

CHAPTER I

INTRODUCTION

1.1 Background

Indonesia is the 4th most populous country in the world. Based on data from Badan Pusat Statistik (BPS), population in Indonesia always increases every year. This high population is the duty of the government to improve the quality of human resources in order to encourage the increasing of development of a country. Based on the data below, population in Indonesia continuous to increase in each year, especially from 2018 to 2019 where the increase is 3 million people. The increase in the population that continues to increase from year to year has an impact on an increase in workforce. In 2019 the working age population in Indonesia is 134.6 million people, this number increases by 2 million from the previous year.



The logo of Universitas Andalas is a circular emblem. It features a green tree in the center, with a red flame or torch at its base. The tree is set against a yellow background with a sunburst pattern. The words "UNIVERSITAS ANDALAS" are written in a semi-circle at the top, and "KEDJAJAAN" is written in a banner at the bottom.

Table 1.1
Total of Indonesian Population

Year	Population
2015	255,461,686
2016	258,704,986
2017	261,890,872
2018	265,015,313
2019	268,074,565

Source: Badan Pusat Statistik, 2019

With a large number of human resources, the role of the workforce is very decisive and has a vital role in the economic development in Indonesia. According to Law Number 13 of 2013 concerning Manpower, what is meant by manpower is all matters relating to labor before, during, and after the work period and labor is anyone who is able to carry out work to produce goods or services either for meet the needs of themselves and others. Labor is the most important resource in the development process, because with abundant labor production factors, economic activity will develop more quickly and be able to compete so as to have a better impact on economic growth (Junaidi et al., 2014). Labor is the main factor that links

between economic growth and human development. The large number of the working force is a reflection of the circumstances of potential jobs; as more employment options are available, overall output in a region will improve (Hardiani et al., 2020). The percentage that shows the size of the labor force participation rate compared to the working age population is known as the Labor Force Participation Rate (LFPR). (Suwandi in (Ardella et al., 2019)) explains if the high LFPR is induced by a large number of people employed, then the LFPR represents a strong contribution of labor force participation. However, this is very worrying if the high LFPR is followed by a low level of job opportunity (the proportion of the working population), it means that the population seeking jobs will increase, resulting in high unemployment.

Meanwhile Jambi Province has a population categorized as the workforce based on 2019 BPS as many as 1,754,787 of which 1,683,575 people work while the unemployment rate is 71.212 people. Judging from the population development of the labor force in the previous year, it had been decreased, as well as the working workforce, while open unemployment increased compared to the previous year. The labor force participation rate in Jambi Province from 2017 to 2018 has increased. Where in 2017 it was 67.52, and in 2018 it was 68.46, but in 2019 it decreased by 2.37 percent to 66.09 percent. The decline in the labor force participation rate is the impact of the declining female labor force participation in Jambi Province. In 2017 it was 50.28, in 2018 it was 51.95 and in 2019 it was 47.03. Furthermore, the statistic for the labor force participation rate in Jambi Province based on gender indicates that men outnumber women. When male and female labor force participation rates are compared, there is a significant difference. The extent of this disparity suggests that there are still strong social and customary expectations in the society that women's primary role is to care for the family and their children (Junaidi et al., 2014).

This is strengthened population in Jambi province comes from various ethnicities, with the majority being Jambi Malay, Javanese, other Sumatran and Minangkabau. Where each ethnic group adheres to a matrilineal, patrilineal, and bilateral kinship system. For example, the Jambi Malay community, which is divided into two that is downstream areas uses a patrilineal kinship system, while the upstream region practices a matrilineal kinship system. As well as the Minangkabau ethnic community who adhere to the matrilineal system. In matrilineal customs, children connect with their mothers based on lineage, descent according to the mother's line is considered very important, giving rise to a much closer familial relationship with the lineage of the mother (Rahman, 2014). In the matrilineal system (mother's lineage), boys tend to leave their homes. The reasons are either because he is

married and lives at his wife's house or migrates to meet the needs of his family in his hometown. So, it is automatically women who take care of their parents (Levi-strauss, n.d.).

While female labor force participation is low, there are many modern women work to assist their husbands in meeting household needs or simply to fill their spare time and obtain expertise by working in the formal and informal sectors. With the progress of globalization, people are becoming more accepting of the importance of female who not only taking care the household and children, but also contribute to the needs of the family's economy (Putu & Nilakusmawati, 2012). The involvement of women in economic activities is influenced by many factors, including age, education level, number of children, husband's education, and household expenses. The older a women, the greater her labor force participation; conversely, the more older a women is, the smaller her labor force participation. With age, the level of labor participation rises. However, at a certain age, the level of labor force participation reaches an optimal point then falls to its lowest point, especially among those aged 60 and over (Hidayat et al., 2017). According to Badan Pusat Statistik Jambi Province in 2019, population age 15-19 years old contribute the largest portion in working age population, however, most of this age population have education activity, this age population will be contributed in small portion of workforce. Population age 20-24 and 25-29 years old have high proportion. In this age people usually seeking for job or new entrance in work-life. After graduated from high school or university, job seekers are set to seeking for job opportunities.

The higher female's education level, the greater their labor force participation. This is due to the development process (education), which has the potential to improve family income, and women with higher education tend to work in line with their education level (Riyadi, 2000). Based on Badan Pusat Statistik Jambi Province data, the highest percentage of education certificate holder is Primary School (26.06 percent), followed by Junior High School (23.23 percent), and Senior High School (23.14 percent). From these percentages it can be seen that level of education in Jambi Province is classified as low. Based on gender, the percentage of female who never/have not go to school or do not have Primary School certificate is higher than male. Alongside own-education, spouse's education level also associated with wife's participation in labor force and their earnings. An uneducated husbands have low productivity in the labor market therefore family income remains low thus women are pushed into the labor market. As education may also affect earnings, it can affect wife's labor force participation and as head of household who control the activities of

household members, the decision of married women to enter the labor force is affected by the characteristics of their husband. This characteristics include education level, the more educated a person is, they become more open minded and allow the women to participate in the labor force (Azid et al., 2010).

Number of children is one of the factors influences female labor force participation rate. The presence of young children who need special treatment will reduce female's labor force participation. Indonesian female usually work until marriage, then retire from the workforce when they have children that also need special treatment, and then return to the workforce when their children are grown (Riyadi, 2000). The total of children population age 0-17 years old in Jambi Province in 2019 reaches 31.78 percent of all of Jambi Province population which is 1,152,060 from 3,624,579 population, with 50.83 percent female and 49.17 percent male children population. It means that there are 317 children in every 1000 population and female children population is more than male population in 2019. The presence of children will affect female labor force participation since children at that age still need and rely on attention and care from adults to fulfill their basic needs such as eat, drink, and many more, and also mother is a main care-taker. When having a children, parents who have jobs will make decisions how they taking care of their children. Whether rely on non-parental nurturing that is with asking for help from family and relatives or hire assistant to take care their children (Direja & Widyawati, 2018).

Household expenses is one of the factors that have an impact on work decisions of women. One of the reason women work in the sector informal is because of having to work to overcome household financial difficulties (Putu et al., 2009). The higher household expenses the women have, they tend to enter the labor force to help husband to cover their expenses. Otherwise, if the household expenses is low and their husband's income can cover all of the expenses, women tend to not enter the labor force and choose to taking care the household.

With the factors that affect female labor force participation, this makes women have two roles; working and taking care for their families. Particularly for women who are responsible for two generations of dependents, including children and parents. This phenomenon is referred to as "sandwich generation" or "women in the middle." Sandwich generation is adults who bear the lives of their children while also bearing the lives of their parents. This generation is different from other generations, such as the Baby Boomer Generation, moreover, this term refers to a phenomenon in which an adult has to take care for their children while still meeting the needs of their parents, resulting in a 'sandwich' in which they are squeezed in between their child and parents (Miller, 1981). According to Badan

Pusat Statistik (Badan Pusat Statistik, 2019) on the information of elderly population in Indonesia, there are numerous elderly population in Indonesia particularly in urban area. The expansive number of elderly population in Indonesia has both positive and negative impacts. The positive impact is in the event that the elderly population is in healthy condition. On the other hand, the expansive number of the elderly population gets to be a burden in the even that the elderly have health issues that result in an increase within the cost of health administrations in this way will diminish the wage. The involvement of the older generation will have both positive and negative impact on the 'sandwiched' individuals labor participation. The presence of children in family is diminish the participation of female to go to work. In any case, if the parents at home are in a great health, their parents can offer assistance to watch out their children when they go to work, and can increase the probability of sandwiched females participating within the labor force. (Samudra & Wisana, 2017). However, if the parents at home is disabled it will decreases the participation of female to go to work. As (Kolodinsky & Shirey, 2000) stated that co-residence with disabled elders decreases the number of hours of work. The increasing elder's age has negative effect on labor market because it indicates a possible substitution into household activity in order to care for a disabled elders parent. Therefore, if in a household there are children who still need care from their parents and disabled elders parent who need special care it will decrease the female labor force participation.

Pagani & Marenzi (2008) conducted research on the labor market participation of sandwich generation Italian women in which they investigated the effect of the participation of two generations' parents and children in a household. From the findings of this study, the high duty to taking care for children and the elderly, which discourages female from entering the labor force, is now very poor in Italy. On the other hand, the intervention of parents will assist women in doing domestic tasks and caring for family members (Pagani & Marenzi, 2008). Meanwhile in Indonesia, the phenomenon of sandwich generation itself have high potential of female are becoming sandwich generation. According to BPS statistics, the proportion of Indonesia's elderly population has approximately doubled over a nearly five-decade period (1971-2019). Whereas the population of children age 0-17 years in Indonesia in 2019 is estimated to be 79,4 million, which is expected to decline from 2018 to 2025 (Kemenppp, 2014). This demonstrates that the likelihood of these two generations living in the same household is very high, as the prevalence of the sandwich generation phenomena. Unfortunately, research on the phenomenn of sandwich generation in Indonesia is very rare.

Based on the description above, several factors the underpin the level of labor force participation are influence by the family's economic needs, which are insufficient by the husband's income alone, so that women are encouraged to participate in meeting family needs, women with higher education tend to choose to participate in the workforce, and the minimum wage policy in a province. Meanwhile, the presence of children reduces female's participation in the labor force. This, along with the presence of elderly parents in the home, resulted in the sandwich generation phenomena. As a result, the writer is very interested in conducting research on this phenomenon. This is a phenomena that we often observe or witness. Furthermore, there has been very rare research on this phenomena in Indonesia, especially in Jambi Province. Based on the description above, the author interested to conduct research titled "ANALYSIS OF SANDWICH GENERATION ON FEMALE LABOR FORCE PARTICIPATION IN JAMBI PROVINCE."

1.2 Research problems

Elderly population based on UU Nomor 13 Tahun 1998 is a people that has reached the age of 60 years and over. According to Badan Pusat Statistik (BPS), elderly age group is divided into two groups, namely, pre-elderly and elderly population. Where pre-elderly is people age between 45–59 years old. Elderly population is divided into three parts, those are, young elderly (60–69), intermediate elderly (70–79) and old elderly (80+). The total of pre-elderly population is 580,800 from 3,624,854 souls in Jambi Province in 2019. Where among them 67.38 percents are young elderly, 24.83 percents are intermediate elderly and 7.79 percents are old elderly.

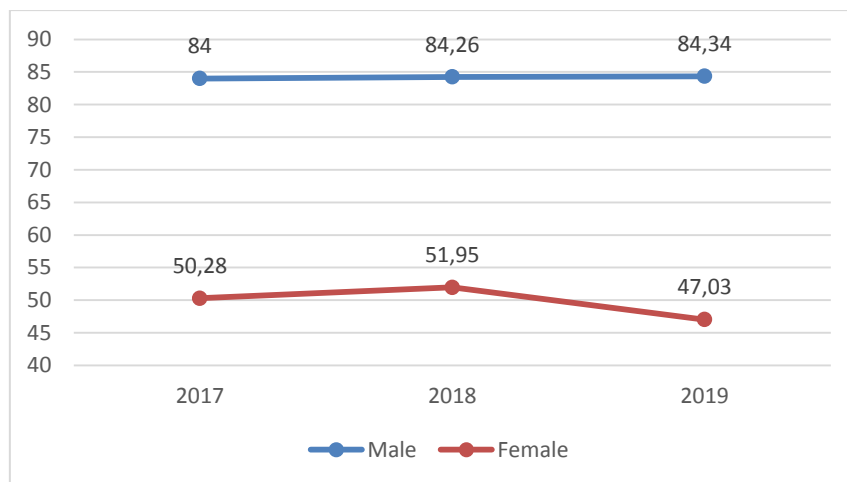
From the data it can be seen that proportion of pre-elderly is high, which means in the future elderly population will be increased. Likewise elderly population in 2019 is also quite high. The large number of elderly population have both positive and negative impacts. BPS also noted that in 2019, the ratio of dependence on the elderly to the productive population in Indonesia was 15.01. This means that every 100 people of productive age in Indonesia must support 15 elderly. In addition, the dependency ratio for the elderly continues to increase.

Meanwhile in 2019, the total of children population age 0-17 years old in Jambi Province reaches 31.78 percents that is 1,152,060 people. This total increased compared to the previous year. With 50.83 percent female and 49.17 percent male children population. It means that there are 317 children in every 1000 population and female children population is higher than male population. The presence of children can affect the decision of female to work, because basically in household female is a main caretaker for the family, moreover

when the child is still need adult to fulfil their basic necessities such as eat, drink, and so on. With the data of elderly and children population in Jambi Province, the possibility of a female experience as a “sandwich generation” is high and could affect the female labor force participation.

Graph 1.2

Growth of Female Labor Force Participation Rate in Jambi Province 2017-2019 (%)



Labor Force Participation Rate (TPAK) in Jambi Province based on gender as a whole the percentage of men is higher than women. In 2019, the TPAK in Jambi Province witnessed a fall compared with the previous year. The dramatic decline in the TPAK for women decreased by 4.92 percent and for men rose by 0.08 percent based on data by gender. This suggests a decline in the involvement of women in the labour force in the labor market or a drop in the productive participation of employers in the economy. In comparison with female TPAK, there is a huge gap between male TPAK. Men’s TPAK tended to be greater than women’s. The disparity in the TPAK estimates was 33.72 percent in 2017, 32.31 percent in 2018 and 37.31 percent in 2019. This data indicates quite clearly that the male labor force is much larger in the labor market than the participation of women in the labor force. This is due to the high social and customary norms that place women in their status as household caretaker and their children are a strong reason for their low labor market participation. (Junaidi et al., 2014). To explain the problems in this study, there are several problem formulations that can be proposed:

1. What is the effect of the presence of elder parents and children in a household to female labor force participation?
2. What is the effect of the other factors (age, education, husband’s education, household expenses) to female labor force participation?

1.3 Research Objectives

Based on the problem which has formulated, this study aims to:

1. To analyse the presence of elder parents and children at the same time can affect the decision of sandwiched female to participate in labor force.
2. To analyse the influence of other factors (age, education, husband's education and household expenses) that can affect the decision of sandwiched female to participate in labor force.

1.4 Research Advantages

The benefits expected in this research are:

1. The theoretical benefits expected to obtained in this study are to prove the theory and support previous research on the analysis of sandwich generation and other factors that affect the labor force participation.
2. This research is expected to provide input and sources of information as well as additional knowledge for students of the faculty of economics, especially the Department of Economics, Andalas University regarding the factors affect labor force participation.

1.5 Systemic Writing

This systematics aims to give an overall picture of this research. The following systematic writing:

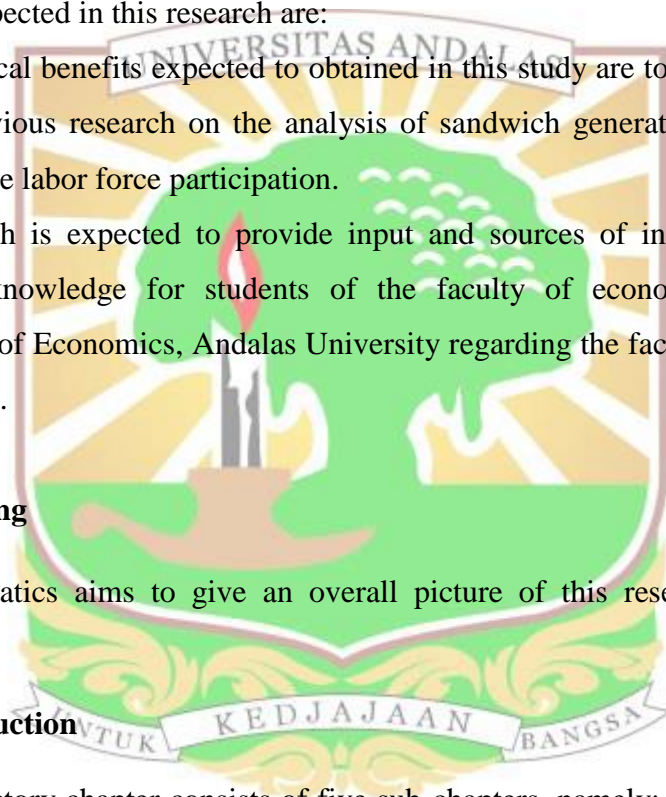
Chapter I: Introduction

The introductory chapter consists of five sub-chapters, namely: background, research problem, research objectives, research advantages and systemic writing.

Chapter II: Literature Review

This chapter contains a literature reviews that supports and relates to the variables studied which are also supplemented by previous research which is related to the title of the study and hypothesis.

Chapter III: Research Method



This chapter contains types and sources of data, definition of variables, sampling techniques and research model.

Chapter IV: Research Overview

This chapter contains the overview and conditions of the location of the study or research.

Chapter V: Results and Discussion

This chapter outlines the results of research found from statistical descriptive analysis.

Chapter VI: Conclusion

This section is the final part of the research which contains conclusion and recommendation obtained from the publications in the previous chapters.

