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The Days of Jokowi's Reign: Economic Development for Migrant Workers

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Abstract

Economics development is one of the main focuses in every government's planbook. In the initial reign of Jokowi, the 7th president of Indonesia, several policies have been served in short amount of time. One of the policies is about boosting the economy in the country, and the decision to put on a hold in the migrant workers departure in near future comes out contradictory. Migrant workers have been supporting the remittance of Indonesia for many years, and reducing it might endanger the economic stabilization in Indonesia, especially in government revenue. This journal aims to discover whether the new policy of Jokowi regarding reduction of migrant workers will affect economic development in Indonesia, and which strategy will work best for such plan. The result showed the main reason of the reduction is about the security of the migrant workers regarding of many violation cases happened to the workers.

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Introduction:-

Supriana and Nasution (2010) discovered that ex-migrant workers did have their share in boosting the economy, even helped reducing the unemployment rate until 20,53%. Unemployment and poverty remain as the most critical issue for the government of Indonesia. The fact that

Indonesia is one of the most populated countries in the world is just like rolling a snowball down the hill: the problems will roll over and multiply to no end. Common critiques in poverty reduction effort are quite typical: the lack of understanding in the real essence of poverty itself, and the solutions are not sustainable in the long run. Indicators that can be seen in order to evaluate the success of the program is to observe whether or not the society in question is fully functional as a system (Hamzah, 2012).

From the political will, it can be seen that the government's attempt in cultivating poverty is considered suffice. That will can be observed through government's fund. From 2002 to 2009, government had already spent for around Rp 319.5 trillions, for poverty reduction programs. In those 7 years period, an increase had taken place in approximately 394,44%, while in reality, the poverty itself had already been suppressed only 4%, compared to the period before. A very uneven and unproportional comparison. It is suggested that what government spent on the poverty reduction program only went up in a smoke, after it went down in flames. In short, it was basically useless. The big question that came to mind was, why on earth poverty matters is so hard to solve (Saidi, 2010; Fatony, 2011).

In search of finding the true meaning of poverty, Robert Chambers (1983: 111) had described the matter with what was defined as deprivation trap. This deprivation trap included five series of unfortunate events that have been haunting the lives of those of the unfortunate (no pun intended), which are: that poverty itself, physical weakness, solitary, fragility, and helplessness. According to Chambers, the most crucial ones are fragility and helplessness. By fragility it could only lead to the inability of the poor family to provide necessary things for emergencies, including

natural disaster or the increased price of gas. This fragility often creates poverty rockers, or “poverty driven wheels”, which causes poor families to sell their precious things in order to finance their needs, which only leads them to dwell deeper in the poverty hills.

Resource transfer mechanism from developed countries to developing countries could be seen through several forms and derivatives. One of the most important mechanism that has been stealing attention and been quite in the spotlight these days is remittance, which is highly related with Indonesian migrant workers working abroad. Workers’ remittance is when the workers transfer their money from foreign country where they currently reside in, to their home country, which is Indonesia (Nizar, 2014). In many developing countries, because of its substantial flow behavior, remittance has already been an alternative source of revenue that is being used as external source of loan, aside of government loan and private investments (Ratha, 2003: 157-175).

Jokowi, as the new elected president of Indonesia, announced quite a brave decision for 2017, which stated that no one would be send abroad for work purposes. Bottom line, no more migrant workers added up to the long list. Jokowi even showed a hint of migrant worker reduction in these days, and putting a limitation in the workers’ quota (Hapsari, 2013). How would this affect Indonesia’s already established earnings from remittance? Through the years, migrant workers have helped reducing the country’s poverty through it. Even *ex*-migrant workers also had their fair share in the matter, with their role insuppressing the unemployment rate in Indonesia. The regulation that the new president had applied seem to be a little rushed and quite dangerous for the long run, but will it really work?

Ex-migrant workers and the unemployment:-

Job opportunity will be able to accommodate all worker candidates if the amount of job vacancies can live up to the demand or balance the amount of worker candidates that are available (Yacoub, 2012). The unemployment rate, according to Sumarsono (2009: 6), is a percentage of unemployed people in term of all worker candidates in the place in question. Every living person who currently seeks out for a job and still not getting any can be identified as unemployed. Harsh word, and even harsher reality. The problem of unmatched number of job seeker and job vacancy has been quite a bump on the head for centuries now, no matter which country we are in.

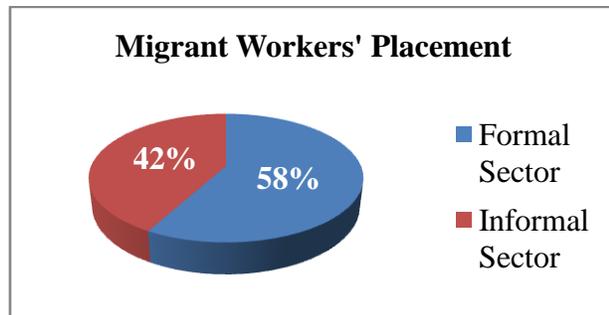


Figure 1: Migrant Workers’ Sector Percentage
(Source: BNP2TKI, 2015: 4)

The government’s attempts to reduce the poverty rate until it reaches half of the full amount, from 1990-2015 are as follow:

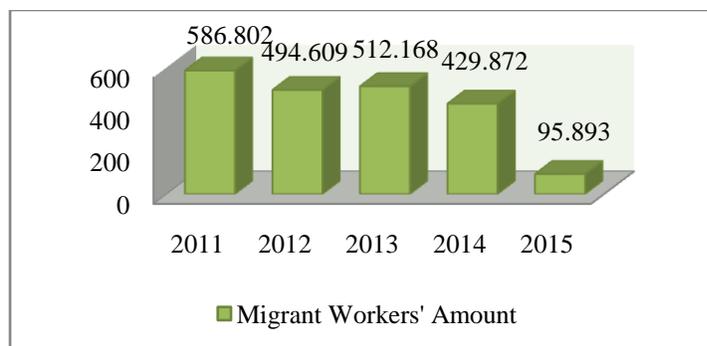
1. Building a more healthy environment for everyone to work, in order to reduce the poverty rate and to obtain the national development goal.
2. Increasing and enhancing the quality of society protection regulations, based on families.
3. Polishing and increasing the effectiveness of society development based programs, through PNPM Mandiri.
4. Multiplying the access for small and middle size business to productive resources.
5. Increasing synchronizing and effectivity of poverty reduction coordination, as well as the harmony between the people.
6. Maximizing efforts to increase capacity and acceleration plan of reaching the Millenium Development Goal in 2015 (RAD MDG).
7. Managing all teams involved in the policies and poverty reduction programs through National Team, run under the Vice President of Indonesia, along with all the technical ministry alike (Hamzah, 2012).

Table 1: Economic Growth, Poverty, and Unemployment Rate in Java and Bali in 2015

Province	Economic Growth	Poverty	Unemployment
DKI Jakarta	6,07 -6,39	2,93-2,79	7,95 -7,57
West Java	5,60-5,88	8,34 -7,94	8,71 -8,29
Central Java	5,65 – 5,93	12,22 -11,62	5,72 -5,44
DKI Yogyakarta	5,21-5,47	13,44 -12,78	2,99 -2,85
East Java	6,68 – 7,02	10,31 -9,81	4,19-3,99
Banten	5,77 – 6,07	4,54 – 4,32	9,23 – 8,78
Bali	6,00-6,30	3,62 – 3,44	1,54 -1,46

(Source: Bappenas, 2014)

Poverty, especially the one that has been caused from unemployment will push people to seek for a job wherever it might be, to fulfill their living requirements and needs. As long as poverty and unemployment still exist in Indonesia, migrant workers who dream to search for a better job and a better life in foreign countries will also exist, because going abroad is believed to be a way to maximize their life satisfactions. Thus, the new president's strong will to reduce the amount of migrant workers overseas will never work until there are job vacancies and opportunities in this country. It is undoubtedly that the sending of migrant workers to work abroad is one of the ways to reduce unemployment in Indonesia (Direktorat Pengkajian Bidang Internasional, 2013).

**Figure 2:** Migrant Workers In 2011-2015

(Source: BNP2TKI, 2015: 3)

Meanwhile, the most simple method to measure poverty rate is by counting the amount of the poor as a ratio in term of all the population. This method is often be called as Headcount Index. Unfortunately, this measuring method has been under fire of criticize because of its weakness point, which is its tendency to ignore the number of people under the poverty line. The earning inequality in society, which obviously leads to poverty (poverty gap) is used to solve this weakness problem (Meier, 1995: 26). How to do that, exactly? It's to count the earning transfer of every poor citizen until above the poverty line, so that poverty can finally be annihilated.

Moreover, research result from SMERU Research Statistics (Prasetyo and Maisaroh, 2009) showed that there was a high negative relationship between economic growth and poverty. When the economy faced a contraction back in 2009, after global capitalism crisis in 2008, poverty rate skyrocketed again to the moon and back. Although in the long run, high economic growth would not reduce poverty rate because still so many citizens lie in the depth of poverty holes. Sustainable economic growth is the one that we need, in order to cut down poverty in the long run. The reduction of inequal earnings can decrease poverty rate significantly, thus it becomes very important to prevent economic growth that causes inequality.

The achievement of high economic growth and equal earnings, indirectly means that it will reduce the unemployment rate, which ultimately would lead to a declined number of people who aren't engaged in work even though they are currently in a working age (Sukirno, 2006: 423). Those high numbers will also lead to a reduction

of poverty rate, where the poverty itself can be defined as the incapability to fulfill minimum living requirements and needs, whether it is for food or for any needs outside it (Ani and Dwirandra, 2014). These can only mean that, as long as there is high rate of earnings that would lead to even higher economic growth, it will reduce the poverty rate. Bottom line? More unemployed people, more chance into dwelling in poverty. The question for now is, will reducing migrant workers quote would create more unemployment?

Ex-migrant workers and Jokowi:-

National Development Planning Ministry, along with Jokowi, the new elected president in Indonesia, had built several regulations in term of poverty and unemployment. The direction of development regulations in Jawa-Bali are as follow:

1. The enhancement of advanced products and inovative derivation of those products while focusing in agriculture based industries.
2. The creation of skilled work opportunities, based on knowledge with the focus on the enhancement of education quality especially in college and specialized schools.
3. The enhancement of inovative network with focus on inovative climate, industry clusters, and global network.
4. The development of infrastructure to support policy implementation with highlighting the logistic sector for developing the area Jawa and Bali.
5. The enhancement of environment support system in term of natural disaster cases (National Development Planning Ministry, 2014).
6. According to Hapsari (2013), Jokowi gave a glipmse of what he will be doing in 2017, which is stop sending migrant workers abroad. In other words, there will no more people going to work overseas in 2017. Even now, Jokowi already started quite a debatable arguments about reducing the amount of migrant workers in foreign countries. A.k.a, putting more limitations and boundaries for people who dream on going to work there. This happened not just out of the blue, as the President only wants for the best for the country. Going to work in foreign countries, which has been seen as a way for a better life in the future for most people in Indonesia, apparently has its dark side in itself, which triggered this regulation to happen.
7. Of course, it is not always flowers and rainbows when it comes to migrant workers everywhere, no matter how grand-polished the regulations seem to be on the paper. Several problems occured during the work process, and some of the examples are over stay behaviour and mismanagement in holding the passport longer than necessary. Aside from that, irregular things also happened when ones experienced an injustice and law-violating manners from the employers, in which sometimes even inhuman, and couldn't help but run for their lives while in fact, their passport and other identification purpose documents were still being held by the employers in question, making things more complicated that it was before (Graeme and Bohning, 2000; Adharinalti, 2012).

Other place, other story. The number of migrant workers' remittance still has not been balanced with the amount of protection required. According to Mashud (2010), since Pelita II, migration policy has been directed to foreign nations abroad, even though the regulation has changed, but the signs of exploitation still exist, and even maintained. This is reflected from the percentage of problematic migrant workers from UPT P3TKI in East Java. Around 27.2% were sent home without any clear reasons in 2009, 13.1% because of illness, 7.5% because of incompatible nature with the employers, and around 7.4% were because of family issues. Geerards (2010) found that in Indonesian Embassy in Riyadh, around 3,517 cases were reported and 3,446 of them could be solved during 2003. Illegal trafficking is not a new story anymore; since 2006 until 2011, 68 trafficking cases were found each year (Noeswantari, et al, 2011).

India, for example, as a country with the biggest remittance receiver in the world, in 2013 has been receiving remittance in the amount of USD 71 billion. This number has exceeded the capital flow in the form of official capital flows and private capital flows. Aside from being the source of expenditure, remittance flow-in also plays a role in significantly reducing the poverty rate through the increased revenue and living standard of recipient families (Adams and Page, 2005) and affecting the economic growth for them (Chami, et al, 2008; Rao and Hassan, 2011). Remittance also becomes a source of freign exchange earnings that is very important for most countries, which leads to affecting the nation's balance of payment (Barajas, et al, 2010). In this context of balance of payment's role in the country had the flow-in remittance in term of recipient country's currency commonly observed.

Will it work?

It has already been stated that unemployment and poverty have a very high correlation, and when one peaks up, the other one would also skyrocket in the same direction. The government has been trying as hard to keep pressing the amount of unemployment to the minimum level as possible, and even with those restless efforts, poverty rate still remains as fragile as ever, very easy to rise up with even the slightest change in economy or politic situations. The new elected president, Jokowi, has been following the former presidents' attempts to reduce poverty rate, but his new regulation that prevents more migrant workers to be send off to another country to work there, has become quite debatable. Will the regulation work as good as it's intended to be, or will it just bust up in flames?

Before the question is answered, it is important to evaluate the very initial reason for the policy to appear. It is the safety of the workers themselves, not the economic growth, that becomes the concern of the regulation. Indeed, unemployment creates poverty, and it just becomes a circle of hell, and the reducement of migrant workers quota might trigger the unemployment to rise even higher, which can lead into the povert itself. But in this case, it is not the poverty that becomes the main reason of the president to release such policy; it's the well-beings of the citizens abroad, a.k.a, the migrant workers overseas. Will it work? Such question might not be remain unanswered, but the result can only be observed and evaluated after the regulation truly applied. For now, all we can do is wait.

Conclusion:-

Unemployment and poverty are two nightmares that follow each other's tail as fast as those who runs in a devil circle. When one increases, the other would follow suit immediately. The new elected president in Indonesia, Jokowi, has already released a new statement regarding regulation to reduce the quota of migrant workers who work overseas. It is, even though debatable, still can be looked from a logical perspective. The very reason that caused such policy to happen is the safety of the migrant workers themselves. Whether or not it might work in a good way, and help secured the well-beings of the citizens of Indonesia in foreign countries, or even lead the country to the depth of poverty holes even further, it can be seen and observed when the time comes.

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