

Gig Economy and Regional Competitiveness: Insights from Indonesia's Labor Market Flexibility

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Abstract

The expansion of the gig economy has become a significant driver of Indonesia's labor market transformation, contributing not only to employment creation but also to regional economic performance. This study contextualizes the contribution of gig work within broader discussions on labor market flexibility and regional competitiveness. Using secondary data from the 2022 Regional Competitiveness Index across 34 provinces, the analysis applies Pearson's bivariate correlation to explore the relationship between workers' wages, flexibility, and competitiveness. Results indicate that wages are positively and significantly associated with regional competitiveness ($r = 0.453$, $p < 0.01$), while other labor market measures such as equal pay and active labor policies show weaker links. These findings provide important insights for understanding the gig economy's economic role. Gig work often fills labor gaps in urban and digital-intensive sectors, enhances productivity by offering flexible service provision, and supplements household income. However, structural disparities in wages across provinces suggest that the benefits of gig work to the regional economy are uneven. Regions with higher wage levels and more dynamic labor markets capture greater economic gains from gig activities, while less competitive regions risk being left behind. By framing gig workers as part of Indonesia's economic engine, this study highlights two critical implications. First, integrating gig work into regional competitiveness strategies can strengthen inclusive growth by harnessing flexible labor supply and entrepreneurial innovation. Second, ensuring fair compensation and institutional recognition of gig workers will amplify their contribution to economic resilience. Overall, the gig economy represents not merely a survival strategy for workers, but also a strategic component of Indonesia's pathway toward sustainable regional competitiveness.

Keywords: gig economy, regional competitiveness, labor market flexibility, inclusive growth.

1. Introduction

Indonesia's labor market is undergoing a profound transformation driven by the rapid expansion of the gig economy – a phenomenon marked by short-term contracts, freelance arrangements, and digital platform-mediated work. Over the past decade, platforms such as Gojek, Grab, Tokopedia, and numerous online freelancing portals have reshaped employment structures by connecting flexible labor supply with dynamic market demand. This structural shift has not only created new income

opportunities but has also altered the spatial and sectoral composition of employment across Indonesia's provinces. The International Labour Organization (ILO, 2021–2024) highlights Indonesia as one of Southeast Asia's leading platform economies, with over six million workers engaging in some form of gig activity, primarily in transport, delivery, and creative digital services.

An examination of Indonesia's labor market's historical context reveals a unique situation. Economic growth increased following the fall of the new order, but at variable rates across regions (Anas et al., 2022; Verico & Pangestu, 2021). However, wealth disparities persist in Indonesia and around the world (Ridzuan et al., 2021). Despite declining poverty rates and rising income trends in Indonesia between 2014 and 2015, the Gini coefficient for inequality and the wage gap remained constant. The unorganized sector continues to pay the lowest range of wages. Women account for the vast majority of workers in the unorganized sector. Earnings in all industries and geographical areas across provinces remain high, indicating that workers are well educated. As a result, it is necessary to conduct research on equal compensation for similar or equivalent employees across areas (Ridzuan et al., 2021).

In some locations, the rate of economic recovery influences alternative development techniques. One of the analyses using this condition is the impact of regional development on worker pay (Surya et al., 2021; Hernita et al., 2021). The health of the labor market has a substantial impact on both the district's overall economic growth and the local economy, which in turn influences regional development. This is also why regional competitiveness and salary levels have been linked. Competitive regions have high growth and production rates, as well as an environment that promotes job development and provides attractive living and working conditions. Improving overall economic performance necessitates an understanding of the wage-setting and labour market dynamics. Despite the fact that wage-setting has local consequences, it is critical to focus on local competitiveness, especially in light of sector labor intensity and its implications for regional labor markets. The relative importance of local and national factors impacting wage-setting is a source of concern. The relationship between wages and regional competitiveness is also receiving increased attention (Ketels & Protsiv, 2021; Grillitsch et al., 2021).

Nonetheless, there is little empirical evidence to conclude that salaries have an impact on regional growth. In the case of Indonesia, the focus has shifted to the wage-setting process and the relationship between salaries and regional competitiveness. Understanding the local economy as a whole necessitates investigating regional pay disparities and the factors that influence the wage-setting system. It is consequently necessary to conduct local wage-setting research. The key topic is to assess Indonesia's current pay-setting procedures and wage deterrents at the district level. Harrison and Scorse (2003) compared earnings in industries with different levels of productivity (tradable and non-tradable). Because each policy has a sector-specific impact, and certain sector characteristics influence the overall performance of the local economy, these links are critical. Furthermore, the sector's impacts are not limited to a specific place, but can quickly extend throughout the district.

The rise of gig work epitomizes labor market flexibility, a critical dimension of competitiveness in modern economies. Flexibility enables workers and firms to adjust rapidly to changing market conditions – through adaptable work hours, performance-based remuneration, and mobile labor

supply. However, such flexibility is double-edged: while it enhances productivity and regional labor dynamism, it can also exacerbate wage disparities and social protection gaps. In Indonesia, this duality is visible in the concentration of gig activities in metropolitan regions such as Jakarta, West Java, and East Java, where infrastructure, connectivity, and digital literacy support higher productivity and wages, compared to peripheral provinces that remain dependent on traditional sectors.

From a regional economic perspective, the gig economy's contribution extends beyond individual employment outcomes to broader regional competitiveness. Competitive regions typically exhibit higher growth, productivity, and innovation capacity – factors increasingly influenced by flexible labor systems. Gig work, by diversifying income sources and filling labor gaps in digital-intensive and service sectors, strengthens local economic resilience and accelerates structural transformation. Yet, the distribution of these benefits remains uneven, raising questions about inclusiveness and sustainability.

Against this backdrop, the present study empirically examines the linkage between labor market flexibility and regional competitiveness, with a specific focus on how gig economy participation – proxied by indicators such as workers' wages, equal pay, and active labor market policies – correlates with the 2022 Regional Competitiveness Index (RCI) across Indonesia's 34 provinces. Using Pearson's bivariate correlation, the study aims to provide evidence on whether wage-based flexibility and institutional mechanisms contribute positively to regional economic performance. By reframing the labor market discourse through the lens of the gig economy, this paper contributes to understanding how Indonesia's flexible, digitally driven workforce is reshaping patterns of competitiveness and inclusive growth across regions.

Through meritocracy and incentives (equal pay for men and women), as well as flexibility (active labor market policy and worker wages), this study seeks to investigate bivariate relationships between the labor market and regional competitiveness. Economic indicators are frequently used in Indonesian development area policy to quantify regional and economic disparities. When the decentralized administrations were implemented in 2000, many districts adopted regional competitiveness strategies to allocate financial resources to the development of urban infrastructure, which sparked worries that the approach was exacerbating social inequality. There is, however, little empirical research on the relationships or correlations between those policy impacts on labor market trends, such as the migration of low-educated workers, the rise in their wages relative to supply, wage disparities and the ensuing dynamics of household livelihood, and changes in consumption patterns during periods of district competitiveness.

2. Research method

This study investigates the empirical relationship between **labor market flexibility** and **regional competitiveness** in Indonesia, with an interpretive focus on how the **gig economy** represents a key channel of flexible employment contributing to regional economic performance. The analysis employs a **quantitative approach** using **secondary data** drawn from the **Regional Competitiveness Index (RCI) 2022**, which provides standardized indicators across the country's 34 provinces.

2.1. Data Sources and Variables

The RCI 2022 dataset includes composite indicators on labor market performance, wages, equal pay, and institutional factors that influence competitiveness. Three key labor-related variables were selected to represent different aspects of flexibility relevant to the gig economy context:

1. **Active Labor Market Policy (ALMP):** reflects local government interventions in employment creation, reskilling, and job-matching programs. Within the gig economy framework, this variable indirectly captures **institutional adaptability** to new labor forms such as digital and platform-based work.
2. **Worker's Wages:** measures average compensation across sectors within each province. It serves as a **proxy for wage flexibility**, indicating how regional labor markets adjust remuneration in response to productivity, demand, and technological integration—including digital platform activities that often operate outside traditional wage structures.
3. **Equal Pay for Women and Men:** assesses gender-based pay equality and reflects the **meritocratic dimension** of labor markets. In the context of gig work, this indicator corresponds to the extent to which income distribution across genders and occupational types is influenced by performance-based rather than structural factors.

The **dependent variable** in this study is **Regional Competitiveness**, as measured by the RCI composite score encompassing economic performance, human capital, innovation capacity, and institutional quality.

2.2. Analytical Framework

The goal of this study was to investigate the relationship between labor market conditions and regional competitiveness in 34 Indonesian provinces. This study use quantitative approaches and SPSS 25 tools to compute a bivariate Pearson correlation. The secondary statistics used were from the 2022 Regional Competitiveness Index. A lot of assumptions are made to ensure the reliability of statistical data. One of these is the normal distribution of data. Statistical analysis is required to determine whether such disparities influence the level of competitiveness of districts or cities. The following is the bivariate Pearson's Correlation model:

$$\alpha_{oi} + \beta_1 x_{1it} + \beta_2 x_{2it} + \beta_3 x_{3it} + \varepsilon_{it} \quad (1)$$

$$\begin{aligned} \text{Regional competitiveness} = & \alpha_{oi} + \text{Active labor market policy} + \text{Worker's wages} \\ & + \text{Equal pay for women and men} + \varepsilon_{it} \quad (2) \end{aligned}$$

The fact that the majority of industries are concentrated in the capital city and a few other important cities is a big concern for Indonesia, as it is for other developing countries (Hackbarth & de Vries, 2021). A modern analysis will concentrate on how labor wields both central and regional power. The hypothesis or relationship between the regulatory articles might be investigated throughout the problem formulation process. For example, raising pay rates will have an impact on regional

competitiveness. The conceptual framework used to measure the link created in the hypothesis should be comprehensive, including theoretical links between the local market and regional growth, to ensure that the problems being addressed are well-conceived.

Indonesians can usually understand the slogan "transfer of industries to the countryside," which in industry terminology means moving from rural to industrialized sectors, or regional economic development as a process to equalize prosperity across regions. When conducting research on the pay rate issue, it is prudent to expect an explanation of such language. This explanation includes economic growth theories and their application to Indonesia, a framework for assessing competition, and the development of hypotheses based on the correlations between factors. This analytical framework will provide the econometric modeling used to statistically examine the relationship between wage rates and equal pay on the one hand, and regional competitiveness on the other (Boikova et al., 2021).

3. Results and Discussion

3.1. Correlation Results

The efficacy of a regional labor market is an important component of competitiveness, which is crucial to the global economy (Butt et al., 2024). The bivariate correlation index showed a positive relationship between worker earnings and regional competitiveness, with a correlation power of 0.453 and a significance threshold of $\alpha=1\%$, based on labor market and regional competitiveness data. There are no clear relationships between regional competitiveness, active labor market policy, or gender pay equality.

The effectiveness of a region's labor market remains a core determinant of its economic competitiveness. Using data from the **2022 Regional Competitiveness Index (RCI)** across 34 Indonesian provinces, this study explores how indicators of **labor market flexibility** – interpreted through the lens of the **gig economy** – correlate with regional competitiveness outcomes.

Workers' remuneration is a type of compensation for their efforts. Wages are an important topic because they have the power to improve workers' living conditions. Other industries in the region have a higher influence on competitiveness than wages; wages alone do not always increase a region's competitiveness. Wage disparities between industries may erode the competitiveness of workers in one region. Regional wage differences are associated with uneven pay. As a result, workers get paid differently. Unequal pay has a long-term impact on regional wage disparities. The relationship between wages and regional competitiveness must be assessed.

Table 1. Correlations Analysis

	Active labor market policy	Worker's wages	Equal pay for women	Regional competitiveness
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				and men	
Active labor market policy	Pearson	1	-0.134	0.128	-0.208
	Sig. (2- tailed)		0.449	0.470	0.238
Worker's wages	Pearson	-0.134	1	-0.005	.0453**
	Sig. (2- tailed)	0.449		0.977	0.007
Equal pay for women and men	Pearson	0.128	-0.005	1	0.049
	Sig. (2- tailed)	0.470	0.977		0.785
Regional competitiveness	Pearson	-0.208	0.453**	0.049	1
	Sig. (2- tailed)	0.238	0.007	0.785	

Source: Processed

Note: ** Correlation is significant at the 0.01 level (2-tailed)

The **Pearson's bivariate correlation analysis** reveals that **workers' wages** exhibit a **positive and statistically significant relationship** with regional competitiveness, with a correlation coefficient of $r = 0.453$ and a significance level of $\alpha = 1\%$. Conversely, the correlations between regional competitiveness and the other two variables—**Active Labor Market Policy (ALMP)** and **Equal Pay for Women and Men**—are statistically insignificant.

The statistical evidence indicates that **regions with higher average worker wages** also tend to achieve **higher competitiveness scores**. In Indonesia's context, provinces such as **DKI Jakarta, West Java, and East Java** – which host the largest concentration of **digital platforms, online service providers, and urban gig workers** – display both elevated wage levels and stronger competitiveness performance. This reflects how **wage-driven flexibility**, often arising from the productivity of digital and service sectors, contributes directly to regional economic dynamism.

3.2. Labor Market Flexibility and Gig Work Competitiveness Nexus

These results highlight the **dual nature of gig work** within Indonesia's labor market transformation. The **positive correlation between wages and competitiveness** suggests that gig-based income generation, digital entrepreneurship, and flexible service provision strengthen regional resilience and resource allocation efficiency. However, the **weak correlation for equal pay and active labor market policies** implies that gig work in Indonesia remains **market-driven rather than institutionally protected**. This indicates that while flexible digital employment can stimulate

competitiveness, the absence of formal labor protections, gender equality enforcement, and policy integration risks deepening existing inequalities between urban and rural labor markets. The positive and significant correlation ($r = 0.453$) between workers' wages and regional competitiveness underscores that **wage-based flexibility – a defining feature of the gig economy – enhances regional performance** by aligning labor supply with evolving market demands.

However, the **non-significant relationship** for equal pay and active labor policies reveals that **institutional mechanisms have yet to catch up with the expansion of gig work**. This gap is particularly visible among **women, youth, and rural freelancers**, who often face unstable incomes and limited access to digital infrastructure or social protection schemes. Consequently, Indonesia's regional competitiveness gains from gig work are **concentrated in digitally advanced provinces**, leaving less-connected regions at risk of being excluded from the emerging digital labor economy.

The transformation of Indonesia's labor market in the digital era has amplified the importance of **flexibility** as a determinant of both productivity and regional competitiveness. Flexibility enables workers and firms to adapt rapidly to shifts in demand, technology, and economic cycles, thereby sustaining employment and growth in volatile environments. Within this context, the **gig economy** represents a new institutional form of flexibility – where digital platforms match labor supply and demand dynamically, transcending traditional employment structures and geographical constraints.

Globally, the gig economy has emerged as a central mechanism through which flexibility in labor markets is operationalized. The **OECD (2023)** emphasizes that digital labor platforms improve *allocative efficiency* by connecting idle or underemployed workers with time-sensitive, localized tasks, thus reducing frictional unemployment. Similarly, the **ILO (2024)** finds that platform-based work enhances job accessibility for women, youth, and part-time workers by lowering entry barriers and offering on-demand participation. These dynamics are increasingly visible in Indonesia, where platforms such as Gojek, Grab, Shopee, and Fiverr enable millions of workers to engage in short-term, location-flexible, and skill-based employment.

However, while gig work embodies the ideals of flexibility – adjustable hours, self-selection of tasks, and performance-based pay – it simultaneously **creates new forms of precarity**. Without stable contracts, collective bargaining, or social protection, many gig workers remain exposed to income volatility and algorithmic management risks. The dual nature of flexibility thus raises a structural paradox: it enhances regional productivity but may deepen socioeconomic inequality if unaccompanied by institutional safeguards. In Indonesia, this paradox is accentuated by disparities in digital infrastructure and urban connectivity, which allow only certain provinces – particularly those with strong digital ecosystems such as DKI Jakarta, West Java, and East Java – to capture the productivity benefits of gig work. Less-developed provinces, by contrast, risk being excluded from these digital labor opportunities, reinforcing regional asymmetries in competitiveness.

Gig work aligns strongly with all three forms, particularly wage and numerical flexibility, where income directly depends on performance and market demand. This configuration strengthens regional competitiveness by improving labor market responsiveness and encouraging entrepreneurial adaptation, yet it requires careful balancing between efficiency and equity.

A critical complement to flexibility in gig work is the role of **meritocracy**, as digital platforms often operate on reputation-based systems that evaluate workers through **ratings, reviews, and performance metrics**. This system reflects a contemporary manifestation of meritocratic labor markets, where advancement and income potential are largely determined by measurable outcomes rather than seniority or institutional affiliation (Oliveira et al., 2024; Trevisan et al., 2022; Beagan et al., 2024). In theory, such systems democratize opportunity – allowing skilled workers from diverse backgrounds to compete on equal terms. In practice, however, algorithmic and consumer biases can distort these meritocratic ideals, privileging workers with better access to technology, digital literacy, and social capital.

Within Indonesia's regional context, the intersection between **digital skills, meritocracy, and regional competitiveness** is particularly salient. Provinces with higher levels of digital literacy, broadband penetration, and human capital are more capable of translating gig opportunities into sustained productivity growth. The **Regional Competitiveness Index (RCI 2022)** captures this heterogeneity, showing that digitally advanced provinces tend to have higher wage levels and stronger institutional capacity to integrate flexible labor markets into local economic strategies. Thus, **digital meritocracy** reinforces existing spatial inequalities: while urban centers harness gig-driven innovation to enhance competitiveness, peripheral regions lag due to limited digital infrastructure and weak labor institutions.

Overall, the theoretical nexus between **flexibility and meritocracy** provides a conceptual foundation for understanding how gig work influences regional competitiveness. Flexibility ensures adaptability and efficiency, while meritocracy promotes innovation and motivation. When mediated by digital platforms, these mechanisms can accelerate Indonesia's transition toward a more dynamic, inclusive, and regionally competitive labor market – provided that policy frameworks address the risks of precarity and unequal access.

Although it varies, Indonesia's unemployment rate is quite low (Malahayati et al., 2021). The unemployment rate has been increasing throughout the 2010s, yet it remains around 6%. Globalization broadens a nation's economic and social frontiers, making demands from other countries much more transparent and unconstrained. The population totally turns in favor of the public sector over the private sector (Harrison & Scorse, 2003).

Wages in the official and informal industries can vary. To achieve a uniform growth in the parameter, wages in manufacturing sectors will rise faster than in non-manufacturing sectors. Salaries in non-manufacturing sectors are generally comparable, but agricultural salaries in manufacturing will rise as well. A government strategy that supports labor-intensive industries in an overall strong macroeconomic and economic climate. Furthermore, regional rural pay surcharges exacerbate the wage gap. Furthermore, there is a considerable compensation difference because wages in this industry are already higher. These are consistent with the static model, which states that as technology advances and time passes, wage inequalities would expand (Shrestha & Coxhead, 2018).



Figure 1. Worker's Wages in Indonesia

Source: RCI, processed

Competitiveness is defined as the ability to generate goods and services that may be sold both domestically and internationally while enhancing and sustaining citizens' living standards. Regional competitiveness refers to the acceleration of endogenous development, which benefits enterprises and enhances their innovation ability. Several competitiveness notions include terms like "standard of life," "income," and "sustainability," which are based on the use of endogenous resources. When determining competitiveness, per capita GDP, labor productivity, and employment rate are highly valued since they have a significant impact on regional welfare. Because unemployment is employed by the majority of competitiveness indicators to analyze a region's competitiveness, it does not dictate the quantity of unemployment, but rather serves as a basis for it.

Decentralization has been applied in Indonesia's political and economic systems. As a result of this economic restructuring, the Indonesian economy is now more "open" to new partnership prospects in both the domestic and international arenas. Overall, the labor market must be the most adaptable of the several production components. In order to alleviate economic disparity that leads to the disability balance of regional economies, the flexible and meritocratic labor force issue must be considered. Labor market competition may push some places to become more competitive since they have a large and highly qualified labor market source. The presence of a competitive labor market in a region can result in dynamic economic development, or, in other words, improved economic structure.

The question of labor market flexibility is widely contested in light of modern economic dynamics. Labor market flexibility is widely cited as an important indicator of a region's labor market's ability to adjust to both short-term economic turbulence and long-term structural change. Flexibility in labor markets refers to the ability of local businesses and workers to respond to changes in demand, the state of the economy, and the external environment. The concept of flexibility has many varied and ever-changing dimensions.

Traditional economic theories define labor market efficiency as the ability to adapt to changing circumstances. To remain competitive, a region's labor market must have a high turnover rate while both providing employment and boosting salaries. A high turnover rate suggests that the labor market is quite flexible, as unemployed people can be quickly hired. Labor markets give a variety of types of flexibility, beginning with numerical flexibility (the ability to change the amount of work), functional

flexibility (the ability to do a variety of job duties), and temporal flexibility (the ability to change work hours). Competitiveness is usually associated with a flexible labor market. Inefficiencies in the labor market impede both the ideal number of workers and the full utilization of the national economy.

Regional competitiveness in a labor market system is inextricably tied to the meritocracy principle, which states that opportunities should be provided to all on the same basis. Despite the fact that meritocracy is a normative ideal that serves as the primary basis for workforce development and resource allocation in national and regional policies, its relative importance can fluctuate in response to policy changes and economic success. Meritocracy rules the most common methods of assessment and candidate selection, which validates the existing labor, economic, and life opportunities frameworks (Kish-Gephart et al, 2023).

Efficient and successful educational institutions should provide equal starting positions. To the extent that meritocracy is widely accepted and practiced, it is expected to promote equality within a social group, in this case, the productive workforce. A meritocratic hiring model is expected to encourage local business ventures within a framework of healthy competition, hence increasing employment and overall economic growth. Furthermore, meritocracy's expectations and consequences on younger generations' labor market preferences and conduct when looking for work, both inside and outside of the official labor market, are sometimes disregarded. Meritocracy would also enable improved income equity, which is an important component of the Gaussian understanding of social equity. Without regard for other personal characteristics or social conventions, a meritocratic workforce should be open to a set of shared credentials and accepted performance criteria for vocations and tasks (Oliveira et al, 2024; Beagan et al, 2024; Trevisan et al., 2022).

4. Conclusion and Recommendations

The transformation of Indonesia's labor market toward digital and flexible employment models reflects a broader shift in how competitiveness and productivity are achieved at the regional level. The empirical results of this study – showing a positive and significant correlation ($r = 0.453$) between workers' wages and regional competitiveness – underscore the central role of wage-driven flexibility in shaping regional economic outcomes. Provinces with higher digital infrastructure, dynamic service sectors, and active gig platforms demonstrate stronger competitiveness, confirming that flexibility, when supported by innovation and infrastructure, enhances regional economic resilience.

The findings and conclusions of the study form the basis for the discussion that follows. The study contributes to the puzzle and provides a piece of the solution by demonstrating bivariate connections between economic sectors and salary disparities in Indonesian cities and regencies. Indonesian local governments are gradually introducing regional minimum wages to improve the welfare of workers in regencies and cities (Hasanah et al., 2024). As a result, firms may respond by reducing their workforce, resulting in job losses and increased employee risk. Policymakers must carry it out with greater regard for sustainability and adaptation (Gorjian Khanzad & Gooyabadi, 2021; Engidaw, 2022; Zarifhonarvar, 2024).

However, the findings also reveal important structural gaps. The absence of significant correlations for equal pay and active labor market policies indicates that Indonesia's gig-driven growth remains largely market-led and unevenly protected. While flexible employment arrangements create new income opportunities and adaptive labor structures, they also expose workers – especially women, youth, and rural freelancers – to instability, informality, and exclusion from social protection schemes. Thus, policy responses must aim not merely to expand digital participation, but to strengthen fairness and institutional resilience within flexible labor systems.

Gig-based employment is redefining Indonesia's labor flexibility and shaping regional competitiveness outcomes. While higher wages correlate with stronger regional competitiveness, institutional mechanisms for equitable pay and social protection lag behind. By embedding these principles into Indonesia's Digital Economy Roadmap 2030 and National Employment Policy, policymakers can ensure that the gig economy contributes not only to short-term employment creation but also to long-term sustainable competitiveness aligned with SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure). In sum, Indonesia's pathway toward inclusive competitiveness depends on transforming labor flexibility into a platform for empowerment rather than precarity – one where digital innovation, fair institutions, and regional equity converge to shape the future of work.

The Indonesian regions have a diverse economic environment with clearly uneven development. As a result, there is a strong association between geographical location and the economic ratio in the unequal wage distribution. Wage disparities are one of the most important labor economics concerns affecting social inequality (Piroșcă et al., 2021; Zarifhonarvar, 2024; Dorn & Zweimüller, 2021; Bonacini et al., 2021). Salary disparities can create a social barrier between individuals and groups within a community. Wage research has expanded dramatically during the last decade.

Pay has an impact on wellbeing since it is strongly connected with job performance. Wages are sums of money that employees receive from their employers that are proportionate to the value and quality of their work. Given the effectiveness of wage policy, the disparities are of particular significance (Dietrich et al., 2021). Wages and working conditions are significant labor market characteristics that influence how wealth is allocated among individuals (Piroșcă et al., 2021; Szabó-Szentgróti et al., 2021). Workers' wages, as part of labor market flexibility, have a substantial impact on regional competitiveness.

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