ABSTRACT

The wage gap between men and women is still a crucial issue in Indonesian labor. Although various regulations have been implemented to promote gender equality, the reality on the ground shows that disparities persist, both in the formal and informal sectors. This study aims to analyze the gender wage gap in both sectors and identify the factors that influence the disparity, using data from the National Labor Force Survey (Sakernas) in 2023.

This study uses a quantitative approach with a linear regression method on ln(wage), and Recentered Influence Function-Ordinary Least Squares (RIF-OLS) used to trace the pattern of the wage gap at various points of the wage distribution, namely at the lower, middle, and upper quintiles.

The results show that there is a wage gap between men and women with a significant negative effect, the penalty to women is greater in the informal sector with a coefficient of -0.4180 (significant at 1%) than the formal sector with a coefficient of -0.3415 (significant at 1%). In addition, the RIF-OLS results show that the wage gap is uneven across the income distribution, the sticky floor phenomenon is identified in the formal sector, indicated by the highest wage penalty against women in the lower quintile. This reflects that women are more disadvantaged at low wage levels and face barriers to upward mobility. In contrast, there is no strong indication of a glass ceiling, as the wage penalty in the upper quintile is smaller than in the lower and middle levels in both the formal and informal sectors.

Keywords: *Gender Wage Gap, Formal and Informal Sector, RIF-OLS*