CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

Based on the results of the research analysis, it can be concluded that:

1. Based on the results of the probability model of work participation, the gender variable affects work participation in formal and informal labour, where the work participation of female labour is lower than that of male labour. Age variable affects the work participation of all labours, formal and informal labours, where the older the labour, the greater the work participation of the labour. The variable of residential area affects the work participation of all labours, formal and informal labours, where the work participation of labours domiciled in city areas is lower than the labours domiciled in village areas. The marital status variable affects the work participation of all labours, formal and informal labours, where the work participation of married labours is higher than that of unmarried labours.

2. Based on the results of the Mincer model, the type of education variable affects the income received by all labours, formal and informal labours, where the higher the level of education taken by labours, the higher the income received by labours, and the same type of education, namely senior high school and vocational high school, has a different level of income where the income of labours with vocational high school education is higher than that of senior high school. The work experience variable affects the income received by all labours, formal and informal labours, where the longer the work experience in the labour force, the higher the income received and the income received will

decrease after a certain length of work experience which is considered the peak point of income as time increases. The gender variable affects the income received by all formal and informal labours, where male labours earn a higher income than female labours. The variable of residential area affects the income received by all labours, formal and informal labours, where labours domiciled in urban areas earn a higher income than labours domiciled in rural areas. The job training variable affects the income received by all labours. In these formal and informal labours, labours who have participated in job training have a higher income than labours who have never participated in job training. Job-status variable affects the income received by all labours, where formal labours have a higher income than informal labours.

5.2 Research Implication

1. Education is essential in encouraging labour to improve its standard of living. A better level of educational attainment will increase the income earned by the labour force. The difference in income also occurs in the equivalent type of education between senior high school and vocational high school, where vocational high school, which focuses on skills, has a higher income than senior high school. Therefore, policies that focus on the concept of return of education and also pay attention to the skills possessed by the labour force are needed to improve the quality of the labour force in Indonesia.

2. Job-status has an important role in labour welfare. Income inequality between formal and informal labours does not provide proper welfare and protection for informal labours. The concept of decent work contained in sustainable development goals can encourage policies focusing on job status, especially

regarding labour protection and decent income from labours.

5.3 Recommendations

This research has several limitations, so that in the future it is hoped that further researchers can make improvements for future research, while the limitations in this study are as follows:

1. This study uses secondary data for analysis, and the next researcher is expected to use primary and secondary data to obtain more comprehensive research results.

2. This study only used research data in the form of the results of the National Labour Force Survey for August 2020, and it is hoped that future researchers will use data for a longer period which can compare the period before and during the COVID-19 pandemic.

3. This study only analyzed several variables: education, work experience, gender, area of residence, and job training. The next researcher is expected to be able to analyze other variables that have yet to be studied.