

## Chapter 2

# Indonesian Ageing Workforces in Rural and Urban Areas: Are They Similar or Not?

**Deshinta Vibriyanti**

*The National Research and Innovation Agency,  
Indonesia*

**Sari Seftiani**

*The National Research and Innovation Agency,  
Indonesia*

**Vanda Ningrum**

*The National Research and Innovation Agency,  
Indonesia*

**Intan Adhi Perdana Putri**

*The National Research and Innovation Agency,  
Indonesia*

**Inayah Hidayati**

 <https://orcid.org/0000-0002-6646-6212>

*The National Research and Innovation Agency,  
Indonesia*

**Luh Kitty Katherina**

*The National Research and Innovation Agency,  
Indonesia*

### ABSTRACT

*In 2020, Statistics Indonesia revealed that one of two older people is still working. Based on the region, the proportion of older people who are working in rural areas is higher than in urban areas. This chapter aims to describe the socio-demographic characteristics of the Indonesian older workers by region area. Data of this chapter were based on the research about the quality of older people life conducted by The National Research and Innovation Agency and BPS data. The results show that the Indonesian older workers are vulnerable workers (both in urban and rural areas). The older workers in the rural areas have a worse condition due to lower wages, longer working hours, and lower health insurance ownership while the older workers in the urban mostly filled the service sector. Creating decent jobs for older people is an important thing to do considering that the older people in Indonesia still have the capacity and good physical condition to work.*

DOI: 10.4018/978-1-7998-2395-7.ch002

## INTRODUCTION

Indonesia is facing an aging population. The number of older people has continued to increase in the past five decades until it has doubled. BPS data shows that until 2020, the number of older people in Indonesia will reach 26.82 million or about 9.92 per cent of the total population in Indonesia. Given that the Indonesian population's life expectancy continues to rise, this statistic is expected to rise even further. In 1971, the life expectancy of the population. In 1971, the life expectancy of the Indonesian population only reached 55.1 years, then continued to increase until, in 2015, it reached 70.8 years (SUPAS, 2015). This figure is also projected to increase until it reaches 72 years in 2035 (Adioetomo & Mujahid, 2014). Currently, the characteristics of the older people population according to the age structure are dominated by young older people (60-69 years) as much as 64.29 per cent, followed by middle older people (70-79 years) as much as 27.23 per cent and old older people (80 years and over) as many as 8.49 per cent (Badan Pusat Statistik [BPS], 2020).

Along with the phenomenon of population aging, more and more older people are found who are still actively working. The participation of the older people population in the labor market reflects the level of economic independence of the older people (United Nations, Department of Economic and Social Affairs, Population Division, 2020). It can also be seen as a marker that the level of welfare of older people is still relatively low. Older people work because of a necessity to meet the needs of life, not just a desire for self-actualization. Economic needs are a driving factor for older people to work (Radl, 2013). In addition, the knowledge and understanding of the people in Indonesia regarding the pension program are still very minimal. It is considered natural to continue working until old age. Many older people in Indonesia still do not know and are not registered in the pension program. Retirement programs are known and owned, limited to employees in government or private. The Aging Asia series suggests that the decision to continue working in retirement is only one of the five main sources of income. In contrast, other sources include social security from the government, pension funds, family support, and income from household assets (Pusat Studi Kependudukan dan Kebijakan Universitas Gajah Mada, 2014).

On the other hand, it is undeniable that older people generally experience a decrease in work performance, which affects the availability of job opportunities. The older people also face the fact that their physical condition is also experiencing a decline which causes limited employment opportunities. Previous studies suggest that increasing age is also accompanied by an increasing prevalence of illness and disability (Christensen *et al.*, 2009; Gatimu *et al.*, 2016). According to Noone *et al.* (2018), several factors prevent older people from being involved in the labor market. These factors include physical and mental health, age, gender discrimination, limited skills and abilities, or family encouragement not to work.

However, BPS data for 2020 shows that 1 in 2 older people in Indonesia is still actively working (50.04%). This figure has increased by 2.67 per cent from 2016, which was only 47.37 per cent. Meanwhile, when compared by region, there are more older people who work in rural areas than those who live in urban areas (44.1%). This fact is in line with data showing that 54.81 per cent of the older people work in the agricultural sector. Characteristics of work, culture and ownership of pension insurance that differ between rural and urban areas influence the tendency of the older people in rural and urban areas to work or not (Sumarsono, 2015).

From employment status, as many as 85.83 per cent of the older people work in the informal sector. The labor literature generally defines informal workers as responsible for individuals who are not legal entities and only based on an agreement. Meanwhile, BPS categorizes informal workers as those who work with the self-employed status, trying to be assisted by temporary/unpaid workers, agricultural and

16 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

[www.igi-global.com/chapter/indonesian-ageing-workforces-in-rural-and-urban-areas/299573](http://www.igi-global.com/chapter/indonesian-ageing-workforces-in-rural-and-urban-areas/299573)

## Related Content

---

### Job Crafting and Intention to Stay in an Organization: The Mediating Role of Job Satisfaction

Sunita Jatav, Aparna Dixit and Vijay Kuriakose (2024). *Effective Human Resources Management in the Multigenerational Workplace* (pp. 142-152).

[www.irma-international.org/chapter/job-crafting-and-intention-to-stay-in-an-organization/335446](http://www.irma-international.org/chapter/job-crafting-and-intention-to-stay-in-an-organization/335446)

### Implementation of an Intelligent Model Based on Machine Learning in the Application of Macro-Ergonomic Methods in a Human Resources Process Based on ISO 12207

Edgar Cossio Franco, Jorge Alberto Delgado Cazarez and Carlos Alberto Ochoa Ortiz Zezzatti (2022). *Research Anthology on Human Resource Practices for the Modern Workforce* (pp. 251-275).

[www.irma-international.org/chapter/implementation-of-an-intelligent-model-based-on-machine-learning-in-the-application-of-macro-ergonomic-methods-in-a-human-resources-process-based-on-iso-12207/295347](http://www.irma-international.org/chapter/implementation-of-an-intelligent-model-based-on-machine-learning-in-the-application-of-macro-ergonomic-methods-in-a-human-resources-process-based-on-iso-12207/295347)

### Gamification: An Employee Engagement Strategy for Organizations of 21st Century

Sonu Kumari (2019). *Management Techniques for Employee Engagement in Contemporary Organizations* (pp. 199-217).

[www.irma-international.org/chapter/gamification/221408](http://www.irma-international.org/chapter/gamification/221408)

### Remote Work: A Paradigm Shift in the Modern Workplace and Its Impact on the Workforce

Yasemin Baland Nazl Ece Bulgur (2023). *Enhancing Employee Engagement and Productivity in the Post-Pandemic Multigenerational Workforce* (pp. 374-391).

[www.irma-international.org/chapter/remote-work/333509](http://www.irma-international.org/chapter/remote-work/333509)

### HRM Practices in Human Capital-Intensive Firms: An Empirical Study of IBM Corporation

Sabrina Loufrani-Fedida (2022). *Research Anthology on Human Resource Practices for the Modern Workforce* (pp. 921-938).

[www.irma-international.org/chapter/hrm-practices-in-human-capital-intensive-firms/295382](http://www.irma-international.org/chapter/hrm-practices-in-human-capital-intensive-firms/295382)