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ANALYSIS OF PARTICIPATION OF PERSONS WITH DISABILITIES IN THE LABOR MARKET

ABSTRACT

Inclusive development encompasses efforts to create equitable economic growth and improve the welfare of all segments of society, including vulnerable groups such as persons with disabilities. The participation of persons with disabilities in the labor market can enhance their sovereignty by not being labeled with negative stigma and, from an economic perspective, by being sovereign in obtaining decent jobs. This research uses August 2023 SAKERNAS data to examine the participation probability of persons with disabilities in the labor market in Indonesia using logit analysis and marginal effects methods. The results show that the workforce of persons with disabilities has a tendency to work compared to those without disabilities. This shows that government regulations in supporting people with disabilities to obtain equal access have been quite successful; therefore, there is a need to improve access to information and technology as well as good healthcare facilities for all residents, especially people with disabilities, to participate in economic development.

Kata kunci: Disability, Labor Force Participation, Labor Market

Klasifikasi JEL: J14, J21, J40

INTRODUCTION

By 2030, the government aims to ensure that all citizens, including men, women, and individuals with disabilities, have access to stable, productive, and decent employment opportunities. Despite this goal, the participation of people with disabilities in the labor market remains low, largely due to persistent negative stigma (Putri, 2019). According to Presidential Regulation No. 67 of 2020, individuals with disabilities are those who face long-term physical, intellectual, mental, and/or sensory impairments that, in interaction with their

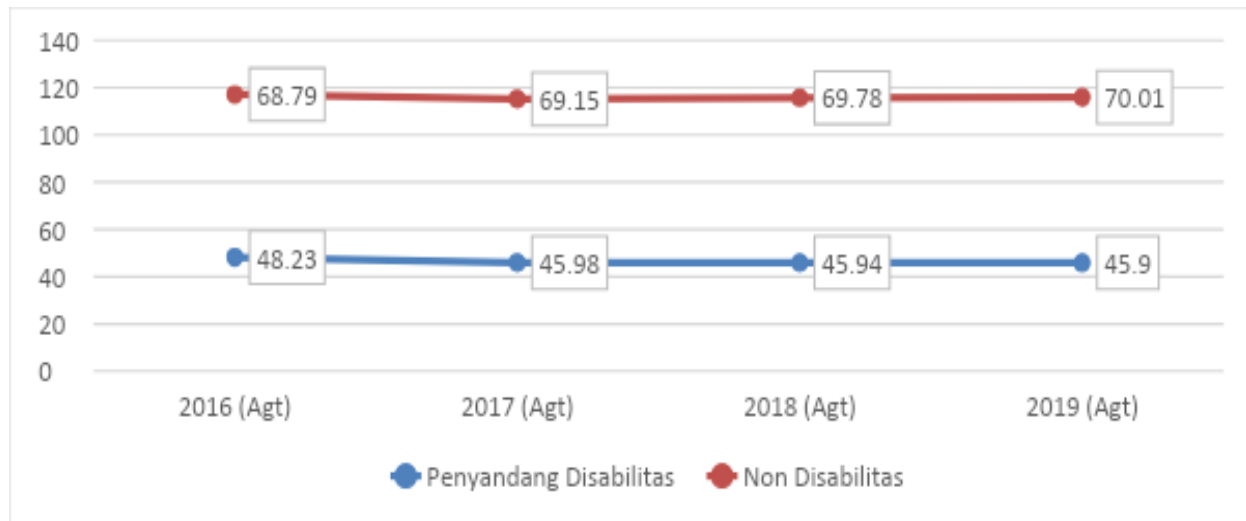
environment, may create barriers to full and effective participation on an equal basis with others. Article 9 of the regulation mandates that private legal entities in Indonesia employ at least 1% of their workforce from persons with disabilities, while state-owned and regionally-owned enterprises are required to allocate a minimum of 2%.

One of the key components for improving a country's economy is employment. The effects of unemployment in Indonesia are extensive and can influence many facets of social and economic life. Therefore, in order to increase work possibilities and

address Indonesia's unemployment problem, a number of implicit policies are required (Agustina et al., 2023). Job opportunities remain a significant challenge in Indonesia, as labor absorption must expand to keep pace with the growing number of young people entering the workforce. The rise in unemployment rates is largely due to the imbalance between labor force growth and job creation. Discriminatory practices in the labor market create barriers for persons with disabilities, particularly in accessing information, particularly access to employment (Fajriani & Wicaksono, 2023). According to Oguzoglu (2007), the severity of a disability affects labor force participation differently for men and

women. Women with disabilities face double discrimination in the labor market, encountering barriers to access, unequal treatment within employment, and structural issues that hinder their participation. (Prasetya et al., 2022).

Labor market accessibility can be measured through employment indicators such as the Labor Force Participation Rate (LFPR) and the Open Unemployment Rate (OUR). Data from Sakernas reveals that the LFPR for persons with disabilities is significantly lower than that of non-disabled individuals and showed a widening gap between 2017 and 2019, stabilizing at approximately 46 percent, as illustrated in Figure 1.1.



Source: Sakernas, BPS

Figure 1. Labor Force Participation Rate (LFPR) of the Population Aged 15 and Over by Disability Status (Percentage), 2016–2019

Information on the employment conditions of persons with disabilities is obtained from the National Labor Force Survey (SAKERNAS). In Sakernas, a person is classified as having a disability if they experience at least one type of difficulty or impairment, whether it is mild, moderate, or severe. Out of 10 individuals with disabilities, 5 are part of the labor market. In 2019, 66.17 percent of the working-age population without disabilities were employed, indicating a lower tendency for persons with disabilities to work compared to those without disabilities. The percentage of persons with disabilities engaged in household management is 30.7 percent,

while only 19.11 percent of the working-age population without disabilities are involved in household management. This shows that persons with disabilities tend to spend more time at home managing domestic tasks. As mentioned earlier, the severity of difficulty or impairment influences employment rates; the more severe the difficulty, the lower the percentage of persons with disabilities who are employed (Badan Pusat Statistik, 2020).

Law Number 8 of 2016 on Persons with Disabilities provides a legal basis for the protection and empowerment of persons with disabilities. This includes the right to access healthcare, education,

employment, and various other aspects of life. A study examining the employment conditions of persons with disabilities and the challenges in achieving the Sustainable Development Goals (SDGs) in Indonesia found that the implementation of labor rights for persons with disabilities remains suboptimal and ineffective due to several factors, including legal, law enforcement, social, and cultural aspects (Tan, 2021). Key contributing factors include a lack of understanding and awareness about the labor rights of persons with disabilities, insufficient training and support, and inadequate coordination among the government, companies, and non-governmental organizations. Therefore, more comprehensive and collaborative efforts are needed to increase the likelihood of labor market participation for persons with disabilities in Indonesia (Tan, 2021). Furthermore, Pratiwi et al., (2023) highlight that, to date, no companies have been sanctioned for failing to employ persons with disabilities.

Discriminatory treatment can complicate the situation for persons with disabilities

in the labor market (Yeo & Moore, 2003). Mizunoya & Mitra (2013) and Putri (2019) state that individuals with disabilities have lower labor force participation rates compared to those without disabilities. When seeking employment, the majority of available job opportunities fail to provide the necessary accommodations or facilities to meet the needs of persons with disabilities in the workplace (Loprest & Maag, 2001)(Loprest & Maag, 2001)(Loprest & Maag, 2001)(Loprest & Maag, 2001)(Loprest & Maag, 2001). However, individuals with mild disabilities have a higher likelihood of securing employment when entering the labor market compared to those with severe disabilities or even individuals without disabilities (Moertiningsih Adioetomo et al., 2014)

Based on things said, research This will show How probability participation sufferer disability in the power market work in Indonesia.

Based on these consideration, this study aims to the probability of participation of persons with disabilities in the labor market in Indonesia.

RESEARCH METHOD

The data used in this study is secondary data, specifically the Sakernas (National Labor Force Survey) data from August 2022, by estimating the probability of persons with disabilities being employed in Indonesia's labor market. In addition to the Sakernas data, documentation techniques were also utilized to collect supporting data for the research findings. This study employs a quantitative descriptive approach using a regression model. To obtain the probability of

persons with disabilities participating in the labor market, the following equation is used:

$$P(Y=1|work) = \beta_0 - \beta_1 jenis_kelamin + \beta_2 disable + \beta_3 married + \beta_4 hi_edu + \beta_5 ART_OTH + u \dots \dots (1)$$

The operational definition of variables used in this study includes employment status as the dependent variable. The independent variables are gender, disability status, marital status, higher education attainment, and the number of household members aged 0 and above.

RESULT AND DISCUSSION

Table 1: Characteristics of Working Population Data and Disability Status

Work Status	Disability Status		Total
	Non Disabled	Disabled	
Not Working	256.468	33.777	290.245
Working	437.263	25.180	462.443
Total	693.731	58.957	752.688

Table 1 shows that 290,245 people in Indonesia, according to the August 2022 SAKERNAS data, were unemployed, while 462,443 people were employed. Of the unemployed population, 88.36% were non-disabled individuals, while only 11.64% were individuals with disabilities. The high percentage of unemployed non-

disabled individuals could be due to reasons such as attending school, managing households, or other activities. Among the employed population, 94.56% were non-disabled individuals, while 5.44% were individuals with disabilities. Based on the total population, it is noted that 7.83% of respondents in the August

2022 SAKERNAS were individuals with disabilities.

Table 2. Characteristics of Working Population Data and Highest Educational Attainment

Education Level	Work Status	
	Not Working	Working
Not/Did not complete school	38,48%	61,52%
Elementary School (SD/MI/SDLB/Paket A)	34,91%	65,09%
Middle School (SMP/MTs/SMPLB/ Paket B)	51,48%	48,52%
High School (SMA/MA/SMLB/ Paket C)	39,33%	60,67%
Vocational High School (SMK)	33,66%	66,34%
Islamic Vocational School (MAK)	42,80%	57,20%
Diploma I/II/III	28,27%	71,73%
Diploma IV	21,30%	78,70%
Bachelor's Degree (S1)	20,83%	79,17%
Master Degree (S2)	13,57%	86,43%
Applied Master's Degree (S2 Terapan)	4,35%	95,65%
Doctorate (S3)	14,80%	85,20%

Table 2 shows that, in general, the higher the level of education completed by the population, the greater the percentage of those who are employed. Overall, the data characteristics indicate that higher educational attainment correlates with a higher employment rate. For instance, individuals whose highest level of education is at the junior high school level (SMP/MTs/SMPLB) exhibit a high percentage of unemployment, with 51.48% not working. Meanwhile, individuals with higher educational attainment, such as a bachelor's degree (S1), master's degree (S2), applied master's degree (S2 Terapan), or doctorate (S3), are more likely to be employed. This suggests that individuals who have completed their bachelor's degree (S1) are often able to work while pursuing further education at the next level.

Tabel 3. Characteristics of the Employed Population and Their Marital Status

Work Status	Married Status	
	Not Married	Married
Not Working	48,58%	51,42%
Working	24,73%	75,27%
Total	33,93%	66,07%

Table 3 shows that 75.27% of the working population is married, while among the non-working population, 48.58% are unmarried, and 51.42% are married.

Based on the marginal effect results obtained using tool., the tendencies of each variable influencing employment status in the labor market can be observed.

Table 4: Work Probability for Indonesian Population in the Labor Market Using SAKERNAS Data

variables	work
gender	-0,2632981***
disable	-0,1646718***
married	0,2358395***
hi_edu	0,0181839***
ART_0TH	-0,0242971***
Observation	752.688

Source: Research Data, 2024

*p<0,1 **p<0,05 ***p<0,01

Based on the statistical analysis results, all variables significantly influence employment status. The gender variable shows that women have a lower tendency to work (0.2632981) compared to men. Among the employed population in the

non-disabled group, men dominate; however, gender inequality in job access is slightly more pronounced among individuals with disabilities, who tend to work in the service sector and have lower

educational attainment (Hastuti et al., 2020).

The disability status variable indicates that having a disability decreases the likelihood of being employed among the labor force compared to non-disabled individuals. This shows that while individuals with disabilities have the potential to increase wages and job opportunities, their levels are still lower compared to those without disabilities. (LPEM FEB Universitas Indonesia, n.d.). College graduates with disabilities face challenges in academic, social, cultural, economic, and psychological aspects, as well as discriminatory practices both during their time on campus and after graduation. They struggle to find employment due to social and cultural discrimination, driven by employer stigma assuming they are incapable of performing job tasks. Such stigma and discrimination can occur universally and affect any group within society (Lessy et al., 2021).

The marital status variable shows a positive coefficient, meaning that the tendency of married individuals in the

workforce is to be employed. Those with a previously married status tend to have a higher likelihood of working, both for men and women, compared to those who have never been married (Fajriani & Wicaksono, 2023)(Fajriani & Wicaksono, 2023)(Fajriani & Wicaksono, 2023). Meanwhile, the highest education variable shows a positive coefficient, meaning that higher education increases the likelihood of the workforce being employed by 0.018 times. Research by Fajriani & Wicaksono (2023) also states that persons with disabilities who have a high school education or higher are more likely to work compared to those with lower levels of education. Higher education levels can increase wages and employment opportunities for persons with disabilities, although not to the same extent as for non-disabled individuals (LPEM FEB Universitas Indonesia

The variable representing the number of family members aged 0 years and above has a negative tendency (-0.024291), meaning that an increase in the number of family members reduces the likelihood of employment. The number of dependents

refers to the number of family members who are considered dependents within a household. These members may include siblings or non-siblings living in the same house and who are not yet employed. The Central Bureau of Statistics categorizes the number of dependents into three groups: small family dependents (1–3 people), medium family dependents (4–6 people), and large family dependents (more than 6 people). The number of dependents can be a reason for someone to work. The study by (Purwanto & Taftazani, 2018)(Purwanto & Taftazani, 2018)(Purwanto & Taftazani, 2018) concluded that an increase in the number of family dependents leads to higher household expenditures. If this is not accompanied by an increase in income, it can result in unmet family needs. However, the statistical analysis in this study shows different results, which could be attributed to situations where family members are already working or economically productive but are still considered dependents. Additionally, the impact of family dependents also depends heavily on family structure, which significantly considers the time allocated

for family caregiving (Blau & Winkler, 2017)(Blau & Winkler, 2017)(Blau & Winkler, 2017). A more in-depth analysis is needed to examine whether the workforce falls under the category of Not in Education, Employment, or Training (NEET).

CONCLUSION

Based on the points discussed above, it is evident that the probability of persons with disabilities participating in the labor market remains low. This may be due to the persistence of negative stigma from society toward individuals with disabilities. The severity of disabilities can further hinder their ability to participate in the labor market. Therefore, it is recommended to raise awareness among employers about accommodating the needs of persons with disabilities and to ensure that government regulations are effectively implemented within society.

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