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Wage Protection for Women Workers in the Weaving Industry in Tanah Datar: An Islamic Economic Perspective

Febria Rahim[1], Rahmat Firdaus[2], Rizal[3], Jean Elikal Marna[4], Harry Murasyid[5]
[1,2,3,5] Universitas Islam Negeri Mahmud Yunus Batusangkar, Indonesia
[4] Universitas Negeri Padang, Indonesia

Corresponding Author: Febria Rahim, E-mail; febriarahim@uinmybatusangkar.ac.id

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ABSTRACT

The weaving industry is a creative economic sector in Tanah Datar Regency that relies heavily on female workers. However, wage practices in this informal sector still face challenges in fulfilling the principles of fairness and adequacy required by labor regulations and Islamic economics. This study aims to analyze the wage system for female workers in the weaving industry in Tanah Datar from the perspective of Islamic wage principles. Using a descriptive qualitative approach, the study involved seven informants consisting of weaving industry managers and female weavers. Data were collected through in-depth interviews, observation, and documentation, and analyzed using the Miles and Huberman interactive model. Data validity was established through source triangulation. The findings reveal two management models: privately managed enterprises and foundation-managed enterprises. Privately managed industries have not fully implemented fair and adequate wage principles, as evidenced by delayed payments, discrepancies between wage agreements and actual payments, and wage levels below prevailing market standards. In contrast, foundation-managed industries have adopted wage practices that better reflect fairness, adequacy, and compliance with contractual agreements, consistent with Islamic economic principles. The novelty of this study lies in its comparative analysis of Islamic wage principles across two management models while emphasizing the protection of female workers. The study contributes empirical evidence to Islamic labor economics and offers practical implications for policymakers and industry managers in developing fairer, more transparent, and sustainable wage systems for female workers.

Keywords: *Female Workers; Wage System; Weaving Industry; Islamic Economics; Wage Protection*

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INTRODUCTION

Labor is one of the fundamental factors of production that plays a crucial role in promoting economic growth and ensuring business sustainability. Consequently, the wage system represents not only financial compensation for labor but also a mechanism for protecting workers' rights and improving their welfare. In Indonesia, wage policies are regulated under Law No. 13 of 2003 on Manpower, subsequently updated through Law No. 6 of 2023 concerning Job Creation and Government Regulation No. 36 of 2021 on Wages. These regulations stipulate that workers are entitled to fair and decent wages, timely payment, and remuneration based on mutually agreed employment contracts.

From the perspective of Islamic economics, wages are not merely an economic transaction between employers and employees but also a moral and religious obligation that must be implemented based on the principles of justice (*al-'adl*) and adequacy (*al-kifayah*). The principle of justice requires transparency, clear contractual agreements, and proportional compensation according to the nature and intensity of the work performed. Meanwhile, the principle of adequacy emphasizes that wages should enable workers to meet their basic living needs and should not fall below prevailing market standards. Furthermore, Islamic teachings prohibit delaying wage payments, as reflected in the Prophet Muhammad's instruction that workers should receive their wages before their sweat has dried.

Tanah Datar Regency is one of the largest traditional weaving industry centers in West Sumatra. According to Tanah Datar in Figures 2022, the regency is home to 484 weaving enterprises employing approximately 915 workers, the majority of whom are women. This indicates that the weaving industry plays a significant role in generating employment opportunities for women while serving as an important source of household income.

Despite its economic importance, preliminary observations reveal several challenges related to the wage system within the weaving industry. These include delayed wage payments, informal verbal employment agreements, and wage levels that, in some enterprises, remain below prevailing market rates. Conversely, weaving enterprises managed by foundations tend to implement more structured wage management practices, indicating considerable variation in wage systems across different organizational models. These conditions suggest that the implementation of Islamic wage principles, particularly those concerning justice and adequacy, has not yet been consistently achieved across the industry.

Previous studies have primarily examined wage systems in small and medium-sized enterprises from the perspectives of labor regulations or the general application of Islamic economic principles. However, limited attention has been given to comparing the implementation of Islamic wage principles across different management models within the traditional weaving industry, particularly concerning female workers. This represents an important research gap, considering that the weaving industry is predominantly composed of women workers and commonly adopts a piece-rate wage system, which differs substantially from wage arrangements in other industrial sectors.

Therefore, this study aims to analyze the wage system for female workers in the weaving industry of Tanah Datar Regency from the perspective of Islamic wage principles, with particular emphasis on the dimensions of justice and wage adequacy. The findings are expected to contribute to the development of Islamic economic literature on wage systems in culturally based creative industries while providing practical recommendations for policymakers and industry stakeholders to establish a more equitable, adequate, and sustainable wage system.

RESEARCH METHODOLOGY

This study employed a descriptive qualitative approach to analyze the wage system for female workers in the weaving industry in Tanah Datar Regency from the perspective of Islamic economics (Sugiyono, 2023). The research was conducted in Tanah Datar Regency during the 2023–2024 period and involved seven informants, consisting of female weavers and industry managers. The informants were selected using purposive sampling, as they were considered to possess relevant knowledge and experience aligned with the research objectives.

Data were collected through observation, in-depth interviews, and documentation. The data were then analyzed using the Miles and Huberman interactive model, which consists of data reduction, data display, and conclusion drawing/verification (Miles et al., 2014). Data trustworthiness was ensured through source triangulation by comparing information obtained from informants with supporting documents (Moleong, 2021). Throughout the research process, ethical considerations were maintained by obtaining informed consent from all participants and ensuring the confidentiality of respondents' identities.

RESULT AND DISCUSSION

Various industries are distributed across Tanah Datar Regency, one of the most prominent being the songket weaving industry, which has existed since 1850 in Pandai Sikek. The majority of its workers are women aged between 20 and 56 years who produce woven fabrics from their own homes. The wage system implemented in this industry is a piece-rate payment system, whereby weavers are compensated according to the number of woven fabrics they successfully produce rather than the amount of time they spend working. However, management practices differ across weaving enterprises, resulting in substantial variation in the implementation of the piece-rate wage system. Consequently, female workers employed in this informal sector face a considerable risk of receiving wages that are unfair or insufficient to maintain a decent standard of living.

This variation can be explained through the piece-rate wage theory and the marginal productivity theory of wages, which argue that workers' earnings should reflect their contribution to total output rather than merely the amount of labor supplied. Under a piece-rate compensation system, workers who produce greater output are theoretically expected to receive higher earnings. Nevertheless, differences in management practices, production targets, weaving complexity, production facilities, and supervision create significant disparities in income among weavers.

Empirical evidence supports this theoretical perspective. A study entitled Analysis of the Piecework Pay System in Improving Work Performance Productivity in the Construction Industry demonstrated that piece-rate compensation has a statistically significant positive effect on worker productivity (Riyadi et al., 2025). Conversely, research on labor productivity in Indonesia found that the relationship between wages and productivity is complex and, in certain aggregate analyses, may even be negative (Maulana, 2023). These findings indicate that although output-based compensation has the potential to stimulate productivity, its effectiveness depends largely on organizational and institutional conditions.

The findings of this study are also consistent with international evidence regarding piece-rate payment systems. Lazear (2000) demonstrated that performance-based compensation significantly improves worker productivity because employees are rewarded according to their output. However, he also emphasized that productivity gains are frequently accompanied by increased income inequality among workers with different skill levels. Similar conditions exist in the weaving industry of Tanah Datar, where remuneration depends on both the quantity and complexity of woven products. Highly skilled weavers generally receive higher earnings, whereas less experienced workers tend to earn lower wages. Therefore, although the piece-rate payment system can enhance productivity, it requires appropriate institutional safeguards to ensure fairness and adequate earnings for all workers.

The concept of a living wage further argues that wages should not only reward productivity but also enable workers to satisfy their essential needs, including food, clothing, and housing. In informal and home-based industries such as weaving, workers frequently operate outside formal labor protection, making them particularly vulnerable to receiving wages below an acceptable living standard. This issue illustrates the limitations of wage systems that emphasize production quantity while neglecting workers' welfare.

Supporting evidence is provided by Rizal and Mustapita. (2024), who found that minimum wage policies significantly improve workers' welfare. Similarly, Sari and Sugiarto. (2024) reported that approximately 58% of Indonesia's informal-sector workers belong to the low-income vulnerable group. These findings are highly relevant to the weaving industry in Pandai Sikek, which is predominantly home-based, informal, and largely employs women. Although the piece-rate payment system has been widely implemented, workers' welfare remains vulnerable when their earnings fail to meet the requirements of a decent standard of living.

International studies likewise indicate that wage adequacy is closely associated with workers' well-being and organizational sustainability. According to Anker and Anker (2017), a living wage should enable workers and their families to obtain adequate food, housing, education, healthcare, and financial security for unexpected circumstances. The present study supports this argument, as female weavers reported that their earnings generally covered only food and clothing expenses while remaining insufficient to finance housing needs. Consequently, the wage practices implemented by several weaving enterprises have not yet fulfilled the fundamental principles of a living wage.

The findings can also be interpreted through the informal labor market theory and the dual labor market theory, which explain that informal workers generally experience weak employment contracts, uncertain wage arrangements, and limited legal protection. The household-based weaving industry in Pandai Sikek reflects these characteristics. Weavers work from home under informal employment relationships, and compensation is determined solely by completed production. Such employment arrangements increase workers' vulnerability to income instability and reduce their bargaining power.

Empirical evidence reinforces this conclusion. Mediana (2025) reported that informal workers accounted for approximately 59.4% of Indonesia's labor force in February 2025 and generally received substantially lower wages than formal-sector employees. Likewise, Ibrahim et al. (2023) identified a significant wage gap between formal and informal workers in Indonesia. These findings further explain why female weavers in Pandai Sikek remain economically vulnerable despite their continuous participation in productive activities.

The vulnerability experienced by female weavers also reflects broader international patterns of informal employment. The International Labour Organization (ILO, 2023) reported that informal workers generally receive lower wages, have limited access to social protection, and possess weaker bargaining power than formal-sector employees. Women are disproportionately represented in informal employment while simultaneously carrying unpaid domestic responsibilities, thereby increasing their economic vulnerability. These international findings strengthen the argument that improving wage governance within the weaving industry should include stronger contractual arrangements and enhanced legal protection for female workers.

From a gender perspective, the findings indicate that female weavers continue to experience labor market inequality. Several weaving enterprises fail to comply with previously agreed wage payment schedules, reflecting persistent social perceptions that women's employment merely supplements household income rather than serving as a primary source of livelihood. Hermawan et al. (2022) argued that women are often perceived as secondary income earners despite the increasing number of female-headed households that rely primarily on women's earnings.

Public awareness regarding gender wage equality also remains relatively limited. Employers frequently underestimate women's economic needs and assume that lower wages are sufficient because women are not viewed as primary breadwinners. Such perceptions are reflected in the findings of this study, which show that the wages received by female weavers generally remain below prevailing market standards.

Previous studies support these findings. Rimbawati (2023) argued that although women dominate employment in the creative weaving industry, their economic contributions are often undervalued, while both wages and working conditions continue to require improvement. Similarly, Putra (2024) found that female weavers experience a double burden by combining domestic responsibilities with productive weaving activities, resulting in limited economic recognition despite their substantial contribution to household welfare.

These conditions reduce women's economic productivity because delayed wage payments, wages below market standards, and persistent gender norms diminish work incentives and restrict access to vocational training, financial resources, and labor market opportunities. Consequently, women's productive capacity and bargaining power remain constrained.

The present findings are also consistent with international evidence concerning gender equality and economic performance. The World Bank (2024) reported that reducing gender disparities in labor markets contributes not only to higher female earnings but also to stronger economic growth and higher labor productivity. Equal access to fair wages, skills development, and employment opportunities enables women to contribute more effectively to household welfare while simultaneously supporting regional economic development. Therefore, improving wage fairness for female weavers should be regarded not merely as a labor issue but as a strategic investment in inclusive economic development.

Similarly, Hayya et al (2025) found that women receiving fair and adequate wages exhibit higher work motivation and productivity. Conversely, when prevailing social norms continue to perceive women primarily as supplementary income earners, they receive less access to vocational training, standardized wage systems, and equal bargaining power. Strengthening women's empowerment through improved access to education, financial capital, market opportunities, and entrepreneurial support would therefore increase women's productivity while contributing to more inclusive economic growth.

Overall, the findings demonstrate that wage protection for female workers in the weaving industry has not yet fully achieved the principles of fairness and adequacy advocated in labor economics. Although wage agreements are generally communicated transparently and compensation partially reflects differences in weaving complexity, several enterprises continue to delay wage payments or fail to comply with agreed contractual commitments. Furthermore, the majority of female weavers earn sufficient income only to satisfy food and clothing needs, while housing requirements remain largely unmet. Consequently, the current wage system cannot yet be considered consistent with the concept of a living wage.

From the perspective of Efficiency Wage Theory, these findings suggest that fair and adequate wages are not merely instruments of social protection but also strategic investments capable of enhancing motivation, productivity, organizational commitment, and product quality while reducing labor turnover (Akerlof & Yellen, 1990). Within the weaving industry, timely wage payments combined with remuneration that accurately reflects workers' skills and contributions are expected to strengthen employee commitment and improve the competitiveness of woven products.

Therefore, improving wage governance should become a strategic priority for both weaving enterprises and policymakers. Wage policies should integrate productivity-based compensation with living wage principles, gender equality, and stronger legal protection for informal workers. Such reforms would transform the weaving industry from a source of supplementary household income into a sustainable economic sector capable of providing decent work, strengthening women's economic empowerment, and promoting inclusive regional economic development.

CONCLUSION

This study found that the wage system for female workers in the weaving industry of Tanah Datar Regency is based on a piece-rate payment system according to the weaving output produced. From the perspective of Islamic economics, the implementation of wage principles varies depending on the management model of the industry. Privately managed weaving enterprises have not fully fulfilled the principles of justice and fairness due to delayed wage payments and wage levels that remain below prevailing market standards. In contrast, foundation-managed weaving enterprises have implemented a wage system that is more consistent with Islamic economic principles by ensuring timely wage payments, adherence to agreed employment contracts, and wage determination based on the complexity of the work. Therefore, strengthening institutional governance, ensuring timely wage payments, and aligning wages with market standards are essential to achieving a fair and equitable wage system while improving the welfare of female workers in the weaving industry.

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