

ABSTRACT

This study aims to analyze the gender wage gap in Indonesia using data from the 2023 National Labor Force Survey (SAKERNAS). This issue is particularly important as it has the potential to hinder the achievement of the Sustainable Development Goals (SDGs), especially Goal 5 on gender equality in the labor market.

The research methodology includes descriptive analysis to measure the average characteristics of workers, the Ordinary Least Squares (OLS) model to estimate wage determinants, and the Heckman Selection Model to address sample selection bias. Furthermore, the Blinder-Oaxaca decomposition is applied to measure the magnitude of the gender wage gap and to decompose its sources into explained and unexplained components.

The results show that the average wage of men is Rp2,869,028.90, while that of women is Rp2,059,162.50, resulting in a gender wage gap of Rp809,866.30. Of this total gap, only Rp140,345.90 or 17% can be explained by differences in characteristics, whereas Rp669,520.50 or 83% cannot be explained and is attributed to discrimination in the labor market. These findings confirm that discrimination remains the primary source of the gender wage gap in Indonesia.

Keywords: *Gender Wage Gap, Blinder-Oaxaca Decomposition, Endowment, Discrimination*

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