

Ilmiawan Auwalin, Ph.D Candidate at the School of Economics at the University of Sydney, Australia, will present his research on

"Ethnic Social Norms and Female Labor Force Participation in Indonesia"

Date: Thursday, November 16, 2017

Time: 4:00 - 5:00 p.m.

Location: CPS seminar room 301 (Visid Prachuabmoh Building)

Abstract

In Indonesia, in the past three decades, more than 50 percent of the working-age women in Indonesia are not in the labor market albeit the positive trend of female education and the negative trend of fertility. This paper turns to the role of informal institutions, in terms of ethnic social norms on the kinship structure, to examine the stagnation of the female labor force participation rates in Indonesia. In order to identify the effect of the kinship norms, firstly, census data is employed to identify the importance of the ethnic social norms on female decision to enter the labor market. Then, we assess the role of the transmitted ethnic social norm on the decision to take on paid employment of the current working age women. In this respect, we focus on the interaction between the number of older women doing or ever in paid work at the household level, to represent the private signal, and the share of female in paid work at the ethnic group level, to represent the public signal, on the probability of the current working age female individuals to be in paid employment. We employ the five waves of Indonesian Family Life Survey (IFLS) to examine the effect. The estimation results show that ethnic kinship norms contribute to the employment probability of female at working age. However, the interaction term between the private signal and public signal, as a proxy of the transmitted ethnic social norm, shows a negative and statistically significant effect on the probability of women at working age being in a paid work. Although the magnitude is relatively small, this result may to some extent explain the stagnation of the female labor force participation in Indonesia.