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# **Migration Outflow and Remittance Patterns in Indonesia**

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# Migration Outflow and Remittance Patterns in Indonesia: National as well as Subnational Perspectives

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## ABSTRACT

The article compares and contrasts the scale and composition of workers' outflow and remittance flow from 1994 to 2012 at the national level and in East Java and West Nusa Tenggara (WNT)—two big migrant-sending provinces. Analysis over the longer period gives a better understanding of contemporary characteristics of volatility in labor deployment. We argue that level of deployment is not only explained by substantive factors—such as economic shocks, government policy, and epidemic—but also by technical factors, such as the recording system. If flawed records are not immediately corrected, policymakers will not be well informed in establishing correct policy relevance. Labor dispatch to the Asian region outnumbered that to Middle East countries from 1994 to 2005. However, from 2006 onwards, the opposite happened. Evidence also indicated the ever-increasing number of destination countries, particularly when we consider the data from returned migrants rather than that from deployed ones. The article demonstrates the potential impacts of remittance on the economic development of sending districts. Although decreasing over time, for the period 2006–2009, the magnitude of remittance at the district level was indeed higher than that at the national level. The article highlights the discussion on the limitation of outmigration statistics, making it impossible to accurately indicate the real cross-country mobility of the workers.

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## INTRODUCTION

The phenomenon of Indonesians working overseas has become one of the important recent development issues. Qualitative evidence even implies that one can now easily find Indonesians in various economies (Ananta and Arifin 2008). Indeed, Indonesia has been categorized as one of the biggest sending countries in Asia following Sri Lanka and the Philippines (Hugo 2009). Every year, hundred thousands of Indonesians flow overseas. Massive flow has shaped the feature of emigration in the last 15 years. Compared to 1994, the 2012 figure increased more than 300 percent: the magnitude of which is extremely difficult to manage. In terms of stock, moderate figures of Indonesian overseas workers amount to four to six million people.<sup>2</sup>

From the economic point of view, remittances make up a significant element of the country's revenue. Workers' remittances increased by 4 percent in 2012 compared with 2011, contributing to 21 percent of gross inflows in the current account. In 2012, the level of remittances made up 12 percent of foreign direct investment (FDI) inflows and was even higher than official aid (Table 11). Bank Indonesia (2013a) reported that workers' remittances in 2012 reached USD 6.998 million and were directly sent to the villages.

It is therefore not surprising if issues related to emigration receive increasing attention from policymakers as well as civil society organizations in Indonesia. Nevertheless, literature examining the trend and pattern of migration outflow has been limited, mostly because data on outmigration have not been collected regularly and consistently, and are not publicly accessible. Therefore, comparison over longer periods has been by and large nonexistent. Meanwhile, policy on emigration should be based on evidence underlying the emigration trends.

Hence, this article aims at filling the knowledge gap and understanding on the issue of patterns and magnitude of migration outflow as well as the remittance flow in Indonesia. It describes a relatively dynamic movement of people to various receiving countries for the sake of better welfare by remitting money to the family back home. Data from field work in East Java and WNT was brought in to add the perspectives of two big sending areas of migrant workers. Field work in East Java was carried out in June 2010, and that in WNT in November 2010.

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<sup>2</sup> The guesstimate of the total migrant stock varies from four million (Jakarta Post 2012) to six million (Kompas 2012).

## RECENT TRENDS IN EMIGRATION

Not much is known about the Indonesian history of migration before the colonial government. The period after 1887, however, recorded the precedence of overseas contract laborers owing to the enforcement of permit.

“The colonial administration, which was opposed in principle to the migration of laborers to other colonies, was unable to prevent the mass movement to Malacca.<sup>3</sup> Neither the mandatory passport nor the agreement that had been drawn up with the British colonial administration in 1893 had much impact on slowing down the migratory flow. During that year, it was agreed that immigrants to Malacca coming from the Netherlands Indies would only be contracted for work in the British colonies and nowhere outside their borders. In the Netherlands Indies itself, the administration put strict limits on recruitment for work abroad. After 1887 a special permit was required for such work (IS 1887: 8). Some recruitment was permitted on Java and every year a few thousand recruited labors left for agricultural estates and mines on British Borneo, Malacca, New Caledonia, German New Guinea, Cochin China, and Surinaam” (Gooszen 1999, 31).<sup>4</sup>

The formal management of migration only took place in 1970 when the Ministry of Labor issued Government Regulation No. 4/1970 concerning Labor Mobilization (Humaidah et al. 2006). The mid-1970s marked the onset of a major influx of foreign workers, mostly construction workers, to oil-rich countries. The oil boom there also created the emergence of middle class and, with that, a new lifestyle and demand for domestic helpers, such as housemaids, drivers, security officers, etc. (Naovalitha n.d). Quoting Silvey (2004), Ananta and Arifin (2008) said that the path of Indonesian workers to work in Saudi Arabia was opened in 1980s alongside the onset of cooperation between the two countries. Afterwards, the deployment to Saudi Arabia and other Gulf countries shaped the overall emigration figures.

### Volatility of annual deployment

The emigration figures reveal volatility over time (Table 1). The first and most obvious fluctuation is the case in the years 1994–1997. Hugo (2000) explained that the government established PT Bijak—a state-owned enterprise—to send workers in 1994. PT Bijak competes with private recruitment agencies (PPTKIS) in recruiting and sending people abroad. However, PT Bijak’s documentation was not included in Kennakertrans data. PT Bijak only started in 1995 to report the

<sup>3</sup> Malacca is the British colonies comprising the present states of Malaysia and Singapore.

<sup>4</sup> Cochin China is the southern part of the Republic of Viet Nam in the former French Indochina.

**Table 1. Official deployment from 1979 to 2012**

Year	Official Deployment	Year	Official Deployment	Year	Official Deployment	Year	Official Deployment
1979	10,378	1988	61,419	1997	235,253	2006	680,000
1980	16,186	1989	84,074	1998	411,609	2007	696,746
1981	17,604	1990	86,264	1999	427,619	2008 <sup>a</sup>	644,731
1982	21,152	1991	149,777	2000	435,222	2009	632,172
1983	29,291	1992	172,157	2001	295,148	2010	575,803
1984	46,014	1993	159,995	2002	480,393	2011	586,082
1985	55,664	1994	175,187	2003	293,865	2012	494,609
1986	68,360	1995	120,886	2004	380,690		
1987	61,092	1996	517,169	2005	474,310		

Source: Hugo (2000), Depnakertrans (2009); BNP2TKI (2012); BNP2TKI (2013)

Note:

<sup>a</sup> BNP2TKI (2012) released different record for 2008 deployment. However, we use the version of the Ministry of Labor and Transmigration since it gives more details on categories of deployment. The total placement in 2008 excludes 20,137 sailors reported by Ministry of Transportation and Marine.

deployment to Kemnakertrans.<sup>5</sup> Therefore, we suspected that the total deployment by PT Bijak in 1996 and prior to 1996 was accumulated in the year 1996. It was not disaggregated annually. This could partly explain why the trends declined in 1994–1995, skyrocketed in 1996, before falling again in 1997. If this was the case, high volatility of placement between 1994 and 1997 was only a matter of recording system.

Otherwise, one can associate this fluctuation in 1996 from the labor dispatch to Malaysia. Compared with the 1995 figure, the deployment to Malaysia increased more than 10 times in 1996: from 23,909 to 321,756 people (Table 3). Quoting Kassim (2000), Hugo (2000) wrote that the sharp increase of workers in 1996 included about 300,000 irregular/undocumented workers that applied for amnesty from the Government of Malaysia.

The economic crisis in 1997/1998 was also said to have triggered a sharp heap indicating escalating tension to work abroad (Djelantik 2008; Tjiptoherijanto and Harmadi 2008). A village-level study by Romdiati et al. (1998) showed that working overseas became a survival strategy even more obviously during the economic crisis, with more participation of women in the labor market. Another study in Subang Utara and Cirebon Timur by Breman and Wiradi (2002) elaborated that during economic crisis, the brokers put more efforts to find prospective workers, particularly women, in the village to send abroad. Even the village head had become a broker for the private recruitment agency in the city.

<sup>5</sup> Hugo (2000) gave illustration of the operation of PT Bijak. Quoting Setiawati (1997), he said that PT Bijak sent 36,247 workers to Malaysia between September 1995 and October 1996. It also placed about 9,000 people to Korea.

Table 1 also showed the growing tendency to work overseas took place between 1997 and 2000. In 2001, however, placement reduced quite sharply, but increased again in 2002. Why would outmigration drop after a steady increase in four years from 1997 to 2000? When traced domestically, we found that two ministries—the Ministry of Labor and Ministry of Transmigration—were merged in 2001. Along with this merger, the Directorate-General of Placement of Indonesian Workers was divided into two separate directorates-general (DG), namely DG Domestic Placement and DG Overseas Placement. The institutional change in that year most probably disrupted the recording system, although in reality the deployment might have proceeded normally.

The year 2003 experienced plummeting outmigration. There are some sources of decline. First, Malaysia imposed a new regulation suspending workers' entrance. In 2002, there had been massive deportation of Indonesian workers who were said to have caused social and criminal problems in Malaysia (Nagib 2002). Deployment to Malaysia was cut down quite significantly in 2003.<sup>6</sup> The tragedy during the deportation, which took quite many casualties, had set the government off in applying tighter rules of emigration, not only to Malaysia but also to other countries (Ananta and Arifin 2008). Second, 2002 marked an important path in emigration governance in which the Ministry of Labor and Transmigration (Kemnakertrans) issued Ministerial Decree No. 104A/MEN/2002 concerning Placement of Indonesia Migrant Workers. For the first time, the government imposed a quota in the placement of female domestic helpers and caregivers. Quota was allocated to PPTKIS based on performance and the PPTKIS-owned facility, such as a dormitory and training unit. While this was a good movement, the quota could be regarded as another source of decline in outmigration in 2003.<sup>7</sup> Third, early 2003 witnessed the outbreak of severe and acute respiratory syndrome (SARS) in some Asian countries, in particular Hong Kong, Taiwan, and Singapore. This epidemic reduced the mobility of people in and out of the Asian region, including migrant workers, which made its impact certainly significant.

A case of ever-increasing outmigration occurred during the period 2004–2008 (Table 3). This happened not only in the placement to the Asia-Pacific region but also to Middle East. However, workers' deployment plunged in 2009 as a consequence of the global financial crisis in late 2008. At the same time, Indonesia suspended the placement to Malaysia on June 26, 2009 and to Kuwait on September 14, 2009 (Ahnier and Pratomo 2011; Ari 2011). Moratorium to Malaysia was ordered following the increasing abuse of workers, particularly

<sup>6</sup> Indeed, massive repatriation took place twice: in 2002 and 2004 (Humaidah et al. 2006). However, the impacts of official deployment to Malaysia were only distinctive in 2003 and it recovered in the following years.

<sup>7</sup> The quota system did not last long. It was immediately forgotten as soon as Law No. 39/2004 was issued. The law stipulated nothing of such system.

the death of Munti binti Bani (Maulia 2009). Meanwhile, workers in Kuwait suffered not only from low salary (USD 140 per month instead of USD 200 per month that the government had proposed) but also from being moved to various employers (Andrian 2011). All together, the credit crunch and the moratorium left a significant impact on total deployment in 2009.

Afterwards, the statistics of regular/documented placement reveals no significant recovery. On July 29, 2010 the government banned dispatch to Jordan as a consequence of low salary and lack of social protection (Maruli 2011). Furthermore, suspension was also imposed on deployment to Saudi Arabia on August 1, 2011 following the beheading of Ruyati, a female domestic helper, and to Syria on August 9, 2011 due to increasing political tension (Hariyanti 2011; The Jakarta Post 2012).

The impact of the moratorium is observable in Tables 2 and 3. The dispatch to two biggest host countries—Malaysia and Saudi Arabia—was cut back by half in 2010 and 2011, respectively. The data demonstrated that the effect on Jordan and Syria was more dramatic compared with Kuwait implying deployment of Jordan and Syria was strongly dominated by female domestic helpers.

However, doubt was cast on the effectiveness of the moratorium. No less than the head of the National Agency for Placement and Protection of Indonesian Migrant Workers (BNP2TKI) echoed that one of the negative effects of the moratorium was the increasing number of careless prospective migrants and unscrupulous middlemen. These migrants evaded the suspension to Saudi by departing from Batam to Singapore or Malaysia before flying to Saudi (Bukhori 2011c; Toha 2011).

### Comparison of outflow to main destinations

Table 3 presents much older statistics of overseas employment as kept by Hugo (2000). The data enable us to compare the composition of Malaysia and Singapore on the one hand and the Middle East on the other.

**Table 2. Deployment to countries with moratorium**

	Official Deployment					Moratorium to Send Female Domestic Helpers
	2008	2009	2010	2011	2012	
Malaysia	187,123	123,886	116,056	130,134	134,023	26 June 2009
Kuwait	29,218	23,041	563	4,733	2,518	14 September 2009
Jordan	11,155	10,932	5,695	0	0	29 July 2010
Saudi Arabia	234,644	276,633	228,890	137,097	40,655	1 August 2011
Syria	0	1,155	6,381	5,952	1	9 August 2011

Source: BNP2TKI (2012; 2013)

Note: BNP2TKI (2013) substantially corrected the figures in BNP2TKI (2010), particularly for Malaysia in 2008, Kuwait in 2011, Jordan in 2011, and Syria in 2011.

**Table 3. Overseas migration of Indonesian workers (1979–2012)**

	Malaysia	Malaysia and Singapore	Total Asia Pacific	Saudi Arabia	Gulf Countries <sup>b</sup>	Others
1979		720			7,651	2,007
1980		564			11,231	4,391
1981		1,550			11,484	4,570
1982		7,801			9,595	3,756
1983		5,597			18,691	5,003
1984		6,034			35,577	4,403
1985		6,546			45,024	4,094
1986		20,349			45,405	2,606
1987		7,916			49,723	3,453
1988		6,614			50,123	4,682
1989		18,488			60,456	5,130
1990		38,688			41,810	5,766
1991		51,631			88,726	9,420
1992		62,535			96,772	12,850
1993		38,453			102,357	19,185
1994	41,712	57,390	74,769	96,533	98,710	1,708
1995	23,909	46,891	71,477	43,521	48,355	1,054
1996	321,756	352,991	381,349	127,137	135,336	484
1997	36,248	71,735	102,810	121,965	131,734	709
1998	132,950	173,995	230,839	161,062	179,521	1,249
1999	169,177	204,006	271,287	131,157	154,636	1,696
2000	191,700	217,407	305,695	114,067	129,168	359
2001	74,390	108,314	178,496	99,224	116,597	55
2002	152,680	168,751	238,364	213,603	241,961	68
2003	89,439	95,542	109,893	171,038	183,770	202
2004	127,175	136,306	160,987	203,446	219,699	4
2005	201,887	226,974	297,291	150,235	177,019	-
2006	219,658	248,319	326,678	281,087	353,179	143
2007	222,198	259,694	351,682	257,217	343,319	1,745
2008 <sup>a</sup>	187,123	208,930	311,518	234,644	333,109	104
2009	123,886	156,963	256,773	276,633	375,300	99
2010	116,056	155,679	267,852	228,890	307,432	519
2011	130,134	169,756	332,783	137,097	217,744	35,555
2012	134,023	175,579	351,145	40,655	116,847	26,617

Sources: Hugo (2000); Depnakertrans (2009); BNP2TKI (2012; 2013)

Notes:

<sup>a</sup> BNP2TKI (2012) released different records of 2008 deployment. However, we use the version of Depnakertrans since it gives more details. The total placement in 2008 excludes 20,137 sailors reported by the Ministry of Transportation and Marine.

<sup>b</sup> The values for 1994–2011 include Africa.

From 1979 to 1993, the average share of the two Southeast Asian countries—Malaysia and Singapore—accounted for 21 percent while that of the Gulf countries was 67 percent. In longer periods, from 1979 to 2012, the average share of workers' placement to Malaysia and Singapore amounted to 30 percent while that to the Gulf countries decreased to 55 percent. Compared to the figures in 1979, the outflow to these two Asian countries some decades later moved significantly closer to that of the Gulf countries. During the period 1994–2012,



the statistics of Malaysia and Singapore was even higher, which was 38 percent compared to 45 percent of the Gulf countries.

This was explained by decrease in deployment as a consequence of moratorium as well as global financial shock in the period 2009–2011. While moratorium was enforced to both Malaysia and some Middle East countries, its impacts were harsher to the latter simply because of higher dependence on deployment of female domestic helpers. In the case of Malaysia, the impact of moratorium could be counterbalanced by the steady dispatch of male plantation workers.

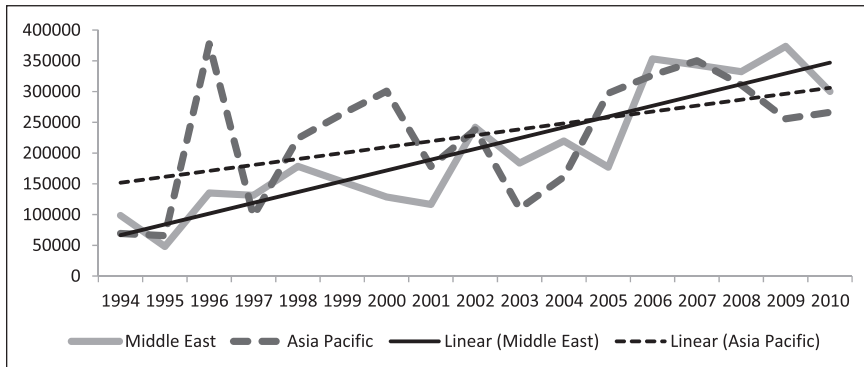
The period covering 1994–2012 revealed that Malaysia and Saudi Arabia have been two major destinations within the Asia-Pacific region and the Gulf countries, respectively. Particularly in 1994, workers' dispatch to Malaysia and Saudi Arabia contributed 56 percent and 98 percent to their corresponding regions, respectively; and 24 percent and 55 percent to total dispatch in 1994, respectively. However, the magnitude of deployment of these two countries in their respective regions as well as in total deployment seemed to decrease over time. Malaysia reached the lowest share of 38 percent to Asia-Pacific in 2013 and 20 percent to total deployment in 2009 and 2010. Meanwhile, the contribution of workers' heading for Saudi Arabia compared to the Gulf countries and to total deployment in 2012 fell to 35 percent and 8 percent, respectively.

#### *Changing destination: Asia vs. the Middle East*

With regard to some Southeast Asian countries, Wickramasekera (2002) concluded that there existed a changing destination of Asian workers: from predominantly Middle East to intra-Asian countries. He observed the deployment data from the Philippines, Indonesia, and Thailand over the period 1990–1997. In 1990, the dispatch to Asian countries was only a third of the dispatch to the Middle East. In 1995, labor movement heading for East Asia was the same with the Middle East, and finally in 1997, the number of workers in East Asian destinations was higher by 15 percent compared to that in the Middle East.

We compared Wickramasekera's conclusion with Indonesia in the period 1994–2010 by establishing the general trend (Figure 1). We took seven countries in Asia (Malaysia, Singapore, Brunei, Hong Kong, Taiwan, South Korea, and Japan) and seven Arab countries (Saudi Arabia, UAE, Kuwait, Bahrain, Qatar, Oman, and Jordan). The trend divides the data into two parts: the period from 1994 to 2006 when the slope of the Asian countries was above that of the Arab countries, and the period afterward from 2006 to 2010 when the opposite took place.

If we look closer at Table 3 we see a higher flow of workers to Asia instead of the Middle East, particularly from 1998 to 2002. This was most probably

**Figure 1. Trend of Indonesian outmigration to Asia-Pacific and Middle East (1994–2010)**

Sources: Deprakertrans (2009); BNP2TKI (2012, 2013)

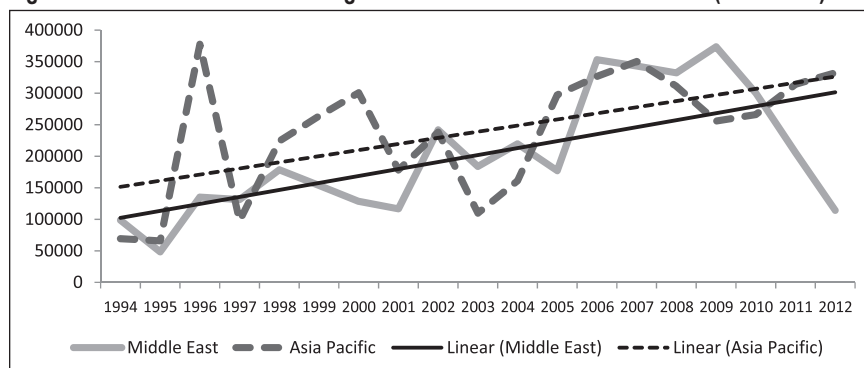
because following the crisis, it became much cheaper to get to the neighboring countries than to the Middle East. The data showed that labor dispatch to Malaysia, Brunei, Hong Kong, and Taiwan increased while that to Saudi, United Arab Emirates (UAE), and Kuwait decreased. This was similar to the observation of Wickramasekera (2002). Our field findings in East Java and WNT demonstrated that even within one country, for example, Malaysia, the plantation sector demanded more Indonesian workers while the construction sector laid them off. Moreover, 2005 marked the trend of changing destination from Asia to the Middle East, which was different from the prediction of Wickramasekera (2002). In general, fluctuation to Asia from 2002 onward was more obvious than that to the Middle East.

However, if we add the trend to cover the years 2011 and 2012, the trend changed significantly. With a dramatic drop of deployment to Middle Eastern countries, the trend in both regions became two parallel lines (Figure 2). It is then very difficult to establish the trend due to high volatility in annual deployment.

### More diverse destination countries

Increasing deployment of Indonesian workers over time was also accompanied by increasing number of destination countries. From 1994 to 1998, the destination economies in Asia-Pacific were limited to Malaysia, Singapore, Brunei, Hong Kong, Taiwan, and South Korea. In the Middle East, only two countries were known to demand workers from Indonesia: Saudi and UAE. However, the period following the economic crisis saw a rising number of countries in the Middle East that hired Indonesian laborers. For example, following the economic crisis, Kuwait began to recruit bulk of the workers in 1998; Bahrain and Qatar followed in 2001; and Oman and Jordan in 2002. By 2006, the number of countries in the Middle East and Africa requiring Indonesian workers had expanded to

**Figure 2. Trend of Indonesian outmigration to Asia-Pacific and Middle East (1994–2012)**



Sources: Depnakertrans (2009); BNP2TKI (2012, 2013)

**Table 4. Old and new host economies from 2007 to 2009 based on deployment statistics**

Asia and the Pacific	Middle East and Africa	Europe
Malaysia*	Saudi Arabia*	Italy*
Taiwan*	UAE*	Spain*
Hong Kong*	Kuwait*	Netherlands*
Singapore*	Qatar*	Germany*
Brunei Darussalam*	Yordania*	UK*
South Korea*	Oman*	
USA*	Bahrain*	
Japan*	South Africa*	
Macau*		
Trinidad	Yemen	Gibraltar
China	Libya	Rumania
Maldives	Syria	Czech
Palau	Nigeria	Cyprus
Saipan	Algeria	Ireland
Timor Leste	Seychelles	Monaco
Australia	Congo	Poland
Cayman Island	Zambia	Greek
Canada	Mauritania	Russia
New Zealand	Turkey	Mauritius
India	Angola	Slovakia
Thailand		

Note: \* old economies  
Source: BNP2TKI (2010)

include Saudi, UAE, Kuwait, Bahrain, Qatar, Oman, Jordan, Egypt, and Cyprus (Depnakertrans 2009).

Starting 2007, the list of receiving countries became longer with 34 new economies in addition to 22 old economies (Table 4). When referring to data from the returned migrants that BNP2TKI collected from 2008 to 2011,

we found even more host countries (old and new economies) totaling 117 (Appendix 1).

The increasing number of destination countries certainly brings additional burden to the government in managing overseas workers. Government has to devise protection measures, such as an evacuation procedure for migrants working in the African countries that are vulnerable to war and political instability. This was the case in Egypt in early February 2011 and in Libya in early May 2011 when the government had to rush to save workers from being trapped in political conflict (Bukhori 2011a; 2011b).

### **WORKERS DISPATCHED FROM SUBNATIONAL LEVELS**

Table 5 outlines the data from the subnational level. We discuss this table to emphasize again that volatility of outmigration could be a matter of recording system. Table 5 was developed from the report of the Agency for Placement and Protection Services of Indonesian Migrant Workers (BP3TKI) at the provincial level. However, it does not necessarily reflect the real outmigration from the corresponding province. For example, majority of migrants is recorded to come from Jakarta, but it does not mean that it is the biggest sending province. Meanwhile, the importance of West Java—with Bandung as the capital city—as a major sending province is not noticeable in the statistics. In 2009, for instance, BP3TKI Bandung did not register any migrant.

In fact, majority of migrants heading for the Middle East register in Jakarta. It is also true that majority of private recruitment agencies for Middle East is located in Jakarta.<sup>8</sup> Thus, Table 5 simply shows the migrants whose documentations are processed through BP3TKI. It does not imply number of migrants originated from the provinces.

Table 5 also demonstrated volatility of outmigration from Jakarta, which grew twice in 2006 compared to 2005, in line with increasing outmigration to the Gulf countries (Table 3) but sharply decreased in 2009. This trend needs to be interpreted carefully. The decrease can be explained by the fact that majority of migrants heading for the Gulf countries in 2009 registered through Kemnakertrans instead of BP3TKI Jakarta. Dual registration took place following the establishment of BNP2TKI in 2008, through BP3TKI and Kemnakertrans.

In Table 5, volatility of migrants registered in BP3TKI Medan and BP3TKI Pekanbaru was also noticeable. Medan and Pekanbaru used to be the closest transit areas to Malaysia and Singapore. However, their importance diminished after the establishment of BP3TKI Tanjung Pinang in 2007. Migrants who used to report in BP3TKI Medan and Pekanbaru simply shifted to BP3TKI Tanjung Pinang.

<sup>8</sup> The Saudi Embassy only issues visa to domestic helpers who have gone through training sessions and acquired skill certificate, and eventually acquired passport from the Immigration Office in Tangerang (near Jakarta).

**Table 5. Official deployment at the national and provincial levels (2006–2009)**

	2005	2006	2007	2008	2009
Medan <sup>a)</sup>	20,284	25,563	11,322	14,429	10,938
Pekanbaru	36,708	43,516	5,277	4,629	2,730
Palembang	1,858	3,844	3,135	2,784	1,655
Jakarta	209,454	414,391	388,902	314,378	89,043
Bandung	1,510	11,256	13,076	16	-
Semarang	7,774	11,811	29,106	25,583	25,620
Yogyakarta	2,687	5,362	4,829	5,137	3,963
Surabaya	56,033	40,744	59,041	59,525	46,418
Pontianak	2,823	2,571	4,831	2,859	2,516
Banjarbaru	615	1,699	1,921	1,471	-
Nunukan	83,393	69,966	72,439	29,490	6,554
Makassar	1,454	704	1,622	2,141	4,929
Mataram	42,061	39,958	45,880	52,273	53,731
Kupang	7,656	8,224	10,028	10,966	7,499
Tanjung Pinang <sup>b)</sup>	-	-	37,375	26,404	12,957
Non-BP3TKI	-	391	4,653	92,156	361,057
Indonesia	474,310	680,000	696,746	644,731	632,172 <sup>c)</sup>

Source: BNP2TKI (2012)

Notes:

<sup>a)</sup> Including BP3TKI Aceh

<sup>b)</sup> Including BP3TKI Kuala Tungkal

<sup>c)</sup> Including 2,252 migrants of G to G scheme

### Outmigration from East Java and West Nusa Tenggara

The data show that the global crisis has affected East Java and West Nusa Tenggara differently. We can observe the differences, particularly in 2009, in terms of the outflow to certain destination countries as well as certain occupations.

In 2006–2009, the employers of East Javanese migrants were dominated by various Asian countries—Malaysia, Hong Kong, Taiwan, Singapore, and Brunei (Table 6). Only minority of workers worked in the Middle East. Over the years from 2006 to 2009, the total outflow increased and fell sharply in 2009. Major contributor to this drop was the dispatch to Malaysia which amounted to 43 percent in 2009 compared to 2008. Two reasons were the credit crunch in late 2008 which hit Malaysia and the issue of moratorium on domestic helpers in June 2009. Being the biggest users of workers, any shock related to Malaysia would have huge impact in workers' deployment. There was a decrease in deployment to Brunei in 2009 responding to a lower demand of workers. Brunei also experienced crisis as Brunei was the main exporter of oil. However, this reduction had a minimal impact since Brunei was not the major importer of workers from East Java. Fortunately, workers' demand by other main destinations—Hong Kong and Taiwan—was relatively stable.

**Table 6. Destinations of East Javanese migrants (2006–2009)**

Destination	2006	2007	2008	2009
Malaysia	25,868	27,500	26,746	15,379
Singapore	2,306	2,909	3,454	3,706
Hong Kong	13,159	13,446	13,616	14,226
Taiwan	9,316	8,738	11,842	12,020
Macau	-	39	213	236
Brunei	7,602	5,834	2,898	1,720
Middle East	295	582	656	858
Others	1	-	100	25
Total	58,547	59,048	59,525	48,170

Sources: UPTP3TKI Jawa Timur (2010), BP3TKI Mataram (2010)

**Table 7. Destinations of West Nusa Tenggara migrants (2006–2009)**

Destination	2005	2006	2007	2008	2009
Malaysia	32,196	26,963	25,145	29,831	33,111
Other Asia	459	108	27	105	72
Saudi Arabia	9,047	16,493	17,409	21,946	19,752
Other Middle East	365	372	553	331	796
Total	42,067	43,936	43,134	52,213	53,731

Sources: UPTP3TKI Jawa Timur (2010), BP3TKI Mataram (2010)

The outmigration from West Nusa Tenggara has been increasing over the period of 2005–2009 (Table 7). Similar with East Java, Malaysia made up the biggest chunk of total dispatch while Saudi Arabia came second. The dispatch to Malaysia witnessed significant decrease from 2005 to 2007 and only recovered in 2008 and 2009. On the contrary, dispatch to Saudi Arabia increased dramatically. The growth of workers to Saudi was 83 percent in 2006, 6 percent in 2007, and 26 percent in 2008. In 2009, number of Saudi workers fell by 10 percent but was balanced out with 11 percent increase in number of workers to Malaysia. West Nusa Tenggara did not, therefore, suffer from the impact of global financial crisis. Neither did it bear the consequence of Malaysian moratorium of domestic workers since the workers in Malaysia were predominantly male working in plantations.

Table 8 shows occupation pattern in East Java and West Nusa Tenggara. With Malaysia and Saudi Arabia as two main destinations (Table 7), two main occupations of West Nusa Tenggara migrants are strictly segregated: plantation workers in Malaysia and domestic helpers in Saudi Arabia (Table 8). This is in contrast to East Java workers whose dominant occupation is in construction and industry and increasing numbers of caregivers, which did not appear as the occupation of West Nusa Tenggara workers.

**Table 8. Occupations of East Java and West Nusa Tenggara migrants (2006–2009)**

	2006		2007		2008		2009	
	EJ	WNT	EJ	WNT	EJ	WNT	EJ	WNT
Domestic helper	21,054	16,912	25,853	18,124	30,743	22,393	22,142	20,646
Agricultural worker	30,638	26,151	745	24,214	1,312	29,429	16,600	32,894
Caregiver	4,499	0	0	0	0	0	9,255	0
Factory and construction worker	2,356	873	32,450	796	27,470	451	173	191
Total	58,547	43,936	59,048	43,134	59,525	52,273	48,170	53,731

Sources: UPTP3TKI Jawa Timur (2010), BP3TKI Mataram (2010)

EJ – East Java; WNT – West Nusa Tenggara

**Table 9. Placement of migrants in four districts (2006–2009)**

	Blitar	Ponorogo	East Java	Lombok Barat	Lombok Tengah	WNT
2006	5,518	3,401	58,547	6,571	14,095	43,936
2007	5,103	3,993	59,048	5,866	13,406	43,134
2008	6,082	3,974	59,525	6,887	16,418	52,213
2009	5,000	4,432	48,170	5,636	16,989	53,731

Source: UPTP3TKI Jawa Timur (2010), BP3TKI Mataram (2010)

Since the impact of global financial crisis on agriculture was not as immediate as that on construction and industry, the total placement in West Nusa Tenggara did not share the same pattern with that in East Java.

### District-level data

Resembling the pattern at the national and provincial level, migration outflow at the district level demonstrates an increasing trend from 2006 to 2008 (Table 9). From 2008 to 2009, however, the districts had a different experience.

Total worker outflow in Blitar and Lombok Barat in 2009 dropped by 18 percent compared with the previous year, bringing these districts to a level lower than the 2006 figure. The opposite happened to Ponorogo and Lombok Tengah, with both sharing the experience of West Nusa Tenggara province where total sending of workers continued to grow following the credit crunch in 2008. Overseas employment in Ponorogo and Lombok Tengah in 2009 grew at the rate of 3 percent compared to 2008.

Table 9 also highlights the strong influence of Lombok Tengah in dictating the provincial overseas employment figure. In 2009, for example, Lombok Tengah made up 32 percent of total placement in West Nusa Tenggara. The three remaining districts—Blitar, Ponorogo, and Lombok Barat—only contributed 9–10 percent to their respective province in the same year. According to UPTP3TKI Jawa Timur (2010), Blitar and Ponorogo Districts were among three biggest contributors to

**Table 10. Remittance flows to Indonesia (USD million) from 1992 to 2011**

Year	Remittance	Migrant Stock (People)
1992	229.00	
1993	346.00	
1994	449.00	
1995	651.00	
1996	796.00	
1997	725.00	
1998	958.00	
1999	1,109.00	
2000	1,190.00	
2001	1,046.00	
2002	1,259.00	
2003	1,489.00	
2004	1,699.00	925
2005	5,296.00	4,248
2006	5,560.25	4,679
2007	6,003.82	4,337
2008	6,617.93	4,445
2009	6,617.62	4,385
2010	6,730.79	4,201
2011	6,735.88	4,088
2012	6,998.00	4,022

Source: Bank Indonesia (2009, 2013a)

East Java placement. However, their role becomes less important compared with the sum of other 36 districts all together.

### REMITTANCE FLOWS

The contribution of migrants in terms of remittances is noteworthy (Table 10). Despite the declining stock of migrant workers in 2007, remittance still recorded greater inflows. Apparently, this was due to improving salary rates in several Asian countries, such as Hong Kong, Singapore, and Macau, and in Middle East countries (Bank Indonesia 2009). The milder impact of the crisis was also due to the fact that the workers who were laid off by the factories in some East Asian countries were still given opportunity to search for work before their visa expired and, hence, workers were still able to remit money back home during the global financial crisis. This was the qualitative evidence drawn from interviews with former overseas workers in East Java.

Compared to other balance-of-payment (BOP) indicators with higher volatility, workers' remittances demonstrated steadier growth over time (Table 11). In fact, when most indicators experienced significant contraction in 2009, workers' remittances remained stagnant. Consequently, the contribution of remittances increased in 2009, making up 32 percent of FDI inflow and the export of oil and gas, and 30 percent of current account inflows. This implies insignificant



**Table 11. Workers' remittances and other balance-of-payment indicators (in USD million)**

Year	Workers' Remittances (Inflow)	Export of Oil and Gas (FOB)	FDI in Indonesia (Inflow) *	Services, Income, and Current Transfer**	Official Aid (Program and Project Aid)	Share of Remittances***
2001	1,046	12,560	2,295	15,795	2,482	7
2002	1,259	12,858	5,163	15,690	2,299	8
2003	1,489	15,234	3,164	16,456	1,837	9
2004	1,699	16,285	10,336	16,473	2,519	10
2005	5,296	20,243	15,218	21,257	2,598	25
2006	5,560	22,950	14,111	20,186	3,588	28
2007	6,004	24,872	19,121	22,757	4,004	26
2008	6,618	31,720	23,683	26,191	4,944	25
2009	6,618	20,616	20,810	22,317	5,529	30
2010	6,735	28,659	33,224	26,227	5,375	26
2011	6,736	38,067	45,280	30,843	3,428	22
2012	6,998	35,571	56,546	33,751	3,332	21

Source: Bank Indonesia (2009, 2013b)

Notes:

\*Gross inflow of foreign investment

\*\* Including workers' remittances

\*\*\* Compared to services, income, and current transfer

impact of the global financial crisis on remittances at the national level despite reduction in migrant stock (Table 10).

Unfortunately, following the moratorium to major destination countries since 2009, the estimate of migrant stock further decreased in 2010 and afterwards impacting the remittances which only grew insignificantly. Nevertheless, the value of remittances was greater than the amount of the official aid. Due to continuous reduction in aid since 2005, its level became less than half the estimate of workers' remittances in 2012.

However, there were doubts on the importance of remittances. Some scholars, for example Ananta (2009), argue that remittances might not be significant for Indonesia. He based his argument from the *Migration and Remittances Factbook* (World Bank 2008) which compiled data for, among others, top remittance-receiving countries. India, China, Mexico, Philippines, and France were mentioned as the top recipient countries of recorded remittances in 2007. However, small countries such as Tajikistan, Moldova, Tonga, the Kyrgyz Republic, and Honduras were the largest recipient countries taking into account remittances as share of the gross domestic product (GDP). Ananta (2009) argued that remittance might not be significant for Indonesia since it only contributed 1.6 percent of GDP in 2006. He maintained that this contribution is much lower than that of the Philippines' which reached 13 percent of GDP in the same year.

At the district level, the magnitude of remittance is indeed very significant. In the districts where most migrants originate, remittances certainly help

the households cope with daily expenses and provide them with investment alternatives. For example, at village-level focus group discussions (FGDs), remittances were always mentioned as the element of international migration with positive impact on the family and the neighborhood. It was unanimously stated that overseas migration had enabled the family to improve their welfare, send the children to school, renovate their home, acquire a farmland, and start a small business. With remittances, migrants were able to contribute to building and renovating the nearby mosque, and to help the community financially when needed. Indirectly but ultimately, remittances help the migrants gain higher social status in the village.

To see the magnitude of remittance at the district level, we show its comparison with some social economic indicators in 2006.

Table 12 shows the ratio of remittance to gross regional domestic product (GRDP) at the district level is also much higher than the national level, which is 1.6 percent (Ananta 2009). The magnitude, however, decreased over time, particularly for Blitar and Ponorogo where the value of formal remittance slightly decreased while the GRDP and local government expenditure increased. Similarly, ratio of remittance to District Government Budget can also give us insight on the magnitude of remittance at the district level. Interestingly, Lombok Tengah was the only district with the lowest value but highest increase of remittance from 2006 to 2009. At the same time, its migrant outflow magnitude was the highest (Table 9).

Although Ponorogo experienced a drop in the value of remittances in 2009 compared with 2008, Blitar suffered even more with a continuous slump over the last three years (Table 13). Only districts in West Nusa Tenggara, particularly Lombok Barat, thrived in their worker remittances.

**Table 12. Magnitude of remittance and migrant outflow at the district level**

		Blitar	Ponorogo	Lombok Barat	Lombok Tengah
Remittance/GDRP (%)	2006	n a	n a	10.68	0.25
	2007	2.39	3.41	6.37	0.24
	2008	1.83	3.17	6.80	0.29
	2009	1.06	2.72	11.11	0.27
Remittance/Local government expenditure (%)	2006	n a	n a	74.03	1.43
	2007	27.67	27.28	46.07	1.28
	2008	28.27	29.49	58.43	2.74
	2009	12.40	22.31	82.59	1.56
Migrant outflow/1,000 people	2006	5	4	8	17
	2007	5	4	7	16
	2008	6	4	8	19
	2009	5	5	9	20

Sources: Kantor Bank Indonesia Kediri (2008, 2009, 2010); Kantor Bank Indonesia Mataram (2010); BPS (2010)

**Table 13. Remittances in Blitar, Ponorogo, Lombok Barat, and Lombok Tengah 2007–2009 (Rp million)**

	Blitar	Ponorogo	Lombok Barat	Lombok Tengah
2007	207,544.00	170,422.00	237,503.39	7,211.17
2008	184,621.00	184,075.00	289,509.81	10,250.56
2009	117,222.11	179,135.00	394,589.04	10,876.63

Source: Kantor Bank Indonesia Kediri (2008, 2009, 2010); Kantor Bank Indonesia Mataram (2010)

Contrasting facts, however, are clearly observable in comparing Table 13 and Table 9. Lombok Barat registered a spectacular amount of remittances despite lower contribution to total provincial outmigration. On the contrary, the highest worker outflow of Lombok Tengah was reflected on its remittance values. Indeed, remittance of Lombok Tengah was the lowest compared with the other three districts.

The reason behind this fact was that most workers of Lombok Tengah had completed their administrative requirements, including opening a bank account in Lombok Barat and Mataram City prior to their departure. Most probably, their home address was registered under the location of their bank account.

Otherwise, there was a middlemen factor in the pattern of remittances. Our field visit demonstrated the important role of middlemen in the emigration process.<sup>9</sup> An interview with an officer of a private recruitment agency and with a nongovernment organization (NGO) activist revealed that the workers trust the middleman so much that they even used the middleman's bank account to channel their wages to their families.<sup>10</sup> In West Nusa Tenggara, this is known as account taxi (in Indonesian "ojek rekening"). Under this system, the workers do not have to open bank accounts and therefore are free from monthly administration fees. Whenever they use the middleman's account they will be charged certain fees. Most probably, the bank account of the middlemen is located in Lombok Barat and Mataram City and therefore remittances are booked here, rather than in Lombok Tengah where most workers reside.

Moreover, based on an interview with an official in Bank Indonesia Mataram Office, we found out that the statistics of remittances in West Nusa Tenggara was only based on remittance reports from the banks.<sup>11</sup> Remittance

<sup>9</sup> The role of middlemen is more important in West Nusa Tenggara than in East Java. In East Java, the private recruitment agencies put banners in front of their office, attracting the workers to come to the office directly in order to get some money. Apparently, agencies in East Java intend to cut the use of middlemen. In West Nusa Tenggara, on the contrary, the private recruitment agencies even encourage the workers to use the service of the middlemen. In an FGD among men in West Lombok, a respondent said that he once tried to come to the office of the recruitment agency by himself. The officer of the agency, however, said that he needed to go to the middleman first before coming to the office.

<sup>10</sup> Interview with Ahmad (male, about 55 years old) on October 26, 2010; interview with Budi (male, about 30 years old) on November 3, 2010

<sup>11</sup> Interview with Bank of Indonesia officer in Mataram: Sony (male, 28 years old) on October 25, 2010

reports from Western Union located at the post office were not included. This was different from statistics in East Java where all offices of Bank Indonesia had built a partnership with the post office to incorporate their remittance reports.

With further data collection from Western Union officers, we received information that remittance transfer through Western Union has been very high.<sup>12</sup>

Table 14 compares remittance values channeled through Western Union in post offices and through banks. More importantly, Western Union data demonstrated increasing values of remittances over time from October 2009 to September 2010, while remittances sent through banks tended to decrease. This implies that overseas workers are more interested in sending their money home through nearby post offices. With this table, we recommend Bank Indonesia Mataram Office to consider integrating the reports from Western Union Post Office into its monthly remittance report.

Finally, low remittance values sent to Lombok Tengah through formal channels can also mean that workers in Lombok Tengah prefer informal channels, for example, through hand carry by friends, relatives, or neighbors when they return home. Certainly, this channel is difficult to capture in remittance reports.

### ISSUES ON MIGRANT WORKERS STATISTICS<sup>13</sup>

Governance of migration includes management of a database which depicts the reality of in- and outmigration. Regular and consistently collected data which is publicly accessible will enable research institutes and civil society organizations

**Table 14. Remittance transfer through Western Union and through banks (Rp million)**

	Remittance Reports from Western Union	Remittance Reports from Banks	
		Lombok Barat and Mataram City	Lombok Tengah
Oct-09	17,929.70	26,768.58	681.52
Nov-09	21,652.33	30,350.91	1,012.99
Dec-09	22,286.83	31,194.20	999.72
Jan-10	21,881.47	22,064.15	1,106.80
Feb-10	20,541.47	20,186.55	613.71
Mar-10	21,787.10	28,743.49	1,028.67
Apr-10	23,029.03	20,577.76	867.04
May-10	23,364.85	23,437.93	582.43
Jun-10	23,831.73	21,201.31	803.05
Jul-10	25,971.98	20,480.97	957.99
Aug-10	32,366.69	36,441.10	1,405.20
Sep-10	29,311.26	18,737.45	929.88

Source: PT Pos Indonesia Mataram (2010); Kantor Bank Indonesia Mataram (2010)

<sup>12</sup> Unfortunately, PT Pos Indonesia only keeps remittance data from Western Union for one year. Data from more than one year is automatically deleted from the system.

<sup>13</sup> See Bachtiar (2012) for the shorter version of this subchapter.

to supply policymakers with robust evidence and analyses of effective protection regulations for migrant workers. However, the absence of a timely and accurate database is not a unique experience to Indonesia since migration data is only available in a minority of developed economies (Hugo 2006), and if available, its overall process at the international level remains unreliable (Adams 2003).

Nevertheless, Indonesian emigration statistics have been particularly criticized by some scholars. Ananta and Arifin (2008), for example, pointed out that the statistics were biased toward low-skilled workers and were far from accurate. Meanwhile, Sukamdi (2008) echoed that the population census had focused more on internal mobility of people and therefore had failed to capture the issue of international migration, except for those born outside the country.

Moreover, there are several reasons why Indonesian emigration statistics are rather disorganized. On one hand, there are too many government institutions collecting migrant workers' data and therefore a simple summation would result in double counting. On the other hand, those working abroad for the second time or are employed independently, not to mention undocumented migrants, are examples of cases showing that statistics are understated.

### **Data collected by the ministries and national agencies**

In general, the Ministry of Labor and Transmigration (Kemnakertrans) and BNP2TKI are the two main institutions with the mandate to collect data on outmigration. A power struggle between the two influences the availability of outmigration statistics.

According to Law No. 39/2004 (Article 22), one of the responsibilities of PPTKIS is to collect data on migrants. Law No. 39/2004 (Articles 12 and 13) states that PPTKIS must get a permit from Kemnakertrans and renew the permit every five years upon completing the requirements. Article 14 of the law specifies that one of the requirements is to submit a report periodically to Kemnakertrans.<sup>14</sup> Hence, Kemnakertrans should be powerful enough to force every PPTKIS to release the specified data of the workers at regular intervals.

However, Kemnakertrans is not willing to exercise its power to gather data from individual PPTKIS and insurance companies.<sup>15</sup> If at all, it gets only the annual headcount of outmigration. Worse, it requires data only when cases facing workers arise.

On the other hand, BNP2TKI has become the most prepared data-collecting institution even though Law No. 39/2004 does not explicitly state

<sup>14</sup> Source of Kemnakertrans data can also be the insurance company. Kemnakertrans should be able to request individual data from the insurance company periodically because the appointment of the company is Kemnakertrans' authority.

<sup>15</sup> Interview with Annie, staff of Kemnakertrans (female, about 50 years old), on January 20, 2012.

that keeping data is BNP2TKI's responsibility. As a vertical agency, BNP2TKI has 19 provincial representatives, or the so-called BP3TKI, and 14 small district posts called Post for Placement and Protection Services of Indonesian Migrant Workers (P4TKI). BNP2TKI keeps the border statistics collected at the point of departure based on report from BP3TKI. It also gathers information at the point of entry back home, namely, Terminal 4 Selapajang Tangerang as well as the airports of major sending provinces.

With all these facilities, BNP2TKI does not update the emigration data regularly, even the most basic headcount data. Worse, the time lag of data release can reach more than one year. Meanwhile, individual data is neither analyzed nor made publicly accessible.

In addition to Kemnakertrans and BNP2TKI, other ministerial institutions that collect data are: (i) the Ministry of Transportation (Kemenhub); (ii) the Ministry of Law and Human Rights (Kemkumham); and (iii) the Ministry of Foreign Affairs (Kemlu). Kemenhub keeps data specifically on sailors and workers for commercial ships. However, it is not clear whether data from Kemenhub is accommodated in overall annual national data. Kemkumham definitely keeps the records of the workers that come from the immigration offices. Because migrant workers' passports are different from common peoples', the immigration offices are able to generate the migrants database. Kemlu is assumed to receive data from the Indonesian Embassy. Law No. 39/2004 (Article 71) instructs PPTKIS to report the arrival of the migrants to the Indonesian Embassy. The latter then holds a database of migrant workers to be submitted to the Kemlu.

Meanwhile, Indonesian Statistics (BPS) conduct village potential census (Podes) every three years. Since 2005, Podes has included a single question on the number of workers abroad. So, statistics of migrants in every village have appeared in Podes 2005, 2008, and 2011.

### **Data collected by subnational governments**

Table 15 summarizes various government institutions collecting migrant workers' data. At the provincial level, the BP3TKI is the key actor in data collection. Individual data is generated from the overseas employment ID card (KTKLN) and predeparture training (PAP). Both have been the responsibilities of the BP3TKI. The provincial Labor and Transmigration Office (Disnakertrans) also has its own statistics which come from either the report of the PPTKIS located in the province or simply a copy of the BP3TKI report. One can also gather information from immigration offices at the subnational level.<sup>16</sup> At the district level, the

<sup>16</sup> The subnational level of the immigration office does not necessarily correspond with that of the administration level. Thus, an immigration office might have one or more immigration office(s).

**Table 15. Institutions collecting data of migrant workers**

Level of Authority	Agency in Charge	Source of Data
Destination country	Indonesian Embassy	Report of PPTKIS, Report of migrants
National level	Kemnakertrans	Report of PPTKIS, Report of insurance company
	BNP2TKI	Report from BP3TKI
	Kemhub	Report of sailors/workers in commercial ships
	Kemkumham	Report from immigration offices at the provincial level
Provincial level	Kemlu	Indonesian Embassy
	BPS	village potential census (Podes)
	BP3TKI	Report of PAP, KTKLN
District level	Provincial Disnakertrans	Report of PPTKIS, report of BP3TKI
	Immigration office	Migrant workers' passports
District level	District Disnakertrans	Passport recommendation, report of PPTKIS, report of BP3TKI

Disnakertrans keeps its own record, which is generated from workers asking for a passport recommendation. Under Law No. 39/2004 (Article 51, Illumination f), the immigration office can only issue passports for migrants upon submission of the recommendation from Disnakertrans at the district level.<sup>17</sup>

### Quality of data

The quality of data is inherently problematic. Too many institutions are collecting data, and each set is partial, incomplete, and probably overlaps. This has raised the issue of data harmonization. For example, the outflow figure at the provincial level is simply added up to get the national record while workers might be registered not only in the original province but also at the transit area, i.e., at the location of the PPTKIS. At the same time, the figure only reflects the national record and has little to do with the provincial one.

One example is Jakarta, in which majority of the PPTKIS are located, appears to be the highest contributor of workers.<sup>18</sup> Nunukan of East Kalimantan province and Tanjung Pinang of Kepulauan Riau are among the biggest placement units for workers heading to Malaysia. But this does not mean that the overseas workers come from these provinces. The reality is workers come from one province but leave the country from another province, and their statistics are counted from the embarkation point. In this case, calculation based on province might not reflect the real condition of workers' provincial origin.

<sup>17</sup> This requirement is interpreted differently by the immigration office. Interview with the official from the immigration office of Madiun Region (Rudi, male, 50 years old, on June 29, 2010) revealed that the recommendation can come from the district Disnakertrans where the PPTKIS is located and not necessarily from the district Disnakertrans where the migrant is domiciled.

<sup>18</sup> According to the informant from PPTKIS association, about 90 percent of workers that PPTKIS sends to the Middle East are located in Jakarta (male, about 50 years old, December 15, 2009).

This phenomenon also takes place at the provincial level when calculation is disaggregated based on district outflow. It appears that the provincial capital, such as Kupang District and Lombok Barat District, also has a much higher number of migrants than the rest of the districts simply because these are where PPTKIS or branch of PPTKIS is located. Thus, workers come from one district but are registered in another district.<sup>19</sup>

If the workers are counted in the embarkation point, such as Jakarta, Nunukan, and Tanjung Pinang (across province) or in the capital city of the province (across districts within one province) while at the same time they are also counted in their origin districts, we could expect a double-counting statistics to take place. This could be serious if it involves major destination countries such as Saudi Arabia and Malaysia. To avoid double counting, the solution is to have the village-level data. This is provided by the Statistics Indonesia. Podes data, which includes overseas workers, is started in 2005, and every three years afterwards included a single question on the number of workers abroad. Podes data is generated from the interview with the village head. By and large, it relies on the memory of the village leader rather than on hard evidence. Although the question is about the stock of emigrants, the village head might confuse it with the flow. This helps clarify why, in the total stock of migrant workers, the number reached only 1,117,816 in 2005 and 1,362,363 in 2008. In comparison, the estimate of Kemnakertrans amounted to six million (Hugo 2009), and that of the Bank Indonesia, 4.0 million. To overcome this, Podes should, if possible, include both the questions of stock and flow of overseas workers.

Since Podes can only produce records every three years, we suggest that Statistics Indonesia also collect basic statistics on migrant workers. The National Labor Survey (Sakernas) conducted quarterly should include some questions relevant to working abroad, and this would not be difficult. This way, Sakernas integrates overseas labor market statistics with the domestic one. Statistics Indonesia must also conduct analyses and release information to the public. The benefits are threefolds: (i) the data is timely and publicly available; (ii) estimate can be made at least for provinces and the national level; and (iii) estimate includes the contract workers leaving for the second and third times, irregular/undocumented workers, as well as professional workers that are not captured by the present statistics.

Ultimately, statistics are not the goal but the means and tools for better management of international migration. Improvement of overseas workers' governance encompasses many aspects, one of which is improvement of the

<sup>19</sup> At the provincial level, there is also discrepancy between statistics made by BP3TKI and Disnakertrans. The first bases its statistics on number of workers with KTKLN and the latter on number of workers asking for Disnakertrans recommendation for passport application.



statistics. Limitations of emigration statistics and access to them have imposed a major constraint in research efforts.

### **CONCLUSION AND RECOMMENDATION**

We observed the more complex phenomena of international migration. The most tangible one is deployment volatility as a consequence of government policy and economic shock both at the origin as well as the destination countries. Volatility makes it more difficult to understand trends over a longer period. Complexity is intensified by the fact that volatility could simply be a matter of recording system. This is a serious issue since governance of migration includes the management of a database that should be regular and consistently collected and be made publicly accessible. Although data has been collected by various government institutions, efforts to integrate them are still lacking.

Other phenomena such as changing destination and expanding destination countries bring with them the need for a higher level of government responsibilities in protecting the overseas workers. Again, the planning and budgeting for proper protection will only be possible if data is available. Hence, a strong call for improvement in the recording system is needed.

As there have been many cases facing domestic workers lately, the government enforced moratorium which intensified the volatility of deployment. Indeed, moratorium has characterized the international migration in Indonesia in the last four years particularly because domestic workers make up a lion's share of overseas workers' dispatch.

At the subnational level, the migrants in East Java and West Nusa Tenggara were affected differently by the financial crisis and moratorium due to different occupational structure. From the remittance point of view, the sending districts receive more significant value of remittances compared to GRDP and Local Government Budget, which implies considerable potential of remittance for local development. Therefore, local governments in sending areas need to work more closely in facilitating and protecting the workers so that working overseas is truly beneficial to the workers, their family, and the society.

Finally, taking into account significant scale of undocumented/irregular migrant workers, we recommend that the Statistics Indonesia conduct a nationally representative household survey covering relevant information on emigration, including workers' profile such as gender, age, address, profession, education, wage, and destination country. The survey should incorporate workers that are preparing to depart, working, and have finished their work contract.

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## APPENDIX

## List of host countries based on BNP2TKI statistics of returned migrants (2008–2011)

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Albania	Hungary	Puerto Rico
Algeria	Iceland	Qatar
American Samoa	India	Russia
Angola	Iran	Rwanda
Aruba	Iraq	Samoa
Australia	Ireland	San Marino
Austria	Israel	Saudi Arabia
Azerbaijan	Italy	Serbia and Montenegro
Bahamas	Jamaica	Seychelles
Bahrain	Japan	Sierra Leone
Brazil	Jordan	Singapore
Bangladesh	Kazakhstan	Slovakia
British Indian Ocean Territory	Kiribati	Solomon Islands
Brunei Darussalam	Kenya	South Africa
Cambodia	Korea	Spain
Canada	Korea Selatan	Sri Lanka
Central African Republic	Kuwait	Sudan
Chile	Lebanon	Suriname
China	Liberia	Swaziland
Congo	Libya	Switzerland
Croatia (Hrvatska)	Luxembourg	Syria
Cyprus	Macao SAR	Taiwan
Czech Republic	Madagascar	Tajikistan
Denmark	Malawi	Thailand
East Timor	Malaysia	Trinidad and Tobago
Ecuador	Maldives	Tunisia
Egypt	Malta	Turkey
Eritrea	Mali	Uganda
Ethiopia	Mauritius	Ukraine
Estonia	Mauritania	United Arab Emirates
Fiji Islands	Mayotte	United Kingdom
France	Mexico	United States
Gambia	Moldova	United States Minor Outlying Islands
Germany	Morocco	Uruguay
Greece	Nigeria	Uzbekistan
Heard Island and McDonald Islands	Oman	Viet Nam
Haiti	Pakistan	Yemen
Honduras	Philippines	Zambia
Hong Kong	Portugal	Zimbabwe

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Source: BNP2TKI (2011)