Migration and Development:
A case study of Indonesian migrant workers

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Abstract—This article aims to investigate how poor people in developing countries gain benefit from globalization by examining the opportunity to work as migrant worker. To respond the research gap, this study adopts a case study approach with a fieldwork survey in East Java Indonesia. The result indicates that diaspora strategy is almost impossible for the poor if he or she notices a high possibility for the employer to cheat those who work in domestic jobs, like nanny, driver, or baby sitter. Unless protection from both house and home countries is available, the diaspora strategy is not a better option for the migrant-work applicant. The paper contributes to the scholarly interest in the diaspora strategy to interrogate the assumption underlying the Migration-as-Development (MAD) discourse.

Keywords—migration; diaspora strategy; poverty; Jawa Timur

I. INTRODUCTION

Diaspora has been acknowledged for poverty alleviation in developing countries. As immigrants are attracted by economic inequality [1], recent research suggests that migration must also be seen as a way for emerging and developing countries to integrate further into the world economy [2]. However, there has been much dispute over the major premise of diaspora strategy. The narrow neoliberal orientation in which the diaspora groups are assumed to be market-led oriented. It seems that the diaspora strategy rely on migrant population to cover risk of investment and social transformation [3].

Diaspora strategy plays a pivotal role in shaping policies in the host countries, which remain deeply related to the politics and economics of the country of origin [4]. In developed countries, the number of migrants is associated with the proportion of that country’s population involved in starting and managing a new business (early stage entrepreneurship), which implies on high growth expectation entrepreneurship [5]. For developing countries, migration is considered as a safety net that allows gaining benefit from demographic surplus and insurance income from remittances or as a threat that springs from brain drain [2]. Hence, the implemented policy calls for guideline in what circumstance MAD can be implemented and the diaspora agents can contribute to the local and national development.

The paper intents to deal the question on how the diaspora strategies are constituted and played out through promoting migration-as-development (MAD) for a major premise to the labor policy. Specifically, the paper takes into account the probability of the poor as potential migrant worker to go abroad to generate income from remittance. Then case study approach is adopted to examine the diaspora implementation in the Government of East Java Province Indonesia.

The case study approach will help to focus on how a legal framework and law enforcement take place in East Java Province. This local government adopts diaspora strategy in East Java’s Mid Term Plan 2010 – 2014, in which migration for works is clearly defined as the answer for domestic labor shortage and its positive impact to local economy. At the national level, the Government of Indonesia set top national development priorities for Indonesia, which are articulated as pro-growth, pro-jobs, pro-poor and pro-environment, as stated by the Indonesian President at the 100th International Labour Conference in June 2011.

This article comprises into five parts. The first part of the paper examines the literature review about the premiss of diaspora strategy and its weaknesses. The second part is about Indonesian policy review, which offers supporting evident of the unfinished agenda of diaspora policy, followed by stakeholder analysis at the third part. The fourth part offers tentative explanation about the possibility of the poor seizes the opportunity to work as migrant worker. The last part of the paper tries to offer tentative assumption upon diaspora theory.

II. LITERATURE REVIEW

A. Diaspora Strategy

Diaspora refers to a well-defined group of migrants and their offspring with a joined cultural identity and ongoing identification with the country or culture of origin [4]. It appears that that well managed labor migration can foster economic growth and innovation in destinations and enhance poverty alleviation in the locations of origin [6,7].

On the supply side, the labor market environment in destination countries is main determinant of migration, such as labor institutions bring impact on expected employment and wages in the labor market, thus influencing incentives for migrants to move in a particular country [8]. The need to promote diaspora strategy springs from the economic disparities between the home country and the envisaged
destination [9]. This implies the potential to undermine the nation-state, as remittance helps poverty alleviation by contributing to the education of children, reducing child labor, and enhancing household livelihoods.

It is a belief that diaspora strategy is an effective policy to eradicate poverty not only through remittance but also other variables, such as investment, knowledge and networks. Foreign direct investment to developing countries is associated with the size of the migrant network [10]. Diaspora can foster more tangible as well as intangible flow, such as equity, knowledge, as well as cultural influence. It also funds community projects to improve access to health as well as investment in business ventures, which followed by increasing consumption, further investment and economic activities [11].

For micro perspective, remittance is the strong magnet for those who seek a better income. Most of those are the poorest of the poor, though high obstacle to the poor for migration with dream of better work and better income [12]. Decent work means as “productive work which generates an adequate income, in which workers’ rights are protected and where there is adequate social protection — providing opportunities for men and women to obtain productive work in conditions of freedom, equality, security and human dignity” [13].

B. Assumption

In many destination countries, the labor law does not cover domestic sector. Long working hours with low pay and strict control is frequent and cases of isolation, physical, mental and sexual abuse happen in large numbers. Then diaspora strategy becomes a doubled-edge sword. Many diaspora policies provide best practices to promote best diaspora strategy, but this also defines some weaknesses. From the local development perspective, poor managed diaspora can also deteriorate the quality of life in the origin country. Poor diaspora planning and implementation at the policy and individual level result even worsen poverty [14].

Generating income from remittance is huge challenge for diaspora strategy. In fact, most of the remittances are spent for unproductive equity. Migrant workers prefer to spend the remittance for housing and land, debt repayment and saving as the altruism and ethnic ties play pivotal role in diaspora investment [15]. Unless social capital is quite solid, the diaspora investment seems to be another utopia policy, which may rely on social capital [16]. At community level, there is an obstacle to promote participatory development from the migrant workers. A local community will effectively manage their resource if all community members, including migrant workers, support the initiative to foster local economic development. The 2009 Nobel Prize winner, Ostrom provides evident on how communities effectively manage their resource if all community members, including migrant workers, support the initiative to foster local economic development. The 2009 Nobel Prize winner, Ostrom provides.

This call for further studies regarding the risk governing huge challenge for the migrant worker and ex migrant worker to involve within local political agenda [18].

From the political economic perspective, it appears that public policy is not merely free of value and interest. That remittance-based development needs to be criticized from the status quo regime’s point of view in which mainstream practitioners are also wary of diaspora political allegiances and agendas. Sometimes, diaspora strategy can be associated with conflict in home country, lack sensitivity to gender issue [19]. This call for further studies regarding the risk government among the migrant workers [20].

III. RESEARCH METHOD

The research method of this paper adopts inductive research approach. There are some reasons to adopt the qualitative research approaches for this research. First, the research seeks answers to questions that stress social experience of migrant workers. Secondly, as the research explores the payoff of migrant worker as an internal issue of humans, which can be obtained by asking them to articulate their internal feelings. Researcher notified examples or anecdotes from the interviewee, which expressed a particular point of view. These anecdotes seem to be very persuasive.

The observation considers the difficulty in attempting to “objectively” to examine the benefit of diaspora strategy, which requires ethical judgments spring from qualitative factors that highlight consequences and social consensus. Then, this approach constitutes three steps, namely observation, pattern, tentative explanation, and proposed assumption for diaspora strategy [21].

The observation comes to the research question on how the diaspora strategies are constituted and played out through promoting migration-as-development (MAD) for a major premise to the labor policy. To identify pattern, the paper summarizes the literature reviews and draws a distinction between those who support the strategy and those who against the strategy. The tentative explanation will adopt game theory approach to answer the specific research question about the probability of the poor as potential migrant worker to go abroad to generate income from remittance. Then the paper takes into account the proposed assumption for the advanced diaspora strategy.

A. Data Collection

We first gather evidence through focus group discussion, then carry out a detailed interview of the actors that play a part in the social conditioning. Some data collection from workshop, training, as well as personal experiences involving in city hall meeting with migrant workers’ initiative also commenced.

To deal with bias information from focus discussion group in which peer group tends to influence personal opinion, the research also carried out combination source of data and data gathering methodology in a form of triangulation [22]. For example, the observation has been done in Malang and Banyuwangi East Java between 2010 and 2011 during the social visit. Then, some interview with ex-migrant workers and
civic society organization commenced during some social activities and development planning process.

B. Analysis

To find the pattern, the paper adopts game theory approach. This toll is suitable to examine interactive decision making between a migrant worker and the employer in which the decision to go abroad take place. They make simultaneous decisions. Thought game theory is relevant to examine a various game, from simple game for kids, such as rock-paper-scissor game, to parlor games such as poker or bridge, most research in game theory examines on how groups of people interact. The game theory approach to examine the decision-making process among the various stakeholders based on the payoff shaped by the rewards from the different institutional framework.

The decision-making process in remittance seems to be extensive game with imperfect information in which the migrant worker as the weakness player is not fully informed about the choice made by other players. To deal with reinforcing social inequalities, examinations over the power relations at the local level. The cooperative behavior caused the sequentially games in which the performance heavily relies on the weakest player.

IV. THE POLICY CONTEXT

A. The International Regulation

There are a series of international supporting system to promote well-organized diaspora strategy in Indonesia. The top level is International Convention on the Protection of the Rights of All Migrant Workers. Indonesia adopted the convention of migrant worker in 1990. This lays emphasis on the rights of temporary migrants and advises necessary actions to run up against human trafficking [14]. Indonesia has signed the convention in 2004, but still not ratified it yet. The Minister of Manpower and Transmigration stated that Indonesia would have ratified the convention in 2014 [23].

Indonesia Government also participates in some international agreement. For example, Indonesia ratified the Palermo Protocols with aims to prevent, suppress and punish trafficking in persons (UN TIP Protocol) with reservations and the Protocol against Smuggling of Migrants by Land, Air and Sea also with reservations. Indonesia also becomes a member of Global Forum on Migration and Development (GFMD), which emerged out of the United Nations (UN) High Level Dialogue on International Migration and Development in 2006 encourages a dialogue among its 155 member countries on the inter-linkages of migration and development. Other international dialogs also need to be taken into account, such as Colombo Process in 2003 and Abu Dhabi Dialogue in 2008 [14].

In regional level, ASEAN Declaration also takes into consideration diaspora strategy. In 2007, the presidents of all ASEAN member countries signed the Declaration on the Protection and Promotion of Rights of Migrant Workers. This is agreement to foster the capacity building among member countries through sharing best practices and information to prevent human trafficking and smuggling of migrants. At multilateral level, there are some agreements as well as memorandum of understanding. For multilateral legal assistance, Indonesia has ratified the UNTOC, UNCAC and the ASEAN MLAT. Indonesia also is engaged in bilateral mutual assistance treaties on assistance in criminal matter with Australia and the People’s Republic of China to deal with trafficking. Moreover, a number of Memoranda of Understanding (MOUs) has been done with several countries, such as the Republic of Korea, Jordan, Kuwait, Taiwan, United Arab Emirates, Qatar, Malaysia, Australia [23].

B. The Indonesian Regulation

Series of regulation has been passed managing the migrant labour. Law No. 39/2004 is the major legal basis for the labour migration in Indonesia. The regulation covers some admirable provisions, such as an assurance to protect the migrant workers, equality of rights, democracy, social justice, gender equality and gender justice, anti-discrimination, and anti-human trafficking. Two years later, the Presidential Instruction No 6/2006 was enacted to give mandate to the Coordinating Ministry of Economic Affair to manage migration work policy. At the same year, the government established a new organization with Presidential Regulation No 81/2006 to manage placement and provide protection upon migrant worker, called the National Authority for the Placement and Protection of Indonesian Overseas Workers (BPN2TKI).

To combat human traffic, Law No 21/2007 mandates to “punish perpetrators, prevent human trafficking and provide protection to victims of trafficking”. Several regulations were also issued with aim to clarification of the previous regulation, such as Government Regulation No. 9/2008 on Procedures and a Mechanism of an Integrated Service Centre for a Witness and/or Victim of Trafficking in Persons and Presidential Decree No. 69/2008 on a Task Force to prevent and address the criminal act of Trafficking in Persons. Government of Indonesia (GOI) has ratified the Migrant Worker Convention on April 12, 2012, after a number of migrant worker organizations have conducted series of campaign since 1990. The government signed the convention in September 2004. Then GOI needs to revise the national laws in order to meet standards of the convention.

Some of the initiative to engage the diplomatic effort represents a tentative response to any cases of physical abuse of Indonesian migrant workers. One of the most popular steps was the two-year ban for destination to Malaysia in 2011 with aim to promote a Memorandum of Understanding between GOI and Malaysia Government. Many employers in Malaysia keep the passports of their domestic workers, while Malaysian Government excluded such workers from regulation on minimum wages. In Saudi Arabia, many migrant workers are facing the death penalty. The GOI planned to impose another moratorium on sending workers to Hong Kong to promote basic rights for Indonesian migrant workers.
V. THE STAKEHOLDERS

A. International Support

Various international organizations have run projects in Indonesia with a community-based approach from national non-government organization to local community-based organization. The most predominant international organizations engaged in that projects are the International Organization for Migration (IOM) and the International Labour Organization (ILO).

IOM has introduced a number of projects and covers a wide range of issues, including safe labour migration, migration health, irregular migration, and prevention of trafficking in persons, technical cooperation and capacity building. A major donor for this movement is the Australian Government. IOM also provides Counter Trafficking Module (CTM) and the Trafficking Database, which covers information of victims of 90 countries globally.

ILO deals with technical cooperation and capacity building, awareness raising and socialization, direct assistance, research and documentation with financial support from the Norwegian Government. Another initiative, especially, using community-based approaches in labor migration comes from UN WOMEN. This program has established community-based organizations (CBO) supporting the labor migrants in pre-departure preparation giving trainings, disseminating information on safe migration and providing paralegal assistance for migrant workers and their families [23].

B. The Indonesian Central Government

A company which has its own proportion of shareholders and management will have similar agency relationship. The shareholders in the company are playing a role as principal who give job or order to the agent and the management. To promote coordination among governmental agencies, Law No. 39/2004 outlines that the national government, provincial, regional governments, and representation offices abroad as the major authorities for such diaspora strategy. Moreover, at least 13 governmental agencies are considered to support the strategy. The Presidential Instruction No. 06/2006 provides more clarification that the central government is the focal point for diaspora strategy and encourages the involvement of various government departments.

The Ministry of Manpower and Transmigration (MoMT): The Ministry plays pivotal role to set policies on the placement and protection of Indonesian migrant workers, according to the Ministerial Regulation 18/2007. At the local level, the MoMT conducts the tasks with its representatives in provincial level and goes partnership with the BNP2TKI and the Provincial Government. BNP2TKI: This department takes in charge of placement and protection of migrant workers. While the Ministry of Manpower and Transmigration is formulating policies, the BNP2TKI is responsible for the implementation of the diaspora policy, which MoMT has set the policy formula regarding empowerment, law enforcement and administration.

Ministry of Foreign Affair: The Ministry Regulation No. 4/2008, which was a result of the Presidential Degree No. 6/2006 provides guidelines for Indonesian representative abroad how to surveille diaspora regulations, especially in countries without MoU with Indonesia. However, that representative offices have lack of capacity to overcome all migrant workers with problems due to overwhelmed [14]. Ministry Coordinator of Economic Affairs: The Ministry deals with the improvement of financial services for migrant workers and under the mandate of Presidential Instruction No 6/2006 also coordinates the tasks of various other agencies linked to the placement and protection reform.

VI. THE FINDINGS

A. The Social Economics Context

Indonesia, followed by the Philippines, represents the largest country of origin of labor migration in South-East Asia. It is estimated that there are 4.3 million Indonesians working abroad as migrant workers (TKIs) with a legal status with 750,000 leaving Indonesia and seeking work abroad every year [14]. The Indonesia’s National Long-Term Development Plan (RPJP 2005-2025) and the National Medium Term Development Plan (RPJMN 2010-2014) emphasize the significance of labor migration management as a tool to poverty alleviation. The policy of Ministry of Manpower and Transmigration refers to the diaspora strategy. The labor empowerment program includes migrant worker deployment to overcome unemployment. The ministry had deployed 1.7 million migrant workers and expected 3.5 million between 2005 and 2009 or around one million workers per annum.

Out of the total number of migrant workers 80 percent are women, who mainly engage in domestic work as so called “living in” domestic workers or caretakers. Main destinations of Indonesian migrant workers are South East Asia (Singapore and Malaysia), East Asia (Hong Kong) and the Middle East (Saudi Arabia) [14]. The male migration for work shows a different pattern than the female regarding the destinations. Male regular migrant workers mainly move to South Korea, Taiwan and Japan. One reason for this are so called traineeship programs focused on these areas [13]. The annual flow of remittance returning to Indonesia is estimated to amount to USD 6.6 billion [23]. On average Indonesian labor migrants submit remittance to home with the frequency of 1 to 6 times a year with the amount fluctuating between USD 200 to USD 500 per transaction [14].

Indonesian migrant workers normally go abroad for temporary, not for permanent. They try to make money in abroad due to few numbers of opportunities at home country. The Indonesia Statistic Bureau revealed annual report that labour forces were 172 people and around 77% of labor forces get full time job in 2011. The rest is disguised unemployment, which could be part-timer worker [24].

According to the National Agency for the Protection and Placement of Indonesian Migrant Workers (BNP2TKI) there were approximately 4.3 million migrant workers in 2009. The workers sent between US$ 6 billion and 8.2 billion in remittances to their family in 2007-2008 [13].

The productivity of Indonesian worker is quite low due to poor education background. Among all those labour forces, only 10% graduated from university or college and another
16% from high school. Unfortunately, among 57% labour forces have poor education background with elementary school. No wonder that most of the Indonesian migrants workers work at informal works [24].

A 700,000 Indonesian migrant workers leave home to seek employment abroad without any document becomes illegal migrant workers. Their primary destinations are the Middle East and Asia, with the two most common destinations being Malaysia and Saudi Arabia. The number of undocumented migrants is estimated to be 2–4 times higher. Approximately 75% of legal migrant workers are women, which most of them working as domestic workers [13].

Indonesia’s Foreign Ministry expected that around three million Indonesian citizens go abroad to work. However, the major issue is poor data on account of high number of illegal migrant. If that is so, number of Indonesian migrant workers will go beyond that figure. They work in low-paying and poorly regulated sectors such as domestic work, agriculture, and construction.

The host countries for those migrant workers are Malaysia, Taiwan, Hong Kong, Kuwait, Singapore, the UAE and Brunei Darussalam. Hong Kong is the most favourite place in which more than 160,000 migrant workers make a life over there. Stable economic growth and high income become the main reason for Indonesian migrant workers to go to Hong Kong.

Saudi Arabia is another favorite destination to Indonesian migrant workers for religion reason. Working in Saudi Arabia means more opportunities to go Hajj pilgrim, while Indonesia is the most populous Moslem country. According to the Ministry of Labor, 76% of Indonesian migrant workers are women and Saudi Arabia is the largest recipient of Indonesian informal labor.

Among all the Indonesian migrant workers, most of them go to Malaysia due to cultural and language reason. Malaysia hosts approximately two million of Indonesian migrant workers, or about 60% of total Indonesian migrant workers. They work mostly as domestic workers and laborer in the plantation sector.

When most opportunities are available for domestic works, then feminization of migration becomes common issue for Indonesian migration. The economic growth and the rising workplace participation rates of women in receiving countries spark off a vast demand for domestic workers. The desperate rural women due to inability to secure long-term employment in the agricultural sector triggers to go abroad with high risk.

B. The Migrant-Worker Family

This is illustration about family migrant worker suffered from anxious days after they lost contact with a family member who goes abroad. The interview was conducted at a small village at Sumber manjing Wetan, Malang Municipality.

“.... it has been a while that my daughter went abroad to make money as migrant worker. Otherwise, I can’t do anything for their...”

The researcher tried to get some others opinion about the evident. There was a different story according to the focus group discussion in Dampit Malang, a different village in which most of the participants were male.

“.... The sad story about female migrant worker rarely happens right here. That was very long time ago. Most likely, it was about seven or ten years ago. The common problem actually is that there is no opportunity for male worker. If I were female worker, I will freely go abroad...”

Another participant tried to figure out the domestic issue regarding the migrant worker.

“.... To be honest, we are truly embarrassed, when my wife takes over my role to make money. Then I sent my children to their grandparents. I am supposed to be the one who goes abroad to make money. Otherwise, I can’t do anything for domestic jobs....”

The respond of non-government to the illegal workers points out the role of government to protect the citizenship.

“... Even though that the only one migrant worker who suffers from the trafficking, it is still human right abuse. This is the role of government to protect all citizens....”

The effort to promote human rights protection has been emerging along with the support of growing non-government in Indonesia. This happens also with non-government organization in migrant worker sectors. The vast number of migrant workers followed by emerging non-government organization that deals with the migrant worker issue. The prominent migrant worker organizations have enhanced their networks with other NGOs, but not to trade unions. If the international trade union movement remains relevant and need to take into account the temporary transnational labor migration with its movement.

C. Local Policy of East Java Province

While national government has responsibility to handle international issue and national services, local government focuses on fulfilling the basic human rights for the local people. Law 32/2004 mentions that the responsibility of local government covers local planning, health, education, labor issue, environment, social problem, and small enterprises. Migrant workers also become responsibility of local government.

As a region with 50% of its 40 million populations living with less than $2 per day, the Government of East Java Province set a plan, which put MAD as one of the development strategies. The East Java’s 2010-2014 Development Plan clearly define that diaspora strategy is a solution to respond
domestic unemployment and expected to foster local economy growth.

Law 25/2004 and 32/2004 also stipulate local government to adopt participatory approach during the policy making process. Hence, the Manpower Department also invites migrant worker organization to prepare the action plan of 2010-2014 Development Plan. During the public meeting, which was conducted in 2011, a lot of critics came up from migrant worker organizations.

Most of the migrant-workers’ comments claim that diaspora strategy is look like exploitation instead of human resource exploration. Some comments from the organization are.

“... we are not tradable goods. Please, don’t exploit us in the name of development for remittance. We are human. ...”

“... we indicate that local government fails to reinforce their migration as development policy. We would like to say that government fails to manage massive illegal workers who spring from illegal recruiters, which particularly target inactive and illiterate young women. “

On the other hand, the government staffs prefer to set a program and activities regarding migrant workers to fulfill the task that the local leader has delivered. The most challenging issue is to set the annual target, such as extend to which the local government can minimize the number of illegal workers or the reducing number of unemployment on account of diaspora strategy.

After the critics, the migrant worker organization also provides some solution, such as offering partnership between government and the organizations.

“... it appears that poor information for potential migrant workers needs to be addressed. We as civic social organization are expecting to be able to involve in the program of government. Would you please provide us a project to announce the information about how to be formal migrant workers ...”

This raises question about independency of migrant-worker organization. How the organization can criticize the policy maker, if they want to be part of the project? If the way to improve public policy is through involving the implementation process, then question then is who the one who should evaluate it. Is it necessary to establish an ad-hoc board to evaluate public policy? Should the evaluator get allowance from the government too?

VII. DISCUSSION

At the migrant worker level, the migration game proposes hypothesis that initiative to go abroad is almost impossible unless payoff from economic, social, or cultural problem, which makes them go abroad with high risk. On the other hand, there is a high possibility to be cheated for those who would like to work in domestic jobs, like nanny, driver, or baby sitter. Unless protection from both house and home countries is available, the diaspora strategy is not a better option for the worker.

Turning to the challenging issue of diaspora assumption, this article contributes to the emerging concept of diaspora strategy through highlighting some issues.

First is tentative assumption for diaspora strategy is perfect information. Pre-departure information and trainings of migrant workers on their rights especially for women on the risks and measures to take and where to find help in case of abuse or exploitation is needed. This also means the capacity of potential migrant worker to digest the information also needs to be taken into account.

Secondly, perfect market structure among number of agencies, brokers in official migration services and middleman for job placements is necessary to deal with illegal migration. This means that no one can control the price of migration cost due to market power, including the employer in abroad.

Third, when market failure takes place, the government should be powerful and committed to promote diaspora strategy. Unclear jurisdiction and lack of transparency among government agencies need to be addressed. The poor system provides chance to corruption, which fosters poor with lack of knowledge to prefer in irregular migration in order to bypass extensive bureaucracy.

VIII. CONCLUSION

It appears that the emerging diaspora strategy comes with aim to fill gap between the premise and implementation. Most of the suggestions proposed more and more responsibility to the government, such as the revisited regulation, restructuring organization, and intergovernmental agreement. Those efforts call for more unlimited resources, from human resource to financial resource. Then the discussion will come to economic classical disputes between market failure and government failure. While the interventionist urges more active state involvement to correct the market failure and government failure. The poor system springs from self-seeking politician and bureaucrat with pressure from interest groups, the future research can handle the question whether government failure is higher than market failure in diaspora strategy.

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