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PEACE AND ORDER**

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# *ASIAN REVIEW*

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## *OF PUBLIC*

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### *ADMINISTRATION*

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## Editors' Notes

The omnipresence of public administration and governance has always been recognized. Whether one is involved in implementing government programs on public health administration or formulating public policies for good environmental management or doing a study on reforms in the agrarian and agricultural sector, public administration and governance concerns are present. Health service delivery is public administration. Regulating trade and industry is public administration. Policymaking for economic liberalization, tourism development, and even traffic enforcement – all can be considered to be in the field of public administration.

It is within this context that the Eastern Regional Organization for Public Administration (EROPA) adopted specific issues and sectoral concerns for the Seminar held in October 2008 in Manila, Philippines. The seminar theme was "Governance in a Triptych: Environment, Migration, Peace and Order." It provided a venue for academic scholars, government practitioners and policymakers, and other stakeholders for the discussion of strategies, policies, processes, and best practices which concern environmental governance, migration and development, and peace and order management. It examined the operationalization of public administration relative to the three identified sectors. The three subthemes (environment, migration and peace and order) chosen were among the major concerns of many countries, including the EROPA state members.

The 2008 issue of the *Asian Review of Public Administration* (ARPA) is a collection of selected articles drawn from the said seminar.

Masao Kikuchi and Akira Nakamura's paper on "Education, Agenda Setting, and Enforcement: Leading Roles of Local Government in Environmental Governance in Japan" highlights the significant roles of local governments in Japan as ideal policymakers and coordinators in Japan environmental governance. The paper discusses that Japanese environmental policies were actually initiated by the local governments until a national environmental policy was adopted.

Tim Chatterton, et al. share the role of integration in environmental governance in their article "The Need for Integration in Environmental Governance: Reflections Based on Integration Experience in South Africa." The article enumerates the role of the key players in governance, underscoring the special role of academia in terms of knowledge exchange, training and capacity development, and research, among others.

Joy Cababasay-Lizada's article titled "Environmental Governance: The Case of Apo Island, Dauin, Negros Oriental" discusses the role of various stakeholders in the protection and conservation of the Apo Island, a protected area under Philippine laws. The article also shares the different programs and strategies adopted for the governance of the protected area, as well as the challenges encountered in the process.

The paper "Towards an Effective ASEAN Environmental Governance for Sustainable Development?" authored by Kheng-Lian Koh showcases the "ASEAN way of Environmental Governance." The paper cites cases where ASEAN Environmental Governance is observable, such as the Indonesian Haze, ASEAN Heritage Parks, ASEAN

Statement on the Convention on International Trade in Endangered Species (CITES), and the ASEAN Wildlife Law Enforcement Network (ASEAN-WEN), among others.

Through the paper "Birthing an ASEAN Nuclear Energy Safety Regime: Energy, Environmental and Governance Drivers," Francisco Delfin, Jr. explores the possibility of establishing a regional nuclear energy safety (NES) mechanism to govern the emerging nuclear industry in ASEAN member states. The paper notes that factors related to energy, environment and multilateral governance may result in the creation of the proposed regime. Nonetheless, the paper acknowledges that this proposal may face challenges of national security concerns and regional technical capacity.

Grace Gorospe-Jamon, Eleazar Ricote, and Wilhelmina Cabo's research on "The Governance of Local Sustainable Development in the Philippines: The Role of the Association of Schools of Public Administration in the Philippines (ASPAP)" discusses the various Philippine policies on sustainable development and institutional frameworks such as decentralization and governance frameworks. The paper particularly stresses the role of the ASPAP in achieving sustainable development with reference to the academe as a governance actor.

Vella Atienza's paper on "Breakthroughs in Solid Waste Management: Lessons from Selected Municipality and Barangay in the Philippines" argues that environmental governance is critical for a successful solid waste management system. The author further points out that strong political will, community participation, and the application of low-cost but appropriate technology are key factors to success in solid waste management. To support these arguments, the author presents the successful cases of solid waste management in Los Baños, Laguna and Barangay (village) Bagumbuhay in Quezon City.

"Indonesian Migrant Workers: Analysis of Trends, Issues, Policies and Proposed Solutions" by Prijono Tjiptoherijanto and Sonny Harry Harmadi shares the reasons and costs of Indonesian migration, as well as the trends of such phenomenon, and the policies that are being implemented by the Indonesian government in view of these trends, issues and problems. In dealing with these concerns, the authors recommend that the Indonesian government should have dynamic, credible and enforceable policies and the role of host-sending country cooperation is important in the process.

Susan Martin's "Labor Migration to the United States: Opportunities" discusses information on the trends of migration to the United States (US), and the policy issues encountered in migration management. She also claims that unauthorized migration remains to be a major problem and efforts to curb it have generally failed. The paper recommends that migration policies should be flexible, should have reasonable requirements on employers and workers, should have administrative systems that are efficient, and policies that are transparent.

"Japan's Experiences with Japanese Brazilians" by Akio Kamiko provides information on the current experiences of Japan as a receiving country of immigrants, particularly in dealing with Brazilians. The author cites that there are cities and municipalities in Japan where Japanese Brazilians are significant in number. The paper shows that this situation

has brought concerns to the local governments in terms of providing health insurance, education and integration of foreigners to Japanese society. The author lauds the efforts of the Japanese local governments to address these important issues.

Numeriano Escalante and his team's paper titled "Effects of Labor Migration on the Health of Children Left Behind" presents the results of a research that aimed to determine the health impacts of labor migration on children in Cagayan de Oro City, Philippines. The research indicates that most of the families with out-migrants have a clear budget and provision for health needs of their children, although they have a higher tendency not to consult a professional health practitioner.

Edna Estifania Co and Dan Saguil's entree on "Citizen's Narrative on Peace Governance in the Philippines" summarizes that militarist tactic against insurgency is bound to fail because war poses negative effects on civilians who are affected by the conflict. The authors present ideas on the role of the citizens in the efforts to achieve peaceful communities. It further argues that the role of the citizens is central to rebuilding communities, restoring normal lives, and building peace by overcoming cultural biases and differences. The paper emphasizes that militarization is not the only way to achieve peace, but the role of citizens is also important.

The paper "Singapore's War on Drugs: Drawing Lessons from Success" by Jon S.T. Quah recounts the various initiatives of the Singaporean government that resulted in the success of the country's war on drugs. The paper cites mechanisms of the government such as an integrated strategy, the adoption of national policies, and creation of anti-drug agencies. It also shares the different factors that resulted in their success as lessons for other countries.

Ma. Belen Matibag discusses how the Philippine government addresses problems on the use of prohibited drugs in her paper "Philippine Anti-Drug Measures: Innovating and Sustaining an Advocacy." She presents the current drug situation in the country and the different approaches the government is doing to curb drug use. The paper also notes that government actions concerning this issue are in line with the principles of good governance.

Kasemsarn Chotchakornpant's paper on "Implementing Home Police Volunteers Strategy in Thailand" shows a way of promoting civil society involvement through the Home Police Volunteers Strategy. The paper includes the discussion of processes involved in the program, including the selection, training, and appointment of home police volunteers. It also discusses the administrative and organizational arrangements and requirements in the implementation of the program, and presents recommendations on how to improve the program.

Ahmadreza Ashrafologhalaei's treatise "Home Sweet Home, But: Merits and Demerits of Migration – A Case Study of the I. R. of Iran" defines that capital flight (such as change in economic conditions within the country, confidence on the country) and brain drain are two migration outcomes in the I. R. of Iran. The paper also outlines various factors that push Iranians to migrate from Iran and the pull factors they see in the country of

destination. The writer presents a different view of "brain drain" as he argues that "brain drain" is not always negative, and reducing it may not be the best answer. The paper suggests that "brain recirculation" instead of "brain drain" may be appropriate in the Islamic Republic of Iran.



## **Indonesian Migrant Workers: Analysis of Trends, Issues, Policies, and Proposed Solutions**

PRIJONO TJIPTOHERIJANTO

and SONNY HARRY B. HARMADI, The University of Indonesia

### **Introduction**

THE PHENOMENON OF the growing flow of people (migration) and capital between countries in the last several years is a concrete form of the globalization impact. International migration is often regarded by the receiving country as having an adverse impact on the local labor market. As for the country of origin, migrant workers are believed to bring much benefit and relief from the burden of domestic unemployment. Theoretically, the opinions of both parties are not completely accurate since international migration provide various positive implications. In rational terms, human resources mobility will improve the welfare of both sending and receiving country.

The main reason for a worker to migrate for work purposes is the higher probability that the destination will provide opportunities for landing jobs that offer shigher income than their country of origin. Aside from that, there might be more job choices at the destination than in the origin. Rational migrant workers naturally realize that the cost of mobility is indeed high, added to which are various social costs faced in the new circumstances. Therefore, a worker will decide to migrate to another country knowing that the benefits obtained will be greater than the costs. Whether or not the decision made by the migrant worker is right depends on the information received. Various problems faced by Indonesian migrant workers are often caused by asymmetric information obtained by them.

The choice of Malaysia and Saudi Arabia by the Indonesian migrant workers as principal country of destination is based on the presence of chain migration. Generally, Indonesian migrant workers are supplied to overseas destinations through labor service agents, whether legal or not. Not all Indonesian migrant workers agents work in a professional manner, so that there are many cases in which workers are disadvantaged due to the agents' measures. Monitoring of the Indonesian migrant workers agents' behaviors is as yet inadequate. The reason why there are illegal Indonesian migrant workers is not only attributable to Indonesia as the sending country but also because of the presence of illegal employers in receiving countries. Several analysts consider that the Government of Indonesia lacks an adequate system of supervision of labor service agents supplying labor to various countries. Furthermore, they also believe that the governments of receiving countries have failed to protect Indonesian workers.

Various problems of Indonesian migrant workers that arise in receiving countries are indeed complex. Employment opportunities in Indonesia are considered quite limited, so that many unskilled laborers fail to obtain jobs. This is exacerbated by the fact that

more than 50 per cent of the labor force in Indonesia completed only primary education or less. On one hand, Indonesia possesses abundant unskilled workers, while on the other, destination countries of Indonesian migrant workers experience shortage of supply.

Indonesian regulations clearly state that Indonesian migrant workers must be legal, sent through legal labor service agencies that assist in securing passports, visas, health certificates and other documents needed. Indonesian migrant workers are also required to pay insurance, possess skills, and have the language ability for use in the destination country. There are over 400 licensed labor service agents operating in Indonesia, and countless illegal labor service agents. The licensed agents are estimated to generate US\$2 billion in annual income (or US\$5 million per agent) by charging a fee of US\$1500 for each migrant worker, plus other costs. The large profits have promoted the emergence of many illegal labor service agents in Indonesia. By operating illegally, agents can keep down their charges and increase their profits. Aside from that, the bargaining position of workers becomes weak and control over the Indonesian migrant workers is fully in hands of the agent.

### **Trend of Indonesian Migrant Workers**

In 2007, 696,746 Indonesian workers travelled abroad to work as migrant workers, with female workers outnumbering their male counterparts. This number has fluctuated over the years due to internal and external factors such as economic crisis in Indonesia and specific regulations in host countries.

Strong economic performance prior to 1997 had contributed to the decreasing number of Indonesian migrant workers. Fueled by high investments, Indonesia had succeeded in reaching an average annual Gross Domestic Product (GDP) growth rate of 8 per cent from 1989-1996. At that time, Indonesia was experiencing high job creations, which led to high employment absorption. This meant that jobs were provided for the labor force, which reduced the number of migrant workers. Afterwards, the economic shock through the financial crisis decreased the average growth rate of GDP to the level of 2.3 per cent from 1997-1999 and increased the number of poor from 34.5 million in 1996 to 49.5 million in 1998. This had an effect on the increasing number of migrant workers. Theoretically, poverty is able to contribute to the rising level of the labor force participation rate because of the entrance of women into the labor force. The tendency shows that during the economic crisis, many female workers tried to stay in the labor force to support their families and make ends meet. As the economic conditions improved in the following years, these transient workers moved back to non-participation (Harmadi, et.al., 2008). This also supports the claim that female workers, in general, are considered as playing only a secondary and supporting role in the labor market.

The Statistics Bureau revealed that the 90.1 million labor force in 1996 rose to 92.7 million in 1998 (Statistics Bureau, 1998). Lack of new job markets on one hand, and the increase in labor force on the other, was the rationale for the increase of the unemployment rate during the economic crisis, which rose from 4.4 million in 1996 to 5.1 million in 1998. The inability to provide jobs for these labor forces had pushed the unemployed worker

to look for jobs abroad. From 1997-2000, the total number of Indonesian migrant workers increased.

The main countries of destination for Indonesian migrant workers are Saudi Arabia and Malaysia. Approximately 73.3 per cent of Indonesian migrant workers went to these destinations, while only 26.7 per cent worked in others (Ministry of Manpower and Transmigration, 2007). The large number of Indonesian migrant workers in Saudi Arabia and Malaysia had a direct impact on regulations for migrant workers in both countries.

In 2002, for instance, when Malaysia executed the new regulation to restrict (freeze) the entrance of Indonesian migrant workers, a significant decrease in Indonesian migrant workers were directly experienced. Driving forces of this regulation were the rise in social and criminal problems in Malaysia, which were claimed to be committed by Indonesian migrant workers. From 2002-2003, there was a significant decrease in the number of Indonesian migrant workers. Fortunately, this reduction was not for long. In 2003 and thereafter, the number of Indonesian migrant workers rose again.

Malaysia needs foreign unskilled workers because there is a lack of labor supply for this category of labor. While most of the unskilled workers in Malaysia were from Indonesia, restrictive regulations by the Malaysian Government delayed many construction projects and increased prices in the construction sector. This condition forced the Malaysian government to lift all restrictions, which made it possible for Indonesian migrant workers to re-enter Malaysia's labor market. This experience indicated that there was an interdependency between Indonesia and Malaysia in terms of migrant workers: that while Indonesia needs Malaysia as a solution to its unemployment problems, Malaysia also needs Indonesia as an extremely important source for unskilled workers. Since 2003, the number of Indonesian migrant workers has increased yet again.

Indonesian male workers are found mainly in the formal sector while females are mostly in the informal sector. This is not surprising since the majority of Indonesian women workers (about 90 per cent of them) work as domestic helpers, and the rest are in the agricultural and industrial sector as daily laborers, caregivers, shop assistants, and waitresses (World Bank, 2006). This distribution also reflects the country level data.

### **Indonesian Migrant Workers Problem**

#### *General Overview*

Most of Indonesian migrant workers face the problem of mistreatment in the host countries. They have been physically and sexually abused by their employers. Indonesian migrant workers employed in plantations and in the construction industry had to stay in very poor dwellings and many female workers were forced to become prostitutes by their sponsors. The illegal migrant workers tend to be even more vulnerable since they can be easily threatened by both employers and authorities. Indonesian migrant workers continue to struggle to protect their labor rights because domestic labor regulations do not seem to be in their favor.

The most dominant problems in the Middle East, Africa and Europe are loss of contact and unpaid wages. Unilateral retirement and death are the most dominant migrant worker problems in Asia and America (see Table 1). For only a four-month period, there were at least 46 cases of death, 102 cases of unpaid workers, and 108 cases of losing contact. These numbers are more than the data issued by KOPBUMI & SBMI in 2005 which indicated that there were at least 19 cases of death, 101 cases of torture with rape, and 117 cases of losing contact. This shows that the problem of migrant workers is getting worse nowadays. Meanwhile, there are 4,100 cases of deportation, trafficking, unpaid wages, and long working hours. In many cases, a solitary existence of migrant workers is the handicap to establishing regular contact between the workers and their family or relatives.

**Table 1. Migrant Worker's Problems by Type and Destination (January-April 2008)**

<i>Problem</i>	<i>Middle East, Africa, and Europe</i>	<i>Asia and America</i>	<i>Total</i>
Unpaid Wages	93	9	102
Torture	15	2	17
Sexual Harassment	6	1	7
Death of Employer	3	0	3
Inappropriate Job	5	0	5
Trouble Agent	1	0	1
Lost contact	94	14	108
Incomplete Documents	0	0	0
Unilateral Retirement	15	52	67
working accident	0	3	3
Sickness by accident	4	0	4
Ordinary Sickness	5	6	11
Death	22	24	46
Criminal	2	8	10
Failed departure	6	6	12

Source: BNP2TKI

In the Middle East, Malaysia, and East Asia, cases of Indonesian migrant workers involve torture, death, losing contact, confinement, unpaid wages, long working hours, the prohibition of communicating with their families, forced prostitution, imprisonment without following the law, and unwanted pregnancy because they are raped by their employer or other family members of their employer. There were high incidents of torture cases in Malaysia and Saudi Arabia: 38 per cent and 39 per cent, respectively. This is an indication that legal tools that guarantee the protection of Indonesian migrant workers are still very weak in Malaysia and Saudi Arabia.

*Pre-Departure Problems*

The sources of Indonesian migrant workers' problems are not only the employers and policy makers but the recruitment procedure as well. It consists of poor treatment before departure and upon arrival at the destination country. Problems begin with the recruitment process. Brokers cheat their victims by luring them with prospects of earning a lot of money, having a good job, and offering assistance in the recruitment process. The employment agency usually does not inform the applicant about the clauses and working conditions. Agencies completely control all processes such as visa and passport application, training, transit, and worker placement, and both governments in the origin and host countries are unable to adequately monitor these processes. This makes each step in the recruitment process open to abuse.

Several Indonesian migrant workers interviewed by the authors revealed that their choice of taking the illegal channel was due to the length of time it took to arrange their documents officially. Apart from that, many illegal charges by government civil servants discourage future Indonesian migrant workers from taking legal channels. For this reason, the government of Indonesia needs to reorganize the bureaucracy for the administration of permits and any documents for migrant workers. Firm actions are required against officers obstructing migrant workers permit and document administration process.

More than 400 migrant workers possess only a domestic license and most are illegal workers while labor regulation require migrant workers to be legal. A legal placement agency assists workers in getting their passport and other travel documents, an official statement of their health condition (medical insurance and health check up), insurance payment, etc. Malaysia requires every migrant worker to pass the pregnancy test, HIV/AIDS tests, and other tests for infected diseases such as tuberculosis and malaria.

Migrant workers have two alternatives in paying for the medical test. In most cases, migrant workers have to pay the registration cost although in some cases the employers may help pay the initial cost of registration. The registration fee may also be advanced by the employers then later deducted on a monthly basis from the employee's wages. However, employers and labor agencies repeat these medical tests after workers arrive in the destination country because they lack confidence in the medical test done in Indonesia.

Another problem involves the limited information on regulations and assistances provided to the worker. Workers are not informed how to find assistance if they are in trouble. They are simply told to obey their employers, to work hard, and perform their other obligations. They have no sufficient information on duration of working hours, wages, and work load. Counterfeiting documents is often resorted to for child workers. For example, in Malaysia, the age for workers should be 25 to 45 years. Counterfeit documents make it difficult to identify the workers' personal data properly.

Discrimination in choosing workers is another problem. Agencies choose their worker not only based on their skill but also other factors which are not related to the job. They treat them like a trade commodity. Migrant workers are often mistreated, sexually harassed, exploited, and isolated. Many of them do not get their wages during the probation period

in Indonesia. High cost, inefficiency, ineffective regulation and law enforcement, and complex legal processes lead to corruption and other illegal practices.

### *The Problems in Host Countries*

Besides problems in the country of origin, migrant workers face many problems in the host country as well. The working hours of migrant workers usually are more than 16 hours per day and they are not allowed to have prayer time and enjoy holidays. They are not aware of news and world events. Moreover, many of them never get their wage until they go home to Indonesia. In addition, physical violence, including sexual harassment and rape often occur.

Indonesian migrant workers are likewise not fully integrated with the local people. However, this does not in any way deter them from participating in local community work or joining prayers with locals in local temples, mosques, and churches. Migrant workers are known to have been excluded from the scope of regulations covering working conditions, have been denied the right to take part in trade-union activities, and experience inequalities in pay and grading for identical jobs. They are subject to unsatisfactory living conditions, receive low wages, pay high rental rates, compete for housing that can accommodate the size of their families, and face local prejudice.

The undocumented foreign workers in large numbers have a profound effect on local wage rates and terms of employment for documented migrants. The undocumented migrant workers are often forced to work more for less and often without basic facilities such as housing, medical care, overtime payment and so forth. Most of them serve the construction and estate sector.

Meanwhile, when the "remittance heroes" return to Indonesia, migrant workers cause new problems for the government. Migrant workers experience extortion, deceit, negligence, and physical violence when transiting in Jakarta Airport. Besides that, the non-availability of jobs at home places them in the unemployed category and thus are a burden to the local government.

### **Government Regulation for Indonesian Migrant Workers**

What has the Indonesian government been doing? In 1984, there was a bilateral agreement between Indonesia and Malaysia (Medan Agreement). It provided that the increasing number of Indonesian migrant workers must be accepted. This process went through the Ministry of Home Affairs, Ministry of Manpower, and Malaysian Bureau of Immigration. However, this legal mechanism did not receive positive responses from both the employers and workers. The complexity of the bureaucracy causes inefficient and ineffective processes.

In May 2005, the Ministry of Labor and Transmigration of Indonesia issued a policy that prohibited the family of Indonesian migrant workers from fetching migrant workers at

the airport upon their return to avoid and control forms of violence that might occur in Terminal 3. To respond to problems in monitoring and supervising migrant workers, the Indonesian government established the National Agency for the Placement and Protection of Overseas Labor (BNP2TKI), which deals with migrant worker issues. BNP2TKI places migrant workers based on the agreement between the governments of the sending and receiving countries. This agency gives assistance, coordinates, supervises, and provides solution to problems, such as funding, improving migrant workers' quality, information sharing, quality of their placement, and improving welfare of migrant workers and their family.

### Remittances from Indonesian Migrant Workers

One reason that motivates migrant workers to work abroad is the inability of the Indonesian labor market to provide suitable jobs and attractive income (World Bank, 2006). Job opportunities overseas offer the jobs they need and better income. This makes it possible for them not only to meet their own needs but the needs of their families in Indonesia as well. Although remitting funds does not occur in regular frequency, World Bank notes that the amount of money transfers—also called remittance—was not trivial and tends to increase from year to year. BNP2TKI also shows the same trend.

Until 2004, the amount of remittance was less than US\$2 billion. By 2005, this amount rose to the level of US\$2.93 billion, became US\$3.42 billion in 2006, and reached the level of US\$6.84 billion in 2007. Most of this total remittance was traced to East Java, approximately 62 per cent, followed by 15 per cent in Jakarta and 11 per cent in Central Java.

At the national level, the average contribution of remittances to the Indonesian GDP is 11 per cent (Sihombing and Safaruddin, 2006). This amount is quite small when compared with the regional context. The inflow of remittances in West Nusa Tenggara, one of the Indonesian provinces that exports migrant workers, was greater than its total local income. While the provincial government budget in 2003 was only US\$139.75 billion in West Nusa Tenggara, remittance inflow from January-June 2003 was almost two-fold, reaching the value of US\$218.75 billion.

Malaysia was the biggest source of remittances, followed by Saudi Arabia, US\$546 million and US\$369 million, respectively. This figure is based on World Bank estimates calculated from migrant stock, host countries income, and origin country incomes. This is no surprise because most of Indonesian migrant workers are in these countries.

Actually, these amounts of remittances are underestimated since only the transactions through banks and postal offices can be recorded. It does not include money sent through third persons such as those specializing in the service of remitting money and friends returning to Indonesia (World Bank, 2006). The choice of using informal channels to remit their money is because of the cost of opening and maintaining a bank account and the limited coverage of Indonesian postal service—POs Indonesia has only 50 branch offices that are able to disburse remittances quickly (World Bank, 2008).

### *Contribution of Remittance to the Economy of Indonesia*

Indonesian migrant workers are often referred to as 'Heroes of Reserve.' Migrant workers contributed to Indonesian reserves to US\$537 million in 2001 and US\$ 2.198 billion in 2002. This amount decreased in 2003, when Malaysia executed new regulations to restrict (freeze) the entrance of Indonesian migrant workers. Since then, the contribution increased again, therefore, reserves rose from US\$75 million in 2003 to US\$14 billion in 2007. It is optimistically predicted that in 2009, the reserve from migrant workers will reach US\$20.75 billion (Surya Online, 2007).

The reserve from Indonesian migrant workers and exports, had important roles in putting the Indonesian Balance of Payments for the first quarter of 2008 in a surplus state. This is an indication that these external factors (migrant workers and exports) are important sources for strengthening the performance of the Indonesian economy.

### *Cost of Migration*

Migrant workers bear significant costs such as administration fees, placement fees, pre-departure accommodation and living cost, and transportation (World Bank, 2008). This cost varies across countries. Placement fees, for instance, are Rp.18.000.000 for Hong Kong, Rp.24.000.000 for Taiwan, and Rp.500.000 for Malaysia, Saudi Arabia, and other Middle East Countries. Such big costs often force migrant workers to take loans mostly from informal loan providers because of their limited access to the formal financial sector.

### **Proposed Solutions**

Bilateral agreements that effectively protect the rights of migrant workers are difficult to obtain because of the unequal power relations between the sending and receiving countries. Facilitation of collective bargaining processes between sending and receiving countries could contribute to the development of a bilateral agreement model that would be mutually acceptable. This requires coherent, comprehensive, consistent, transparent, effective, credible and enforceable policies to effectively manage migrant workers. This requires a sound legal foundation based on national and international laws.

As sending country of migrant workers, Indonesia must attend to the following:

- National Policies must be adaptable, dynamic, flexible, credible, and enforceable based on national and international law.
- Labor service agencies should train their nominee migrant workers with adequate skill, comprehension of the labor act, and worker regulation so that they may not only be able to have a better working environment and benefits but also be better trained and skilled when they eventually return home.
- Government should prepare enough jobs.



- The government should promote policies that maximize the contribution of Indonesian migrant workers to development.
- It must ratify the International Convention on the Protection of the Rights of All Migrant Workers and the Members of their Families.
- It must establish a system and mechanism for the recruitment and placement of workers that will guarantee their protection and the welfare of the members of their families.

Host or receiving countries must provide the following:

- They must empower migrant workers through the formation of community-based organizations such as labor unions so that their voices may be clearly heard and taken account in policy setting.
- The host country government should impose punishment not only on illegal migrant workers but also on employers. Demand creates its own supply, does not it?
- One solution to deal with the problem of undocumented migrant workers is legalization. This solution was chosen by the Korean government. By legalizing its problematic migrant workers without sending them home, Korea saved itself from the scarcity of labor upon which its industrial policy depends, and at the same time systematically eliminated the illegal recruitment of migrant workers.
- It is necessary to formulate a Memorandum of Understanding (MoU) on the placement of Indonesian migrant workers between Indonesia as the sending country and the receiving countries that hire Indonesian migrant workers to guarantee the protection of migrant workers and the members of their families.
- Criminal migrant workers should be treated individually without connecting them with other Indonesian migrant workers.

#### *International Cooperation*

Despite the efforts of the Indonesian government to protect migrant workers, numerous problems in destination countries still continue. Because of this, there should be a comprehensive set of instruments for legal recognition and protection of migrant workers that includes employment contracts, bilateral agreements, national laws and regulations in both the origin and host countries, and international human rights conventions and treaties. There are international instruments that oblige the state to protect migrant workers from abuse during recruitment and those that provide guidance with respect to legal standards.

### Concluding Remarks

Although the number of Indonesian migrant workers working overseas is less than one per cent of the Indonesian labor force, their contribution to the economy is rather considerable. This reduces the unemployment burden that currently reached ten per cent. Indonesian government attention to migrant workers problems has currently improved with establishment of the BNP2TKI. Nevertheless, the presence of the BNP2TKI alone is not sufficient since monitoring and law enforcement need to be performed consistently and firmly toward labor service agents.

The phenomenon of increasing flow of workers abroad could not be prevented as an impact of globalization. Indonesia still experiences abundant supply of unskilled labor, and these have not been absorbed by the local labor market. Several recommended solutions of general nature are proposed in this paper. Considering the significant role that migrant workers play to improve the Indonesian economy, their rights should be sufficiently protected and the Indonesian government should implement measures to address various problems they encounter.

The Indonesian migrant workers encounter problems starting from the recruitment process by labor service agents, during training, preparation for placement, document arrangement, departure, workplace abuse, to their return home. These problems are not likely to occur if the prospective Indonesian migrant workers obtain adequate knowledge and information regarding their rights before recruitment. Additionally, future Indonesian migrant workers also need to know the method of document arrangement and characteristics of legal labor service agents. Thus, there should be continuous dissemination for future Indonesian migrant workers. In addition, advocacy needs to be promoted to advise applicants on the risks to be faced if the future Indonesian migrant workers fail to follow the procedures in effect.

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