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PROTECTION OF MIGRANT WORKERS



**Review of Policy-Oriented Research on the Protection of
Indonesian Overseas Migrant Workers**

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GLOSSARY

TKI	<i>Tenaga Kerja Indonesia</i> (Indonesian Migrant Workers)—every Indonesian citizen eligible to work abroad in the employment relationship for a given period of time with pay; Prospective TKI required to be registered in the local government agencies / municipalities are responsible for workers. (Law No. 39/2004 regarding Indonesian Migrant Workers/TKI)
BNP2TKI	<i>Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia</i> (The National Agency for the Placement and Protection of Indonesian Migrant Workers)
PPTKIS	<i>Pelaksana Penempatan Tenaga Kerja Indonesia Swasta</i> (Private Indonesian Manpower Supplier Company)
SIP	<i>Surat Izin Pengerahan</i> (recruitment licence)
KTKLN	<i>Kartu tenaga Kerja luar negeri</i> (worker identity card)
POEA	<i>Philippine Overseas Employment Administration</i>
IFLS	Indonesia Family Life Survey (or SKKI – <i>Survei Kehidupan Keluarga Indonesia</i>)
Information asymmetries	Refers to situations, in which some agent in a trade possesses information while other agents involved in the same trade do not. (World Bank, 2003)
remittance	the sum of personal transfers and remuneration in return for the labor input to the production process contributed by an individual in an employer-employee relationship with the enterprise (World Bank, nd.)
BPS	<i>Badan Pusat Statistik</i> (Statistic Indonesia)
SUSENAS	<i>Survei Sosial Ekonomi Nasional</i> (National Socioeconomic Survey)
PJTKI	<i>Perusahaan Jasa Tenaga Kerja Indonesia</i> (private TKI supplier company)
JPAL-SEA	Jameel Poverty Action Lab Southeast Asia
CSO	Community Service Organisation
RCT	Randomized Controlled Trial



ABSTRACT

Indonesian Migrant Workers (TKI) is one of the highest foreign exchange earner for the country. In 2014, remittances sent home by migrant workers reached no less than USD 8 billion. The amount contributed significantly to reduce poverty level in Indonesia as well as moving the country's economy forward. However, on the other hand, working overseas exposes migrant workers to serious risks. In order to generate inputs for ongoing policy and recommendations for further research, this literature review uses 22 policy-oriented research reports consisting of academic journals, donor report, and national and international organisation's reports issued between 2004 to 2014. Based on the study results, found that the lack of data and research related to migrant workers (TKI) makes the process of monitoring and protection of migrant workers is difficult. Factors that could cause problems on migrant workers, including a lack of clear information achieved by TKI regarding livelihoods and work conditions in destination country, strong dependency to sponsors, as well as the lack of supervision and law enforcement toward those responsible for TKI sending. Based on these findings, this study recommends further research that explores the pattern of relation and interaction of parties responsible for TKI departure process, the cost structure in TKI market, the lack of information problem, as well as factors related to irregular TKI, to reduce the number of illegal labour migration.

Key words: Indonesian Migrant Workers (TKI), protection, policy



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EXECUTIVE SUMMARY

Hundreds of thousands of Indonesians depart for foreign labor markets every year in search of a brighter economic future. Migration carries great economic benefits as well as potential risks for Indonesian workers and their families. Minimizing these risks is a key policy priority of the current administration. Our systematic review of the state of knowledge on migrant preparation, placement and protection is meant to inform ongoing policy debates. We highlight a set of key lessons and suggestions for future research and policy action that can be leveraged to support the efforts of MAMPU and its partners in this effort to improve the welfare of Indonesian migrant workers and their families.

KEY FINDINGS

Our systematic review uncovered eight major policy lessons from existing research:

1. Migrants lack information on possible welfare-enhancing actions before departing and during their time abroad.
2. Migrants tend to rely heavily on local sponsors in a way that exacerbates these information asymmetries.
3. Enforcement of regulations concerning the actions of private sector recruiter intermediaries is lacking but can be improved considerably.
4. A poor delineation of authority between various government ministries and agencies has led to policy overlap and deniability of own responsibilities.
5. Political decentralization over the last decade has not led to improvements in migrants' access to resources, but it has the potential to do so.
6. The transnational aspect of international migration requires the cooperation of origin and destination countries, but coordination has proven difficult across borders.
7. Available channels for redress of grievances have failed to take into account the particular needs of migrants.
8. Formal remittance channels are often used by TKIs, but riskier informal channels are becoming increasingly popular, especially in the Malaysia-Indonesia corridor.



CONCLUSIONS & RECOMMENDATIONS

Having identified these key lessons, we outline four understudied research areas along with suggested approaches to study. These suggested actions have the potential to shed new light on important policy options for MAMPU partners and relevant stakeholders in the government:

1. The opaque relations between various intermediaries in the migration process including the local sponsors operating in rural areas, private sector agencies based in major Indonesian cities, foreign agencies and employers in destination countries.
2. Little is known about the complex cost structure and the ways in which hidden costs are passed on to migrants.
3. Information asymmetries are particularly acute and yet at the same time highly amenable to policy interventions.
4. Irregular migration is increasingly common and carries with it unknown risks relative to official migration. Simple interventions could be explored to incentivize migration through official relative to irregular channels.

Despite growing policy attention to international migration over the last decade, there are relatively few systematic data sources available to researchers. We outline these available resources and also highlight a few newly developed sources that should prove useful for future monitoring efforts.

The report concludes by offering a set of concrete policy recommendations associated with key action areas including improved provision of high quality information to (potential) migrants, strengthening of recruitment industry oversight and regulation, strengthening of support facilities for migrants experiencing problems at home and abroad, development of bilateral agreements and legal reforms that prioritize migrants' rights and welfare, and further improvements to the technical capacity of CSO and government institutions responsible for monitoring and implementing migration policies.



1 INTRODUCTION

Hundreds of thousands of Indonesians depart for foreign labor markets every year in search of a brighter economic future. The financial returns to migration are undoubtedly large, considering the fact that Indonesian migrant workers – or *Tenaga Kerja Indonesia* (TKI) – remitted nearly US\$ 7 billion in 2011 (Adams & Cuecuecha, 2010; World Bank, 2011a). As such, TKIs play an important role in reducing poverty in Indonesia and may even become engines of economic growth in their home country. Indeed, they are popularly referred to as "foreign exchange heroes" (*pahlawan devisa*), highlighting their contribution. At the same time, migration carries important risks for TKIs and their families, which can undermine the large potential economic gains from working abroad. Minimizing these risks requires the active engagement of governments in both origin and destination countries as well as the collaboration of public and private sector organizations. In addition, risk mitigation also requires providing support to TKIs throughout the entire migration process.

In this review, we synthesize key lessons from existing literature on the main obstacles to improving the welfare of TKIs, focusing in particular on the role of the key actors throughout the migration process. Our review is timely given the renewed support for BNP2TKI by the new administration and the ongoing Colombo Process efforts to address policy gaps in the migration process across major migrant-sending countries in the developing world (Agunias & Aghazarm, 2012). Specifically, we focus on three primary questions: (1) What are the key lessons from prior research on the preparation, placement, and protection of TKIs? (2) What are the main knowledge gaps crucial to improving policies or protecting TKIs and what lessons can we expect to learn from emerging policy efforts within Indonesia? (3) Have recommendations from prior research been adopted? Why or why not, and are there any outstanding recommendations that are relevant and feasible for MAMPU and/or its national and local partners to adopt?

2 PRIMARY ACTORS AND CURRENT TRENDS

From predeparture to repatriation, several actors are responsible for the placement and protection of TKIs. A sponsor is usually a TKI's entry point to the migration market and he/she would connect the potential TKI to a private recruitment agency or private Indonesian manpower supplier company, otherwise known as *Pelaksana Penempatan TKI Swasta* (PPTKIS or simply PT). Once the potential TKI is assigned to a PPTKIS, the company is responsible for matching migrants to the job orders that they receive from the Ministry of Manpower as well as providing training prior to departure. After departure, a destination country agency, which is the PT counterpart overseas, serves as a final intermediary between the TKI and the foreign employer. The employer is then responsible for the TKI during her time working abroad. Under the mandate of Law No. 39/2004 on the Placement and Protection of Indonesian Workers Abroad, several ministries and government agencies play a critical role in governing the migration process. Of particular note are the Ministry of Manpower and the National Agency for the Placement and Protection of Indonesian Migrant Workers (*Badan Nasional Penempatan dan Perlindungan TKI* or simply BNP2TKI), which serve as the regulatory body and the implementing body, respectively.

While the primary actors in the migration market are clearly identifiable and the migration process appears to be straightforward, at least at first glance, it is unclear whether the current regulatory environment has been effective in protecting TKIs. Based on BNP2TKI data (2014) collected in three major airports across the major migrant-sending island of Java—Selapajang Tangerang, Adi Soemarmo Solo, and Adi Soetjipto Yogyakarta—in 2013, 13.6% of TKIs experienced problems abroad. Countries in the Middle East tend to be the biggest offenders, including Syria, Saudi Arabia, and the United Arab Emirates (in descending order for the year 2013). The problems listed include: job termination, problems with employer, work-related illnesses, salary retained without consent, harassment, sexual abuse, job was not in accordance with the contract, incomplete documents, congenital illnesses, employer passed away, work-related accidents, pregnancy, brought a child, unable to work, poor communication, etc. In comparison to previous years, the number of TKIs experiencing problems abroad has declined in absolute terms, from 45,749 in 2011 to 14,487 in 2013. However, this is likely due to the significant decline in the number of TKIs working abroad, given the moratorium to Saudi Arabia that was put in place in 2011. Indeed, the number of TKIs returning to Indonesia has also declined by about one third between 2011 and 2013. Hence, the percentage of TKIs experiencing problems in the destination country has overall remained quite steady.

3 KEY LESSONS FROM PRIOR RESEARCH

Given that large-scale organized migration from Indonesia is a relatively recent phenomenon, the relevant body of literature is fairly limited, especially as it pertains to the preparation, placement, and protection of TKIs. Our review of the literature focuses on both publicly available reports produced by key international organizations, think tanks, and NGOs working on international migration issues in Indonesia, including the World Bank, TIFA, SMERU, ILO, and IOM, as well as academic publications. We will limit attention to studies and reports dated 2004 onwards in order to capture recent policy-relevant issues. Even then, most policy papers and nearly all academic papers tend to focus on remittances. This is explained in large part by the availability of data. Household surveys often capture only basic information on migration (if any at all), including migration histories for household members and remittance flows from current migrants. Not surprisingly, then, much of the focus has been on explaining the economic causes and consequences of migration from the perspective of individual migrant-sending households or communities in Indonesia.

The emerging policy literature exploring other important aspect of the migration process, however scant, employs various methodological approaches, ranging from field research to an analysis of laws and regulations. Some are comparative in nature, comparing the experience of Indonesian migrant workers with those from other countries, primarily the Philippines but also Nepal, while others examine more closely the experience of Indonesian migrants from specific regions, notably those from the major migrant-sending provinces of East Java, Central Java, West Nusa Tenggara (NTB), and East Nusa Tenggara. In addition, several authors choose to focus on particular destination countries in Southeast Asia (Malaysia, Singapore), East Asia (Hong Kong), and the Middle East (various). Key lessons from the literature are summarized below.

3.1 INFORMATION ASYMMETRIES ARE DETRIMENTAL TO TKI PROTECTION

Inadequate information as a source of vulnerability is a recurring theme in the literature. A stark example is provided in a study conducted by STATT (2011) on TKIs from Sumbawa, NTB, which highlights the divergence between TKIs' expectations and reality. Despite the existence of well-established migration pathways to Saudi Arabia, potential TKIs in the region tend to be overoptimistic with respect to their expected salary, freedom of movement, as well as working and living conditions in the destination country, highlighting the lack of a feedback loop between returning and potential TKIs. Comparing Indonesian migrant workers to their Filipino counterparts in Hong Kong, Ignacio and Mejia (2009) found that Indonesians were less aware of their human rights and the relevant labor and immigration laws, which results in relatively higher rates of overcharging, contract infringement, and human rights violations.

This information deficit can be attributed to inadequate training, or even the absence of training, which is supposed to be provided by the PT for TKIs prior to departure (Setyawati, 2013). These training sessions are meant to cover, among others, language instruction, practice with appliances like wash machines and vacuums, and specific background on the migration experience in their intended destination. Unlike in the Philippines where the

government is responsible for training, the heavy reliance on PTs combined with poor oversight is particularly problematic.

3.2 AN OVERRELIANCE ON SPONSORS FURTHER EXACERBATES INFORMATION ASYMMETRIES

Given the lack of formal education and the limited access to information in many rural areas, TKIs are often heavily reliant on their sponsors. These sponsors operate at the local village level (many operate in several villages) and are the primary link to the PTs based in cities. The heavy reliance on sponsors is particularly worrying given that the influence of sponsors over potential migrants is strongest in Indonesia compared to Nepal or the Philippines (Asis and Agunias, 2012). While exploitation is a pervasive problem in relation to sponsors, another disadvantage is the fact that “the central role of brokers [i.e., sponsors] in recruiting migrant workers also limits a worker’s knowledge of her rights and options before departure, because the brokers handle all documentation and usually only ask the worker to sign where required, without effectively communicating anything to the worker about her rights and corresponding obligations” (Farbenblum et al., 2013, p. 127). Hence, a cycle of information deficiency and exploitation may continue to persist in migrant-sending areas.

3.3 LAW ENFORCEMENT IN REGARDS TO PRIVATE SECTOR ACCOUNTABILITY IS LACKING

While the responsibilities of PT in ensuring the placement and protection of TKIs are outlined in Law No. 39/2004, ensuring compliance with the law remains a challenge. Despite the ability of the Ministry of Manpower to sanction poorly performing PT, violations remain pervasive, ranging from inadequate training to overcharging to abuses in the training centers. The prevalence of such violations is a result of several problems. First, the lack of transparency and ambiguity in the sanctioning process impedes the effective monitoring of PT. For example, conflicting roles between the Ministry of Manpower and BNP2TKI, which will be further discussed below, is one manifestation of the problem. An interview with the deputy of protection at BNP2TKI reveals an instance in which the recommendations made by the BNPTKI to sanction certain PT were not taken up by the Ministry of Manpower (Farbenblum et al., 2013, p. 81). Second, even if a PT is sanctioned, there are many ways in which it is able to circumvent the law, including establishing a new company (with a new name) despite the fact that the company owner and manager remain the same and merely ‘piggyback’ on legal recruitment agencies (IOM, 2010a). This phenomenon was mentioned several times by local officials and former migrants during field visits conducted by Bazzi and colleagues in December 2013 in Central Java and NTB. Finally, there is no legal basis to hold PT accountable. For example, Farbenblum et al. (2013) point out that it is at the discretion of PT to show up to a mediation session.

3.4 POOR DELINEATION OF AUTHORITY

Poor delineation of authority between various government ministries and agencies contribute to policy overlap and ‘passing the buck’. Currently, 13 government institutions are responsible for protecting TKIs. Several articles in Law No. 39/2004 even explicitly mention the necessity of joint responsibility. For example, Article 73 discusses coordination in the repatriation of labor migrants in an emergency situation, and Article 92 addresses monitoring the placement and protection of labor migrants abroad. However, neither explicitly addresses an implementing regulation. In reality, tense relations between government

institutions, in particular the Ministry of Manpower and BNP2TKI, result in the duplication of efforts and regulatory loopholes, as the former tends to be reluctant in transferring over power to the latter (IOM, 2010a; Asis & Agunias, 2012). Not only does that lead to regulatory inefficiencies, it also affects PTs who need to duplicate their efforts, as in the case of obtaining a recruitment licence (SIP) or worker identity card (KTKLN) (Kuncoro et al., 2013). Since their profit margins would be affected, this results in costs being passed down to the TKI. Furthermore, unlike the legal framework in the Philippines, in which there is a clear division of tasks between government institutions, Law No. 39/2004 does not clearly state the specific roles and responsibilities of various government institutions (Setyawati, 2013). Hence, a blame game ensues when things are amiss.

3.5 THE ROLE OF DECENTRALIZATION IN IMPROVING THE WELFARE OF TKI

In addition to coordination between government institutions, Law No. 39/2004 also stipulates coordination between central and local governments. The involvement of local governments is advantageous when it comes to information provision, for example, as they would be more in tune with the needs of their constituents (Asis & Agunias, 2012). Such an approach has been formalized in the Philippines, where the Philippine Overseas Employment Administration (POEA) has signed a memorandum of agreement with interested local government units to implement anti-illegal-recruitment and anti-trafficking campaigns.

In addition, local parliaments are able to pass protection legislations—or *perda*—which serve to strengthen the protection mechanisms for TKIs. According to Bachtiar (2011), *perda* are beneficial for several reasons: (1) they can specify local governments' roles and responsibilities which were not directly addressed in Law No. 39/2004, (2) they are able to address locally specific conditions (i.e. cost structure associated with the destination countries favoured in a particular district), (3) the process itself increases the amount of interaction between relevant stakeholders, in particular civil society, and (4) sanctions at the local level serve as a shock therapy. However, in her analysis of the political economy of legislative development around protection *perda*, she concludes that the implementation process is fairly ad hoc and no standard model can be applied. However, she identifies three factors that would lead to the favorable outcomes: trust and commitment of the local government and local parliament, strong capacity of NGOs, and strong support from donor agencies.

3.6 THE TRANSNATIONAL ASPECT OF MIGRATION

The transnational aspect of international migration requires the cooperation of origin and destination countries, but coordination proves to be difficult. In the four countries examined by the IOM (2010a)—Singapore, Malaysia, Kuwait, and Bahrain—domestic workers are not included in the respective countries' labor laws, which leave TKIs vulnerable when working abroad. While efforts to strengthen protection exist, whether through bilateral agreements or moratoria, a large concern is that destination countries may be unresponsive and even uninterested. For instance, the imbalance between labor supply and demand in Saudi Arabia, in conjunction with an overabundance of low-skilled workers in Indonesia, serves to undermine Indonesia's bargaining power vis-à-vis Saudi Arabia since Indonesian migrants are viewed as substitutable with migrants from other countries (STATT, 2011). Despite the pessimistic outlook of legal reforms in the destination country, consular services play an important role in protecting TKIs in many countries today (IOM, 2010a; Faberblum et al., 2013).

3.7 CURRENT REDRESS CHANNELS FAIL TO TAKE INTO ACCOUNT THE NEEDS OF TKI

When problems do occur abroad, TKIs have a difficult time accessing the justice system, whether it be through administrative dispute resolution, the legally mandated insurance scheme, the judicial system, or the embassy, as outlined in the table below (Faberblum et al., 2013). The challenges associated with each redress mechanism emphasize the problems discussed above, including lack of information, poor regulatory oversight, and jurisdictional uncertainty between government agencies. They also highlight the fact that there seems to be a mismatch between policy and reality in the sense that existing institutional arrangements inadequately account for the challenges faced by TKIs. For example, the fact that most PTs, insurance companies, and government agencies are located in Jakarta places a financial as well as an emotional burden on TKIs since extensive travel (along with high legal fees) would be required to undertake direct engagement with these institutions without intermediation by the sponsors. Moreover, in order to make claims, it is often necessary to provide original documentation such as contracts or insurance cards. However, these documents may be retained by the agency or the employer and may even be left behind in the destination country if the TKI has exited the work contract early. Providing evidence of injustice is also difficult given that TKIs may not be aware of what documents to obtain when abroad and it is also quite tedious to obtain a letter from the embassy.

Table 1. Redress Channels Available to TKI

Redress Mechanism	Description	Problems
Administrative Dispute Resolution	Non-enforceable government-facilitated negotiation with a recruitment agency or insurer, culminating in "mediation"	<ul style="list-style-type: none"> • Lack of standardized procedures and unclear agency functions • Lack of transparency • Unremedied power imbalance between workers and recruiters/insurers • Untrained government mediators • No appeals, complaints or enforcement procedures.
Migrant Worker Insurance Scheme	A mandatory scheme, run by private insurance consortiums, intended to compensate workers for harms prior to departure and while abroad	<ul style="list-style-type: none"> • Low worker awareness of their insured status • Claims procedures that are unfamiliar and inaccessible to most migrant workers • Coverage exclusions and documentation requirements

Redress Mechanism	Description	Problems
		inappropriate to the realities of migrant work
Judicial System	Civil (e.g., contract disputes) and criminal (e.g., fraud, trafficking) cases against private individuals and agencies involved in recruitment	<ul style="list-style-type: none"> • Systemic barriers such as the costs, time, expertise and evidence required • Perceived judicial bias/corruption
Embassy and Consulate Assistance	Assistance to access redress or obtain evidence while the worker is abroad, and upon return home	<ul style="list-style-type: none"> • Inadequate resourcing • Lack of expertise in relevant and destination country laws and processes • Lack of standardized transparent procedures

3.8 THE USE OF INFORMAL REMITTANCE CHANNEL

Formal remittance channels are often used by TKIs, but informal channels are becoming increasingly popular, especially in the Malaysia-Indonesia corridor. According to a survey conducted by Bank Indonesia (2008) in seven emigrant enclaves, 82 percent of TKIs utilize banking services for remittances. However, informal channels, such as foreign exchange bureaus and the hand-carry method, are gaining traction amongst TKIs in Malaysia (World Bank, 2011b; IOM, 2010b). The border between Malaysia and Indonesia is porous in many respects. This gives rise to considerable scope for undocumented or informal migration. In practice, many of these informal migration corridors provide TKIs with more options when it comes to financial transactions, highlighting gaps in the banking system. First, physical access often serves as a barrier given that bank branches may not be located close to TKIs' residences or TKIs are unable to leave the workplace during opening hours. In the case of the Middle East, the problem is further heightened by the fact that females are prevented from going outside the home without an escort (World Bank, 2010). Second, high transfer costs also serve as deterrence, along with the fact that other channels may be more user-friendly. Given that the banking system is better regulated, steps need to be taken to incentivize more TKIs to use this safer and more secure route for remittances.

4 KNOWLEDGE GAPS AND RECOMMENDATIONS FOR FUTURE RESEARCH

While important strides have been made in understanding the conditions and challenges in the placement and protection of TKIs, knowledge gaps impede a holistic policy formulation. We have identified four areas which future research and action can potentially address: (1) the relationship between various actors in the migration process, (2) the cost structure in the migration market, (3) the types of information interventions that are most effective, and (4) the nature of irregular migration. We describe these issue areas, mentioning current research initiatives (if any), and provide recommendations for future research.

It is worth noting that emerging research efforts will be instructive for policymakers and practitioners. Much emphasis is currently placed on information interventions, perhaps due to the fact that there is a general lack of transparency concerning the other issue areas. Nevertheless, we can learn from these initiatives by establishing a monitoring and evaluation system that would allow us to identify impact in a timely manner. Particularly noteworthy are the ongoing efforts by BNP2TKI and its local and national partners to monitor migrant placements and returns in such a way as to provide high frequency data that will be extremely valuable for delivering real-time feedback on migration activities. Bazzi and colleagues at the Jameel Poverty Action Lab (J-PAL) Southeast Asia (SEA) based at the University of Indonesia are currently working closely with BNP2TKI to ensure that the data reporting system is designed in a way that ensures efficient use by researchers granted access to the data.

4.1 KNOWLEDGE GAPS

4.1.1 RELATIONS IN THE MIGRATION INDUSTRY SUPPLY CHAIN

The migrant-centric framework in the majority of previous studies has fostered greater understanding of the relationship between TKIs and various actors in the migration industry supply chain, including sponsors, PT, agencies (albeit to a lesser extent), and employers. However, this approach leaves the relationships between the aforementioned actors largely unexplored. Indeed, some studies have shed light on sponsor–PT relations, emphasizing their fluidity despite regulatory pressures to increase the accountability of PT over their sponsors (e.g., ongoing efforts to force sponsors to work only for one PT). The relationship between PT and even between sponsors, on the other hand, remains uncharted territory. There has not been a systematic study on the nature of competition and cooperation amongst PT, although we know that ‘piggybacking’ seems to be commonplace, as well as amongst sponsors, which are important considerations when creating policies to improve regulatory oversight. Furthermore, when it comes to foreign actors, in particular PT–agency relations, there is a general scarcity of information, perhaps because their transactions tend to be rather opaque and often occur inside the borders of destination countries where Indonesian policymakers and researchers have less scope for action. Finally, little is known about agency–employer relations, although policies set by the agency, such as the ‘Buy One, Try Three’ policy in Hong Kong allowing employers to try three domestic helpers during a promotional period (Ignacio

and Mejia, 2009), can have a major impact on TKI welfare during their time in the destination country.

4.1.2 COST STRUCTURE

Closely related to the previous knowledge gap, there is also a lack of understanding of the cost structure of the migration market, which is particularly important because costs tend to get passed down to the weakest actor, in this case the TKI. In a study of the recruitment process in Semarang, Central Java, for the Malaysian formal sector, Morgan and Nolan (2011) attempt to trace some of the costs borne by the TKI, which they conclude is highly variable. Kuncoro et al. (2013) also touch on this issue in their fieldwork in Malang, East Java, which includes TKIs from the informal sector. Transactions such as the commission that PT get from agencies per migrant, the 'finder's fee' that PT pay to their subagents, and the commission received by sponsors are important in shaping incentive structures. Little is known about the structure of these transactions and hence the nature of the industry. Yet this information is critical in designing effective regulations and programs. Government-industry relations are also pertinent, as bribes and duplication of requirements across different government institutions certainly drive up costs for PT. Given the dwindling profits in the industry as a result of increased competition (Kuncoro et al., 2013), most of these costs are likely to be borne by the TKI, or alternatively result in a reduction in the quality of services, such as predeparture training. Although such information is undoubtedly more difficult to obtain, it would serve to illuminate the intricacies of the migration market and are therefore quite policy-relevant.

4.1.3 INFORMATION INTERVENTIONS

Breaking information asymmetries is a common recommendation in many policy papers discussed above. While providing more information on safe migration is indeed important in improving TKI welfare, there is currently no consensus on the most effective way for doing so. It would be beneficial to find out, for example, what type of medium (high-tech vs. low-tech), content (numeral rankings vs. visual rankings), and distribution method (government vs. civil society) TKIs are most receptive to. Fortunately, there are several initiatives to mention concerning information interventions. First, BAPPENAS is planning to establish one-stop-shop information centers in every subdistrict in the major migrant-sending areas of the country. The details on this initiative have not yet been made public, but there seems to be strong support from major actors elsewhere in the government. Second, TIFA and JPAL-SEA provide market-based alternatives for delivering information, utilizing input from former TKIs to create a ranking of PTs, thereby fostering a feedback loop between former and potential TKIs. TIFA's *Pantau PJTKI* website is a more technologically-savvy option in comparison to JPAL's paper-based approach, which will be implemented in 2015 across several hundred villages in rural Java. However, both initiatives should serve to complement one another and also interact in productive ways with the efforts at BAPPENAS.

4.1.4 IRREGULAR MIGRATION

TKIs who do not use official channels or who migrate illegally tend to be the most vulnerable as they are not protected, or even recognized, under Law No. 39/2004. Consequently, it is important to incorporate these migrants into official channels, which necessitates further research on the demographic characteristics of irregular TKIs, their impetus for diverging from official channels, the types of employment that they take up, and the problems that they encounter abroad, among others. In identifying the dynamics of irregular migration, it would simultaneously reveal major deficiencies in the recruitment process, which thus far fail

to incorporate all TKIs. However, it is also important from a policy perspective to distinguish between the different types of legal-illegal cases, as identified by Kuncoro et al. (2013): TKIs who are considered legal in Indonesia but not in the destination country, TKIs who are considered illegal in Indonesia but not in the destination country, and TKIs who are considered illegal in both Indonesia and the destination country.

4.2 RECOMMENDATION FOR FUTURE RESEARCH

The following table summarizes the different research questions that need to be addressed by issue area. We also offer a suggested study approach for each research question.

Table 2. Recommendations for Future Research

Issue Area	Research Question	Study Type
Relations in the migration industry supply chain	What is the relationship between (a) sponsor-PT, (b) PT-agency, and (c) agency-employer?	Exploratory qualitative research; systematic survey of sponsors and PTs based in Indonesia, agencies based in destination countries; randomized controlled trial (RCT) of performance pay type intervention aimed at incentivizing better behaviour and more accountability
	What is the nature of cooperation and competition (a) between sponsors, (b) between PT, and (c) between agencies abroad?	
Cost structure	What are the different transactions (both legal and illegal) that occur between stakeholders in the migration market?	Exploratory qualitative research; survey research building on the forthcoming large-scale survey of former migrants by Bazzi and colleagues at JPAL-SEA
	What is the value of these transactions and how much of the costs are borne by TKIs?	
Information interventions	What type of medium (i.e. paper-based, web-based, SMS) would be most effective in reaching TKIs?	RCTs exploring different approaches building on the work by Bazzi and colleagues at JPAL-SEA
	What type of presentation styles (i.e. numerical ranking, visual ranking) do TKIs understand and prefer?	
	Who should distribute information on migration (i.e. government agencies, CSOs, village/religious leaders)?	

Issue Area	Research Question	Study Type
Irregular migration	What are the demographic characteristics (i.e. age, gender, education) of irregular TKIs?	Exploratory qualitative research; survey-based research in origin villages but also perhaps at major irregular transit points (i) along the Kalimantan border with Sarawak, (ii) in port cities in Sumatra; RCT-based intervention aimed at incentivizing legal migration through information, cash transfers, or other mechanisms
	Why do they diverge from official channels and how can they be encouraged to use official channels?	
	Where do they go and what are the types of employment do they take up?	
	What problems do they encounter abroad?	

4.3 AVAILABLE DATASETS

Despite burgeoning interest in international migration from Indonesia over the last decade, there are few relatively few systematic data sources with information on international migrants. Bazzi and colleagues at JPAL-SEA are conducting a large-scale survey of former international migrants across Java in summer 2015 that will eventually fill a major data gap and prove a useful resource for future work on international migration. We describe here a few of the most salient resources that are currently available to researchers.

There are a few household surveys that contain limited information on international migrants. First, the *Indonesia Family Life Survey* (IFLS) is a longitudinal household survey tracking the same set of individuals and their households since 1993 with data available in 1997, 2000, 2007 and 2014 in the near future. These surveys provide rich information on the domestic and international migration histories for every household member as well as the remittance behavior of those currently abroad. Unfortunately, the data only cover a limited set of villages across the country and do not comprise many of the major international migrant-sending regions. As a result, the data cannot be used to provide a systematic picture of international migration patterns either at the local or national level. Nevertheless, the data do contain very detailed information on individuals and household over a long period of time and have proven useful for studying, among others, the relationship between remittances and consumption patterns (Adams & Cuecuecha, 2010). Second, the *National Socioeconomic Survey* (*Susenas*) is a rich cross-sectional household survey conducted by the Central Bureau of Statistics (*Badan Pusat Statistik* or BPS) every year (and more recently every quarter) and representative at the district (*kabupaten*) level since 1993. *Susenas* included questions on the number, timing and occupation of international migrants in a few years in the mid-2000s including 2005, 2006, and 2007. Unfortunately, these questions were not been asked again in more recent rounds of the data. However, those early rounds have proven useful for research looking at the effects of income shocks on international migration decisions (see Bazzi, 2014).

More recently, BNP2TKI has provided useful summary data on the Statistics section of its website in the form of reports such as *Data Penempatan Tenaga Kerja Indonesia Periode 1 Januari s.d. 31 Mei 2014* (TKI Placement Data from the Period of 1 January to 31 May 2014).¹ These reports contain information regarding placement (by occupation, gender, originating province, marital status, education, destination country, and sector), arrivals and problematic cases (for four major airports: Selapajang Tangerang, Adi Soemarmo Solo, Adi Soetjipto Yogyakarta, and Ahmad Yani Semarang), the handling of complaints (by province, districts, destination country, and PT), and deaths. Dates vary, but arrivals data can extend back to 2008, depending on the airport. This data should prove useful for monitoring recent trends in protection and placement. Moreover, BNP2TKI seems open to collaborating with outside researchers interested in working with the actual micro data on official international migrants that goes into these reports.

Finally, the World Bank worked with BPS to develop a large-scale household survey on international migration through a module attached to the regular *Susenas* household survey conducted in 2013. This very exciting new data source has not yet been made publicly available, but a team of researchers at the World Bank in Jakarta are working with the data, have put together a number of interesting results, and intend to release the data for public use and purchase in the future. The survey was conducted in around 100 major migrant-sending districts across the country and includes very detailed questions pertaining to the most recent migration episode for each individual in the household. In addition to capturing information on migration costs and experiences abroad, the survey can also be linked to the regular *Susenas* modules capturing detailed information on individual demographics, education, and health as well as household expenditures. This survey will open the door to a number of interesting research possibilities in the near future, but unfortunately there are no plans at this time to implement this type of survey on a regular basis through the *Susenas* infrastructure.

4.4 RECOMMENDATIONS AND ACTION STEPS FOR MAMPU

There are concrete steps that MAMPU can take to improve the welfare of TKIs, particularly in the area of information provision. By leveraging the networks of national and local partners, MAMPU could support efforts to increase the availability of information at the village level, particularly the type of information that institutionalizes a feedback loop between former and potential TKIs such as TIFA's *Pantau PJTKI* website and J-PAL's Trip Advisor Project. A more effective and accessible information intervention could also have spillover effects by, for instance, reducing TKIs' dependency on brokers and empowering TKIs in general. In order to promote evidence-based policymaking, a monitoring and evaluation system is critical, as mentioned above. Ultimately, however, the government is responsible for addressing structural problems inherent in the industry, as they are the only entity capable of sanctioning PT and engaging with foreign governments to design, ratify, and enforce the sort of regulations that will ultimately better protect migrant workers. Hence, MAMPU should also consider starting a dialogue with the Ministry of Manpower and BNP2TKI in order to inform them of lessons from the literature on Indonesia and perhaps other migrant-sending countries, such as the Philippines. Furthermore, fostering greater cooperation between the government and CSOs would be beneficial. For example, the ranking of PT generated by

¹ The report can be accessed using the following URL:
<https://docs.google.com/file/d/0B9zVxTquSWdak5qbTINYmpCLU0/edit>

MAMPU partners could help the Ministry of Manpower to decide which agencies to reward and which to sanction.

The following table summarizes recommendations from the literature, their adoption record, and feasible actors. This rubric should help to formalize the policy issues as MAMPU develops an action plan for moving the debate forward.

Table 3. Policy Recommendations for MAMPU

Recommendation	Adoption Record	Feasible Actors
Information Provision		
Provide accessible information on safe migration, job orders, and rights and redress, even in rural areas	Initiatives from BAPPENAS (one-stop shop information centers), TIFA (<i>Pantau PJTKI</i> website), and J-PAL (Trip Advisor project)	MAMPU + partners, other CSOs, local government
Leverage the wealth of information acquired by former TKIs	Initiatives from TIFA (<i>Pantau PJTKI</i> website) and J-PAL (Trip Advisor project)	MAMPU + partners, other CSOs, BNP2TKI
Recruitment Oversight and Procedures		
Regulate the broker system by bringing sponsors into the formal sector, perhaps by increasing the involvement of local governments	None	Ministry of Manpower, BNP2TKI, local government
Rate PT based on best practices and reward 'good' agencies	Initiatives from TIFA (<i>Pantau PJTKI</i> website) and J-PAL (Trip Advisor project)	MAMPU + partners, other CSOs, Ministry of Manpower, BNP2TKI
Regulate transactions (1) between PPTKIS and (2) between various actors throughout the supply chain	Regulation requiring sponsors to register and operate with only one PT	Ministry of Manpower
Ensure the efficacy of pre-departure training and promote continuous training even after departure	None	Ministry of Manpower, BNP2TKI, Ministry of Foreign Affairs
Increase the efficiency and reduce the cost of migrating through a reduction of fees levied by the government and PT, a	BAPPENAS one-stop shop information centers	Ministry of Manpower, BNP2TKI, BAPPENAS

Recommendation	Adoption Record	Feasible Actors
shorter and more local recruitment process, and the establishment of 'one roof' service centers	Regional service centers established by BNP2TKI, known as BP3TKI, P4TKI, and LP3TKI	Ministry of Manpower, BNP2TKI
Ensure that TKIs hold valid employment contracts	BNP2TKI efforts aimed at streamlining and digitizing the registration and reporting system for TKI (including SISKOTKLN and SIPENDAKI initiatives)	
Support Facilities		
Improve the transparency and accountability of the insurance system	None	Ministry of Manpower, BNP2TKI
Strengthen consular services and increase the capacity of labor attaches not only in terms of providing assistance to TKIs in distress but also in governing the whole migration process (i.e. monitoring PT)	BNP2TKI 24 hour crisis center hotline for TKI experiencing problems and emergencies	BNP2TKI, Ministry of Foreign Affairs
	BNP2TKI whistleblower hotline for reporting corrupt activities or other malfeasance by operators in the migration industry	
	Unclear whether there are other destination-specific programs at embassies and/or consulates	
Improve the training and capacity of lawyers to represent TKIs	None	BNP2TKI
Bilateral Agreements		
Involve destination countries in creating training materials	None	Ministry of Foreign Affairs
Reduce enforcement gaps by enforcing bilateral agreements that promote national treatment and civil rights, synchronize costs and levies, and tackle other migration issues	Unclear	Ministry of Foreign Affairs
Legal Reform		

Recommendation	Adoption Record	Feasible Actors
Revise current laws to define and delineate responsibilities	None	CSOs through coordinated advocacy efforts
Strengthen the implementation and enforcement of rules and regulations at the local level by increasing the involvement of local governments	None	CSOs through coordinated advocacy efforts
Recognize undocumented TKIs	None	CSOs through coordinated advocacy efforts
Knowledge Building		
Improve information database and data collection efforts	Initiatives from BNP2TKI (including SISKOTKLN and SIPENDAKI)	Ministry of Manpower, BNP2TKI, Ministry of Foreign Affairs
Track causes of early termination	BNP2TKI maintains help desks at airports that contribute to the reporting initiatives mentioned above	BNP2TKI
Build technical knowledge through understanding best practices in other countries	None	MAMPU + partners
Long-Term Solutions		
Shift mindsets by empowering TKIs	Initiatives from BAPPENAS, TIFA, and J-PAL through information provision	MAMPU + partners, other CSOs
Improve the skills of TKIs so that they are able to access higher-skilled jobs with better protection mechanisms	Ongoing efforts by BNP2TKI and partners to encourage language and skills training relevant for high paying formal jobs in countries like Japan and Korea where Indonesians compete with skilled migrants from other countries like the Philippines	BNP2TKI, Ministry of Manpower

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MAMPU

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