International Journal of Management, Economics and Accounting
Volume 1, Issue 1 July 2023
E-ISSN 3025-5627 (Online)
https://doi.org/10.61306/ijmea

The Role Of Women's Labor Force Participation In Decreasing Aceh Province Poverty Rate

Uswatun Hasanah[1], Annisa Ilmi Faried[2], Rahmad Sembiring[3]

[1,2,3]Department of Development Economics, Faculty of Social Science, Pembangunan Panca Budi University, North Sumatra, Indonesia

(e-mail*: uswatunhasanah@dosen.pancabudi.ac.id)

Abstract

The poverty rate can decrease if there is a dual role of working women, the development of the times has proven to have implications for shifting the role of women in reducing poverty. Acehnese women, who used to be a social construction built on the basis of people's understanding of cultural values and interpretations in the Islamic religion, have shifted to a new era where Acehnese women can take part in the household production process. This paper wants to analyze how big the role of women is working towards poverty reduction in Aceh Province. The results of the study show that the variable number of industries directly (X4) has a negative and not significant effect on wage estimates for Aceh Province

Keywords:
Aceh Province, Women, Poverty

INTRODUCTION

Increasing population growth can have both positive and negative impacts. One of the positive impacts of high population growth is that more and more human resources can be optimized, but high population growth can also affect poverty rates, one of which is if people's needs such as employment are not met. However, this can be prevented by providing adequate employment opportunities. In 2021, Indonesia's population will be 270.20 million people. Meanwhile, based on gender, the male population will be 136.66 million people or 50.58 percent and the female population will be 133.54 million people or 49.42 percent.

When compared to previous population censuses, the sex ratio of Indonesia's population has tended to increase over time. In 2020 the sex ratio of Indonesia's population is 102, meaning that there are 102 men for every 100 women. A sex ratio greater than 100 indicates that the male population is greater than the female population. So far, the growth of the male population has always been higher than that of women, but the projected population in 2032 shows that the female population is estimated to be larger than the male population, namely 149.19 million women while 149.17 men. million souls. This shows that the female population is more than 21 thousand compared to the male population.

Aceh province is one of the provinces in Indonesia which has a long history, this is because in the past Aceh was one of the provinces in Indonesia which had abundant agricultural and trade wealth, this is evidenced that Aceh's superior products are pepper and tin, Aceh's poverty rate in 1990-2000 it was at 15.42%, 4.5% lower than Indonesia or 0.5% -1% per year. However, the shift in natural disasters from a socio-economic perspective in December 2004, namely during the tsunami, resulted in the Aceh poverty rate in 2001-2010 being 24.67%, 8.28% higher than poverty in Indonesia.

Table 1. Comparison of Indonesian Women's TPAK, Aceh Women's TPAK, Indonesian Poverty Rate and Aceh Provincial Poverty Rate 1990-2020

Year	Indonesian women's TPAK	Aceh Women's TPAK	Indonesian Poverty	Acehnese poverty
1990-2000	73.30	46.6	19.92	15.42
2001-2010	65.83	49.4	16.39	24.67
2010-2020	67.06	56.5	10.97	17.28

Source: Analysis Results, 2023

The most interesting thing is that the poverty rate can decrease if there is a dual role of working women, the times have proven to have implications for shifting the role of women in reducing poverty. From the last 30 years, Aceh Province has experienced an increase in women's TPAK, although only 1-3% per year in 3 decades. This also proves in the long history of Acehnese culture that the social context stating that previously women in Acehnese society were not as big as the role of women in the welfare of Aceh has changed. The role and position of women in Acehnese society, which used to be a social construction built on the basis of people's understanding of cultural values and interpretations of the Islamic religion, has shifted into a new era where Acehnese women can take part in the household production process. From this background, this paper wants to analyze how big the role of working women is in reducing the poverty rate in Aceh Province.

LITERATURE REVIEW

The Moser Framework (The Gender Roles Framework)

Also known as "the University College-London Department of Planning Unit (DPU) Framework"(Jains, 1993). In short, this framework offers a distinction between practical and strategic needs in community empowerment planning and focuses on women's workload. Uniquely, it does not focus on specific institutions but focuses more on the household. The three main concepts of this framework are:

1. Women's triple roles at three levels: reproductive work, productive work and community work. This is useful for mapping the gender division of labor and work allocation
2. Seek to distinguish between practical and strategic needs for women and men. Strategic needs relate to the need for transformation of the status and position of women (such as subordination).
3. Policy analysis approach – from a focus on welfare, equity, anti-poverty, efficiency and empowerment or from WID to GAD.

Table 2. Developments in Gender Policy Approaches (from Moser 1989)

Policy approach	Objective	Assumption
Welfare (Welfare) 1950-1970, still in use	Involving women in development activities solely as "better mothers" and housewives	1. Women are seen as the cause of backwardness 2. passive role of women in agricultural research, natural resources and development 3. There is no link between women, gender and strategic issues such as nutrition, health and food
Equity 1975-1985, highly promoted at the women's conference I	1. efforts to align women in development 2. promote women as active participants in development 3. answering the problem of subordination of women in development	1. recognition of women's "triple roles" in development in the realm of the household, economy and community 2. recognition that women have basic rights but also strategic needs 3. agricultural and natural resource research is beginning to recognize the threefold role and strategic needs of women in development 4. women began to be seen as victims of development
Anti Poverty 1970s	1. to increase the productivity of poor women 2. poverty alleviation through increased production	1. The main priority is on women's economic vulnerability and marginalization 2. agricultural and development research-2 has begun to concentrate on women's IGA but has not seen the strategic importance of women

Source: Author Analysis Results, 2022

Backward Bending Supply Curve Theory

If real wages increase from W1 to W2 then because of higher income individuals will have greater utility, so they will be willing to increase hours worked per year for L2. During this part of the curve the substitution effect is positive, the income effect is negative, but the substitution effect is larger than the income effect. Therefore, an increase in the real wage rate will lead to an increase in the number of hours worked. However, if the real wage increases from W2 to W3, then the number of hours worked per year will fall from L2 to L3.

This is because the income effect is greater than the substitution effect. The processes involved in the decision to work more or less hours are called the income and substitution effects. Therefore, the income effect would mean that an individual will work fewer hours. However, the substitution effect is that a higher wage will mean the utility derived from the last hour's work is greater than the utility derived from one hour of free time. This is because a higher wage means that a person can buy more goods. As a result, individuals will work in lieu of leisure for the same utility (i.e. return to balance between work and leisure).

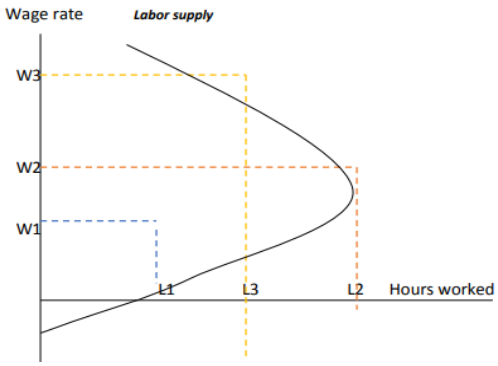

Figure 1. Backward Bending Supply Curve

Level of education

In general, labor productivity is a function of education, technology, and skills. The higher the education or skills of the workforce, the higher the productivity of the workforce. The increase in the literate population has been followed by an increase in the population attending school, both men and women in urban and rural areas have continued to increase. Increasing the education level of the workforce can be utilized by changing positions or types of work. According to Siswidiyanto (2004) working women are women who have the opportunity to get more education. Education creates a desire to develop what has been learned and raises awareness to develop their talents.(Squire, 1986)argues that today's high level of education makes many young adult women enter the professional world by working. The 21st century is characterized by competition in the world of work and these opportunities are very open to women. A person's level of education greatly influences the type and status of the job they will get later. The higher a person's education then he will tend to have a job that can be more suitable to meet his life needs. In this case, the educational level of the female workforce can affect the number of hours they work. The higher the education of female workers, the more suitable the jobs they get.

Industry on Women's Employment Opportunities

From a macro perspective, the condition of industrial relations cannot be separated from the conditions of supply and demand for labor, wage policies, global economic conditions, and policies in the field of employment. To create conducive industrial conditions, it needs to be supported by related factors. The government through policies in the field of manpower takes concrete steps so that the industry is conducive, for example when there is a global economy the government takes a policy so that not many companies are closed (which are laid off and unemployed) or when there is global competition so the government encourages the business world to have competitiveness by increasing the skills of workers. work according to international labor standards. According to(Ratna, 2000)increased job opportunities for women in the industrial sector in particular can be caused, firstly, because many industries demand accuracy and diligence as well as other characteristics that are usually possessed by women, such as the cigarette industry, apparel, textiles, food and beverages, and so on. Second, because female workers are seen as more docile and cheap, so economically they have more value for employers. The two factors above make the industrial sector use more female workers(Trisnawati, 2004)

RESEARCH METHODS

This type of research is a quantitative approach with the Confimatory Factor Analysis (CFA) measurement model which is construct with the variables measured using the path analysis model. The data used is secondary data sourced from BPS Aceh Province from 1990-2021.

Structural Equation I

$X5 = P1X5X1 + P2X5X2 + P3X5X3 + P4X5X4 + e$

Structural Equation II

X6 = P1X6X1 + P2X6X2 + P3X6X3 + P4X6X4 + P5X6X5 + e1

Structural Equation III

Z = P1ZX1 + P2ZX2 + P3ZX3 + P4ZX4 + P5ZX5 + P6ZX6 + e2

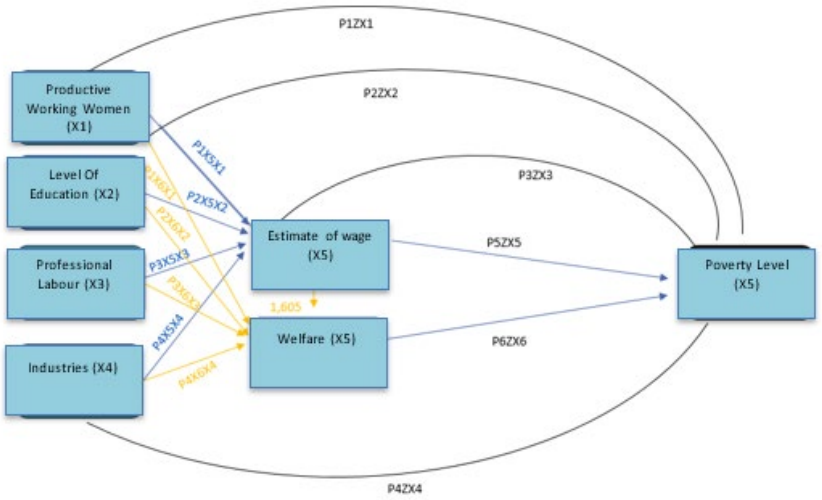

Figure 2. Research Conceptual Framework

Direct Effects

X1 ; X5 = (P1X5X1)
X2 ; X5 = (P2X5X2)
X3 ; X5 = (P3X5X3)
X4 ; X5 = (P4X5X4)
X1 ; X6 = (P1X6X1)
X2 ; X6 = (P2X6X2)
X3 ; X6 = (P3X6X3)
X4 ; X6 = (P4X6X4)
X5 ; X6 = (P6YX6)

Indirect Effects

X1 ; X5 ; Z = (P1X5X1) (P1ZX1)
X2 ; X5 ; Z = (P2X5X2) (P2ZX2)
X3 ; X5 ; Z = (P3X5X3) (P3ZX3)
X4 ; X5 ; Z = (P4X5X4) (P4ZX4)
X1 ; X6 ; Z = (P1X6X1) (P1ZX1)
X2 ; X6 ; Z = (P2X6X2) (P2ZX2)
X3 ; X6 ; Z = (P3X6X3) (P3ZX3)
X4 ; X6 ; Z = (P4X6X4) (P4ZX4)
X5 ; X6 ; Z = (P6YX6) (P1ZY)

Total Effects

X1 ; X5 ; Z = (P1X5X1)+(P1ZX1)
X2 ; X5 ; Z = (P2X5X2)+(P2ZX2)
X3 ; X5 ; Z = (P3X5X3)+(P3ZX3)
X4 ; X5 ; Z = (P4X5X4)+(P4ZX4)
X1 ; X6 ; Z = (P1X6X1)+(P1ZX1)
X2 ; X6 ; Z = (P2X6X2)+(P2ZX2)
X3 ; X6 ; Z = (P3X6X3)+(P3ZX3)
X4 ; X6 ; Z = (P4X6X4)+(P4ZX4)
X5 ; X6 ; Z = (P6YX6)+(P1ZY)

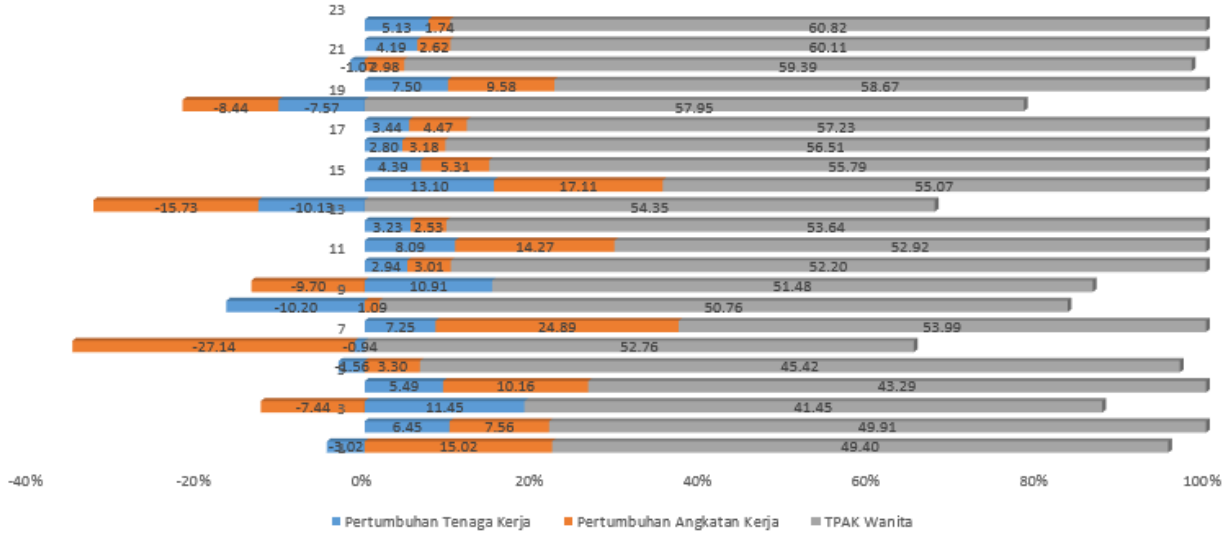

Figure 3. The Growth Rate of the Workforce, the Growth of the Female Workforce, and the TPAK of Acehnese Women 2000-2021

RESULTS AND DISCUSSION

Quantitative descriptive

Workforce Growth Rate, Female Labor Force Growth, and Female TPAK

Increasing population growth is certain to have both positive and negative impacts. Population growth on the one hand is beneficial with the increasing number of workforce, but on the other hand if jobs are not fulfilled there will be a high level of social crime. Likewise, the growth of the female population in the presence of gender equality between women and men resulted in unfulfilled job opportunities.(Wendy, 2006)

It should be noted that the growth of the female population in Aceh as a workforce in the last 10 years, namely in 2010-2021, has increased by an average of 3.60%. This proves that there has been a shift in the role of gender in the economy as a production process in the household. The TPAK of Acehnese women has also increased in recent years and the ratio is 50:50 with men's TPAK, with Acehnese women's TPAK of 50.7%, it is also considered that Acehnese women have started to enter the labor market.

In addition, Aceh Province has also undergone many changes. Community openness, especially women and international role assistance in tackling education after the 2004 tsunami, began to target the abilities and expertise of Acehnese women in work which are considered as important factors in regional economic development efforts In Aceh Province(Sustainable, 2018)

Equation Model Evaluation

Structural Equation I

X5 = 0.001X1 + 0.08X2 + 0.000 X3 – 0.07X4 + e
t sig = (0.004) (0.009) (0.0035) (0.07)
R Square 0.93
F-Sig 0.000

From structural equation I it can be seen that all variables X1-X3 have a positive and significant effect on the estimation of women's wages, except for X4 which has a negative and significant effect on X4, with a confidence value of the R Square model of 93% and the remaining 7% is not estimated in this model

Table 4. Evaluation of the Structural Equation Model I

Dependent Variables: X5
Method: Least Squares
Date: 10/10/22 Time: 22:35
Samples: 2000 2022
Included observations: 31

Variables	coefficient	std. Error	t-Statistics	Prob.

C	7.214833	1.503132	4.799868	0.0001
X1	0.001221	0.000378	3.229703	0.0046
X2	0.084930	0.048856	1.738374	0.0992
X3	0.000943	0.000414	2.278564	0.0351
X4	-0.000689	0.002583	-0.266682	0.7927

R-squared	0.931141	Mean dependent var	13.96739
Adjusted R-squared	0.915839	SD dependent var	0.630831
SE of regression	0.183007	Akaike info criterion	-0.368923
Sum squared residue	0.602849	Schwarz criterion	-0.122076
Likelihood logs	9.242613	Hannan-Quinn criter.	-0.306842
F-statistics	60.85101	Durbin-Watson stat	1.666966
Prob(F-statistic)	0.000000		

Source: Eviews Output Results, 2023

Structural Equation II

X6 = 0.001X1 + 0.03X2 + 0.001 X3 + 0.001X4 + 1.605X5 + e1

t sig = (0.000) (0.07) (0.02) (0.07) (0.002)

R Square 0.87

F-Sig 0.000

From structural equation II it can be seen that all variables X1, X3, X4 have a positive and significant effect on the estimation of women's wages, except X2 and X4 have a positive and insignificant effect on X6 family welfare with a model confidence value of 87% and the remaining 13% is not estimated in this model

Table 5. Evaluation of the Structural Equation Model II

Dependent Variables: X6

Method: Least Squares

Date: 10/10/22 Time: 22:39

Samples: 2000 2022

Included observations: 31

Variables	coefficient	std. Error	t-Statistics	Prob.
C	-8.183448	4.414991	-1.853559	0.0812
X1	0.001890	0.000924	2.044263	0.0567
X2	0.032973	0.102704	-0.321050	0.7521
X3	0.001043	0.000914	-1.141566	0.2695
X4	0.001928	0.005034	0.382960	0.7065
X5	1.605395	0.458496	3.501434	0.0027

R-squared	0.879457	Mean dependent var	10.07435
Adjusted R-squared	0.844003	SD dependent var	0.901326
SE of regression	0.355992	Akaike info criterion	0.991641
Sum squared residue	2.154415	Schwarz criterion	1.287857
Likelihood logs	-5.403872	Hannan-Quinn criter.	1.066139
F-statistics	24.80568	Durbin-Watson stat	1.230399
Prob(F-statistic)	0.000000		

Source: Eviews Output Results, 2022

Structural Equation III
Z = 0.000 X1 + 0.08X2 + 0.000X3 + 0.008X4 + 0.17X5 + 0.007X6 + e2
t sig (0.02) (0.002) (0.04) (0.0003) (0.04) (0.03)
R Square 0.69
F-Sig 0.000
From structural equation III it can be seen that all variables X1-X6 have a positive and significant effect on the poverty rate, namely variable Z with a model confidence value of 69% and the remaining 31% is not estimated in this model

Table 6. Evaluation of the Structural Equation Model III

Dependent Variable: Z
Method: Least Squares
Date: 10/10/22 Time: 22:44
Samples: 2000 2022
Included observations: 31

Variables	coefficient	std. Error	t-Statistics	Prob.
C	12.48834	1.739054	7.181113	0.0000
X1	0.000437	0.000371	-1.177856	0.2561
X2	0.089738	0.037010	-2.424719	0.0275
X3	0.000278	0.000341	0.817619	0.4256
X4	0.008304	0.001816	-4.571660	0.0003
X5	0.176239	0.216104	0.815528	0.4267
X6	0.078024	0.087134	-0.895442	0.3838

R-squared	0.695466	Mean dependent var	13.69783
Adjusted R-squared	0.581266	SD dependent var	0.197644
SE of regression	0.127895	Akaike info criterion	-1.029426
Sum squared residue	0.261714	Schwarz criterion	-0.683841
Likelihood logs	18.83840	Hannan-Quinn criter.	-0.942512

F-statistics	6.089888	Durbin-Watson stat 1.662658
Prob(F-statistic)	0.001774	

Source: Eviews Output Results, 2022

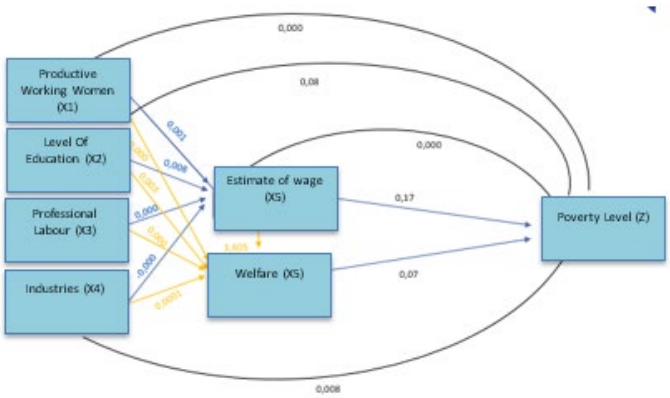

Figure 7. Findings from Direct, Indirect and Total Effects

From the findings both in terms of structural similarities I, II, and III and from the direct, indirect and total effects, there are several findings that can be described as follows:

1. Directly the variable number of industries (X4) has a negative (-0.07) and not significant (0.07 > 0.05) effect on the estimated wages of Aceh Province
2. Directly the education level variables (X2) and X4 (number of industries) have no significant effect (0.07 > 0.05) on the estimated wages of women
3. Indirectly and in total, the estimated wage variable has a coefficient value of 1.605, meaning that if the wage rate in Aceh Province increases by 10%, it will reduce the poverty rate by 16%.

This is in accordance with the new growth theory by emphasizing the importance of the government's role, especially TPAK, which have graduated from junior high schools and vocational schools, in increasing the development of human capital and encouraging research and development to increase the productivity of the female workforce in Aceh Province, the low level of education and the length of education. low levels result in limited self-development abilities and cause TPAK graduates of junior high and high schools to not be able to compete in the world of work even though they are engaged in jobs in small and medium industries in Aceh province, so that poverty will still occur. TPAK who live below the poverty line must still have limited access to education, so that the quality of resources is also limited so that productivity is low and the income earned is also low. (Yusuf Iskandar, 2019)

To achieve poverty reduction, the government should make small industrial centers an effort to reduce poverty in Aceh Province, because it turns out that the large number of small businesses can have a real impact on poverty reduction.(Dinar Melani, 2021).

CONCLUSION

This paper wants to analyze how big the role of working women is in reducing the poverty rate in Aceh Province, so the following conclusions can be drawn:

1. Directly the variable number of industries (X4) has a negative and insignificant effect on the estimated wages of Aceh Province
2. Directly the education level variables (X2) and X4 (number of industries) have no significant effect on the estimation of women's wages
3. Indirectly and the total estimated wage variable has an important role in reducing the poverty rate in Aceh Province

SUGGESTION

From the results of the discussion and conclusions that have been given in this paper, the following suggestions can be given:

1. To improve the standard of living of women's TPAKs, it should be directed to self-development in the female workforce by providing skills outside of formal education, such as training for job support certificates, especially TPAKs that have junior high and high school levels.
2. The female work force can be given work support certificate training that is right on target according to small and medium industries based on superior products in Aceh Province
3. Evaluation of the review of the wages of working women in Aceh can at least achieve the status of financial independence and economic self-sufficiency

BIBLIOGRAPHY

Dinar Melani, FS (2021). Poverty Alleviation Through Small and Medium Enterprises in Magelang Regency. EK&BI Journal Volume 4 Number 1, 354-369.

Jain, D. (1993). Gender Planning and Development Theory Practice and Training By Caroline ON Moser. jstor.org.

Lestari, YS (2018). Gender and Development of Acehnese Women in the Post-Conflict and Tsunami: Theoretical Discussion.

Ratna, T. (2000). Working Women and Social Implications. Manuscript No. 20.

Squire, L. (1986). Employment Policy in Developing Countries: A Survey of Issues and Evidence. World Bank, Oxport University Press.

Trisnawati. (2004). Wage Discrimination for Indigenous and Non-Indigenous Workers in the Industrial and Service Sector in South Sumatra. Faculty of Economics, Sriwijaya University.

Wendy. (2006). Factors Influencing the Participation of Women Workers in the City of Medan. Faculty of Economics, University of North Sumatra.

Yusuf Iskandar, AH (2019). Spatial Review of Wages by Gender and its Relation to the Gender Equality and Equity Index in Indonesia. Bisnisman Journal: Business and Management Research.