

ABSTRACT

This paper investigates the gender wage gap in Indonesia, emphasizing the economic factors contributing to wage disparities between men and women. It focuses on the impact of motherhood career interruptions and the number of children on female wage differences. Additionally, the paper also considers how historical educational inequalities, occupational segregation, and male-centric power representations influence present wage disparities. Utilizing the comprehensive IFLS-5 dataset from 2014 to 2015, the study employs an Ordinary Least Squares multiple regression model to analyze the impacts of motherhood, demographic, education, and employment factors on female wages. The study reveals that multiple factors—including number of children, age, ethnicity, education level, work hours, and labor union membership—significantly influence female wages in Indonesia, with motherhood notably decreasing earnings. Career interruptions due to motherhood significantly hinder women’s wage growth and career advancement, which underscores the need for various policy interventions to address the motherhood penalty. These policies are crucial to achieve a more equitable and inclusive economic environment in Indonesia. Insights from this research provide valuable guidance for policymakers aiming to foster women’s economic empowerment and drive sustainable economic growth.

Keywords: Gender Wage Gap, Female Wages, Motherhood Penalty, Gender Equality