



Effect of Secondary School Types to The School-Work Transition in Indonesia

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Abstract

The purpose of this study is to examine how the choice of the type of secondary school (JHS-SHS) affects transition decisions after graduating from high school. Using the multinomial logistic regression method, this study uses data from the Indonesian Family Life Survey (IFLS) wave five (2014) with a total of 3209 samples from all over Indonesia. The results showed that individual graduates from private schools had a positive toward the tendency to work informally. Private and public high school graduates tend not to work formally, respectively. Male individuals will tend to work informally and formal. In contrast, female individuals tend to continue their higher education. Individuals with married status tend to work informal, and unmarried individuals tend to continue their higher education. Individuals with a female head of home care to work in the formal sector and those with a male head of home tend to continue their higher education. while individuals who live outside Java/Bali tend to work in the informal sector.

Key words : Middle school type, Work school transition, Logistical Multinomial Regression

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INTRODUCTION

The transition after completing secondary school (12 years of education) to the working phase is one of the most important decisions. The options available include: entering the labor market to earn an income as soon as possible or continuing schooling to higher education with the hope of higher pay. In Indonesia, a person who continues his education to the undergraduate level (4 years) is estimated to earn 60% more than a high

school graduate. However, it takes at least 14 years to compensate for the costs incurred during higher education (Yubilianto, 2020). On the other hand, individual high school graduates who are entering the labor force age also face the threat of unemployment because the large population will cause an increase in the workforce. As a result of the rise in the number of workers in Indonesia, job creation is an important issue for developing the employment sector.

The secondary school phase (junior high school-high school) is the most important stage in human capital formation. The view that education is an important variable affecting labor productivity and economic growth has become a dominant notion in economics. Moreover, evidence shows that education is important in improving human resources and the economy.

However, the education system cannot address the problem of unemployment in general, especially for young people. Therefore educational institutions are encouraged to form basic skills and attitudes so that students are more accustomed to using new science and technology. Accordingly, schools must prepare students more effectively for the world of work and thus show greater flexibility in meeting needs. Secondary schools should emphasize skills, career guidance, work experience programs, curriculum differentiation, and interaction with industry and public institutions.

Discussions about the effectiveness of school institutions in terms of the type of management (private vs. public) are also a concern (see Bedi & Garg, 2000a; Hendrajany, 2016; Newhouse & Beegle, 2006; OECD, 2020; Sari, 2019). The OECD Program for International Student Assessment defines school effectiveness as the school's ability to manage existing resources to produce outputs in the form of optimal student abilities. From OECD data, it is known that, on average, in all OECD countries and 40 education systems, students in private schools score higher in reading than in public schools. However, after considering the socioeconomic profile of students and schools, reading scores are higher in public schools than in private schools, on average across OECD countries and 20 education systems.

Based on the PISA report, Indonesia is one of the countries with a relatively balanced supply of public and private schools. 53.5% of

students attend public schools, while the remainder attends government-supported private and private schools (OECD, 2020). Suppose one looks at the data from the Central Bureau of Statistics. In that case, it is known that the number of public and private schools in junior high schools is relatively higher, while in senior high schools, the number of public and private schools is relatively the same (see Figure 1).

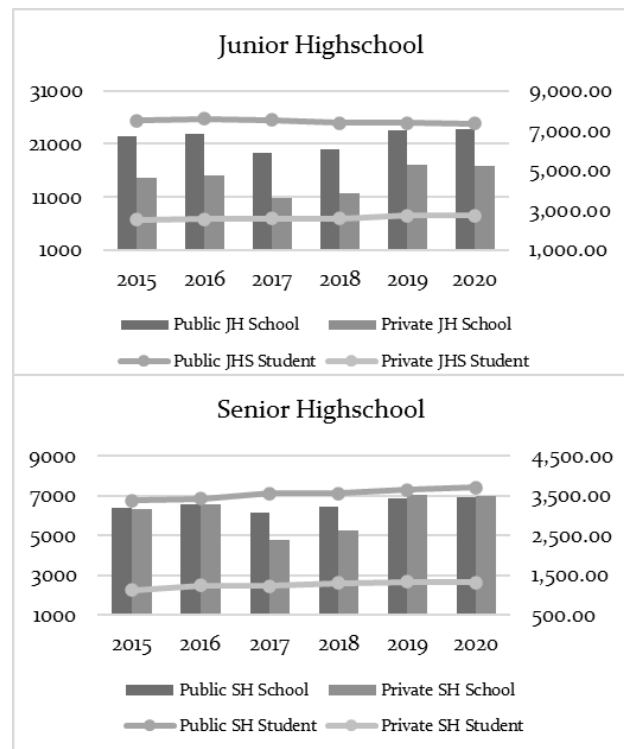


Figure 1. Number of schools and students in secondary schools in Indonesia

Source: Central Bureau of Statistics (2021)

Figure 1 shows the number of public school students than private school students. This can be seen from the data in Figure 1 above. It is known that public school students at the junior high school level range from 7 million, while junior high school students at private schools are in the field of 3 million. Meanwhile, a similar condition also occurred at the senior high school level, where the proportion of public school students had a larger proportion, namely around 3.5 million and about 1.5 million private students. The greater number of public school students compared to private school students is inseparable from the cost of education, which tends

to be cheaper in public schools than in private schools. In addition, public schools are also spread throughout Indonesia, making it easier for the community to send their children to school.

In this regard, it should be noted that there are two categories of work according to the International Labor Organization (ILO), namely jobs in the formal and informal sectors. Formal work includes workers whose main job status is as an entrepreneur, led by permanent workers and workers/ employees/ employees, while informal work includes independent workers; trying to be taken care of by temporary workers; freelancers; and families/ unpaid workers (Central Bureau of Statistics, 2020).

The figure below presents the percentage of formal and informal workers in Indonesia from 2011 to 2020. The figure shows that formal workers are experiencing a downward trend in various levels of education. On the other hand, the informal workforce experienced a significant increase, especially for college and high school graduates. This increase in informal employment and informal economic activity implies huge efficiency and welfare losses in terms of low productivity, low incomes, substandard working conditions, and lack of social insurance coverage (Ruppert, 2018).

One of the causes of the increasing number of workers working in the informal sector is the creation of insufficient formal employment (Antyanto, 2014). As a result, labor market conditions are dominated by workers working in the informal sector with low levels of education and skills. However, the informal sector also plays an important role as a safety valve for employment problems that can dampen the social boom caused by the increasing number of job seekers.

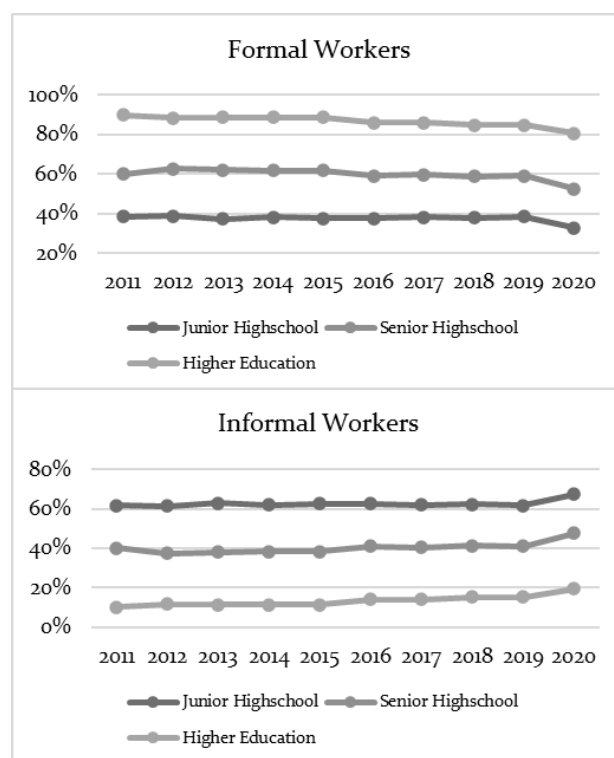


Figure 2. Informal and Formal Workers in Indonesia

Source: Central Bureau of Statistics (2021)

In the existing literature, there are different views of looking into the issue of why the informal labor market exists. The conventional idea in the literature is that well-paid, secure and safe jobs are in the formal sector. In contrast, the informal sector is defined as small-scale, often not legal, with low productivity and wages. Studies from several developing countries argue that informal employment may be a voluntary choice because, after weighing costs and benefits, they find they are not better off working in the formal sector.

Workers in the informal sector are generally immigrants, poorly educated, without skills, and from the lower middle class. An important feature that distinguishes the informal sector from other sectors is to look at the scale of operations of the industry. An indicator for measuring the scale of operations is the number of people involved in a business unit. If a business unit involves less than ten people, it belongs to the informal sector. Meanwhile, businesses inv

olving more than ten people fall into the formal sector category.

Education and income have a positive relationship. When a person completes a high school or college education, there is a difference of 300% to 800% compared to someone who can only complete his studies at a lower level. Income or income is the return for services received from where a person works. This income is necessary to meet the needs of each family member. Engel's law states that the higher the household income, the lower the expenditure on necessities. (Elfindri & Bachtiar, 2004) Believe that common economic conditions will affect women's economic activities; if incomes are lower and the number of dependents is more significant, women will play more of a role as auxiliary workers in the family.

Informal sector groups tend to have a low level of education. However, informal workers are also educated with an entrepreneurial spirit and take advantage of alternative opportunities with academic and creative intelligence. Therefore, education is also thought to influence women's decisions to enter the job market in the informal sector. Formal education is an effort to prepare for competition in the job market. Those who have learned to some extent but still lack the skills can acquire them by participating in non-formal education. Even students who drop out of school can participate in non-formal education to develop their skills and improve their standard of living.

A literature study (Fields, 2005) argues that employment in the informal sector is worse than in the formal sector but better than unemployment. The Field Study also labeled informal sector jobs as upper-tier and easy-entry. Upper-tier is those who voluntarily choose jobs in the informal sector. At the same time, easy entry is defined as a person's survival strategy because he is excluded from formal sector work.

A person's coping mechanism shows individual characteristics in dealing with all kinds of opportunities and threats. The level of education determines the individual's decision to work in the formal, informal sector and continue higher education or not even choose the three options. For high school graduates, one strategy to avoid being trapped in informality is to continue higher education (Choi, 2021; Ogawa & Iimura, 2010). By continuing to education, it is hoped that they will receive better economic benefits in the future.

Newhouse and Suryadarma study (2011) looks at how the choice of public and private secondary school affects the earnings of graduates. Male private school graduates tend to earn less than public school graduates. Furthermore, Newhouse and Suryadarma (2011) explained that the choice of the type of vocational school increases the possibility of obtaining formal employment, especially for female individuals who attend state vocational schools.

Based on the literature review, several factors influence the decision of workers to enter the labor market both in the formal and informal sectors or continue to higher education levels, among others: age and education level (Antyanto, 2014); gender (Doğrul, 2012); place of residence (Uwamahoro & Mung'atu, 2018); household income (Almeida & Carneiro, 2011; Hohberg & Lay, 2015). Research by Ogawa & Iimura (2010) states that the decision of high school graduates to continue to a higher level is influenced by family background and place of residence. The education and income of the head of household have a positive and significant effect in determining someone to continue to higher education (Ogawa & Iimura, 2010).

Antyanto's research found that the variable of age and education was partially significantly related to the decision to enter the workforce. The age variable has a positive relationship with the choice of field of work. This means that the opportunity to work in the informal sector increases with increasing age. On the other hand, the

education variable is negatively related to entering the workforce. This means that the higher the level of education, the fewer individuals or workers who enter the informal sector.

In this case, individuals need to understand the type of work better. This study examines individual decisions in choosing the formal, informal sector or continuing higher education in Indonesia based on final education. This study examines how the type of middle school (SHS-JHS) affects the transition decision after graduating from high school.

METHOD

Human Capital Theory has been widely used to examine individual decisions when completing secondary school and entering the labor market. Individuals are assumed to choose two alternatives: continue their investment by pursuing higher education or stop investing in formal schools and enter the labor market. In the human capital investment model, individuals will pursue higher education if the expected benefits' value exceeds the typical costs' present value (Becker, 1993).

The human capital theory states that individuals with better abilities can benefit from an investment after completing their education. What's more, the school's quality and facilities determine students' abilities. Differences in the allocation of financial and learning resources are the main differences between public and private schools in Indonesia (Bedi & Garg, 2000b; Sari, 2019; Stern & Smith, 2016). On the other hand, the government is also trying to support private schools through a voucher system while asking private schools to comply with national standards and provide space for freedom in other aspects, such as professional development (Steiner-Khamsi, 2016). The secondary school phase is important in the formation of human capital. Existing research on quality differ-

ences in students' learning performance in public and private schools is concerning, especially in the context of poor overall quality of education (Newhouse & Beegle, 2006).

Furthermore, Newhouse and Beegle (2006) showed a higher consistency in the achievement of students who graduated from public schools than their counterparts at private schools. On the other hand, Sari (2019) argues that increased assistance to private schools by the community and government has positively impacted student achievement. Meanwhile, in private schools, the increase in average student achievement is determined more by management aspects, one of which is the appointment of school principals by the education office.

Other personal characteristics such as age, gender, and marital status are also important in determining individual decisions, as found in previous studies (see Doğrul, 2012; Antyanto, 2014; Hilmer, 1998, 2001). The older a person is, the more male sex and married tend to enter the labor market rather than continuing to a higher level of education.

The theory of human capital also states that family background plays an important role in determining individual decisions after high school. Variables such as household income, which can be proxied through the payment of the head of the household, can be used as a determinant of household members' decisions (Choi, 2021; Newhouse & Suryadarma, 2011; Nguyen & Taylor, 2003). The higher the income of the head of the household provides financial assistance to children to get an education. Especially for fathers, the household head's occupation also influences the child's decision to choose college or work. The gender of the head of the household also affects decision-making within the family (Nguyen & Taylor, 2003; Ogawa & Iimura, 2010). According to social norms, men are the head of the household and the main decision-makers (Qanti et al., 2022). In addition, the higher the parents' education also determines the individual's decision to go to college (Nguyen & Taylor,

2003). Family size also significantly influences the decision to enter the labor market or continue their education. The findings of Nguyen and Taylor (2003) state that having more than three household members makes individuals enter the labor market.

Furthermore, geographical factors also determine how individual decisions are taken (Nguyen & Taylor, 2003; Ogawa & Imura, 2010). In the Indonesian context, geographical differentiation is based on rural-urban areas and the Java-Bali dummy area as the regional activity center. Individuals who live in urban areas tend to continue their education to a higher level.

Prior studies in this area have focused on closeness and distance, where students' decisions are typically interpreted primarily in terms of the costs and benefits of social and economic factors. For instance, Kjellström and Regné (1999) discovered that students' decisions to enroll in higher education in Sweden are influenced by the distance to a higher education institution. Students who must relocate far for higher education are more likely to face high costs and weaker family ties as a result of being far from their native location (Chudnovskaya & Kolk, 2017).

Students must therefore believe that moving for higher education is worth it in comparison to the expenditures. Various higher education options have been correlated with proximity and distance in other research. According to studies conducted in the UK (Flannery & Cullinan 2014), Australia (Parker et al. 2016), and the USA (Griffith & Rothstein 2009), the likelihood of entering an elite or prestigious university increases if one lives nearby. Gibbons and Vignoles (2012) found that, in contrast to Kjellström and Regné (1999), distance from home had minimal bearing on students' decisions to enroll in higher education in England but had a significant impact on institutional choice. For instance, they discovered that individuals from disad-

vantaged socio-economic origins frequently select universities close to where they grew up. These studies ignore regional variations in how students join higher education by concentrating on closeness and distance.

Investigating connections between students' geographic origins throughout the rural-urban spectrum and subsequent trends in higher education-related migration can provide light on such issues, which is what this study aims to do. Only a small number of relatively recent studies have examined migratory patterns and institutional preferences connected to higher education in connection to students' geographic origins along the rural-urban spectrum.

This study uses a quantitative approach by utilizing data from the Indonesian Family Life Survey (IFLS) wave five (2014) with a total of 3209 observations from all over Indonesia. IFLS is a longitudinal survey of a random sample of households involving questionnaires and anthropometric measurements. A longitudinal survey has conducted a selection of monotonous research over several surveying periods. A longitudinal survey is a survey that consists in monitoring the development or changes that occur in the research sample. The initial selection of IFLS represented 83% of the Indonesian population living in 13 and 26 provinces (Strauss et al., 2016). For the details of variables used in the study, see Table 1.

The model used in this study is to use logistic multinomial regression and use the marginal effect after logit. The model chooses because the dependent variable has more than two categories (polychotomous). The multinomial logistics models fall into two main categories—multinomial logistics with random dependent variables and multinomial logistics with standard dependent variables (Greene, 2018). The regressor in this research model consists of individual characteristics, characteristics of the child's parents, and household socioeconomic conditions. The model used in multinomial logistic regression is

$$\begin{aligned}
 & Prob (Y_i = j | x_{i1}, x_{i2}, \dots, x_{ij},) = \\
 & Prob (Y_i = j | X_i) = P_{ij} = \frac{\exp (x'_{ij} \beta)}{\sum_{j=1}^J \exp (x'_{ij} \beta)}.
 \end{aligned}
 \tag{1}$$

Where Y is the choice of individual activities after a mandatory education of 12 years with a wide variety of options. The multinomial logistics model can also accommodate elements of unique characteristics and attributes of choice $i=1, 2, JJ$ (the features of the choices), where for the context of this study, points are related to individual preferences

in the form of parental characteristics and household socioeconomic conditions (Greene, 2018). As mathematically, it states as follows:

$$Prob (Y_i = j) = \frac{\exp (x'_{ij} \beta + w'_i \alpha_j)}{\sum_{m=1}^J \exp (x'_{im} \beta + w'_i \alpha_m)}.
 \tag{2}$$

Where are the attributes related to choice (characteristics of parents and socioeconomic conditions of the household), and are variables related to individual parts.

Table 1. Variables Used in Research

Variable(s)	Description
Choice of activities after attending compulsory education of 12 years	1. Informal Work 2. Formal Work 3. Going to College 4. Not Studying/Working
Public Secondary Schools (JHS-SHS)	1. Public school student o. Not in the public school
Private Secondary Schools (JHS-SHS)	1. Private school student o. Not in private school
Gender	1. Male o. Female
Age	The age range used is individuals aged 15-49 years
Marital Status	1. Get married o. Not Married
Number of Household Members	The number of individuals in the household
The highest level of education that the head of the household completed	The level of education completed is based on the level of education time
Gender of the Head of Household	1. Male o, Female
Income of the Head of Household	The amount of income of each head of the family
Place of residence (origin)	1. Rural o. Urban
Province of residence (Java-Bali)	1. Java-Bali o. Outside Java-Bali

Source: IFLS 5, processed (2022)

RESULTS AND DISCUSSION

Based on the results of the IFLS wave 5 sample data, a total of 3209 samples in this study with details of 634 choosing to work in the formal sector, 1048 choosing to work in

the informal sector, 991 samples choosing to continue to college (college), and 536 samples not working or working in the informal sector continue higher education. These results can be seen in Table 2 below.

Table 2. Statistics Descriptive

Independent Variable	Activity Transition After High School Graduation				Total
	Informal Work	Formal Work	Collage	Not Working/Collage	
Dummy Type Secondary School (1 = Private school)	0.293	0.239	0.166	0.274	0.233
Dummy Type Secondary School (1 = Public school)	0.483	0.359	0.557	0.425	0.433
Age	28.18	26.88	28.13	24.40	27.23
Dummy gender (1 = male)	0.590	0.677	0.449	0.147	0.501
Dummy marital status (1 = married)	0.759	0.596	0.645	0.722	0.664
Dummy gender of head of household (1 = Male)	0.934	0.892	0.926	0.933	0.918
The highest education level of the head of the household	10.24	10.44	13.00	10.16	11.15
Number of household members	4.402	4.055	4.102	4.216	4.165
Income of the head of household (annual) (IDR)	26,571,722	25,064,804	43,227,722	24,643,912	30,901,277
Head of household income log	16.484	16.676	17.029	16.587	16.732
Place of residence (origin) (1 = Rural)	0.462	0.253	0.238	0.313	0.300
Dummy province of residence (1 = Java-Bali)	0.110	0.167	0.143	0.103	0.138
Number of Observations	634	1048	991	536	3209

Source: IFLS 5, processed (2022)

When viewed by school type, 23.3% of individuals completed private junior high and high school education, and 43.3% completed state junior high and high school education. Furthermore, when viewed based on activities, graduates from public high schools are more likely to work in the informal sector, as much as 48.3%, than graduates from private high schools, which are only 29.3%.

Meanwhile, 35.9% of those who work in the formal sector are graduates of state high schools, which is higher than that of private high school graduates, only 23.9%. In addition to formal and informal work, many public high school graduates choose to continue their studies at 55.7%; on the other hand, a few private high school graduates choose to continue their studies at 16.6%. The last activity is not working or studying, for example, taking

care of the household and looking for work; for graduates from public high schools, it is 42.5%, while graduates from private high schools are 27.4%.

To compare the magnitude of the influence of the type of high school and other variables on the dependent variable, the marginal effect is estimated using the coefficients obtained from the probability estimation of the multinomial model (see Table 3). Table 3 shows that the marginal effects value of individual private school graduates is 0.056 positive towards the tendency to work informally. This means that individuals who graduate from private high schools tend to work in the informal sector by 5.6%. Meanwhile, individuals who graduated from public schools had a 2.2% tendency not to work informally, but the results were insignificant.

Table 3. Marginal Effect Result of Logit Multinomial Model Estimation

Independent Variable	Informal Work		Formal Work		Collage	
	ME	SE	ME	SE	ME	SE
Dummy Type Secondary School (1 = Private secondary school)	0.056**	0.022	-0.072***	0.024	-0.031	0.024
Dummy Type Secondary School (1 = Public secondary school)	-0.022	0.018	-0.109***	0.021	0.122***	0.021
Age	0.006*	0.003	-0.001	0.004	-0.003	0.443
Dummy gender (1 = male)	0.068***	0.016	0.271***	0.018	-0.120***	0.018
Dummy marital status (1 = married)	0.090***	0.021	-0.004	0.004	-0.206***	0.030
Dummy gender of head of household (1 = Male)	0.015	0.032	-0.126***	0.038	0.069**	0.033
The highest education level of the head of the household	-0.026***	0.003	-0.045***	0.004	0.083***	0.004
Number of household members	0.021**	0.027	-0.038***	0.033	0.022**	0.011
Head of household income log	-0.050***	0.010	0.066***	0.016	-0.008	0.013
Place of residence (origin) (1 = Rural)	0.141***	0.010	-0.091***	0.021	-0.020	0.020
Dummy province of residence (1 = Java-Bali)	-0.051**	0.021	0.093***	0.028	0.009	0.026

Note: *** significant at 1% level, ** significant at 5% level, significant at 10% level. ME: Marginal Effects SE: Standard Error

Private and public secondary school graduates tend not to work formally, 7.2% and 10.9%, respectively. This result is in line with the research of Newhouse and Suryadarma (2011), which shows that graduates of public high schools tend to have better job market outcomes. In the context of this study, private secondary school graduates are more likely to work informally than public school graduates. This may be due to the lower average score of private school graduates (Hendrajany, 2016; Newhouse & Suryadarma, 2011).

Individuals who graduated from private high schools had a 3.1% tendency to not go to college, but it was not significant. This contrasts with state high school graduates who study at 12.2%. This tendency of graduates from public secondary schools to study can be attributed to the findings of Newhouse and Beegle (2006), which state that students from public secondary schools have higher

test scores than students from private schools.

Table 3 shows that individuals of productive age tend to enter the informal sector with a marginal effect value of 0.006. increasing age increases the tendency of individuals to work in the informal sector by 0.6%. This is because the physical condition is still strong, and there is motivation to increase productivity to increase household income to meet family needs (Wulandari, 2015).

Male individuals will work informally and formally with a coefficient of 0.069 and a coefficient of 0.271, while female individuals tend to continue their higher education with a coefficient of (0.120). This research supports this. In other words, women still have the right to choose a job. The choice of profession is certainly supported by higher education (Mesquita & Lopes, 2018). This is not in line with research (Dalilah, 2021) which shows that female individuals choose to enter the formal sector. This selection is based on the knowledge and skills possessed. If skills and knowledge are not met due to low

levels of education, it will be difficult for women to find jobs in the formal sector (Josephine, 2019).

Individuals with married status tend to work informally with a coefficient of 0.068. This indicates that women's marital status also influences women's participation in the labor market. The most basic difference between the average single, unmarried person and the family unit of the husband and wife is the presence of children and the increased number of dependents. Therefore, the division of labor by married couples is that the presence of children substantially increases the value of one hour spent at home relative to the labor market.

Unmarried individuals tend to continue their higher education with a coefficient of (0.206). Women with higher education tend to choose men with higher education levels than themselves. Suppose the number of men with higher education is insufficient. In that case, it will put a structural squeeze on women with higher education, resulting in many women with higher education being unmarried.

In other words, women with high education consider education an important standard in choosing a mate. Women tend to be unwilling to reduce their requirements and insist on being single and delaying the marriage age to find a suitable man, resulting in long-term being unmarried at an older age. Suppose the current situation where the number of highly educated men is inversely proportional to that of women continues to develop. In that case, the problem of not being married for a long time may be more prominent.

Individuals with a female head of household tend to work in the formal sector with a coefficient of (0.126), and those with a male head of home care to continue their higher education with a coefficient of 0.069.

The variable with the highest level of education completed by the head of household has a negative coefficient for both the formal and informal sectors. In contrast, for college, it has a positive coefficient. This shows that the higher the education level of the head of the household, the individual tends to continue studying with a coefficient value of 0.083. Conversely, the lower the education level of the head of the household, the individual has a higher tendency to work in the formal sector (-0.026) than the informal sector (-0.045).

According to Soseco (2021), the years of education of the household head, significantly and positively affects household net worth across. This circumstance shows that wealthier classes receive a greater return on investment than lower classes. The fact that upper class households may experience higher returns in the form of higher earnings than lower class households despite receiving similar educational interventions may be related to the characteristics of classes as they may have better access to technology, knowledge, or a larger network.

The amount of money spent on the children's education is significantly influenced by the education level of the household's head. According to the odds ratio value results, the household has better investment opportunities the more education the head of the family has. According to Ulusoy and Yolcu (2013), a family's desire to invest in their child's education is highly correlated with the educational level of the parents. Parents who are educated think of investing in their children's education as building their human capital. In comparison to heads of households with no education at all, Vu (2012) found that families with heads who have completed junior high or senior high school spend more on their children's education. The households that spend the greatest money on their children's education are those with heads who have completed secondary school or above.

There are disparities in the return on education, with children from upper social classes

more likely than those from lower social classes to pursue further education and earn greater incomes (Kadir & Sukma, 2019; Widyanti, 2018; Anuraga & Arieska, 2016). Children from upper classes can earn more money while having similar educational backgrounds since they have better skills and knowledge thanks to access to technology and a larger network, which opens up more career prospects. This technological divide is important given the research by Adiningsih et al. (2019), which shows that it enables populations with high exposure to technology and financial means to pay for related costs to benefit from it and improve their well-being.

Simultaneously, promoting the value of education requires removing barriers that prevent households from accessing it. For instance, more educational facilities might be built to overcome remoteness and enhance access to information, communication, and technology (ICT).

Similar to the income variable, the coefficient of the marginal effect of wages shows that, on average, if wages increase by one unit, the probability that workers will work in the formal sector will increase by 0.066 points or 6.6 percent compared to the informal sector. This study is in line with research by Almeida and Carneiro (2011); also Hohberg and Lay (2015), which state that wages positively affect job selection decisions in the formal sector. This means that if the wages received by workers are higher, it will encourage them to choose to work in the formal sector rather than in the informal sector. This is corroborated by the probability value of informal work, which has a negative coefficient (-0.05). Similarly, the high incomes of household heads tend to increase an individual's probability of working in the formal sector compared to the informal sector.

The tendency of individuals to work in the formal sector increases if they have a large number of household members, with a

probability of 2.1%. Meanwhile, the tendency of individuals with fewer household members to work in the formal sector is 3.8%. The tendency of individuals who have a large number of household members will choose to work in the informal sector. This is because the informal sector tends to prioritize the nature of kinship and strengthen the community and social capital Slack and Jensen (2010). Individuals with a larger number of household members tend to continue their studies with a probability of 2.2%.

Based on the table above, it is known that individuals who live in rural areas tend to work in the informal sector, with a probability value of 14%. This is because many individuals working in the informal sector in rural areas tend to have strong networks of kith to provide employment for the informal sector. As an illustration, individuals in rural areas who work in the informal sector can employ their relatives. This statement is supported by Slack and Jensen (2010) that individuals in rural areas have stronger networks of relatives who provide access to informal labor pools and have market demands followed by a "moral economy," thus prioritizing norms and values of self-reliance and reciprocity that contribute to enabling the informal economy to develop.

Individuals who live in rural areas have a significant negative effect on formal employment. Living in rural areas makes the tendency of individuals to work in the formal sector higher, with a probability value of 9.1%. This could be because the formal sector has the opportunity to experience dynamic changes and is closely influenced by economic volatility. The formal sector division of labor is more professional, and labor costs are calculated based on the job desk. While individuals in rural areas generally work in the informal sector because the demand for work and supportive geographical conditions supports it. So that the informal sector continues to play a role in the lives of individuals and communities.

Compared to persons who live in urban regions, those who live in rural areas have a hi-

gher likelihood of working in the informal sector. The informal sector is an alternative job option that can take on workers without certain standards, such the degree of education and work abilities, therefore many of them are in line with rural populations that have relatively low levels of education. On the other hand, there is a sizable informal sector in metropolitan regions as a result of the opportunity it provides for rural areas with excess labor to emigrate from hardship and unemployment (Setyanti, 2020).

Individuals residing in the Province of Java/ Bali tend to work in the formal sector, with a probability value of 9.3%. At the same time, individuals residing outside Java/Bali tend to work in the informal sector, with a probability value of 5.1%. This trend is because the proportion of Indonesia's economy is still centered in Java and Bali. This result is supported by Central Bureau of Statistics, which) recorded Indonesia's economic growth in 2021 at 3.69%. Java Island still provides the largest contribution to the Indonesian economy at 57.89%. Because Java is the center of economic activity, the formal sector is more advanced, such as the banking sector, industrial sector, and other sectors.

CONCLUSION

The type of secondary school has a significant influence on the determination of an individual's decision to enter the labor market or continue higher education. Individuals who graduate from public secondary schools tend to pursue higher education and not work in the formal sector. Meanwhile, private high school graduates tend not to continue to higher education and work in the informal sector. Variables related to individual characteristics such as age, gender, and marital status also influence decision-making. Male secondary school graduates tend to work in both the formal and informal

sectors, while female secondary school graduates tend to continue to higher education. Individuals living in rural areas tend to work in the informal sector, whereas individuals living in urban areas tend to work in the formal sector. Individuals who have more household members tend to work in the informal sector. Meanwhile, individuals who have fewer household members tend to work in the formal sector.

Public secondary schools are a safety net for graduates from being trapped in informality. Therefore, the government must ensure the same standard and quality of public secondary schools, especially for areas outside Java and Bali. In addition, the existence of private schools is also important to equalize access to education. However, the government needs to ensure that the management of these schools is by educational standards to create equality in the quality of facilities and to teach with state schools.

This study is interested in how the type of secondary school, be it public or private junior high schools, influences the graduates' decisions to work or continue their higher education. But this study does not look further at the specific type of secondary school in the application of a particular curriculum. This may be done by future research, which is looking at more.

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