** which applies in certain districts/cities

Economic Growth

Economic growth refers to the process of increasing production capacity in the economy of a country or region, which leads to additional income for the community in a certain period. According to Sadono (2010), economic growth is a development in economic activities that results in an increase in goods and services produced. Todaro and Smith (2006) stated that economic growth is an increase in productive capacity that lasts continuously all the time, resulting in greater and greater national income and output.

Economic Growth Indicators

Gross Domestic Product (GDP) or in English called Gross Domestic Product, is one of the important indicators to determine the economic condition and development performance, in a country in a certain period, both on the basis of prevailing prices and on the basis of constant prices. To measure the economic condition of a Province, Regency or City, the GDP (Gross Domestic Product) is used. This GDP is basically the amount of added value produced by all business units in a certain area, or the amount of final value of goods and services produced by all economic units (Arisandi & Bendesa, 2023)

RESEARCH METHODS

Type of Research

This research is a descriptive research using a quantitative research approach, which is to describe systematically, factually and accurately a treatment in a certain area regarding causal relationships based on observations of existing effects, then suspect factors as causes through a quantitative approach. In this study, the author collected data through documents and electronic books that have been published by BPS Mataram City and BPS NTB Province entitled Mataram City in Numbers from 2014-2023, NTB in Figures from 2014-2023, and Regional Economic Indicators. As well as directly accessing the data that has been published through the official BPS website.

Variable Operational Definition

1. Absorption of Female Labor (Y)

The dependent variable used in this study is the absorption of female labor, namely the number of female population of working age (15 years and above) or 15-64 years old who are working in Mataram City from 2014-2023 expressed in units of soul.

2. Average Girls' School Duration (X1)

The Average Length of Women's School is the number of years of study for women measured in units of years and calculated based on official data provided by BPS Mataram City with a research period from 2014-2023.

3. Minimum wage (X2)

The minimum wage variable used in this study is the City Minimum Wage (MSE) received by workers in Mataram City which is expressed in rupiah from 2014-2023.

4. Economic growth (X₃)

In this study, economic growth is seen from the change in GDP according to business fields on the basis of constant prices (ADHK) which refers to changes in added value from year to year produced by various economic sectors in Mataram City, using fixed (constant) prices so that the changes recorded reflect real growth that is not affected by price fluctuations (inflation).

Economic growth variables are expressed in percentage units from 2014-2023

Data Analysis Procedure

The data analysis method used in this study is multiple linear regression processed using eviews 12. The main purpose of regression analysis is to explain the behavior of non-independent variables with respect to the behavior of one or more independent variables, taking into account the fact that the relationship between all such variables is uncertain (Gujarati, 2007)

The functional form can be changed to the following:

$$Y_t = \beta_0 + \beta_1 X_{1t} + \beta_2 X_{2t} + \beta_3 X_{3t} + e_t$$

Where:

Y_t : Absorption of Female Labor in the tth year

β₀ : Constant

β₁, β₂, β₃ : Regression coefficients of each variable

X₁ : Average Length of School for Girls in the t year

X₂ : Minimum wage for the t year

X₃ : Economic growth in the t year

E : Term Error Year T

RESULTS AND DISCUSSION

Multiple Linear Regression Analysis Results

Variable	Coefficient	Probability
C	57358.53	0.0017
Average Length of School for Girls	1.542184	0.8489
Minimum Wage	0.020544	0.0053
Economic Growth	-2.988791	0.5870

Source : Data Processing Results with Eviews 12

Based on the results of the multiple linear regression analysis above, the following equation can be obtained:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

$$Y = 57358.53 + 1.542184 X_1 + 0.020544 X_2 - 2.988791 X_3 + e$$

From the data input in the multiple linear regression equation above, it can be explained as follows:

- The value of the Constant in the equation is 57358.53 which means that if all independent variables, namely the Average Length of Women's School (X₁), the City Minimum Wage (X₂) and Economic Growth (X₃) are considered constant, then the Absorption of Female Labor is 57.358.53 people
- The variable Average Length of Women's Schooling (X₁) has a regression coefficient of 1,542184, so it can be interpreted that if there is an increase in the Average Length of Women's Schooling by 1 year, the Absorption of Women's Labor will increase by 2 people. Assuming that the variables of the City Minimum Wage (X₂) and Economic Growth (X₃) are in a constant state.
- The City Minimum Wage variable (X₂) has a regression coefficient of 0,020544, so it can be interpreted that if there is an increase in the City Minimum Wage of Rp.1,000, the Absorption of Female Labor will increase by 21 people. Assuming that the variables of Average

Women's School Length and Economic Growth are in a constant state.

- d. The Economic Growth variable (X3) has a regression coefficient of -2,988791, so it can be interpreted that if there is an increase in economic growth of 1 percent (%),

the Absorption of Female Labor has changed by 3 people. Assuming that the variables Average Length of Schooling for Girls (X1) and Minimum Wage (X2) are in a constant state

Partial Test (t-Test)

The t-test is used to test the relationship between partially independent variables and dependent or bound variables. The following are the results of the t-test:

Variable	Coefficient	T-Statistics	Probability	Information
C	57358.53	5.361122	0.0017	
Average Length of School for Girls	1.542184	0.198971	0.8489	Not Significant
Wages Minimum	0.020544	4.256826	0.0053	Significant
Economic Growth	-2.988791	-0.573802	0.5870	Not Significant

Source : Data Processing Results with Eviews 12

Based on the results of the partial test in the table above, it can be analyzed as follows:

1. The variable of Average Length of Women's Schooling (X_1) shows that the value of sig is $> \alpha$ ($0.8489 > 0.05$) with a t-count value of $0.198971 < t$ -table 1.94318 so that it can be said that the Average Length of Women's Schooling has a nonsignificant effect on the absorption of female labor.
2. The Minimum Wage variable (X_2) shows that the sig value is $< \alpha$ ($0.0053 < 0.05$) with a t-count value of $4.256826 > t$ -table 1.94318 so it is said that the Minimum Wage has a significant effect on the absorption of female workers.
3. The Economic Growth Variable (X_3) shows that the value of sig $> \alpha$ ($0.5870 > 0.05$) with a t-count value of $-0.573802 < t$ -table 1.9438 so that it is said that economic growth has an insignificant effect on the absorption of female workers.

Simultaneous Test (Test F)

The F test is used to explain whether all independent variables or independent variables used in this study have a joint influence on dependent variables or bound variables. The following are the results of the F test:

F-statistic	8.066015
Prob (F-statistic)	0.015824

Source : Data Processing Results with Eviews 12

Based on the results in the table above, it can be seen that F calculates = $8.066015 > F$ table = 4.76 and the probability value F calculates $0.015824 < 0.05$ which illustrates that the regression model can be used to describe the absorption of the Female Labor Force where the independent variables of Average Length of Women's Schooling, Minimum Wage, and Economic Growth simultaneously or together affect the variables of the absorption of the Female Workforce.

Determination Coefficient Test (R2)

The Coefficient of Determination (R2) test explains how far the model is able to explain the variation of dependent variables

indicated by the magnitude of the coefficient of determination (R2).

R-R-squared	0.801312
A Adjusted R-squared	0.701967

Source: Data Processing Results with Eviews 12

Based on the results of the analysis in the table above, that the Adjusted R-squared value is 0.701967, it can be concluded that in 0.701967 or 70.19% it means that the variables of the average length of women's schooling, minimum wage, and economic growth are able to explain the variable of female labor absorption of 70.19% while the remaining 29.81% is explained by other variables outside the model.

Discussion

1. The Effect of Average Length of Women's Schooling on Women's Labor Absorption

The results of the study show that the average length of schooling has a not significant influence on the absorption of female workers in Mataram City. This indicates that although education is a factor that can open up opportunities for women to participate in the job market, its impact is not strong enough to significantly increase women's participation in the workforce.

Although women have a high level of education, many of them choose to work in the informal sector or even not work at all. Many women choose not to enter the formal world of work because of socio-cultural factors that place women as the main caregivers of the family so that even though they are highly educated, they still choose not to work or work in the informal sector that does not require higher education.

2. The Effect of Minimum Wage on the Absorption of Female Labor

The results of the study show that the minimum wage has a positive and significant effect on the absorption of female workers in Mataram City. This indicates that with the minimum wage policy, more women are being

encouraged to enter the formal job market, as higher wage levels provide more incentives for them to work in sectors that offer better income stability.

When the minimum wage is increased, it directly encourages the transition from the informal sector to the formal sector. The formal sector, which offers a fixed and stable salary, is often more attractive to women seeking financial stability, than the informal sector, which generally provides lower and uncertain incomes. Rising minimum wages are expected to attract more women to join the more lucrative formal workforce. In addition, with higher wages, women are more motivated to work, both to improve the welfare of their families and their standard of living

3. The Effect of Economic Growth on the Absorption of Female Labor

The results of the study show that economic growth has a nonsignificant effect on the absorption of female workers in Mataram City. Although the region's economy is thriving, there are structural and social factors that prevent women from reaping the full benefits of economic growth.

In Mataram City, rapidly growing sectors such as heavy industry, construction, and technology employ more men. In contrast, sectors that absorb a lot of women such as services, education, and health did not experience significant growth in the period analyzed. Economic growth focused on sectors that require technical skills and specialized expertise benefits men more, while women who often work in the informal or service sectors do not feel the positive impact of such economic growth.

CONCLUSION

Based on the results of the study on the Influence of Average Length of Women's Schooling, Minimum Wage, and Economic Growth on the Absorption of Female Labor in Mataram City, it can be concluded as follows:

1. The average length of women's schooling has a insignificant effect on the absorption of female workers in Mataram City.
2. The minimum wage has a significant influence on the absorption of female workers in Mataram City
3. Economic growth has a negligible influence on the absorption of female workers in Mataram City.

Suggestion

Based on the conclusions that have been taken, the suggestions that can be given based on the results of the research are:

1. Improving Access and Quality of Education
The government needs to improve access and quality of education for women through job market-based skills training programs, scholarships, and vocational training to increase women's competitiveness in the formal job market.
2. Optimization of Minimum Wage Policy
Minimum wage policies need to be optimized with stricter oversight to ensure compliance in the formal sector, along with socialization to women workers about their rights related to wages.
3. Encouraging Inclusive Economic Growth

The government is advised to develop sectors that absorb a lot of female workers, such as MSMEs, creative industries, services, and tourism, in order to create more inclusive economic growth

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