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**TRENDS, ISSUES AND POLICIES TOWARDS
INTERNATIONAL LABOR MIGRATION :
AN INDONESIAN CASE STUDY***

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*The views expressed in the paper do not imply the expression of any opinion on the part of the United Nations Secretariat.

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ABSTRACT

International labor migration has become an increasingly important feature in Indonesian economic development today. The reason for this is simply because of the increasing number of the unemployment and the poor caused by the Asian financial crisis. This paper aims at discussing trends, issues and policies of the international labor migration (especially the unskilled and semi skilled workers) taking Indonesia as a case study.

Using the secondary and the small survey data, it is argued that the increasing number of labor migrants from Indonesia abroad in recent years has been associated with the increasing number of unemployment and the incidence of poverty caused by the economic crisis. However, determinants factors leading to migration have not only associated with wage differences (Harris-Todaro model), but also related with other non-economic factors (including looking for more experiences, the present family or relatives abroad, geographical location, and cultural ties). The bulk of labor migrants from Indonesia was particularly those with the unskilled and semi skilled laborers. However, policies to manage these types of labor migrants have not yet been well established by both labor sending and receiving countries. This may be simply because labor issue is the country's internal problem. As demand and supply for these type of labor will continue in the future, there is a need for the governments in both labor sending and receiving countries to consider seriously solution towards these problems. This can be done, for instance, by forming a Foreign Employment Board in the labor receiving countries, formulating Memorandum of Understanding (MOU) between Indonesia and the labor receiving countries, and issuing labor migration law. These are needed not only to protect labor migrants from bad treatment given by the employers abroad, but more importantly because there is a tendency in which labor importing countries are reluctant to formally accept the dependence on these low-skilled workers.

A. INTRODUCTION

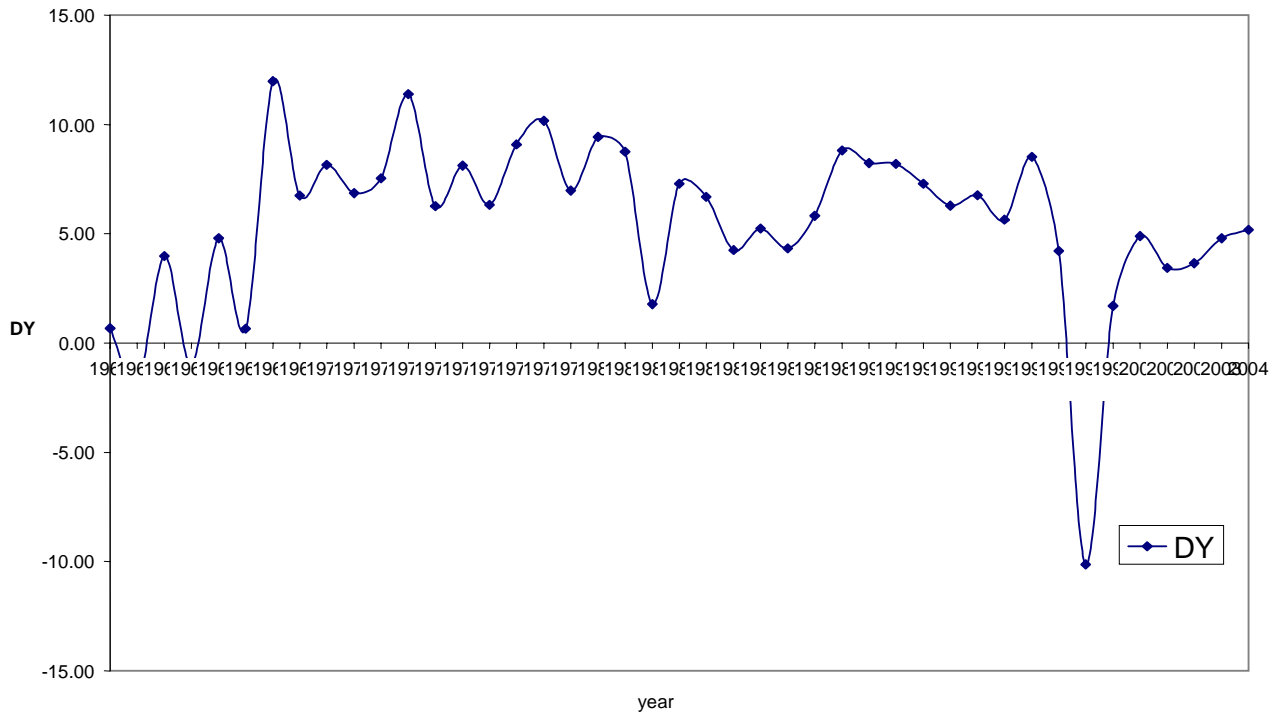
Indonesian economic crisis has increased the number of labor migration from this country abroad. However, the implications of these labor migrants were not only positive for both labor sending and receiving countries, but it also leads to negative implications. For the labor receiving countries, labor migration has positive effects as it can reduce domestic labor scarcity. But on the negative side labor migration has created social and economic problems, including job competition for locals, especially the unskilled workers, dampening effect on wages received by the semi-skilled and unskilled workers and low labor productivity. Similarly, for the labor sending countries, the out-migration, while it mitigates the mounting problems of unemployment, the incidence of poverty and the increased of foreign exchange earnings, has created political tension between the sending and receiving countries. The recent cases of Nirmala Bonat in October 2004 (An Indonesian female migrant who was tortured badly by the employer in Malaysia) and the large number of Indonesian migrants who have been deported from Malaysia were the examples of growing political tension. Therefore, serious attention on this issue need to be given by the government of Indonesia and the governments of the labor receiving countries before these problems and political tensions escalate.

This paper aims at discussing trends, issues and policies of international labor migration taking Indonesia as a case study. Data and information used to examine these issues were from secondary and the small survey data. The secondary data sources were collected from departments and/or institutions such as Department of Manpower and Transmigration, Central Board of Statistics, and National Planning Board (BAPPENAS). The purposes of collecting secondary data were to examine the size, nature, trends and policies towards labor migration. Whilst the small survey data were intended to discuss detail information on recruitment process, fees imposed to the labor migrants, determinant factors of labor migration, socio-economic effects of migration, and remittances. These primary data were taken from author's previous research on 100 labor migrants in West Java province in 2004. However, before dealing with these issues, it seems worth to overview the latest economic development and employment situation in Indonesia as the background information.

B. A BRIEF OVERVIEW OF ECONOMIC DEVELOPMENT AND EMPLOYMENT SITUATION

It has been well known that Indonesia is one of the developing countries in Asia which has experienced high overall growth and manufacturing growth. This rapid growth has brought this country into the group of the "miracle economies" in East Asia (World Bank, 1993). The period of rapid economic growth was particularly between 1968 and 1996. During these periods the average growth rate was about 8 per cent per annum. However, due to economic crisis in the mid 1997, the economic situation in this country changed significantly. In 1998, in particular, the growth rate contracted to 10.1 per cent. This negatively growth rate, fortunately, was able to be improved slowly since 1999. In 1999, the growth rate was able to reach 1.69 per cent and it increased to 4.89 per cent in 2000. Further, between 2001 and 2002 the growth rates fell slightly to 3.42 percent and 3.66 respectively. However, the growth rates picked up again in 2003 and 2004. In 2003 the growth rate was about 4.8 per cent and it became 5.2 per cent in 2004 (figure I).

Figure 1. The overall growth rate in Indonesia, 1962-2004



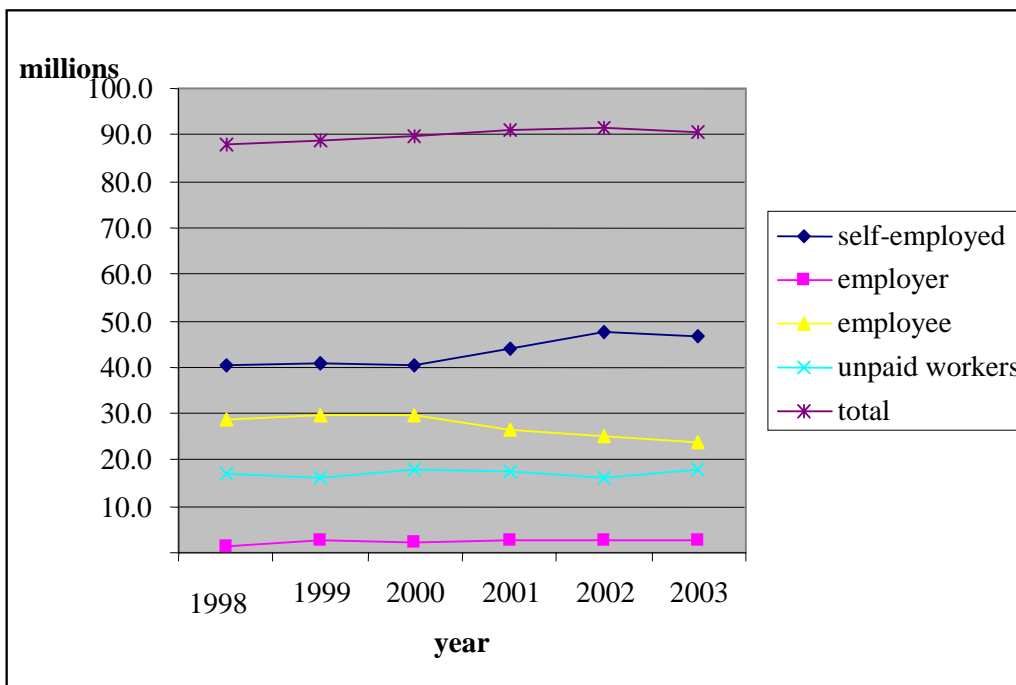
Source: UNIDO, 2005 and Central Board of Statistics, various years
 NOTE: DY = GDP growth

Of many consequences of low economic growth, unemployment and poverty problems have been the dominant ones. The number of open unemployment, for instance, was recorded to be about 11 million (5 per cent) in 2004, while the underemployment was about 40 million (21 per cent) in the same year (National Planning Board, 2005). In terms of the incidence of poverty, the Central Board of Statistics (2005) using the official poverty line of per capita income per month at an average Rp. 110 000 (equivalent US\$ 12.50), estimated the number of the poor in 2004 was about 19.6 percent, much higher than the 11.3 percent in the pre-crisis year of 1996. Whilst using the international poverty line of US\$ 1 PPP (purchasing power parity) per capita per day, the World Bank (2004) estimated the number of the poor in Indonesia was about 110 million people or 53 per cent of Indonesia's total population in 2003.

Besides unemployment and poverty problems, the economic crisis also changed the employment status situation in that formal sector employment has shown a decreasing ability to absorb the work force. In 2003 the total number of employees in the formal sector was only 23.3 million, while in 2000 it was about 29.5 million. In 2001 the number of employers was about 2.8 millions and it decreased to 2.7 millions in 2003.

Within the formal sector employment, agricultural and construction sectors have been the dominant economic sectors that showed decreasing ability to absorb the labor force. From the year 2000 to 2003, agricultural sector formal employment decreased by 61 per cent, while the construction sector decreased by 38 per cent. Declines were also recorded in transportation and telecommunication sector (-12 per cent) and manufacturing sectors (-11 per cent). A decreasing trend of the agricultural sector to absorb formal employment has been associated with the decreasing growth rate of this sector. In 2001, the growth rate of agricultural sector decreased by 1 percent, while in 2003 it decreased by 2.5 per cent. This suggests that the economic crisis since 1997 has an adverse impact on the ability of both agricultural and non-agricultural sectors to absorb the growing labor force. Thus, many in the labor force have been forced to work in the informal sector, defined as the sector consisting of self-employed persons, self employed assisted by family members, farm employees and unpaid family workers. Employment in the informal sector has increased from 57.8 million in 2001 to 64.2 million in 2003 (figure II).

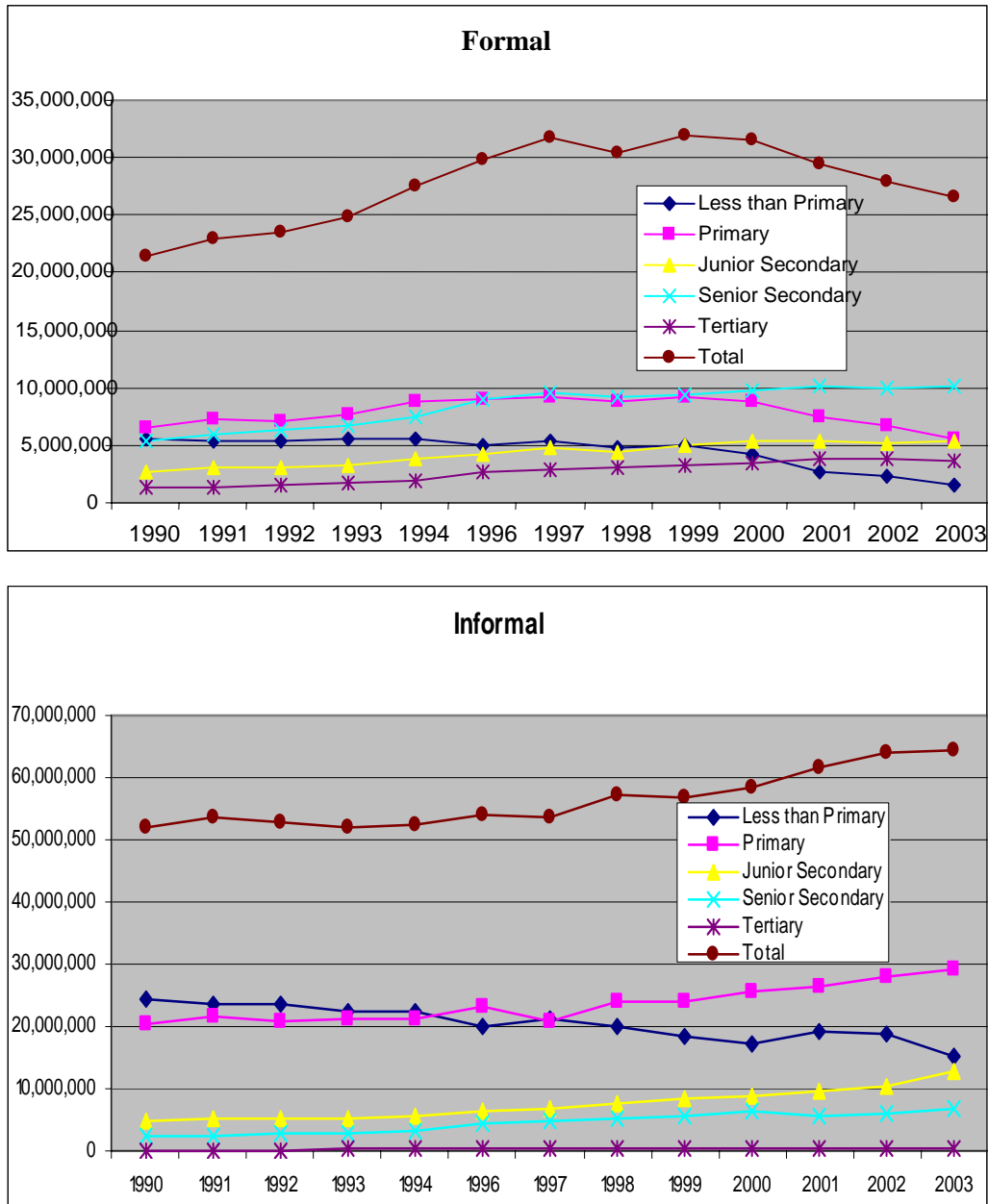
Figure 2. Employment Situation by employment status, 1998-2003



Source: Central Board of Statistics, Labor Force Survey, various years

There has also been changes in the quality of the workers (measured by the educational attainment) in both formal and informal sector employment. Workers with less than elementary school in both formal and informal sectors have been replaced by workers with higher educational level. In the informal sector, for instance, the number of workers with educational level less than elementary school decreased from 19 millions in 2002 to 15 millions in 2003. This indicates that the bulk of unemployment in the country now is dominated by workers with educational level less than elementary school. Details of the changes of employment situation in the formal and informal sector by educational attainment between 1998 and 2003 is given in Figure III.

Figure 3. Formal and Informal sector employment by educational attainment , 1990-2003 (in thousands)



Source: Central Board of Statistics, National labour Force Survey (SAKERNAS), various years.

Therefore, the employment situation in Indonesia since 1999 has been worsening. Apart from the high unemployment rate, there has been a growing number engaged in informal sector employment. This sector was not only engaged by workers with educational attainment less than elementary school, but also engaged by workers with educational attainment higher than elementary school. Workers with educational level higher than elementary school even replaced workers with educational level less than

elementary school. Consequently, workers with educational attainment less than elementary school have to become unemployed and/or seeking jobs abroad.

C. SIZE AND NATURE OF LABOR MIGRATION

The size and nature of labor migration has changed from time to time. Before 1999, Hugo (2000) estimated that there were about 2.5 million Indonesians labor migrants working abroad (table 1) excluding illegal migrants. However, due to the growing unemployment problem caused by the 1997 crisis, the number of Indonesian labor migrants abroad has increased since 1999. In 2001 and 2002, for instance, the government sent about 217 555 and 238 324 workers abroad (Department of Manpower and Transmigration, 2004).

Table 1. The Number of Indonesia labor Migrants by destinations, 1999

Destination	Number of migrant workers	Source
Saudi Arabia	425 000	Indonesian Embassy in Riyadh
United of Emirate Arab	35 000	<i>Asian Migration News, 30 April 1999</i>
Malaysia	1 900 000	Kassim, 1997
Hong Kong	32 000	Manpower Department
Singapore	70 000	<i>Asian Migration News, 5 May 1999</i>
Taiwan	18 269	<i>Asian Migration Yearbook, 1999.</i>
Rep. Of Korea	11 700	<i>Asian Migration Yearbook, 1999.</i>
Japan	3 245	<i>Asian Migration Yearbook, 1999.</i>
Philippines	26 000	SCMP, 10 December 1998.
Brunei	2 426	<i>Asian Migrations Yearbook, 1999.</i>
Others	20 000	Manpower Department, 2000.
Total	2 543 640	
<i>Source: Hugo (2000) cited in Aswatini, 2002.</i>		

Destination countries of the large Indonesian labor migrants in Asia after 1999 were, like pre-1999. In 2002, for instance, the destination countries are still dominated by Saudi Arabia, Malaysia, followed by Taiwan, Hong Kong, Singapore, and Brunei (table 2). Again the number in table 2 excludes the illegal migrant workers. Hugo (2000) and Kassim (2001) estimated the number of Indonesian illegal migrants in Malaysia alone in the 2000 at about 1 million workers. Department of Manpower and Transmigration (2004) estimated the illegal Indonesia labor migrants were at about 3.5 million people between 1999 and 2001. Perhaps, this number has been increasing due to the increasing number of unemployed workers in Indonesia since 1999.

Table 2. The number of Indonesian workers who were approved by the government in the year 2001, 2002 and 2003 by destination countries

Destination	2001	2002	2003*)
ASIA PACIFIC	217 555	238 324	62 655
Malaysia	110 490	152 680	48 928
Singapore	34 295	16 071	2 094
Taiwan	38 119	35 922	1 626
Rep. of Korea	3 391	4 273	6 119
Hong Kong	23 929	20 431	2 743
Brunei	5 773	8 502	1 084
Japan	1 543	444	61
Other Asian countries	15	1	0
AMERICA	228	40	168
EUROPA	Na	68	31
MIDDLE EAST	121 180	241 961	116 018
Saudi Arabia	103 235	213 603	104 698
United of Arab Emirate	11 027	7 779	1 508
Other Middle East Countries	6 918	20 579	9 812
Total	338 963	480 393	178 872

Source: Department of Manpower and Transmigration, 2004

NOTE: 2003*) only covered January-June 2003

Most of the migrant workers who were sent by the government are the semi-skilled and unskilled workers (Department of Manpower and Transmigration, 2004). They were sent to meet the demand for these types of workers in the receiving countries. However, in terms of the types of the job engaged by the migrants, there have been differences between one country and another. In Malaysia, for instance, most of the Indonesian migrant workers were engaged in the agricultural sector (especially plantation sector), while the rest engaged in construction sector, manufacturing and certain service sector (Kassim, 2001). In Taiwan, Hong Kong and Singapore most of the Indonesian migrants engaged in 3 Ds (Dirty, dangerous and demanding) type of jobs such as domestic maids, construction workers, manufacturing, marine and service industries (Athukorala, 2003). Similarly, in the Middle East countries most of the labor migrants work as the domestics helpers (table 3).

Table 3. The Number of Indonesian workers needed by some countries in Asia by economic sector, January - June 2003

States	Sector	Months						Total
		Jan	Feb	Mar	Apr	May	June	
Malaysia	Estate	1 286	6 164	6 967	1558	4 258	767	21 000
	Construction							28 825
	manufacturing							28 073
	Service							740
	Domestic helpers							2 180
Hong Kong	Domestic helpers	2 295					250	2 545
Brunei Darussalam	Industry	170		50				220
Singapore	Domestic helpers	1 760					80	1 840
Rep of Korea	Industry			1450	260			1 710
Saudi Arabia	Domestic helpers	3 238				2 923	3 234	9 395
	Formal (e.g. nurses)					48	140	188
Kuwait	Domestic helpers	690				1 795	250	2 735
	Formal (e.g. nurses)	500					54	554
Jordan	Domestic helpers	1 000				1 000		2 000
Qatar	Domestic helpers	300					100	400
United of Arab Emirate	Domestic helpers	500		7 049		165	375	8 089
Oman	Domestic helpers	100						100
Total		23 077	14 568	30 358	15 702	18 095	8 794	110 594

Source: Department of Manpower and Transmigration, 2004.

Apart from unskilled and semi-skilled workers, there are also professional and technical contract workers that have been sent by the government of Indonesia to work in Malaysia, Singapore, Rep. of Korea, Japan, and Brunei. However, these workers still account for a small share of total labor migrant flows and they consist predominantly of contract workers (who migrate for a duration of around 2 to 3 years) rather than permanent settlers. These contract workers were sent to work abroad in order to learn technologies that were exported by Japan and Rep. of Korea to Indonesia (Department of Manpower and Transmigration, 2004). However, detail number of these type workers is not well recorded. Therefore, movement of skilled and professional manpower ('brain circulation') from Indonesia has been associated with the imported technology from the advance Asian countries especially Japan and Republic of Korea.

In terms of sex distribution, male formal migrant workers (eg. nurses) have been twice that of formal female workers (nurses) (table 4). For the informal sector, female workers (mostly domestic helpers) have been more numerous than the male workers (table 5). Female workers tend to migrate to countries to work as domestic helpers and entertainment jobs, while the large number of male formal workers tends to migrate to countries to work in hospitals, construction, transportation, agricultural and estate sectors.

Tables 4 and 5 exhibit the number of Indonesian migrants who was sent to work in the formal and informal sectors by sex in 2003.

Table 4. Destination Countries for Indonesian formal worker Migrants by Sex, 2003

No	Region/State	Male	Female	Total
I.	ASIA PACIFIC			
1	Malaysia	27 148	13 543	40 691
2	Singapore	1	1	2
3	Brunei Darussalam	344	293	637
4	Hong Kong	0	3	3
5	Taiwan	1054	246	1300
6	South Korea	5075	929	6004
7	Thailand	0	0	0
8	Japan	61	0	61
<i>Total</i>		33 682	15 016	48 698
II.	MIDDLE EAST AND AFRICA			
1	Saudi Arabia	534	224	758
2	United of Emirate Arab	73	18	91
3	Kuwait	52	34	86
4	Bahrain	0	0	0
5	Qatar	0	0	0
6	Oman	0	0	0
7	Jordan	0	0	0
8	Yemen	0	0	0
9	Cyprus	0	0	0
<i>Total</i>		659	276	935

Source: Department of Manpower and Transmigration, 2004.

Table 5. The number of Informal Indonesian' workers abroad by sex in 2003

No	Region/State	Male	Female	Total
I.	ASIA PACIFIC			
1	Malaysia	1 615	6 622	8 237
2	Singapore	5	2 087	2 092
3	Brunei Darussalam	0	447	447
4	Hong Kong	0	2 740	2 740
5	Taiwan	39	287	326
6	South Korea	92	23	115
7	Thailand	0	0	0
8	Japan	0	0	0
<i>Total</i>		1 751	12 206	13 957
II.	MIDDLE EAST AND AFRICA			
1	Saudi Arabia	9 931	94 009	103 940
2	United of Arab Emirate	17	1 400	1 417
	Kuwait	69	8 765	8 834
4	Bahrain	0	108	108
5	Qatar	0	194	194
6	Oman	0	401	401
7	Jordan	0	189	189
8	Yemen	0	0	0
9	Cyprus	0	0	0
<i>Total</i>		10 017	105 066	115 083

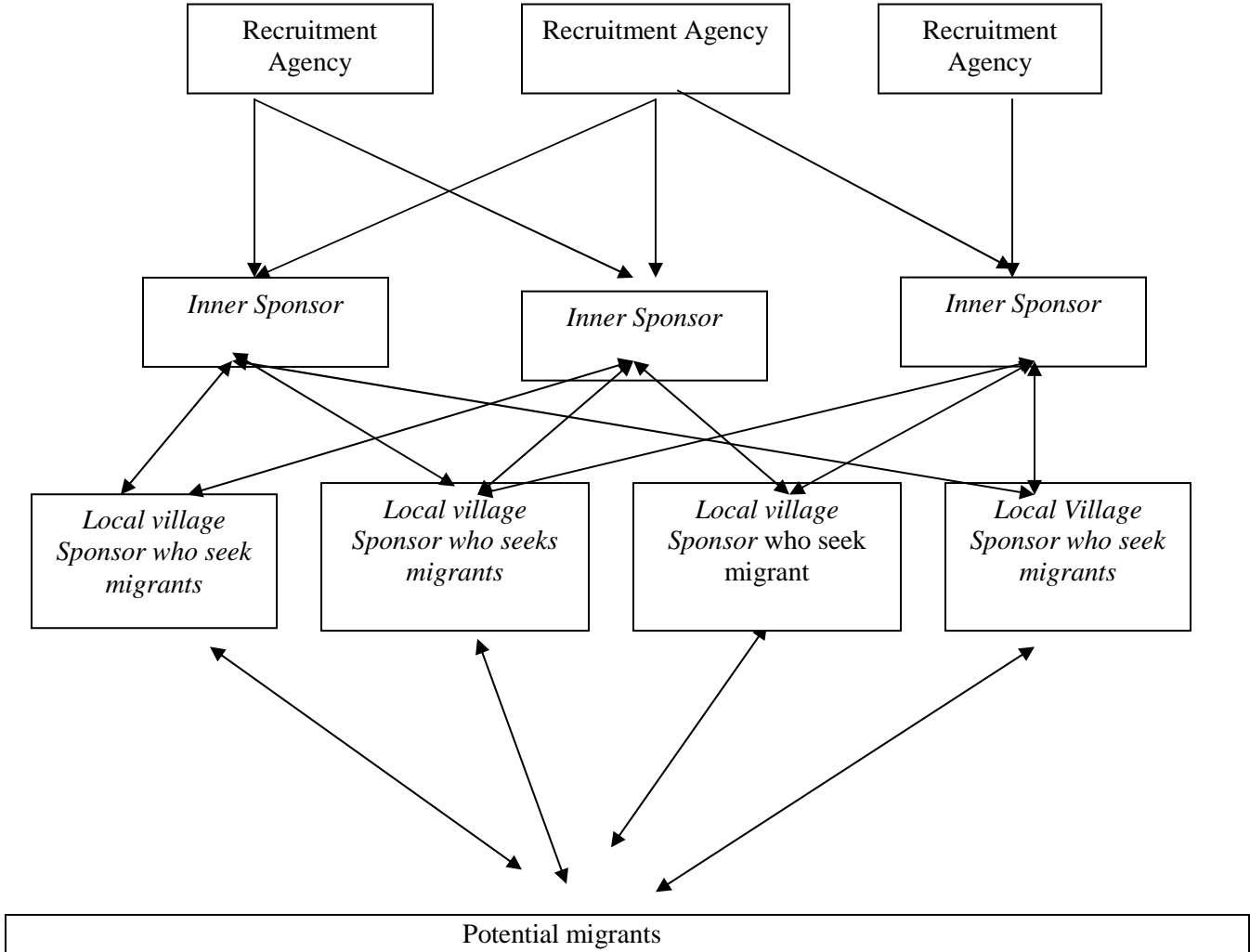
Source: Department of Manpower and Transmigration, 2004.

D. RECRUITMENT PROCESS, DETERMINANTS TO MIGRATE AND FEES

1. Recruitment Process

Most of the labor migrants are recruited by the local village sponsor. The mechanism to recruit them is first by visiting potential villages where there will be a great number of workers seeking to work abroad. Having found these potential labor migrants, the local village sponsor then brings them to the inner sponsor who usually work for the employment recruitment agency located in the big city. These inner sponsors further bring the potential migrants to their respective employment recruitment agency (figure IV).

Figure IV. The Recruitment Process of Indonesian labor migrants



The reason why there is almost no migrants who directly register with the employment recruitment agency has been reported to be due to at least two factors. First, because many employment recruitment agencies are located in the big city, so that the potential labor migrants have to spend for the transportation costs to reach them. Second, it is because the local village sponsors are usually recognized by the migrants and they can give financial assistance to the migrants (table 6). Therefore, local village sponsor play an important role in the processes of labor migrants' recruitment.

Table 6. Reasons to use Local village sponsor to go abroad

Reasons	Total (N=100)	Percent
- local sponsor can lend financial assistance to go abroad	45	45
- local sponsor are known by the village people	27	27
- local Sponsor can help to speed the process to work Abroad	18	18
- No other alternatives	10	10

Source: collected from field survey, 2004.

The role of local village sponsor is also important to provide information on employment opportunities abroad, information on registered places, the cost of going abroad, and other administrative matters. However, information on traveling process is obtained from employment recruitment agency (table 7). This once again confirms that the local village sponsor has many roles in providing assistance and information to the potential labor migrants who want to work abroad.

Table 7. Sources of Information obtained by the migrants on employment Opportunities, traveling costs, and other matters

Type of Information	Sources of Information are obtained from (in per cent)		
	Local village sponsor	Family/friend abroad	Employment agency
- Information on the employment opportunity abroad	64	34	2
- Information on places to register to work abroad	67	30	3
- Information on transportation costs	61	9	30
- Information on administrative Matters	54	8	38
- Information on travelling process	34	4	62

Source : Data collected from small survey, 2004.

2. Determinants and Decision to Migrate Abroad

As advanced in the literature, there are many complex factors determining workers to work abroad. Athukorala (2003), for instance, pointed out that from the perspective of the labor sending countries, like Indonesia, labour migration has been due to the growing unemployment pressure in Indonesia. This argument was confirmed from the small survey (table 8) in that high wages and the unavailability of work have been the two important factors for Indonesian workers migrating abroad. Beside these major factors, there are also labor migrants seeking overseas employment for the purpose to look for more experiences, or because of their present family or relatives are working abroad.

Table 8. Determinants factors that encourage migrants to work abroad

Reasons why migrate abroad	The number of respondents (N=100)	Percentage
High wages	58	58
No present jobs	28	28
Looking for more experiences	7	7
Family or relatives abroad	2	2
Following Friends	5	5
Not known	-	-

Source: Data collected from small survey, 2004.

A high wage payment in the labour receiving countries is of course not a surprising reason why the Indonesians seeking to work abroad. Manning (1998) reported that for the same type of jobs, the wage rate in Singapore, for instance, is 20 times higher than in Indonesia, while in Malaysia and Republic of Korea, the wage rate is 10 times higher than in Indonesia. However, interviews by the author found that the wage rate received as a domestic helper in Malaysia is about RM. 350 (Rp. 875 000), only 4 times higher than the wage rate received by domestic helpers in Jakarta, the capital city of Indonesia.

On the decision to migrate abroad, the author's small survey found that it was decided mostly by the labor migrants themselves. The role of family and relatives was found to be only 30 per cent (table 9). The important components in the family that play most in the decision making process of the migrants to work abroad are husband/wife and parents. This indicates that there is cultural changes among the labor migrants toward independent decision making regarding international migration. This kind of independence perhaps cannot be found ten years ago in Indonesian culture in which parents and family play major role in influencing any kind of family matters.

Table 9. Decision making process by the migrants to work abroad

Who make decision to migrate abroad	Number of respondents (N = 100)	Percentage
Self	70	70
Self and spouse (husband/wife)	12	12
Self and parents	15	15
Parents	2	2
Self and friends	1	1

Source: Data collected from small survey, 2004.

To sum up: determinant factors to migrate abroad have been very much associated with the unemployment problems in Indonesia and the high wage. These findings support the Harris-Todaro migration model in which high wages have been pointed out as the determinant factor for labor to migrate from one place to another. Beside these factors, other factors such as looking for more experiences and the present family or relatives abroad, are also important in determining Indonesian labor to work abroad. Therefore, the policy implications of the rapid inflows and outflows of labor migration are quite clear. For the labour sending countries, the governments should create employment opportunity with reasonable

wage rate. For the labor receiving countries, the governments should regulate and select the types of workers needed by the economy. These are intended to avoid the negative impacts of the present labor migrants vis a vis the local workers in the labor receiving countries.

3. Fees charge to the migrants

The overseas fees charge to the migrants vary between one migrant and another. From the autor's field survey it was found that most of the migrants have to pay between Rp. 2.5 million (US\$ 290) and Rp. 5 million (US\$ 550). These fees usually will be used to cover five cost components: (1) transportation and accommodation costs from the village to the domestic recruitment agency; (2) accommodation and food consumption costs during their waiting for placement abroad; (3) administrative cost for education and training; (4) fees for employment agency or brokers; (5) other costs such as levy, working permit fees, passport fees, etc. A higher overseas fees than the above can also be found for migrants who registered with unregistered workers agent. The overseas fees also depend on the type of jobs to be done abroad. Jobs that command relative higher overseas fees are construction, fishing and other services sector. In Malaysia, they have to pay at least RM 1800 for these type of jobs, while for estate sector, migrants usually have to pay RM 500. Similarly, for those migrants who want to work in the Middle East countries, it was reported that they have to pay at least US\$ 70 for domestic type of work.

High overseas fees that have to be paid by the labor migrants (especially if they use brokers to get the job) cause migrants to tighten their spending, so as to repay their debt to the employment agency. They usually can repay their debt in a year. Therefore, seeking work abroad for labor migrants is not an easy matter. Apart from the fees, they also have to wait for a long time to get the jobs approved by the employment recruitment agencies abroad. In the process of waiting, labour migrants have to work many domestic jobs in the local employment recruitment agency where they stay. Some migrants (especially domestic helpers) are even sent to work at the local households in Jakarta before they have to go abroad. Perhaps, because of these time consuming process and uncertainty, many migrants decided to work abroad illegally.

E. SOCIAL AND ECONOMIC EFFECTS OF LABOR MIGRATION AND REMITTANCES

1. Economic and Social Effects of Migration

Indonesian labor migration has given many positive contribution to the economy. Apart from reducing the unemployment problem, it also contributes to foreign exchange earnings that are badly needed by the country and reduce the number of the poor. International labor migration has provided employment opportunities for about 1.4 million Indonesians over the 1999-2001 period. The Department of Manpower and Transmigration (2004) estimated that labor migrants over the same period has contributed to foreign exchange earnings of US\$ 3.145 billion. This contribution excluded the earnings given by 3.5 million illegal migrants (Agus Sudono, 2004).

However, in terms of the contribution to poverty reduction, there is no data available. Apart from difficulties in estimation, it is also because not all of the labor who migrated abroad are poor. Poverty reduction takes place when labor migrants send remittances home to their families. From the small survey, about 89 per cent of returning labor migrants stated that they are able to remit their salary to their family at home (table 10). These remittances were not only used for their daily family needs, but also for other purposes, such as, renovating their housing, paying educational fees for children, and working capital for establishing small business.

Table 10. Distribution Respondents According to the utilization of their salary Received Abroad

Description	Number of respondents (N=100)	Percentage
Do you send your income to your family ?		
1. Yes	89	89
2. No	11	11
How does your family spend the money received from you ?		
1. daily needs	68	51
2. renovating house	46	35
3. buying land	8	6
4. education for children	5	4
5. Business creation	2	1
6. others	1	1

Source: Data collected from small survey, 2004.

Besides positive social and economic contributions, labor migration has increased the marriage dissolution rate. This was particularly so for labor migrants who work abroad for a long period. Also, male migrants break up nuclear families and cause a decline in fertility rate in the area. Further, high rates of male out-migration also increase women's burden in the family since they must (with the help of children) perform tasks traditionally performed by men (Aswatini, 1999). The absence of men (husbands) in the families would also increase women's competence in providing for their families and pride in their autonomy.

Like male out-migration, female out-migration also has social impacts. These impacts can be on her family or on herself and the risk is higher among younger female workers. Yayasan Pengembangan Pedesaan study (1996) found that the social impact of female out-migration on the family includes : (1) evidence that many husbands' respect for their wives increased; (2) men took on more childrearing roles during the absence of their wives and there was a breaking down of the traditional division of family labor along gender lines; (3) there was little evidence of negative effects on children due to mother's absence; (4) the extended family covered many of the tasks usually undertaken by the absent women; and (5) most women returning considered their main role to be a house wife.

However, the above findings are very difficult to be justified as they are qualitative in nature. Generally, women's involvement in migration may create numerous problems for the migrants themselves and the family left behind, particularly the young children. In the short term, the absence of mothers involves potential health cost for children. Separation of mothers from young children may cause emotional deprivation in the children which in turn could result in poor growth. However, in the long run the children may also benefit from economic gains (Purwaningsih, 1994 cited in Aswatini, 2002). Also, because of low educational attainment of the majority of labor migrants and no prior work experience, migration can have specific effect on the workers performance after they return from abroad. Their overseas working experiences are believed to stimulate economic growth.

2. Remittances

As discussed previously, most of the labour migrants surveyed were able to remit their salaries to the families back home. However, the amount of money remitted varies among the migrants. From the small survey, it was estimated about 60 per cent of the respondents were able to remit to their family at home

(table 11), the amount ranging between Rp. 5 millions (US\$ 550) and Rp. 15 millions (US\$ 1 550) per year. Only 32 percent of the respondents was able to remit under Rp. 5 million (or equivalent US\$ 550) a year. This indicates that labor migrants were able to save their incomes during their working period abroad. Also, it indicates their attention to their families' welfare at home, as most of the migrants worker belong to the low income groups.

Table 11. The amount of Money remitted to home country

Description	Total	Percentage
Less than Rp 1.000.000,-	2	2
Rp. 1.000.000,- - Rp. 5.000.000,-	30	30
Rp. 5.100.000,- - Rp. 9.900.000,-	30	30
Rp. 10.000.000,- - Rp.14.900.000,-	20	20
Rp. 15.100.000,- more	18	18
Total	100	100

Source: Collected from small survey, 2004.

Generally, the labor migrants remit their income through banks. In addition, remittances are also sent through post office (10 per cent), friends (6 per cent), and other methods (2 per cent). The Indonesian government encourages labor migrants to remit through banks. Banks that takes part in this program include Bank Rakyat Indonesia (BRI), Bank Umum Koperasi (BUKOPIN), Bank Pembangunan Daerah (BPD) and Bank Negara Indonesia (BNI). Note that the frequency of labor migrants to remit their income to their family at home varies, depending on their ability to save during their work overseas. However, on average the respondents stated that they remit between 5 and 10 times a year.

Apart from the ability to remit their income to their family at home, labor migrants also carry money when they return home. The amount of money that they can carry when they return home again varies. Table 12 shows that only 3 per cent of the migrants can carry less than Rp. 1 million (US\$ 100), while the rest is able to carry more than Rp.1 million. However, the ability to carry money home when they return depend very much on the type of jobs they work abroad, income they received and the ability to save abroad. For those migrants with higher income, they are able to carry more money than those with lower income when they return to their home country.

Table 12. The amount of Money carried when the migrant returned home

The amount of money brought when the migrants returned to home countries	Total (N=100)	Percentage
Less than Rp. 1.000.000	3	3
Rp. 1.000.000,- - Rp. 5.000.000,-	45	45
Rp. 5.100.000,- - Rp. 9.900.000,-	26	26
Rp. 10.000.000,- - Rp. 14.900.000,-	15	15
More than Rp. 15.100.000,-	11	11

Source : Data collected from small survey, 2004.

F. GOVERNMENT POLICIES TOWARDS LABOR MIGRATION

So far, Indonesia has only two rules on international labor migration. The first is the Ministerial Rule No. 4/1970 which deals with general ways how to manage domestic migration and international migration. The second is the rule signed by the Minister of Transportation and the Minister of Manpower, Transmigration and Cooperative Units No. KM 136/S/PHB and No. Kep-59/men/1977 in that it is said the international labor migration is permitted under the direction of the government. However, there is no rule or law to protect Indonesian labor migrants abroad. In the Philippines, the government has a direct rule or law to protect migrants abroad under Migrant Workers and Overseas Filipinos Act of 1995. In this act, Filipinos migrants abroad are protected by their government. This act also organizes rights and obligation of Filipinos returning migrants.

Apart from the lack of labor migrants protection law like in the Philippines, the Indonesian government also has not yet ratified the ILO convention of the protection of the right of all migrant workers and members of their families outside the country as well as in Indonesia itself. In addition, the government of Indonesia does not have bilateral agreement with the labor receiving countries on international labor migration. This agreement is important to discourage illegal labor migration and protect Indonesian migrants from exploitation by the employers abroad. As labor migration has a great contribution to the economy as well as to individual migrants and their families, protection policies for migrant workers are needed to be formulated soon.

1. Concluding remarks

Semi-skilled and unskilled labor migration from Indonesia will still be dominant in the near future, and consequently they need to be given more attention by both Indonesian government and the governments of the labor receiving countries. Whilst brain drain has not been an issue yet in Indonesia because jobs are relatively more available for educated labor than for non-educated labor in Indonesia so that they prefer to work at home.

Learning from the past experiences and small survey findings, there is a must for the governments in both labor sending and receiving countries to facilitate international labor migration, particularly to unskilled and semi-skilled labor migrants. On the Indonesian side, there is a need for the government to facilitate and regulate the recruitment process of labor migration. This, for instance, can be done by improving the quality of labor migrants who like to work abroad so that they can compete with other migrants from other countries. Also, there is a need for each migrant worker to be insured. This is important to avoid problems associated with accident, death, and sickness that may occur. The insurance can be paid by the migrants themselves or by the respective employer through wage reduction, or by the Indonesian government from the remittances received from workers abroad. Further, there is a need for the government to set policies to manage the returning migrants (particularly to semi-skilled workers) as these returning migrants have more experiences and skills obtained abroad.

On both sides, greater cooperation between sending and receiving countries are needed. These aims to ensure a smooth flow of labour supply to meet labour demand, minimize the problem of illegal migration and its negative political, economic and social effects, and provide adequate protection for migrants from being cheated by recruitment agencies and exploited by unscrupulous employers and provide migrants “national treatment” in their host countries. This can be done, for instance, by forming a Foreign Employment Board in the host countries, establishing Memorandum of Understanding (MOU) between the government Indonesia and the governments of labor receiving countries, encouraging labor contract agreement between labor migrant and the employment agency, as well as among employment agencies in Indonesia and receiving countries. Also, Indonesian labor attaché is also important to be formed in the labor destination countries to monitoring and providing assistance migrant workers to cope

with problems faced by them in the destination countries. Finally, regulation or rules to organize labor migration should also be issued under a law. This is needed not only to protect labor migrants from bad treatment given by the employers abroad, but more importantly because there is a tendency in which labor importing countries are reluctant to formally accept the dependence on these low-skilled workers.

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