

# The Potential Connection of Retired TKI with the Economic Potential in the Province of East Java

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**Abstract**—After-work migrants who have returned to their villages do not need to return to work abroad. They can work and manage the potential of superior natural resources in each village that has not been absorbed by local, national, regional or international markets. For this reason, it is necessary to identify the retired Indonesian migrant workers by means of research so that they can be followed up with the success of remittances from work abroad. This includes the identification of investments and business that is done by TKI after using remittance, identification of investment fields that are by the potential of natural resources in the area of origin of Indonesian migrant workers and identification of problems of full TKI in growing entrepreneurship based on local potential. This research is based on life path change theory, goal-directed behavior theory, outcome expectancy theory, and the process of entrepreneurial formation. The research design involved the informants filling in biodata and questionnaires, formal discussions, and free and open interviews with 32 people by purposive random sampling. The findings of the research resulted in responses to being entrepreneurs, it was not easy, according to informants facing severe obstacles to growing into an entrepreneur, because government alignments in the form of policies, licensing and business services and training on efforts to grow entrepreneurs were very inadequate and implementation was still far from expectations. Entrepreneur as a planner and manager and agrees also needs first skill and communication skills in terms of creating/exploring business ideas and opportunities, but they state that they disagree if the business pursued later is a new business, meaning that someone else must pursue the business. So they agree more to say that the business that will be done is to develop existing businesses.

**Keywords**—after-work migrants; remiten; natural potential; market; entrepreneurship; human resources

## I. INTRODUCTION

The government services in the framework of the realization of a decent work that has existed. As it is known that East Java is a province that receives demographic bonuses as seen in the East Java Province data BPS for 2013-2014. That total population of East Java in 2014 was 38,610,202 people, consisting of men 19,051,636 people and women amounting to 19,558,566 people. Of the total population of East Java, which includes the working age population of 29.578.682 consists of men 14,435,358 and women of 15,143,324 inhabitants, so that the logical consequences of the East Java workforce owned included height hat is based on 2014 alone around 20,149,998 people, consisting 12,098,291 men, 8,051,707 women.

East Java has long been a sending area for TKI abroad, such as to countries in the Middle East to the neighboring countries (Singapore, Malaysia, Brunei) even to countries in Far East Asia (China, Korea, Japan, Macau, and Taiwan). This has resulted in many retired TKI or ex-migrant workers who have not / have not returned abroad. For example, in 2013, TKI from East Java who returned to their homeland through Juanda airport totaled 3,572 people. This makes a great potential for East Java to be developed into retired East Java migrant workers who are managed and connected in local, national and regional events and international economic networks.

In addition to having capital to start a business, they also have experience in the tradition / work ethic that is modeled on foreigners in foreign countries, appreciating work and managing money owned on a household scale. This includes the huge amount of remittance fees for Indonesian migrant workers. In East Java, empowerment of the results of the remittance of Indonesian migrant workers for positive activities has been carried out, such as culinary business, batik handicrafts, and others. To refer to the case only until 2015, the TKI after cooperative was 22 with 1,859 members. By cooperating with banks (MSME Banks), LSM and cooperatives, the retired TKI coaching in East Java can be directed to become a micro-economy in the area of retired TKI.

East Java is an area that has excellent potential in both human resources and non-human resources. By empowering the areas of superior East Java Province that are in line with the resources and potential of the post-TKI area as well as the domestic and regional market needs and even internationals, the opportunities and potential of these TKI retirees cannot be viewed lightly. The East Java Provincial Government can utilize this power so that these TKI retirees are motivated to develop their natural potential in their respective regions and access to local and national market networks and even international trade.

Based on the identification of the problem, the following problems can be formulated:

- 1) What investments and businesses do after the Indonesian migrant workers use remittances?
- 2) What are the appropriate investment fields that are in line with the potential of natural resources in the area of origin of Indonesian migrant workers?
- 3) What are the problems of post-employment in growing entrepreneurship based on local potential?

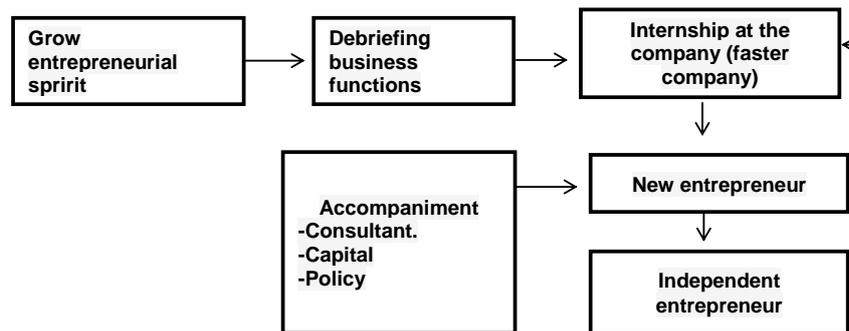


Figure 1. New entrepreneurial creation model (Sadeli 2011)

The first step in creating new entrepreneurs is to develop an entrepreneurial spirit. This step can be taken by way of BinteK entrepreneurship for retired Indonesian migrant workers to encourage someone to be more creative in generating business ideas. The only possible problem is the absence of the ability of prospective participants to properly plan business plans. The government or the private sector must also encourage the community to develop an entrepreneurial spirit. The next step is to appease these prospective entrepreneurs. With an internship, it is expected that the participants will understand about the ins and outs of business in real terms, so there needs to be a concern for the Government or the private sector to provide internship opportunities for participants.

The formation of new entrepreneurs in addition to going through nature can use the entrepreneurial creation model programmatically. To use the creation model there needs to be a party that participates in taking part to create new entrepreneurs. The model of growing the spirit and spirit of entrepreneurship, apprenticeship and encouraging someone to become an entrepreneur until truly self-sufficient will accelerate the entry of many new entrepreneurs so that they are expected to erode unemployment and poverty.

Laws and Regulations related to the post-protection of Indonesian labor migrants, such as law concerning Placement and Protection of Indonesian Migrant Workers Outside the Country No. 39, 2004.

Government regulation concerning the protection of Indonesian labor migrants outside the country . (No.03,2013). Government Regulation concerning the procedures for the placement of migrant workers by the Government.(No.4,2013). Government regulation concerning procedures for Appraisal and Determination of Business Partners and Individual users of Indonesian Migrant Workers.(No.5,2013). Presidential Regulation: Health and Psychological Examination of prospective migrant workers.(No.64,2011). Minister of Manpower and Transmigration Regulation : Procedures for Establishing Branch Offices Implementing Placement of Indonesian Migrant Workers.(No.09/MEN/V/2009). and Manpower Attachments and Employment Technical Staff Pattern of Representatives of the Republic of Indonesia Abroad.(No.12/MEN/X/2011) as well as Changes to the Minister of Manpower and Transmigration Regulation No.1, 2012. Insurance for Indonesian Migrant Workers.(No.7/MEN/V/2010)

## II. METHOD

In this activity will be presented about data presentation, data processing and its processing based on the study method. The total retirement informants conducted in this study were 32 people. Information retrieval method by purposive random sampling. They were chosen based on input from both the District Government and informal key figures. Information extraction from informants is carried out in three steps:

- 1) Information fills in the biodata and questionnaires that have been prepared in advance.
- 2) Conducted a formal discussion about the problem of efforts to alleviate poverty and the growth model of an entrepreneur.
- 3) Face to face interviews is conducted freely and openly.

The implementation of activities to choose locations in government agencies is related to the retirement of Indonesian labor migrants, namely the field of employment in the district/city offices in East Java Province. Technical Implementation Unit for

## Placement and Protection Services for Indonesian Workers (P3TKI) District/city in East Java Province and Juanda Airport Sidoarjo

The population in this study is that the migrant workers who come from work abroad but have not returned to the destination country which is still domiciled or residing in the administrative area of East Java Province.

The information in this study is all retired Indonesian migrant workers, village heads / village heads, manpower sector at the district / city service office in East Java Province, the head of the placement section of the UPT P3TKI and also the UPT P3TKI postal officer located at Juanda Airport. The UPT P3TKI placement chief informant was chosen because this informant was someone who was responsible for the protection and placement of Indonesian migrant workers from East Java Province.

The second informant was chosen because the informant was the person who knew about the incident that happened at the Juanda airport location and how the service was, the services provided by the PPTKLS and the UPT P3TKI.

### III. FINDING AND DISCUSSION

In the study, it was obtained data that informants had experienced being migrant workers for at least 8 years. Data on entrepreneurial status: 8 people who have never been entrepreneurs, the planning stage is 14 people, who have pioneered 10 people.

The motivations to become an entrepreneur are to change the fate of 16 people, the use of natural resources 7 people, optimization of human resources 4 people, and the intention to do business 5 people. To be an entrepreneur is not easy, according to informants face a very serious obstacle to growing into an entrepreneur.

There were 16 people explained that the government's alignments in the form of policies, licensing and business services and training on efforts to grow entrepreneurs were very inadequate and implementation was still far from expectations. In case the capital is actually sufficient. Information about the world of entrepreneurs is also limited because of the limitations of informatics technology, the inability to buy books, partnerships with well-established entrepreneurs and the least frequency to attend product exhibitions.

Limited information will have an impact on informants' difficulties regarding access to product marketing. Generally they are still locally oriented to market unless there are established entrepreneurs who will accommodate the results of their products. In general, they acknowledge the need for human resources to be able to exist and be adaptable to become entrepreneurs. The response of the informants about the government program that has been carried out so far in terms of growing entrepreneurial informants in general (29 people) judged that the existing entrepreneur growth program was said to be redundant because the program was completed there was no follow-up.

The informant really hopes that the entrepreneur growth program must be managed professionally, effective management, right on target. this is to avoid the impression of just wasting money without solving the problems faced by prospective entrepreneurs from retired migrant workers. For that, they demand that the future program must be carried out in a transparent, accountable and fair manner based on the skills and clarity of the community business plan.

The private sector that has been established is generally cynical. According to them, the private sector is expected to act as a core partner or plasma to appoint and assist their business. But according to them, the private sector has a role as a capitalist middleman, exploitative patterned orthodox. In order for them to really grow as entrepreneurs, the choice of growth models is based on institutions or individuals, that informants prefer to grow entrepreneur based on individual because based on previous experience the institutional base was not effective and efficient. While cooperatives are often filled and managed by cronies of cronies of patrons (officials). The informant's response to the structure and design of entrepreneur growth is very positive in supporting the synergistic performance of the government, private sector, banking, and incubator. They work in accordance with their capacity professionally and have good will to grow entrepreneurs in rural communities who are weak in human resources, capital, and access to information. In general, informants stated that the incubator was good for growing entrepreneurs. Because through an incubator, they are trained in mastering concepts, expertise in formulating activities, facilitating access to the government, the private sector, banking and trained in making proposals and marketing.

The last question is whether it is necessary to have a strict selection of prospective entrepreneurs or not, they are accepted and trained just like that. It turned out that the informant considered that the selection of prospective entrepreneurs was needed. Their reasoning, through selection, can be produced by prospective entrepreneurs who can be relied on and accounted for. This reflects the spirit of professionalism in business. Through the selection also the results are far better than not because later it will be able to lift the surrounding community to make business partners.

#### A. *Growing entrepreneurship retired migrant workers*

The informant who is an average entrepreneur stated that he agreed to always examine the weaknesses and strengths of competitors and stated strongly agreed that business opportunities were always explored and developed to get the idea of increasing willingness and increasing business. Merka stated that she agreed to increase the idea of willingness and ability to

be actualized in the form of basic skills. They also agree that entrepreneurs as planners as well as managers and agree also on the existence of first skills and communication skills in terms of creating / exploring business ideas and opportunities, but they stated that they disagreed if the business they were pursuing later was a new business, meaning that someone else had to pursue the business. So that they agreed more to say that the business to be carried out was to develop existing businesses. Regarding the obstacles that will be faced if they go into business, they state a lot of constraints but hope the government supports entrepreneur growth programs. Informants who are aspiring entrepreneurs express their agreement in terms of knowing the weaknesses and strengths of competitors that will be faced, but they strongly agree to explore business opportunities, inventory and develop it. They also strongly agree to always create ideas, have the will and ability to run a business, so they agree to favor basic abilities. Entrepreneurs say they agree to consider the risks and benefits of their new business, and they strongly agree that if business capital is obtained from other parties, for example, banks through conditional direct assistance channels, mentoring programs. They also agree that they have to face market risks in terms of decreasing purchasing power and will find solutions to anticipate market risks. need to join in the form of business cooperation.

Marketing is one of the business functions that are important enough to be considered to plan the growth of entrepreneurship for labor migrants, because marketing is one of the main activities carried out by an entrepreneur to maintain business, to grow and earn a profit. Success or failure to achieve business goals depends on their expertise in the fields of marketing, production, finance, and other fields. Marketing is an overall system of business activities aimed at planning, pricing, promoting and distributing goods and services that satisfy the needs of both existing buyers and potential buyers.

In the plan to foster an entrepreneurial spirit for business people and prospective entrepreneurs must understand the concept of marketing even though it is very simple. Therefore the candidates and those who have entrepreneurship need to explore their opinions about the importance of the marketing function for them.

From the field data obtained information 38.24% of entrepreneurs and 38.23% of prospective entrepreneurs still do not understand the concept of marketing, they assume that marketing is the same as selling. While 61.76% of entrepreneurs and 61.77% of prospective entrepreneurs have understood that the concept of marketing is not the same as the concept of selling. Given that marketing is more important is able to meet the needs and desires of consumers, as well as potential consumers so that in the long run consumers want to return to buy again.

Based on information that 61.77% of business respondents and 52.94% of respondents were prospective entrepreneurs said they strongly agreed and agreed with the product concept and 38.23% of business respondents and 47.06% of those who thought that they were less and not and strongly disagreed. This proves that the knowledge of the marketing concept, that increasing or developing the quality of products must be started from the desires and needs and tastes of consumers are still not widely known by entrepreneurs and prospective entrepreneurs.

The concept of production in marketing can be done if the product cannot be competitive, and for consumers who are price sensitive, but if the product is quite a lot on the market, doing production efficiency by reducing costs as low as possible without adequate consideration is not always appropriate.

The explanation above explains that retired Indonesian migrant workers are interested in becoming entrepreneurs, but they state that they do not agree if the business they pursue is a new business. They more agree that the business that will be done is to develop existing businesses. About the obstacles that will be faced if they go into the business world, they state a lot of obstacles but hope the government supports entrepreneurial growth programs.

The growth of entrepreneurs is based on the concept of good governance in the sense that the three pillars work synergistically, the government provides economic and political interventions through policies that favor the community, NGOs, universities, figures, the private sector as actors in improving the quality of the organization, while the community will be more socially empowered, economic and political, in turn, they are responsive to development by maintaining order, security, safety, and the production process. The need for economic and political interventions for retired Indonesian labor migrants by growing entrepreneurial spirit and spirit through the following steps: the government makes a policy of growing entrepreneurs make the structure and design of the implementation. The structure and design is a synergistic performance between the Government, the private sector and banking, universities and the community with a goodwill ethical foundation; prospective entrepreneurs must be given assistance or incubator as a place of stabilization as an existing and independent entrepreneur, there must be a transparent, accountable and responsive selection pattern.

Based on the above rationality, the model of entrepreneur growth based on local potential must be centered on individuals. To improve the quality, capacity, ability, skill, it is necessary to have an independent, professional, and incubator institution. This institution has the role of helping to improve organizational capacity, planning programs, implementing programs to help business unit management and finance, marketing in relation to banking.

#### *B. Steps to grow entrepreneurs based on local potential*

The importance of growing local-based entrepreneurs. From the description above, entrepreneurship must be released through entrepreneurship based on local potential. There are several reasons why entrepreneurship based on local potential

becomes very potential. Reasons for natural resources are large and rich so that natural resources can be used for entrepreneurial opportunities by utilizing natural resources wisely without damage.

In addition to reducing production costs when compared to imports. Seeing the potential of entrepreneurship based on local potential is very large to increase the economic opportunities of the community, the reality of entrepreneurship in Indonesia still prioritizes imported products compared to local products. This makes entrepreneurship based on local potentials unable to compete with outside products. Though local quality is no less good than imported products. Therefore, to capture local entrepreneurship, it needs a touch of local creativity in order to compete with outside producers. Local entrepreneurship based on local creativity can be used as a momentum for the rise of the Indonesian economy based on people's economy. With local creativity, it is expected to build the character of Indonesia in local entrepreneurship. In connection with this above stakeholder synchronization becomes very important: Entrepreneurial Nursery Phase. Entrepreneurial Placement Phase. Business Development Phase.

Entrepreneurial growth programs based on local potential are: activities to develop the potential skills and independence of a person in entrepreneurship.

Program Objectives for: growing and developing entrepreneurs from retired Indonesian workers so that they can create jobs for themselves, their families, society and the environment, optimizing the utilization of retirement resources by utilizing local technology and resources that have a competitive advantage, increase the number of labor migrants to become independent, quality, resilient and reliable entrepreneurs in driving the regional economy.

#### IV. CONCLUSION

From the results of this study it can be concluded that the response to being an entrepreneur is not easy, according to informants facing obstacles that are very serious to grow into entrepreneurs, because the government's alignments in the form of policies, licensing and business services and training on efforts to grow entrepreneurs are very inadequate and implementation is still far from expectation.

Entrepreneurs as planners as well as managers and agree that there needs to be first skills and communication skills in terms of creating ideas and business opportunities, but they state that they do not agree if the business pursued later is a new business, meaning that someone else must pursue the business. So they agree more to say that the business that will be done is to develop existing businesses.

Conductive poverty alleviation programs for entrepreneurship growth need to be looked for by a new participatory model based on specifications on entrepreneur growth that have a goodwill commitment to poverty alleviation with synergistic performance between government, banking, universities, and society.

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