

CONTENTS

COVER PAGE.....	i
SUPERVISOR APPROVAL.....	ii
STATEMENT OF ORIGINALITY	iii
ACKNOWLEDGEMENT	v
ORAL EXAM REPORT	vii
<i>ABSTRAKSI</i>	viii
ABSTRACT.....	ix
CONTENTS.....	x
LIST OF FIGURES	xii
LIST OF TABLES	xiii
CHAPTER I INTRODUCTION	1
1.1 Background	1
1.2 Research Question.....	6
1.3 Research Aims and Objectives.....	6
1.4 Thesis Outlines	7
CHAPTER II LITERATURE REVIEW.....	8
2.1 Theoretical Framework	8
2.1.1 Workers Preferences.....	8
2.1.2 Reservation Wage.....	10
2.2 Models in the Estimation of Gender Wage Gap.....	12
2.2.1 Mincer Wage Function	12
2.2.2 Heckman Selection Method.....	14
2.2.3 Blinder Oaxaca Decomposition.....	15
2.2.4 Problems in The Estimation of Commuting	15
2.3 Empirical Evidence	16
2.3.1 Wage Reservation and Commuting among woman	16
2.3.2 Gender Wage Gap and Wage Reservation	17
2.4 Research Model.....	19
2.5 Previous Literature	20

2.6 Hypothesis	26
CHAPTER III RESEARCH METHODS	27
3.1 Variables and Operational Definition.....	27
3.1.1 Dependent Variable	27
3.1.2 Explanatory Variable	28
3.1.3 Control Variable	28
3.1.4 Instrumental Variable	31
3.2 Data Source	32
3.3 Data Analysis	33
3.3.1 Model Specification.....	33
3.3.2 Selection Sample Bias	36
3.3.3 Controlling Endogeneity Problem	38
3.4 Statistical Inference	39
CHAPTER IV RESULTS AND DISCUSSION.....	41
4.1 Commuter Survey.....	41
4.2 Estimation Result	44
4.2.1 Baseline Estimation	44
4.2.2 Blinder-Oaxaca Decomposition.....	47
4.3 Discussion	48
CHAPTER V CONCLUSION.....	52
5.1 Conclusion.....	52
5.2 Limitation	53
5.3 Suggestion for Further Research	54
REFERENCE.....	55
APPENDIX.....	59

LIST OF FIGURES

Figure 1.1 Indonesians' percentage of employment, by gender	2
Figure 2.1 Labor Supply Indifference Curve	9
Figure 2.2 Reservation Wage Curve	11
Figure 2.3 Research Model	19
Figure 3.1 Data Selection	32

LIST OF TABLES

Table 2.1 Previous Literature	20
Table 3.1 Household Monthly Expenditure	30
Table 3.2 Difficulties Measurement.....	31
Table 4.1 Observed Respondent City.....	41
Table 4.2 Descriptive Variable of Man Respondent	43
Table 4.3 Descriptive Variable of Man Respondent	43
Table 4.4 Wage Equation Estimation.....	46
Table 4.5 Blinder-Oaxaca Decomposition Estimate	47