

CHAPTER I

INTRODUCTION

1.1 Background

Indonesia is a developing country with abundant natural and human resources. Indonesia is one of the largest archipelago countries with a large population spread throughout the archipelago. The population growth rate in Indonesia increases every year, based on data published by the Badan Pusat Statistik (BPS) in 2022 entitled Indonesian Statistics 2022, the population of Indonesia is 272.682,5 million people in 2021. The large population in Indonesia shows that the country has sufficient human resources to support the progress of economic development, because human resources are an important model in driving the wheels of economic development. According to Sukirno (2006), if the large population growth is not matched by adequate employment opportunities, it can lead to unemployment problems. A high unemployment rate can have a negative impact on people's welfare because their income decreases. A decline in community welfare can lead to another problem, namely poverty.

Population conditions in a country affect the development process. If the population in a country is qualified, it will encourage economic growth, but on the contrary the large population will be a burden in development. The large population is one of the potentials in national development when the population can be absorbed properly as a skilled workforce, it can become capital in all aspects of national development. However, higher population growth can result in higher labor force growth. This will certainly lead to various problems, such as the shortage of jobs that cause unemployment (Jhingan, 2003).

Unemployment is a labor problem that is often experienced by developing countries. Mankiw (2007) argues that unemployment is a macroeconomic problem that affects people directly and severely enough to cause a decline in living standards and psychological pressure. A high unemployment rate will hamper a country's economic growth, waste resources and squander potential. It can lead to social unrest and high levels of criminality. According to BPS (2017) in Indonesia, the indicator used to measure unemployment in accordance with the ILO concept is the open unemployment rate. The large open unemployment rate in Indonesia

can be seen based on gender. The open unemployment rate is seen from the number of people working, the number of unemployed and the labor force. The open unemployment rate in Indonesia is relatively varied. Each region in Indonesia has different results regarding the open unemployment rate based on gender. There are regions where the open unemployment rate based on male gender is higher than female and vice versa, such as in the provinces of Bali and West Sumatra. These two provinces have different numbers of employed, unemployed and labor force individuals based on gender. The existence of these differences shows that there is still a gender gap.

According to Arbain et al. (2015), gender gap is a social injustice that occurs between male and female in various aspects of life, such as opportunities and control over resources, economy, power, and political participation. Qori (2017) stated that gender gap in the world of work still occurs. Some people consider female social roles to be far behind and passive than male social roles, this is due to cultural construction. In addition, Mehrotra & Sinha (2017) also stated that differences in education and skills levels, socio-cultural restrictions, sectoral and occupational segregation, male migration, and access to productive inputs are the causes of gender gap in decent work participation.

The gender gap in Indonesia is still relatively high, according to the World Economic Forum (WEF) 2021, the gender gap in Indonesia can be seen from the Global Gender Gap Report figures, Indonesia is ranked 101 out of 156 countries, which means that it still has a high level. In other words, gender gaps still need to be addressed in various ways, such as women's empowerment, increasing gender awareness, and implementing policies that support gender equality in addressing gaps that focus on education, women's participation in the workforce, implementing gender mainstreaming policies, industrial cooperation, and others. This is done to reduce gender gaps in Indonesia and equality can be felt by every gender.

Table 1. 1 Data Population on Work, Unemployment and Labor Force Aged 15-65 by Gender in Bali and West Sumatera 2021

Region	Work		Unemployment		Labor Force	
	Male	Female	Male	Female	Male	Female
Bali	1.178.907	1.004.335	93.736	53.931	1.272.643	1.058.266
West Sumatera	1.406.346	933.284	106.250	81.998	1.512.596	1.015.282
Total	2.585.253	1.937.619	199.986	135.929	2.785.239	2.073.548

Source: Sakernas Data on August 2021

The table 1.1 is a table of the labor force aged 15-65 and it can be seen that the number of male working in both Bali and west Sumatera is greater than female, namely in Bali 1.178.907 male work, while the female population is 1.004.335. In the West Sumatera region, there are 1.406.346 male workers, while there are 933.284 female workers. In the unemployment column, the number of unemployed people based on male gender is higher than female, both in Bali and West Sumatera. It can be seen from the data above that the number of unemployment male in the Bali region is 93.736 people, while the female population of unemployment is 53.931 people and in West Sumatera the number of unemployment male is 106.250 people and the number of unemployment female is 81.998 people. For labor force data in Bali and West Sumatera, male still dominate compared to females. In Bali, the number of males in the workforce is 1.272.643 and females are 1.058.266. In West Sumatera, the number of males in the workforce is 1.512.596 and females are 1.015.282. To see the open unemployment figures by gender in West Sumatera and Bali, can use the formula total unemployment is divided by the total labor force then multiplied by one hundred percent.

The reason why the comparison between Bali and West Sumatera is taken is because these two areas are tourist areas. Bali is a tourist destination famous for its beaches such as Kuta, Seminyak and Nusa Dua, as well as its natural and cultural beauty. while West Sumatra attracts tourists with its natural beauty such as the Harau Valley, Lake Singkarak, and Mentawai Island, which is famous as a surfing spot. Minangkabau culture and cuisine are also the main attractions. Bali and West Sumatra also have differences in terms of the majority religion they adhere to, in Bali the majority of the population adheres to the Balinese Hindu religion, which is very rich in religious ceremonies and daily rituals. Meanwhile, in West Sumatra,

the majority of the population is Muslim, and they have a strong traditional Minangkabau culture. Not only that, these two regions also have different kinship systems, Balinese society adheres to a patrilineal system, where lineage and inheritance rights are passed down through the father's line. So, the role of women in involvement in household matters, social activities and ceremonies is slightly reduced because they are more dominant. by men. Another thing with West Sumatra, the Minangkabau community in West Sumatra adheres to a matrilineal system, which means that bloodline and inheritance rights are passed down through the mother's line, so that females play more roles both in the household and in social activities. In terms of leadership, in West Sumatra females can play the role of "Bundo Kandung," namely a female figure who has an important role in maintaining traditional and traditional values, as well as many other differences.

Table 1. 2 Open Unemployment Rate by Gender in Bali and West Sumatera 2021.

Region	Open Unemployment Rate Based on Gender (%)	
	Male	Female
Bali	7,37	5,10
West Sumatera	7,02	8,08

Source: Sakernas Data on August 2021

Table 1.2 it can be seen that the two regions have differences in open unemployment rates based on gender. In the Bali region, the open unemployment rate for male is higher than for females, namely 7,37% for male and 5,10% for females. Meanwhile in West Sumatera, the open unemployment rate for females is higher than for male, namely 8,08% for females and 7,02% for male. This is the same as several empirical studies that confirm that the probability of female probability unemployment in Bali is lower than in West Sumatera. Such as an empirical study conducted by Amalia and Miranti (2023), explaining the role of females in Bali in the economy so that it can reduce the chances of probability of unemployment. As is known, the tourism sector is the main driver of the Balinese economy and tourism contributes significantly to Bali's economic growth. The tourism industry absorbs a lot of workers, including females, in various roles such as hotels, restaurants, spas, and other service sectors. This can also be seen from the

development of tourism infrastructure, such as hotels, restaurants, and other tourist attractions, creating many jobs for females. In addition, the tourism industry provides extensive job opportunities for females, both in formal and informal jobs. A female is often involved in jobs that require interaction with tourists, which rely on communication and customer service skills, which many women have. The tourism sector encourages relevant skills training programs, such as training in customer service, hotel management, and foreign languages. Highly educated females also have a greater probability of getting a job and making females more competitive in the job market, because by pursuing higher education they can improve their skills and creativity, and the unemployment rate of highly educated females tends to be lower than that of lower educated females in Bali. With the increasing job opportunities in the tourism sector, many females in Bali are able to earn a stable income, which improves their economic welfare and that of their families. This also improves the economic and social status of females in society and helps reduce the unemployment rate among females because this sector provides many job opportunities.

Different in West Sumatera, an empirical study conducted by Saputra, et al. (2023) explains that the probability of female being unemployment in West Sumatera are higher with several causes, namely, economic growth that occurs is uneven and is more concentrated in sectors that do not absorb much female labor. For example, the agricultural and small industry sectors that are dominant in West Sumatra are not developed enough to create new jobs for highly educated females. In addition, strong social norms in West Sumatera often place females in domestic roles, which limits their participation in the formal workforce. Gender discrimination in the recruitment and promotion process also reduces female probability of getting decent jobs. In other words, females who live in West Sumatera still have many challenges in getting a job, they have to look from scratch in all fields. Different from Bali, females in Bali certainly already have the main capital to get a job, because they know that in Bali the sector for getting income is indeed from the tourism sector. Uneven economic growth also makes it difficult for those looking for work to get it, especially the ongoing discrimination and the assumption that females cannot work outside the home even though they have

higher education than male. As Muliana (2020) said, many females with higher education in West Sumatera face a mismatch between their qualifications and the jobs available in the local job market. Higher education should reduce the unemployment rate, the reality is that many highly educated females are still unemployed due to limited employment opportunities that are not suitable.

Table 1.2, it can be seen that the gender gap is not only experienced in the female labor market, but can also occur in the male labor market. This is different from empirical studies which also highlight the gender gap in the open unemployment rate, on average finding results that state that the open unemployment rate for women is relatively higher than for men. Research of Masague (2008) shows that the problem of gender gap in open unemployment rate can occur in developing countries as well as in several developed countries. In general, the open unemployment rate of females tends to be higher than that of male. One of the gaps is in the level of education, a higher level of education is associated with a lower unemployment rate, but the impact is different between male and female. Females with higher education still experience higher unemployment than male with the same level of education. In addition, incomplete education, especially in females, contributes significantly to higher unemployment rate. Sahin (2018) explains that another factor that influences unemployment is age. Age influences unemployment through the demographic composition of the labor force, where younger age groups tend to have higher unemployment rates than older age groups. Changes in age composition can contribute to the convergence of unemployment rates between male and females.

In addition, Azmat (2006) in his research found that there is a significant difference in unemployment rates between male and female, with females having a higher chance of being unemployed, especially females who are married and have children. Overall, demographic and social factors contribute to the gender gap in unemployment. Therefore, with the existence of empirical study, the difference between this study and other studies is that this study took the areas of Bali and West Sumatra with different percentages of open unemployment rates based on gender. From SAKERNAS data in the Bali region, the male unemployment rate is high with a percentage of 7.37% compared to female at 5.10%, while in West

Sumatra the female open unemployment rate is higher, which is 8.08% and male are lower, which is 7.02%. This study also uses variables, namely unemployment rate, gender, region, age, marital status and level of education.

1.2 Problem Formulation

Based on the explanation above and the title, the main problem in Indonesia is related to the open unemployment rate which has a gender gap and each island has a different gender gap, such as on the region of west Sumatera the open unemployment rate based on gender of female is higher than male and on the region of Bali the open unemployment rate based on gender of male is higher than female. So, what factors influence female unemployment in West Sumatera higher than female unemployment in Bali?

1.3 Research Objectives

In line with the problems that occur and in accordance with the background, the purpose of this study is to analyze the factors that influence female unemployment in West Sumatera and Bali.

1.4 Systematic of Writing

For the clarity and certainty of the discussion in this study, the systematic required:

CHAPTER I: In this the chapter will explain the research background, then formulate the problems to be studied. Based on the formulation of the problem, the general objectives of this research.

CHAPTER II: This chapter includes grand theory, Literature Review, past research which form the basis of this research. Based on the theories and research framework, a research framework is formed and, in this chapter, there is a hypothesis of research.

CHAPTER III: This chapter describes type of research, data collection techniques, and data analysis techniques.

CHAPTER IV: This chapter discusses the analysis and description of the research object. In addition, research results from data processing will be presented.

CHAPTER V: This chapter discusses the conclusions from the discussion of research data analysis and useful suggestions for further research.