

# Analysis of Labor Supply in the City of Jayapura Papua (Case: Risen Migrant Workers in the Informal Sector)

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**Abstract:** *This study aims to see and analysis a direct effect in influencing the supply of informal sector of risen migrant workers in Jayapura City, Papua. The independent variables used in this study were labor income, non labor income, work experience, age, the number of family dependents, and education. The data used were survey data with 200 respondents. This study uses multiple linear regression and was processed using SPSS version 24. The results of the study show that Labor Income and Work Experience negative significantly effect of the supply of risen migrant workers in the informal sector. Non Labor Income positive and not significantly effect of the supply of risen migrant workers in the informal sector. While Age and the number of family dependents has a positive significantly effect of the supply of risen migrant workers in the informal sector. Education has a negative and not significantly effect of the supply of risen migrant workers in the informal sector.*

**Keywords:** Labor Income, Non Labor Income, Work Experience, Age, the Number of Family Dependents, Education, the supply of Risen Migrant Workers of Informal Sector

## 1. Introduction

Migration from village to city is seen as something positive. Migration is considered a natural process in which surplus labor is gradually withdrawn from the rural sector to meet labor needs for industrial development in urban areas. The process is considered to be socially beneficial because human resources move from places where social marginal products are low to places with high marginal social products and grow rapidly due to capital accumulation and technological progress.

The same thing was expressed by Widarti (1984) that in urban areas which later developed were not secondary sectors, but tertiary sectors were grouped in the trade sub-sector and services. These two sub-sectors reach 86.9% of the total tertiary sector. Nearly half (46.1%) of the tertiary sector employment opportunities in urban areas are accommodated in various types of informal sector businesses. The informal sector becomes an alternative in finding employment, because it is in accordance with the characteristics it has, that economic activity is based more on the drive to create employment opportunities for themselves rather than obtaining investment opportunities.

The Papua region, especially Jayapura City, began to develop to catch up with other regions in Indonesia, making Jayapura the target of most job seekers in all regions of Indonesia. Many migrants come from various regions, hoping to get a better standard of living. But in reality, not all migrants can be absorbed in the formal sector, most are absorbed into the informal sector because of the choices and limitations of education and skills possessed. According to Koyano (1996), that not many people who switch to the informal sector experience unemployment, because there are many opportunities to get jobs in the informal sector.

This study tried to discuss Risen Migrant Workers Supply in the informal sector in Jayapura City. Variables such as labor income, non-labor income, work experience, age, number of family dependents, and education as references to explain the supply of risen migrant workers. Based on the above background, interest arises to find out more about how the aforementioned variables influence the Risen Migrant Workers Supply in the Informal Sector.

## 2. Research Methods

### Location and Type of Research

This research will be carried out in three sub-districts namely North Jayapura District, South Jayapura District and Abepura District. The selection of these three sub-districts is based on the consideration that 45% of risen migrants spread in Jayapura City are dominant in these three sub-districts and almost all work in the Informal Sector.

### Population and Samples

According Arikunto (2010), that population can be said as that the total number of symptoms that have the same characteristics. While the population can also be said to be a generation consisting of objects or subjects that have certain quantities and characteristics determined by researchers to be studied which then draw conclusions, according by Sugiyono (2001).

The population used in this study was the number of risen migrants entering the city of Jayapura based on the 2015 SUPAS data, so that the determination of the sample was done intentionally or based on certain considerations according to the research objectives. Given that the number of population is very large, then sampling is done using the Slovin formula, the sample determined in this study is 200 respondents. Risen Migrants is that the population where they lived 5 years ago is different from the current.

**Collecting Data**

In this analysis it is used to see the effect of the relationship of the dependent variable with the independent variable. The model used in this study is a multiple linear regression model with SPSS 24 application. Based on the conceptual framework, the model functions are as follows:

$$Y_1 = f ( X_1, X_2, X_3, X_4, X_5, X_6) \dots \dots \dots (1.1)$$

Furthermore, it can be explicitly stated in the following functions:

$$Y_1 = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \alpha_4 X_4 + \alpha_5 X_5 + \alpha_6 X_6 + \mu \quad (1.2)$$

Where :

$\alpha_0, \alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5, \alpha_6$  is the parameter to be estimated, while  $\mu$  is error term of variable working hours for migrant workers risen ( $Y_1$ ).

Where :

$Y_1$  : Supply of Informal risen migrant workers in the informal sector (Working hours per week)

$X_1$  : Wages (Rupiah per week)

$X_2$  : Non-labor Income (Rupiah per week)

$X_3$  : Work Experience (Year)

$X_4$  : Age (Year)

$X_5$  : Number of Children / Family dependents (People)

$X_6$  : Education (year)

**3. Research Result and Discussion****Labor Income on Risen Migrants Labor Supply of Informal Sector**

Based on the statistical results show that the labor income variable has a negative and significant effect on the working hours of risen migrants in the informal sector. This means that the higher labor income, the lower the working hours of risen migrant workers in the informal sector. This is due to the rigidity of the worker in determining the preferences between wages and leisure time. This is contrary to the research by Fatmawati (2014) which revealed that the higher labor income offered, the higher the supply of married women workers in the Informal Sector in South Sulawesi Urban areas.

**Non Labor Income on Risen Migrants Labor Supply of Informal Sector**

As the results of the regression that have been done before, the variable Non Labor Income has a positive and not significantly effect on the supply of risen migrant workers. With a confidence level of 95 percent ( $\alpha = 0.05$ ), the Non Labor Income variable shows a direct influence of 0,679 in influencing the supply of risen migrant workers. This is that the greater the non Labor Income, the greater also the number of working hours. This is because this is because the cost of living in Jayapura is very high and the desire of migrants to own land causes any additional income received by migrants while maintaining their working hours. This research is in line with the result of his study Muhammad Arzad Amir (2014), that revealing that non-labor income variables have a positive and significant effect on the supply of married women in the informal sector of Gowa Regency, meaning that any additional income is obtained from husband, children and other family members, does not necessarily reduce the working hours of married women who work in the informal sector of Gowa Regency.

**Work Experience on Risen Migrants Labor Supply of Informal Sector**

The work experience variable shows a direct effect of -0.778 in influencing the supply of risen migrant workers. It means that the work experience variable has a negative significantly effect on the supply of risen migrant workers. The higher working experience, the lower the working hours of risen migrant workers in the informal sector. Theoretically if linking the relationship between work experience and the level of supply of risen migrant workers is positively related. The longer a person's work experience will be the higher the labor supply. However, in this study the work experience variable has negative influence because most respondents are low income and enter into the informal sector category.

**Age on Risen Migrants Labor Supply of Informal Sector**

Based on the statistical results show that the Age variable has a positive and significant effect which is equal to 0.035 on the supply of risen migrant workers in Jayapura. This means that the older a person is, the higher the hours of work, meaning that age does not hinder the motivation of a migrant to work in the informal sector given that the cost of living hours in Jayapura is very high and usually they have an obligation to send monthly money to their home villages have high motivation to increase working hour.

**The Number of Family Dependences on Risen Migrants Labor Supply of Informal Sector**

The results of statistical tests show that the Family Dependent variable has a positive and significant effects on the supply of risen migrant workers, which is equal to 0,092. This means that the increasing number of family dependents will increase the number of working hours of risen migrants working in the informal sector. These results is line with the findings of Becker (1985) revealing that working women with families, children and dependents are thought to have the enthusiasm and intensity of work to work harder due to consideration of greater family responsibilities.

**Education Level on Risen Migrants Labor Supply of Informal Sector**

The results of statistical tests show that the Education variable negative and not significant effects on the supply of risen migrant workers, which is equal to -0,076. This means that the increasing education does not necessarily increase the number of working hours of risen migrants in the informal sector. Survey data, which mostly uses data from migrants with middle to lower income, is one of the factors that causes this to occur. The results of this study are in accordance with the results of Muliakusuma and Trisilo research (1988), which showed that the growth rate of female informal workers was higher in urban areas compared to rural areas. This is due to the fact that women workers in the urban informal sector are most easily absorbed in trading businesses, because they do not need special education / skills and the business opportunities that are most easily felt. So there is a negative relationship between the level of education and the supply of labor in the informal sector.

## 4. Conclusions and Recommendations

Indonesia. Diakses pada tanggal 15 Maret 2015, pukul 11.00.

### 4.1 Conclusions

Based on the results of the previous discussion, it can be concluded that some conclusions from this study are:

- 1) Labor income has negative and significantly effects on Supply of Risen Migrant Workers in Informal Sector in Jayapura.
- 2) Non Labor Income has positive but not significant affects on Supply of Risen Migrant Workers in Informal Sector in Jayapura.
- 3) Work Experience has a negative and significantly effects on Supply of Risen Migrant Workers in Informal Sector in Jayapura.
- 4) Age has a positive and significantly effects on Supply of Risen Migrant Workers in Informal Sector in Jayapura.
- 5) The number of family dependents has a positive and significantly effects affect on Supply of Risen Migrant Workers in Informal Sector in Jayapura.
- 6) Education Level has negative and not significant effects on Supply of Risen Migrant Workers in Informal Sector in Jayapura.

### 4.2 Recommendations

- 1) The Government need to guarantee protection and facilities for migrant workers, especially informal sector workers, such as providing subsidized loans that can be paid per day or per week, generally workers are afraid to connect with banks because they do not have collateral which can be guaranteed when borrowing from the Bank. By providing subsidized credit facilities, migrant workers can develop their business and can increase the income they earn.
- 2) It need to develop further research by including qualitative indicator variables to find out in depth about the supply of risen migrant workers in the urban informal sector. Even qualitative research is needed to find out in depth the factors of supply of risen migrant workers in the urban informal sector.

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