

THE IMPACT OF REMITTANCE OF DAYAK MIGRANT WORKERS ON SOCIO-ECONOMIC CONDITIONS: EVIDENCE FROM WEST KALIMANTAN, INDONESIA

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Abstract

The purpose of this study was to explore the impact of remittance on the socio-economic conditions of Dayak communities in West Kalimantan, Indonesia, including social economic life before, during, and after becoming a migrant worker in Malaysia. seven of the 50 Dayaks were pleased to be interviewed. Data from semi-structured in-depth interviews, participants recalled their experiences of working in overseas and their shared views on being migrant workers. The interviews were audio-recorded, transcribed and analyzed using a typical method of qualitative content analysis. To strengthen the findings of the interview, seven neighbors were also interviewed. The findings of the study show that the lives of the Dayak workers before becoming migrant workers were all lacking, they were still not able to meet the family's needs. However, when he became a migrant worker, his socio-economic life became better. During working in Malaysia, it is not as smooth as expected, they are imprisoned and even deported because they do not have official permission. because, they did not return to being workers, and chose to become entrepreneurs and oil palm farmers in their villages.

Keywords: migrant worker, needs, remittance, socio-economic condition.

Introduction

Indonesia is a developing country located in Southeast Asia and the fourth largest population after China, India, and America. The population is around 237,641,326 people in accordance to the Indonesian Central Bureau of Statistics (BPS) in the 2010 population census. In 2014, BPS released the number of Indonesian labor force (15 years and over) amounted to 183.0 million people and around 7.2 million people are still unemployed (not yet accommodated by the labor market). The large number of unemployed people due to the imbalance between the number of job vacancies and the workforce creates difficulties in getting jobs both in the formal and informal sectors so that the new workforce is unable to compete (Said et al., 2021). Unemployment and decreasing job vacancy have prompted many Indonesian workers to seek work elsewhere, while developed countries have increased their demand for labour, especially unskilled labour (Kapiszewski, 2017).

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The Center for Research, Development and Information (PUSLITFO) of National Agency for the Placement and Protection of Indonesian Workers (BNP2TKI) has mentioned that in 2014 there were 429,872 Indonesian workers (IWs) were employed in overseas. There were 219,610 IWs (58%) worked formally and 182,262 (42%) informally. The countries as the destinations for most IWs were Malaysia (97,635), Taiwan (75,303), Saudi Arabia (23,000), Singapore (20,895) and Hong Kong (15,322). It was also reported that West Kalimantan was eleventh rank of thirty-three provinces that the people had worked in abroad (2,221 workers).

This paper explores the economic growth by migrant workers remittance since in last decades, there have many studies investigate the impact of migrant workers remittance (MWR) to economic growth (Lim & Basnet, 2017);(Meyer & Shera, 2017);(Topxhiu & Xhelili, 2016) but investigating the impact MWR to foster economic growth in developing country, especially in Indonesian context is under research.

By reviewing the findings in the literature, the question which is extensively investigated the MWR impact to household welfare in rural area of Indonesia since population is mostly work as fisherman and others (small part) as farmer and entrepreneur with enough income just to meet daily needs. To have better income, they become migrant workers. By being migrant workers, they get money and when it is sent to their families it became more rupiahs (Mas' udah, 2020). This is what most IWs expect to foster their economy. This study also explores their behavior toward the income they have (Malc et al., 2016). This can be interesting to study since this paper contributes to the literature in a number of insights. The findings will motivate and improve remittances in relation to the nature of migration as an effort to improve the economy of the society in particular and the country in general (Ratha, 2013). This study also provides important implications for immigration policy and policies in developing countries in an effort to household welfare and unemployment reduction by opening up more employment opportunities in abroad so that the domestic economic growth will be better.

Method

This study is part of a larger research project that adopted a multiple-case study approach to explore the impact of MWR to the regional economic growth in Indonesia, particularly in West Kalimantan. The study used multiple data collection methods, interview and document analysis (Owen, 2014). After negotiating with the participants, there were seven of fifty participants, who were willing to be interviewed (Morris et al., 2022). The local participants who had worked at aboard for many years were selected. At the time of the study, the participants were still active as migrant workers and they were still in their hometown for vacation (Li & Zhao, 2018).

Table 1
demography of the participants

Name (pseudonym)	Age	Level of education	Working experience
Andrianus	19	Elementary school	1 years
Antonius	20	Secondary school	2 years
Pascanius	26	Elementary school	2 years
Robertus	24	Senior High school	2 years
Sugara	30	Elementary school	5 years
Thomas	27	Secondary school	3.5 years
Wandri	25	Senior High school	3 years

During a semi-structured in-depth interview, the participants recalled their experiences of working in overseas and shared their views on being migrant workers. The interview was audio-recorded, transcribed and analysed using a typical method of qualitative content analysis. The interview transcript was read carefully and closely to address to emergent themes in light of the research question (Gill, 2014). To solve the limitations of using a single case, seven neighbor of the participants were also interviewed to triangulate participants of reported account (Pryce et al., 2019). This study have tried to capture the migrant's stories, how they worked in certain country, and how much their income were, and how they spent it.

Result and Discussion

Three recurrent themes relating to how they worked in certain country, and how much their income were, and how they spent it. Before, the reasons the IWs going to overseas for work presented. Formerly, the income of six farmers could not fulfil the needs for instance their children education, health cost, and so on. "Being a farmer is only enough to eat, for educational needs and other needs, such as buying a motorbike for daily mobility and other needs." [interview transcript P1]. Moreover, for fishman, he earned less because of several factors, extreme weather in the sea so they could not work, traditional boat maintenance, boat fuel costs, getting cheaper for fish selling. "If the fishermen get worse sir, their income will decrease due to several factors, for example the extreme weather at sea preventing them from going out to sea, boat maintenance costs, fuel costs, and the selling price of fish is getting cheaper" [interview P2]. Thus, to fulfil the daily needs, they had to work to overseas.

In respect to how they worked, it explores the job offered by the overseas employers. Malaysia was the only destination. The findings of interview with seven IWs, it was found that all of them worked as construction laborers. Since they were unskilled workers they just helped the builders (it refers to ones who have skill to build a house) and prepared the materials such as stirring cement, transporting cement, wood and others. "Yes, usually we help or prepare for the needs of builders such as mixing cement, transporting cement, wood and so on." [Interview transcript P1].

When changed into Indonesian Rupiahs (Rp.), their family (in their hometown) monthly received the income ranging Rp. 3,000,000 until Rp. 5,000,000. It was quite different when they worked in their hometown, they used to receive uncertain income. When calculated, and their income ranged Rp. 600,000 until Rp. 1,200,000, and even they could get nothing in certain day, for instance bad weather. "Yes, if you do the math, you can earn around Rp. 600,000 to Rp. 1,200,000, and sometimes it cannot be overcome due to bad weather." [Interview transcript P1]. When asked about income they received, they could not save their money to the bank since their income was only for fulfilling their daily needs (meal, vegetable, and so on).

In contrast, the income from working in overseas was better. The remittances received by family members met not only their daily needs but also they could spend their money for paying educational cost of their children, health care, debts, and even they could save the money to the bank. "Usually our family receives and spends it not only to meet daily needs but also to finance children's schooling, pay off debts, health costs, and even save at the bank" [interview transcript]. In addition, one source said that his family could buy a television, refrigerator, motorcycle, land and build a new house. "For my family, I bought a TV, refrigerator, motorbike, land, and even built a house." [Transcript of interview P2]. It is true that remittances have a positive impact on developing economies (Cooray, 2012).

This success does not mean that it does not have a negative side, especially for migrant workers. They had to struggle hard since they had limited documents. Only passport was in hand without the permit. Consequently, the local policemen could be caught at any time. This happened to some of the respondent's families whose son worked as migrant worker in Malaysia, who were arrested when the police conducted a raid on their work permit. For three months in prison, they were physically and psychologically tortured by police in Malaysia, until they were forcibly repatriated to Indonesia. This also happened not only for Indonesian worker, but also the migrant workers from Tajikistan to Russia, where the majority were construction workers and service sector, and were deported because of illegal employment (Danzer & Dietz, 2018).

The amount of work risk resulted in some residents who had worked as migrant workers in Malaysia finally decided to stop working as migrant workers by opening a business from the work they earned while becoming migrant workers and there were also those who sought other jobs, such as working in oil palm plantations.

Conclusion

Based on research and discussion about the impact of remittances for migrant worker in Dusun Besar, Pulau Maya District, North Kayong Regency, it can be concluded as follows: 1) choosing to work abroad as a migrant worker had a good impact on migrant workers and their families. The results of remittances from migrant workers were maximally utilized by the family. The forms of use of remittances include: to meet daily needs, health costs,

education, savings, and pay off debt; 2) after becoming migrant workers, their socio-economic lives had changed. The income earned was far more than before. They could fulfill primary needs for instances, they could buy food, drink, clothing and shelter and they also could buy television, refrigerator, motorcycle, land, and repair houses; 3) being a migrant workers took a hard effort since he/she did not have official document be caught by local (Malaysian) policemen any time.

In addition, from the rest of their money, some of them opened businesses and some worked as oil palm farmers to continue their lives and families. Those are what they can do before, during, after being migrant workers.

This paper has explored the impact of remittance on socio-economic conditions and explained the latest efforts that have been made to theorize the impact of remittance and assessment for the economic development of the community, especially in terms of the use of finance by workers and their families in West Kalimantan province, Indonesia. With the limitations of data sources, it is necessary to have future research with a broader and more comprehensive scope so that the strengths that have never happened in this research can be revealed.

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