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This manual is a  
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**Asia Pacific  
Mission for  
Migrants**



**APMM**

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# Preface

THERE IS AN increasing trend in the numbers of Indonesians working abroad. In the face of this situation, it is very necessary and urgent for the Indonesian Migrant Workers (IMWs) to empower themselves and organize their community.

Crucial to organizing work is education. Awareness and understanding is key towards action. This has been the experience of migrants movements of various nationalities. This has been the experience that the Asia Pacific Mission for Migrants wishes to contribute to the budding movement of IMWs.

With this thrust, the APMM comes out with this manual.

It has always been said that one can not face the present if one forgets the past. Neither can one look into the future without getting the lessons of gained from what has been.

Thus, the APMM publishes this manual on the “Historical development and Government Policies on Overseas Employment of Indonesia.”

In here, we have tried to show the process that Indonesian migration has undergone. We have tried to exhibit how migration became a crucial part of the Indonesian economy and how, in the first place, migration itself has been rooted to the economic situation of Indonesia.

From this historical narration, we have given a focus to the situation, concerns and struggles of Indonesian migrants in Hong Kong. Based on the information gathered, analysis conducted and on the actual organizing experience of IMWs, we have tried to present to tasks that the future lay for them.

Studies on Indonesian migration is but on its starting phase. Yet, the struggle of the Indonesian people has been as long and as rich as those of other countries.

In coming out with this manual, we hope to contribute to the strengthening of the migrants movement in general and that of the IMWs in particular. We hope that this publication can be of use to educate IMWs on the issues that they face. Likewise, we hope to educate the general public so that a better understanding on IMWs can be gained.

**Education, Training and Research Program**  
**Women’s Program**  
*Asia Pacific Mission for Migrants (APMM)*

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# Brief History of Indonesian Migration

## A. PRE-COLONIAL PERIOD

BEFORE THE ARRIVAL of the Dutch, Indonesia was an archipelago ruled by various kingdoms.

These kingdoms were of varied origins and influences ranging from the Hindu and Buddhist traditions of India and mainland Asia, up to the Islamic system brought by Arab traders that eventually dominated the whole country.

During the pre-colonialism period, people from the north (China and Tonkin region) migrated to Indonesia and brought with them the Stone, Bronze and Iron Age technologies. Local inhabitants learned the more efficient agricultural system of irrigated rice cultivation.

Indian traders, meanwhile brought with them Indian culture and customs, such as the system of government in a monarchy, the ancestry system, the organization of military troops, literature, music and dances, architecture, religious practices and rituals, and even the division of laborers into castes or varnas.

Moslem kingdoms that started with the arrival of Arab traders in the ninth century later on replaced the strong Hindu Kingdoms. These were the kingdoms that the Dutch fought against with in their conquest of the archipelago.

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## B. DUTCH COLONIAL PERIOD

THE DUTCH STARTED their colonization of Indonesia in order to get the Indonesian spice to sell to the European market for big profit. For the purpose of more efficient and better-organized merchant trade they established the Dutch East India Company (VOC) in 1602. To protect the merchants' fleet from frequent pirate attacks on the high seas, Dutch warships were ordered to accompany it.

After the seizure of Ambon in the Moluccas in 1605 and Banda Island in 1623, the Dutch secured the trade monopoly of the spice islands. A policy of ruthless exploitation by "divide and rule" tactics was carried out. In this way indigenous inter-island trade, like that between Makassar, Aceh, Mataram and Banten, as well as overseas trade, was gradually paralyzed. Indonesia was reduced to an agricultural country to supply European markets. At the same time, the Dutch adopted a so-called open-door policy toward the Chinese in order that they could serve as middlemen in their trade with Indonesia.

To reinforce their spice monopoly in the Moluccas, the Dutch undertook their notorious Hongi expeditions, whereby they burned down the clove gardens of the people in an effort to eliminate overproduction, which brought down the prices of cloves on the European markets. In these outrageous expeditions countless atrocities were committed against people who defended their crops.

In the colonial period at the beginning of the twentieth century, much of policy making was aimed at raising agricultural productivity. Cheap and abundant labourers from Java were recruited to plantations established by the colonial government on the vast land areas in the islands outside the main island of Java or the so-called 'outer islands'.

The Dutch government facilitated the vast internal migration of Indonesian during the colonial rule. The moving of people from the main island of Java towards the outer islands was done in order for the colonial government to secure the agricultural and raw materials production in resources-rich outer islands. This was also their way to ward off potential colonizing competitors.

The colonial government also utilized migration as a solution to channel social unrest resulting from simultaneous economic exploitation and population pressures in many parts of rural Java, by moving people to the outer islands. Emigration policy, as developed by the Dutch colonial power, was a useful instrument to serve the many goals and interests of the state and its ruling elite. The relocation of people to ease the social and political tensions is a form of demographic engineering to serve the state's economic and security purposes.

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For a brief period, Indonesia fell under British rule. After the fall of Napoleon, the Dutch tried to resume their foothold in Indonesia. The Indonesian people fiercely resisted Dutch re-colonization of the country.

Series of revolts eventually ensued in different parts of Indonesia. Political parties sprung up demanding Indonesian liberation in the face of the worsening condition of the people. The worldwide economic crisis in 1930 greatly impacted Indonesia, a raw material producing country. The colonial government responded with a strict budget policy that further aggravated economic and social conditions.

During World War II, 1942-1945, the Japanese occupied Indonesia. Soekarno and Hatta were released from prison by the Japanese and through the government established by the colonizers tried to advance the cause of liberation. While they are doing so, revolts in different parts of Indonesia for independence continued.

Shortly after Japan's defeat in WWII, Sukarno and Hatta proclaimed Indonesia an independent state. The largest archipelago in the world, with over 17,000 islands — only 3,000 of which are inhabited — has emerged into a new Indonesia.

The efforts of the Dutch to again go back with the help of British forces were thwarted and eventually in 1949, the Dutch were forced to recognize an independent Indonesia in 1949 through negotiations at The Hague under the auspices of the United Nations.

## **C. PRE-SOEHARTO PERIOD**

EVEN BEFORE WORLD War II, there were already many Indonesian migrant workers in Malaysia, Guyana and New Caledonia. Generally, they come from the island of Java. In their destination areas, they worked as plantation labourers.

It was after World War II that Indonesian migrants started working in Singapore and other countries. Besides that, there are also many Indonesians working as ship attendants in ships belonging to European, South American, Australian and other Asian companies. The migration of Indonesian workers abroad during that period was a response fill to the gap in the shortage of labour in those countries rather than a government labour policy.

Throughout the 1950s and early 1960s, the Indonesian economy faced a crisis caused by the sudden drop in the world market price for natural rubber, at that time the country's main export. With this crisis, the United States and the World

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Bank tried to lobby the Sukarno government with substantial loans in exchange for the denationalisation of the previously foreign-owned sector the economy. Soekarno rejected the offer.

Like the Dutch, Indonesia, under the Soekarno-Hatta government, concentrated on the migration of Indonesians from major islands to the outer islands. However, as proposed by then Vice President Hatta, migration to the outer islands was to be done in conjunction with industrialization.

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# Indonesian Migration under the New Order Regime of Soeharto

SINCE THE NEW Order regime in 1966, Indonesia had embarked on an ambitious growth-oriented development strategy.

Soeharto adopted a “stabilisation plan” formulated with the “assistance” of the International Monetary Fund (IMF). This plan included among others the reversal of all the nationalisation measures of the Sukarno government, abolition of all discrimination against foreign investments and all preferential treatment for the public sector, abolition of the system of controls on foreign exchange that had existed under Soekarno, and scrapping the limit on government expenditure of no more than 10% of national income. Soeharto introduced the Foreign Investment Law in 1967 that gave foreign investors a five-year tax holiday and an additional five years of tax discounts.

The economic measures taken by the Soeharto government brought Indonesia to the heels of new colonial powers such as the US and the international financial institutions that the US controls. Under the US directorship, the national policies the Soeharto government formulated and implemented further depressed the largely agricultural communities. Rural-based population were displaced but were not absorbed by urban employment. High rates of unemployment and labour unrest began to increase.

As in colonial times, Indonesian labour export served the authoritarian state of Soeharto in two ways. First, it forestalled the unrest due to unemployment, population pressure and societal problems. Second, it gave Indonesia economic gains in the face of a weak basic economy. For many in the government, the labour export business provided yet another channel for corruption, collusion and manipulation, standard practices which link the government bureaucracy and business in Indonesia. This was the case in the New Order, and it has not changed in the current 'Reform Era'.

## **A. LABOUR EXPORT AND THE NATIONAL DEVELOPMENT PROGRAMMES (REPELITA)**

SINCE THE START of the Soeharto period, migration started to slowly play a major part in the economy of Indonesia. The presence of a huge number of labour force coupled with an economy that never was able to really kick off, has made labour migration a very appealing option for the Indonesian government to resolve its economic difficulties.

**Table 1**  
**Indonesian Migrant Workers Abroad According to Countries of Destination**

<b>Destination Country</b>	<b>Pelita I</b>	<b>Pelita II</b>	<b>Pelita III</b>	<b>Pelita IV</b>	<b>Pelita V</b>	<b>Total</b>	<b>(%)</b>
Saudi Arabia	-	3817	55976	223573	268858	552224	62.9
Other Gulf States	-	1235	5349	3428	5145	15157	1.7
Malaysia	12	536	11441	37785	122941	172715	19.7
Singapore	8	2432	5007	10537	34496	52483	6
Brunei	-	-	-	920	7794	9714	1
Hong Kong	44	1297	1761	1735	3579	8512	1
Japan	292	451	920	395	2435	4497	0.5
Korea	-	-	-	-	1693	1693	0.2
Taiwan	37	-	-	178	2025	2040	0.3
Holland	3332	6637	10104	4375	4336	28784	3.3
USA	146	176	2981	6897	9842	20042	2.3
Others	1653	461	2871	2439	2832	10256	1.2
<b>Total</b>	<b>5624</b>	<b>1742</b>	<b>96410</b>	<b>292262</b>	<b>465972</b>	<b>877310</b>	<b>100</b>

*Source: Hugo, 1995*



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**Table 2****Regional Distribution Indonesian Workforce (in Percentage)**

Region	Year				
	1980	1982	1984	1986	1988
The Middle East	71.06	45.36	75.82	90.85	83.14
Asia	7.58	39.9	18.34	4.46	10.13
America	-	5.13	1.18	2.24	3.32
Europe	21.22	9.61	3.88	2.44	3.27
Others	0.15	-	0.15	0.01	0.14
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Source: University of Indonesia, 1995**

For this reason, one of the policies developed by the government to address labour problems had been to encourage labour migration abroad. One of the steps taken in this direction was the formation of labour institutions abroad by the Ministry of Labour, which was responsible for the coordination of migrant labour activities overseas.

Indonesia had often tried to have its labour force, whose numbers were increasing, to be employed abroad. Large numbers of labourers were always in need of large employment opportunities. Their ever-increasing needs had forced them to look for employment abroad. The problem of limited job opportunities was responsible for forcing them into mobility to other areas.

Another factor that made the government adopt this kind of policy was the availability of large employment opportunities in the relatively richer developing countries, which could absorb the Indonesian labour force in large numbers. This had been the case with the oil-rich Gulf States, Malaysia and Singapore.

The Indonesian international labour migration had been in process since Repelita I (1969-1974) with a total of 5,624 people.

After 1975, Indonesian labour migration abroad began to be systematically programmed by government. Compared with other Asian countries like Thailand, the Philippines, Malaysia and South Korea, Indonesia took a long time to establish a labour policy concerning international migration and this led to a smaller number of Indonesian workers going abroad as compared to those from other countries.

**Table 3**  
**Overseas Indonesian Workers, Repelita IV-V**

Destination Countries	Repelita IV (1984-1989)		Repelita V (1989-1994)	
	(N)	(%)	(N)	(%)
Australia	7	0.0024	213	0.0326
Holland	4,357	1.4902	5,515	0.8445
Belgium	3	0.001	38	0.0058
Brunei	920	0.3147	10,205	1.5626
Cyprus	1	0.0003	34	0.0052
United Arab Emirate	1,109	0.3793	2,323	0.3557
Hongkong	1,735	0.5934	5,304	0.8122
India	-	-	11	0.0017
United Kingdom	77	0.0263	310	0.0475
Iraq	303	0.1036	-	-
Italy	25	0.0086	114	0.0175
Japan	395	0.1351	4,913	0.7523
Germany	148	0.0506	613	0.0939
Canada	-	-	43	0.0066
South Korea	-	-	4,369	0.669
Kuwait	952	0.3256	3,004	0.46
Malaysia	37,785	12.9233	156,312	239.346
Egypt	36	0.0123	352	0.0539
Monaco	859	0.2938	1,365	0.209
Norway	35	0.012	231	0.0354
Oman	56	0.0198	12	0.0018
France	1,018	0.3483	929	0.1268
Philippine	9	0.0031	26	0.004
Portugal	3	0.001	1	0.0002
Qatar	-	-	42	0.0064
Rumania	16	0.0055	4	0.0006
Arab Saudi	223,573	76.4668	384,822	58.9241
Singapore	10,573	3.6162	48,896	7.487
Spain	6	0.0021	73	0.0112
Surinam	53	0.0181	14	0.0021
Sweden	-	-	7	0.0011
Switzerland	6	0.0021	48	0.0073

<b>Taiwan</b>	178	0.0609	7,888	1.2078
<b>Thailand</b>	53	0.0181	14	0.0021
<b>USA</b>	6,897	2.3589	13,996	2.1431
<b>Jordan</b>	1	0.0003	-	-
<b>Greece</b>	971	0.3321	917	0.1404
<b>Others</b>	226	0.0749	224	0.0343
<b>Total</b>	<b>292,315</b>	<b>100</b>	<b>652,218</b>	<b>100</b>

*Source: Indonesian Manpower Department, Directorate General of Overseas Labour, The Development of Export Labour Program in Repelita IV and V, 1994*

**Table 4**  
**Indonesia: Destinations of Overseas Workers**  
**in the Seventh Five Year Plan Period, 1994-99**

<b>Destination</b>	<b>Number</b>	<b>Percent</b>
<b>ASIA PACIFIC</b>	848,543	58.1
<b>Malaysia</b>	556,575	38.1
<b>Singapore</b>	146,427	10
<b>Taiwan</b>	44,851	3.1
<b>South Korea</b>	37,288	2.6
<b>Hong Kong</b>	35,140	2.4
<b>Brunei</b>	14,040	1
<b>Japan</b>	12,274	0.8
<b>Other Asia</b>	1,943	0.1
<b>AMERICA</b>	12,833	0.9
<b>EUROPE</b>	5,204	0.4
<b>MIDDLE EAST/AFRICA</b>	594,656	40.6
<b>Saudi Arabia</b>	550,218	37.7
<b>Arab Emirates</b>	41,768	2.9
<b>Other Middle East/Africa</b>	2,670	0.2
<b>TOTAL</b>	<b>1,461,236</b>	<b>100</b>

*Source: Indonesian Manpower Department*

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Between 1969-1979, about 50% of the total number of Indonesian migrant workers went to Europe, especially the Netherlands.

By the next decade (1979-1989) the Gulf States mainly Saudi Arabia constituted a major destination country for Indonesian migrant workers abroad. From 1989 onwards Southeast Asian countries including Malaysia and Singapore had been the main recipient countries.

During Repelita IV and V, the number of Indonesian workers who migrated to the Middle East, especially Saudi Arabia, constituted more than 50% of the total Indonesian labour abroad. Based on a research conducted by the Department of Manpower and the Department of Population and Environment, the increase in Indonesian workers who migrated to the Middle East region was caused by the high demand for Indonesian workers, especially since the 1970s when the price of petroleum rose. Indonesian migrants working in this region were mainly women who worked as domestic servants.

In 1988, Cosmas Batubara, the then Minister of Labour, inspired by the reality that the volume of international migration undertaken by Indonesian workers was increasing, decided to pass Ministerial Decree No. 5, setting out the procedure for sending migrant workers abroad. Coinciding with the sending of workers to Saudi Arabia in the same year, the Minister passed Decree No. 1307 that dealt about the technical requirements of Indonesian workers migrating to Saudi Arabia.

It could be said, therefore, that the government had begun to give an explicit response to the sending of migrant workers abroad. In 1994, the Minister of Labour, Abdullatif formed PT. Bijak, which helped in organizing the sending of skilled Indonesian workers to Malaysia.

Between 1969 and 1993, the government of Indonesia succeeded in sending 877,310 workers abroad and out of these 62.9% went to Saudi Arabia, 19.7% to Malaysia and 6% to Singapore.

In 1994, the number of Indonesian workers abroad rose to 177,353 people. Most of them went to Saudi Arabia and Malaysia. In Saudi Arabia there had been an increase in production capacity and an increase in the oil and natural gas prices that also led to an increase in the demand for a foreign labour force to carry out physical construction work.

In 1996, as many as 220,162 Indonesians were registered as international migrant workers. Statistics within the last few years indicate that Asian countries are the

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largest absorbers of Indonesian migrant workers, then the United States and Europe. The Ministry of Labour during Pelita VI (1994-1999) has targeted to send 1.5 million workers abroad and it is estimated that they will remit about US\$3B.

Migration policy makers of Indonesia believed that the country had been sending unskilled labourers for years. This trend, they thought, put Indonesia in a very non-competitive spot. In a survey conducted in 1993, majority of the Indonesian deployed to different parts of the world were peasants and the rest were service workers.

Based on an ILO report of 1993 skilled Indonesian migrant workers numbered only to 20,000. On the contrary, foreign workers in Indonesia are mainly composed of highly educated, skilled and of high quality workers, mostly working as consultants, expatriates, and the like.

**Table 5**  
**Migrant occupations before migrating abroad**

<b>Jobs</b>	<b>N</b>	<b>(%)</b>
<b>Farmer</b>	14	9.5
<b>Trader</b>	9	6.1
<b>Pedicab driver</b>	8	5.4
<b>Government official</b>	1	0.7
<b>Fisherman</b>	13	8.8
<b>Driver</b>	2	1.4
<b>Peasant</b>	43	29.1
<b>Part timer worker</b>	32	21.6
<b>Carpenter</b>	26	17.6
<b>Total</b>	<b>300</b>	<b>100</b>

**Source: Survey 1993**

Thus, the government through the Ministry of Labour tried to reduce the sending of uneducated workers abroad and, on the other hand, taking practical steps to increase the number of trained workers going abroad. In order to realize the above effort, the Ministry of Labour has established a quota of sending untrained workers throughout Pelita VI.

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Throughout Pelita VI, the Ministry of Labour had established a quota of sending untrained workers. In 1995, the quota of untrained workers going abroad constituted 80% of the total workers, this figure fell to 60% in 1996, 40% in 1997, and 20% in 1998.

Up till now, the sending of Indonesian migrant workers abroad had been mainly the responsibility of the Indonesian Labour Enterprise (PJTKI). These institutions are charged with the responsibility of settling workers both within and outside the country. The establishment of this institution had shown the further intensification of Indonesian migration.

Two factors forced the government to take these measures. One was unemployment problem and second was the availability of employment opportunities in the relatively richer developing countries which were capable of absorbing Indonesian migrant labour in substantially large numbers, mainly the oil-rich Gulf States, Malaysia and then Singapore. These employment opportunities, apart from their ability to absorb labour, also offered higher wages and better facilities compared with the domestically available jobs.

**Table 6**

**Occupation and Destination of Indonesian Migrant Workers – 1997**

Occupation	Middle East	Asia*
Housemaids	81.13	53.49
Drivers	13.21	0
Construction workers	3.77	4.65
Operator	0	6.98
Other	1.89	16.28
<b>Total</b>	<b>100</b>	<b>100</b>

*Source: IPB, 1997:Tab 2*

*Note: \* Singapore, Hong Kong, Malaysia, Brunei, Taiwan, Korea and Japan*

As far as sending workers abroad is concerned, the activities of these institutions have been coordinated with various other institutions handling labour cases in Indonesia (PPTKI) which was privately established and now runs joint operations with the Indonesian Manpower Supplier Association (IMSA).

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## B. EXPORT OF WOMEN LABOUR

SINCE THE EARLY 1990s, Indonesia gradually increased its share of the international labour market. For example, in 1993, Indonesian workers were the third largest group employed in Hong Kong, but by 1994, their numbers were second only to the Filipinos. What was most dramatic was not only the rapidity of the rise of numbers of overseas migrant workers, but the total reversal of the gender balance. During the 1970s, men outnumbered women by a ratio of 3:1. By the early 1990s, there were almost twice as many women placed overseas. Currently, over 70% of Indonesian migrant workers are women. In Hong Kong, Indonesian domestics grew the fastest, increasing by 29% from 24,700 in 1997 to 31,800 in 1998.

Indonesia's labour export economy relied almost entirely on the deployment of female domestic workers. Particularly in Saudi Arabia, the late entry of Indonesia to labour export made domestic work as the main type of jobs available for Indonesian nationals. Consequently, the competition for the domestic helpers labour market was not as severe as in other labour markets.

From the current International labour migration pattern, it had been apparent that those leaving for the oil-rich Gulf States were mainly women workers. Indonesian migrant workers who go to the Middle East were mostly women who constituted about 83% of the total.

**Table 7**  
**Indonesian Migrant Workers by Gender and Destination**  
**1994-1997**

Destination	Male		Female		Total	
	Number	%	Number	%	Number	%
Saudi Arabia	20,970	6.76	246,221	48.86	267,191	32.81
Other Middle East	795	0.26	15,283	3.03	16,078	1.97
Malaysia/Brunei	218,193	70.3	174,319	34.58	392,512	48.2
S'pore/Hongkong	19,035	6.13	61,187	12.14	80,222	9.85
Korea/Taiwan/Japan	38,361	12.36	6,895	1.37	45,256	5.56
Other	13,018	4.19	75	0.01	13,156	1.62
<b>Total</b>	<b>310,372</b>	<b>100</b>	<b>503,980</b>	<b>100</b>	<b>814,352</b>	<b>100</b>

**Source: Various unpublished official statistics,  
Indonesian Ministry of Manpower**

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## C. NATIONAL INCOME FROM LABOUR EXPORT

The national income from the remittance sent by Indonesian workers working in Saudi Arabia dominated all national income (95.78) during 1989/1990 - 1993/1994. Income from Malaysia constituted only 0.15 %.

**Table 8**  
**National Income from Overseas Indonesian Workers**  
**1989/1990/-1993-1994**

Period	(N)	(%)
1989/1990	187,663,248	15.4
1990/1991	179,971,583	14.7
1991/1992	238,949,071	19.5
1992/1993	264,019,705	21.6
1993/1994	352,737,848	28.8
<b>Total</b>	<b>1,223,431,455</b>	<b>100</b>

*Source: Indonesian Manpower Department, 1995*

**Table 9**  
**National Income from Overseas Indonesian Worker**  
**in Malaysia 1990/1991-1993-1994 by Country Destination**

Destination Countries	(US \$)	(%)
Saudi Arabia	1,171,799,803	95.78
United Arab Emirate	26,858,977	2.17
Qatar	356,555	0.03
Bahrain	1,617,804	0.14
Kuwait	11,886,124	0.97
USA	2,827,282	0.23
Malaysia	1,809,349	0.15
Singapore	2,237,187	0.18
Oman	279,157	0.02
Japan	171,706	0.01
Etc.	3,857,511	0.32
<b>Total</b>	<b>1,223,431,455</b>	<b>100</b>

*Source: Indonesian Manpower Department*

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This low figure was due to the use of non-official means of sending remittance by Indonesian workers. Thus the exact figure of the national income from Malaysia could not precisely be estimated as those working in that country could not easily be counted. However, during 1990/1991-1993/1994 the income from Malaysia reached US \$ 1,809,349. This figure indicated that the income gained from this sector constituted 30 % of all national income during 1990/1991-1993/1994.

According to a report issued by the Department of Manpower, during 1989-1990 Indonesian income gained from Indonesian workers working abroad was US\$ 187,663,248. It decreased slowly by 1993/1994. During 1990/1991 - 1991/1992, the income increased by 28.3 % and during (1991/1992 - 1992/1993) it increased by about 10.01%.

## **D. UNDOCUMENTED IMWs**

It cannot be ascertained what is the exact number of people working abroad because most of them left Indonesia without going through the official procedure, particularly Indonesian workers going to neighboring countries like Malaysia, Brunei and Singapore. Most of the Indonesian workers who went to the Middle East travel had tourist visas or visas for a holy pilgrimage to Mecca.

There are two types of Indonesian migration patterns. The first type is documented in the AKAN institution and is officially registered by the Ministry of Labour. An example of this kind of arrangement has been the migration for the Gulf States. The second concern migrant workers who leave the country illegally through middlemen, like, for instance, the migrant workers who go to Malaysia. Neither the Indonesian Labour Ministry nor the migration authorities in either Indonesia or Malaysia have official records of these migrant workers.

The majority of these Indonesian migrant workers in Malaysia are employed in plantations and in construction projects as unskilled labourers. Many of them came from Sumatra, Java, Bawean, Sulawesi and Nusa Tenggara. Labour mobility from Indonesia to Malaysia constitutes the largest illegal labour migration flow in Asia.

On August 2002, Malaysia implemented new immigration laws - the Immigration Act (Amended) 2002. The law calls for illegal foreigners to be fined up to M\$10,000 (\$2,631), five-years imprisonment, and six strokes of the cane.

During the so-called amnesty period 243,772 Indonesians left the country for fear of the penalties they shall face once caught. The Indonesian government

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has said that, as of mid-August, 320,000 migrants have returned and another 160,000 have come back via the Indonesian border town of Nunukan in East Kalimantan from East Malaysia.

However, the mass repatriation of Indonesian migrants has also caused problems for the Malaysian economy. In August 2002, Malaysian employers have complained of labor shortages, and there have been predictions of increase in vegetable prices by 30% as harvest workers disappeared. The constructions sector has also suffered as Indonesian workers are their main source of cheap labour. The construction industry employs 500,000 undocumented Indonesians.

## **E. THE PRESENT LABOUR POLICY OF THE INDONESIAN GOVERNMENT**

ON 2002, THE MINISTRY for Labour and Transmigration issued Decree – to govern the deployment of Indonesian Migrant Workers.

The following are the main critical points of the said decree:

### **1. Full deregulation of Indonesian labour importation industry**

The PJTKI is given the full authority to look for job opportunities abroad. The recruitment agency will then apply for approval the “job orders” with the Indonesian Consulate in receiving countries. Upon approval, then the process of getting Indonesian Migrant Workers (IMWs) from partner recruitment agencies in Indonesia will commence according to the number of needed workers for the particular job description.

The Indonesian government, particularly the Ministry for Labour and Transmigration is reduced to approving licenses for PJTKI and verifying of the “job orders”. Even services that should be provided to IMWs by the government are transferred to the PJTKI. The PJTKIs, on the other hand, exploits these “services” in order to get the maximum of profit from IMWs before they go abroad andle they are working overseas.

### **2. No direct hiring**

According to the decree, IMWs are those who have registered and passed the selection process conducted by the Perusahaan Jasa Tenaga Kerja Indonesia, PJTKI. PJTKI is the collective term used to call private recruitment agencies for IMWs.

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PJTKI has the sole control in terms of deploying IMWs. This system has made IMWs vulnerable to abuse for they are put under the power of recruiters. The recruitment agencies have the power that had been disabused repeatedly.

Recruiters and employment agencies lure workers with the promise of fast and large amount of money when working abroad. In order to work overseas, first time applicants must register at the recruitment agencies in Indonesia. Most recruiters charge expensive fees for this registration process although there are a few who offer fly-first-pay-later deals.

After the application, workers are forced to stay in the dormitory while waiting for their document processing and notice of flight departure details. The agency claims that their purpose is to provide skills and language training however these workers are treated like prisoners. They are not allowed to go out, denied access to their families and ordered to follow all of the agency staff instructions. Sometimes over one hundred workers are forced to stay together in the agency's unsanitary conditions.

### **3. No standard contract**

Contracts are based on the host country's policy. The Indonesian government has set no benchmark wherein they can judge whether their nationals are accorded their basic rights. Essentially, IMWs are subjected to the existing conditions of the host country while the Indonesian government divests itself of its political and social responsibility to its nationals.

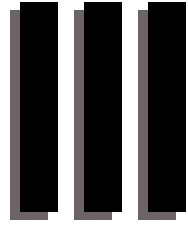
Because of this, the minimum wage and other economic benefits for IMWs are also left to the decision of the host government. Such a hands-off policy poses a great danger as what the Indonesian domestic helpers in Hong Kong have experienced.

Generally, receiving countries try as much as possible to depress the wages for migrant workers. They accept migrants in the first place because it is a source of cheap labour for the economy. While it is true that wages in receiving countries are relatively higher than in sending countries, wages of migrants should not be based solely on the decision of the host government. It must be based on the benchmark of how much is required for a migrant worker to live decently in the host country and the economic requirements of their families in their home country for their basic needs.

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#### **4. Fees charged to IMWs**

While the decree stipulates that the IMWs and/or the employers are the ones who will pay the necessary charges for deployment abroad, IMWs in reality shoulder the bulk of the charges. Moreover, because of the deregulation policy, recruitment agencies are given the leeway to dictate how much they will charge the IMWs for items that has no fixed amount. In practice also, IMWs are made to pay fees that are to be paid for the employers. These are deducted from the salary of IMWs and are done through the collusion of the employers and the recruiters.



# **Issues and Response: Case Study of Indonesian Migrant Workers in Hong Kong**

## **A. PROFILE OF IMWs IN HONG KONG**

The survey conducted by the Asia Pacific Mission for Migrants (APMM) has shown that majority of migrant workers in Hong Kong (46%) are of ages ranging from 20 to 24 years old. Following the said age group are those who are 25 to 29 (26%) and the 30-34 age bracket (18%). Only 6% of those surveyed in Hong Kong are of the ages 35 – 39.

Sixty-nine percent of the respondents in Hong Kong are single and 25% are married. Only 3% and 2% are divorcees and widows, respectively.

With regards to educational attainment, 46% of Indonesians in Hong Kong finished secondary school while 42% have graduated from universities, colleges and vocational training institutions. About 10% of the respondents are elementary graduates.

Majority of the respondents have only worked in the present host country. Only 20% of those surveyed have worked in other countries that include Saudi Arabia, Taiwan, Singapore and Kuwait. Only 1% had previous work experience in Indonesia.



Most of the respondents in Hong Kong (80%) have been working there for over a year with 12% of them having been employed for more than 4 years.

**Most noticeable is that only 1% of the Hong Kong respondents had jobs in Indonesia before they came to work abroad.**

## **B. ISSUES OF IMWs IN HONG KONG**

In Indonesia, the Labor Code does not have provisions for recruitment of workers overseas. There is no standard and legal placement fee so recruitment agencies can impose any amount to workers. Hence, these Indonesian recruitment agencies are the beginnings of the exploitation process for Indonesian migrant workers coming to Hong Kong.

The workers are denied information about their labor rights in Hong Kong. They are told instead that they are entitled to a “lower” underpaid salary because they do not have experience, and they cannot speak English or Cantonese.

Upon arrival in Hong Kong, the representative of the agency picks up the worker. The staff will immediately confiscate their passports and employment contract claiming that they are needed for the processing of their Hong Kong Identification Cards and for “safe keeping”. However, they are brought to financing agencies, made to sign documents without explaining the contents and are given a card stating the amount of money that they have to pay for 7 consecutive months.

Their travel documents are illegally held as collateral by the agencies to force workers to pay the “loan” and to pay the exorbitant placement fees. The contracts are withheld to prevent workers from being able to learn of their labor rights and entitlements in Hong Kong. Because workers are not aware of their rights to keep their documents, they place their trust in these corrupt agencies.

In a survey conducted by the Association of Indonesian Migrant Workers (AIMW), Indonesians pay a maximum of HK\$21,000 (US\$3,000) to recruitment agencies. Only a handful charges the equivalence of a month’s wage in Hong Kong (US\$450) or less. Usually, they pay the recruiters on a salary deduction basis.

The monthly deduction, according to the respondents, is more than half of what they receive as salary per month.



The Indonesian Consulate recently announced that all Indonesian domestic workers must return to Indonesia after working for two years or after termination of the employment contract. They have to get permission from their parents or

husband if they want to continue working in Hong Kong. This new policy is encouraging to the Indonesian migrants in terms of reuniting with their families back home especially those who have not seen their children for two years.

However, even without this policy, terminated Indonesian migrants are forced to return to Indonesia because of the existing New Conditions of Stay in Hong Kong. For those who are processing their contracts in Hong Kong, they also have to return home to come up with the money charged by recruiter. Recruitment agencies charge HK\$6,000 – HK\$8,000 for new contracts and HK\$4,000 for renewal of contracts with the same employer. The new policy can only be used by recruitment agencies to further exploit the already depressed condition of Indonesian workers through exaction of exorbitant fees.

Based on the survey conducted by the Association of Indonesian Migrant Workers (ATKI-HK) from 8-15 July 2001, it showed that of the 1081 Indonesian workers

interviewed, over 90% were illegally charged by recruitment agencies. While the Employment Ordinance of Hong Kong stipulates that the maximum legal commission of agency fees is 10% of the first month's salary; in practice many agencies charge workers seven months deduction of salary (HK\$21,000) if they receive full salary payment and between three to four months deduction (HK\$6,000-



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HK\$8,000) for those who are underpaid.

Because agencies profit from exorbitant fees collected from each worker, employers are often told that there is a “trial period” of 3 to 7 months and they are free to terminate their domestic helpers. The recruitment agency will provide a replacement without charging the employers. However, when a new replacement is employed, the recruitment agency can profit again by collecting agency fees.

After termination, agencies refuse to give workers back their passports and employment contracts to prevent them from filing claims against the employers. Some are charged of overstaying due to the refusal of the agency to return their travel documents. Some are forcibly detained in agency boarding houses prior to repatriation back to Indonesia. Even the Indonesian Consulate cannot enforce their power and stop the illegal practices of these unscrupulous recruitment agencies.

Very glaring in the survey is that 60% of Indonesians surveyed are not aware of the services that their own consulate provides them. Even then, majority of those who do know of some consular services are not satisfied of the kind of services that the consulate provides. Moreover, almost half of the respondents said that they do not know much of information of their country of destination. This includes employment and immigration policies of Hong Kong and support services that private groups provide.

## **C. ORGANIZING MIGRANT WORKERS: EXPERIENCES OF THE ASSOCIATION OF INDONESIAN MIGRANT WORKERS (AIMW)**

### **Brief History of the AIMW**

The Association of Indonesian Migrant Workers (AIMW) or Asosiasi Tenaga Kerja Indonesia di Hong Kong (ATKI) was formed in July 2000. The process started when nine terminated IMWs who were mostly underpaid started to discuss among themselves what they could do while their cases in the Labour Department were still pending. These IMWs who stayed in the Bethune House Migrant







Women's refuge, a temporary shelter in Hong Kong, were able to attend a discussion on HK employment contract and were able to discuss with other distressed migrants the process of filing cases.

From then on, they were exposed to organizations of migrant Filipinos and that of the Asian Migrant Coordinating Body or the AMCB – an alliance of organizations of Nepalese, Filipinos, Thais and Sri Lankans.

Initially, the group was invited to social gatherings where they presented their traditional dances. Eventually, they got in activities that tackle the issues and demands of migrant workers in Hong Kong.

By this time, most of the original members of the group already returned to Indonesia for their cases were already settled. From the positive experiences that they got and the realization of the importance of having an organization, the members of the group who remained decided to form the ATKI. More than 20 Indonesian migrants attended the founding congress of ATKI.

## Organizing activities of the AIMW

Every Sunday where most Indonesians take their days off, members and officers of the AIMW go to Victoria Park, Star Ferry and Kowloon Park where most of the IMWs gather. In these areas, AIMW initiates discussions on the situation of IMWs in Hong Kong. Through exchanging experiences, IMWS become aware of their rights as migrant workers and the provisions stipulated in the HK employment contract for foreign helpers.



Recruitment of ATKI members is a foremost objective of the organization in its Sunday activities. From the experiences of ATKI members, the existence of an organization and the knowledge that people are behind them is a major factor in developing the courage and resolve of IMWs to confront their situation.



ATKI also joins campaigns of the AMCB on issues of wages, livelihood and employment conditions. The active participation of the ATKI on these issues has also raised the level of recognition that the organization has among IMWS and even with the Indonesian Consulate. Campaign activities are also the most effective means for the expansion of the organization.

Currently, ATKI plans to conduct a campaign that shall focus on the issues of IMWs such as overcharging of recruitment agencies, underpayment, illegal labour practices, and insufficient services of the Indonesian Consulate.

Integral also to the organizing methods, ATKI conducts counseling and provides assistance to members with pending cases. Education and training on relevant Hong Kong policies on migrant workers are also conducted in order to create a vast pool of members who are equipped to extend assistance to other IMWs. Included in the education work is also a discussion on the relevant laws of Indonesia pertaining to migration.

Counseling and welfare assistance of ATKI is being coordinated with non-government groups who are experienced in handling labour cases of foreign helpers.

To keep the spirit of camaraderie, ATKI also holds social activities.

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# IV

## General and Particular Tasks of the Indonesian Migrant Movement

### A. GENERAL TASKS

The general task of the Indonesian Migrant Workers is to educate, organize and mobilize the IMWs for their rights and welfare. In the face of the growing number of Indonesian migrants it is of crucial importance to build a strong movement of IMWs to confront the wide range of issues that IMWs face.

This movement of IMWs must not only be concerned by the situation of Indonesians in their host countries. It must involve itself in national issues that are ultimately at the core of the issues of migrants.

To be forced to migrate is already to be in a state of crisis. Due to the lack of opportunities for a decent living in Indonesia, the need to migrate is great among the Indonesian people. This need is being used against them. They are transformed into a source of profit for private businesses. At the same time, they are made to play a big role in Indonesian economy but without the corresponding protection for their rights and wellbeing from the Indonesian government.

The consciousness of IMWs with regards to their situation as migrant workers and as Indonesian citizens must be raised. This can be done through the systematic education amongst IMWs.

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Alongside education work, we must strengthen the organizations of IMWs wherever they can be found. The experiences of Indonesians in countries where they are organized have shown how an organized force of migrants is the most effective means for IMWs to protect themselves from abuses. This lesson has also been exhibited by organizations of migrants of other nationalities who have had longer years of organizing work among their ranks.

These organizations must serve as the venue for IMWs to fight for their aspirations. The actual struggle for the rights and wellbeing of IMWs will serve as the source of lessons that shall further move forward the organizing work amongst Indonesian migrants. It will only be through the struggle that IMWs will achieve concrete gains that will alleviate their condition. Similarly, it will only be through their struggle, together with the people in Indonesia, which shall root out the main problems of forced migration.

The twin components of fighting for the rights and welfare and uniting with the Indonesian people who are struggling for economic, political and social changes in Indonesia must go hand in hand. To forget the latter is to give only temporary relief for IMWs. However, to do away with the former will not rally the broadest ranks of IMWs to struggle for basic changes.

## **B. PARTICULAR TASKS**

1. Integrate the struggle for the rights and welfare of migrant workers with the struggle for basic societal changes in Indonesia.
2. Investigate on the actual conditions of IMWs in order to understand thoroughly the situation of IMWs and their families.
3. To conduct education work on issues which affect migrant workers in order for the IMWs, the Indonesian people, and the people of other countries to know the condition of IMWs.
4. Provide training to raise the capacity of IMWs to organize, educate and mobilize their ranks.
5. Form organizations of IMWs that shall uphold the right of migrant workers and promote their welfare.
6. Conduct campaigns on urgent issues and concerns of IMWs. Initiate or participate in campaigns to address national issues in Indonesia.
7. Establish or link up with existing institutions that provide welfare assistance to migrant workers who encounter problems in the course of their employment.
8. Link up with organizations of migrants of other nationalities in host countries for a stronger and broader movement of migrants for a more effective advancement of migrants rights.

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9. Gather the support of progressive organizations in the host country especially the workers sector.
  10. Unite with organizations in Indonesia that carry the objective for genuine changes in the society.
  11. Unite with IMW organizations in other countries in order to establish a global movement of IMWs.
  12. Encourage families in Indonesia to form their organizations and urge them to link up with other progressive groups inside the country.

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## The Indonesian Migrant's Movement

# Making its mark in the global history of migrant workers







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Finally to the **Indonesian Migrant Workers**, may the movement be a strong defense for the rights and wellbeing of overseas Indonesian workers.