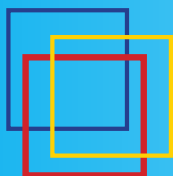


# Indonesia: Decent work for Indonesian migrant workers



International  
Labour  
Organization



## Decent work for migrant workers<sup>1</sup>

The Government of the Republic of Indonesia has ratified a number of conventions that support decent work for migrant workers. In particular, to realize decent work for all, the Government has ratified all 8 (eight) core conventions of the ILO,<sup>2</sup> as well as the UN Convention on the protection of migrant workers.

Law No. 39/2004 on the placement and protection of Indonesian Overseas Workers and subsequent ministerial regulations have introduced a number of protections for migrant workers. In addition, various policies and programmes have been implemented, including awareness raising with migrant workers on their rights and training programmes to support the empowerment of migrant workers.

In addition, the ILO has five specific conventions that concern migrant workers, which the Government has yet to ratify. These conventions include:

- ◆ Migration for Employment Convention, 1949 (No. 97);
- ◆ Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143);
- ◆ Private Employment Agencies Convention, 1997 (No. 181);
- ◆ Equality of Treatment (Social Security) Convention, 1962 (No. 118);
- ◆ Maintenance of Social Security Rights Convention, 1982 (No. 157).

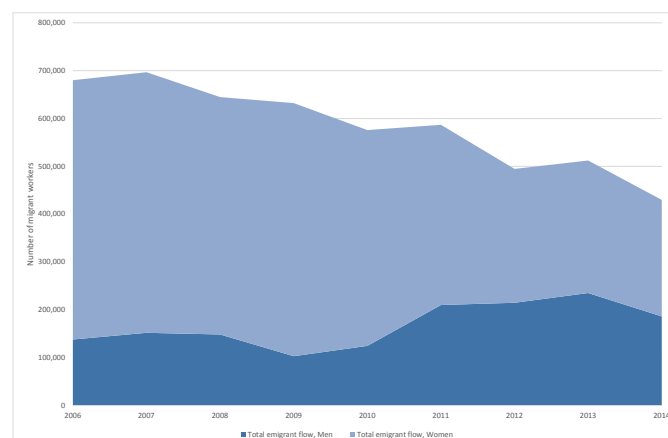
1 This brief provides a summary of the discussions that took place at the Indonesia country-level consultation of the UN ECOSOC 2015 Integration Segment on the theme of “Achieving Sustainable Development through Employment Creation and Decent Work for All”, Jakarta 24-25 February 2015. The ILO is grateful to the panelists who contributed to this session, including Albert Y. Bonasahat, Jun Kuncoro, Sulistri and Roostiwati.

2 The eight core conventions of the ILO refer to: C29 Forced Labour Convention, 1930; C87 Freedom of Association and Protection of the Right to Organise Convention, 1948; C98 Right to Organise and Collective Bargaining Convention, 1949; C100 Equal Remuneration Convention, 1951; C105 Abolition of Forced Labour Convention, 1957; C111 Discrimination (Employment and Occupation) Convention; 1958; C138 Minimum Age Convention, 1973; C182 Worst Forms of Child Labour Convention, 1999.

## Migrant worker trends

The Government supported the placement of a total of 429,872 migrant workers abroad in 2014, accounting for approximately the 0.4 per cent of the economically active population in Indonesia.<sup>3</sup> In addition, there were more than 6 million nationals living abroad in 2014 across 178 countries. Historically, the majority of migrant workers departing from Indonesia have been women, however, in the last three years there has been a significant shift, with approximately 57 per cent of migrant workers female and 43 per cent male in 2014 (see figure 1).

**Figure 1:**  
Indonesia migrant worker trends by gender, 2006-14



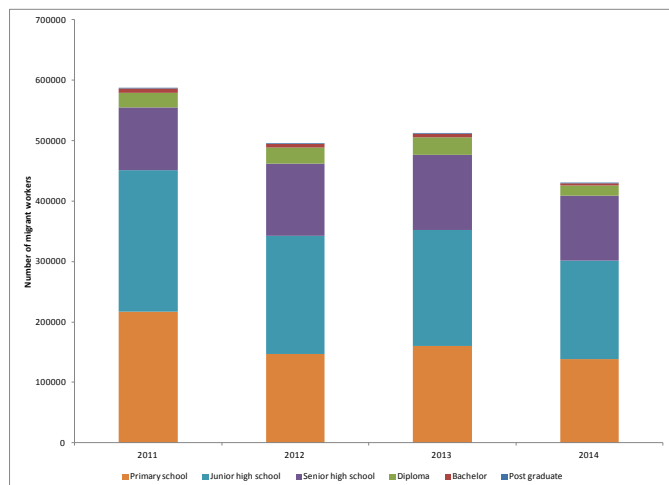
Source: BNPT2KI (2014) Migrant worker placement statistics, National Agency for the Placement and Protection of Indonesian Workers, Jakarta.

In addition, there have also been significant shifts in the numbers of migrant workers operating in the informal and formal economies. For example, in 2010, 73 per cent of Indonesian nationals working abroad were employed in the informal economy, which fell to only 47 per cent by 2014. Through more decisive action and stricter rules that are now imposed on receiving countries, the Indonesian Government has managed to cut back the share of Indonesian workers going to informal employment. In particular, it is worth highlighting the moratorium on the sending of Indonesian migrant workers to work in the informal economy in Saudi Arabia, Jordan, Kuwait, Syria and Malaysia.

3 See <http://www.bnpt2ki.go.id/statistik/statistik-penempatan/9359-penempatan-tki-2010-2013.html>

Migrant worker sending communities in Indonesia are largely located on the Islands of Java and Nusa Tenggara Barat. The main destination countries in 2014 were Malaysia (127,827 workers), Taiwan (82,665 workers) and those in the Middle East. The majority of Indonesian migrant workers are still low-skilled. A large portion of Indonesian migrant workers have primary school as their highest level of educational attainment (32.3 per cent) while only a small portion have completed university or post graduate qualifications (see figure 2).

Figure 2: Indonesian migrant workers' educational attainment, 2011-14



Source: BNPT2KI (2014) Migrant worker placement statistics, National Agency for the Placement and Protection of Indonesian Workers, Jakarta.

As many Indonesian migrant workers have lower levels of educational attainment, many are employed as domestic workers, caregivers and plantation workers. In order to increase the placement of migrant workers in occupations in the formal economy with formal skill requirements, the Government is providing competency based training, assessment and certification services for migrant workers. In particular, the Government is trialing the introduction of standardized salaries and working conditions in selected sectors and countries in order to improve the quality of migrant workers' jobs. These policy measures should see the face of Indonesian migrant workers change considerably in the future.

**Box 1: The Maritime Labour Convention (MLC 2006) and Work in Fishing Convention, 2007 (No. 188)**

The Maritime Labour Convention (MLC) was established in 2006 and sets out seafarers' rights to decent working conditions while helping to create conditions of fair competition for shipowners. The MLC 2006 is organized under the following five titles:

- Title 1: Minimum requirements for seafarers to work on a ship;
- Title 2: Conditions of employment;
- Title 3: Accommodation, recreational facilities, food and catering;
- Title 4: Health protection, medical care, welfare and social security protection;
- Title 5: Compliance and enforcement.

The convention entered into force on 20 August 2013, one year after 30 ratifications from ILO member states. This means that every country, including Indonesia, must comply with the specifications in the convention. As of October 2014, 65 ILO member states, which represent 80 per cent of global shipping, had ratified the convention. The scope of the MLC 2006 is limited, with the Convention focusing on the working and living conditions of seafarers and excluding fishing vessels and fisheries. Therefore to complement the MLC 2006, the Work in Fishing Convention (No. 188) was announced in 2007. This convention focuses on fishing and reflects the unique characteristics of commercial fishing.

In Indonesia, work within the fisheries and maritime industries is related to migrant workers. In particular, the number of people taking up occupations as migrant workers in the fisheries and maritime sectors has been increasing in recent years. For example, in 2011 workers in fisheries and maritime accounted for 2.33 per cent of all registered migrant workers, by 2014 this had increased to 4.67 per cent (see table 1).

Table 1: Selected Indonesian migrant worker occupations, 2011-14

Occupation	2011	2012	2013	2014
Fisherman	4,371	5,213	5,559	4,852
Able body seaman	4,777	7,796	8,719	4,810
Deck hand	4,509	12,283	11,249	10,410
Total migrant workers	586,802	494,609	512,168	429,872
% Migrant workers in fisheries/maritime	2.33%	5.11%	4.98%	4.67%

Source: BNP2TKI (2014) Penempatan dan perlindungan tenaga kerja Indonesia: Tahun 2014, BNP2TKI, Jakarta.

The main reasons for this trend include the introduction of new government regulations within the industry. In particular, the National Agency for the Placement and Protection of Indonesian Workers (BNP2TKI) issued a new regulation (No. 03/KA/I/2013) regarding the procedures for placement and protection of Indonesian workers who work on foreign fishing vessels. After the issuance of this regulation, the number of Indonesian workers working on foreign fishing vessels that registered through BNP2TKI increased.

The growth trends regarding the intersection between migrant workers and work within the fisheries and maritime highlights the importance of ensuring decent working conditions for these workers through ratifications of the MLC 2006 and the Work in Fishing Convention, 2007 (No. 188). Moreover, as an archipelago nation, ratification of both the MLC 2006 and the Work in Fishing Convention are highly important for promoting decent work for all workers.

## Indonesian migrant worker challenges

The migration cycle associated with migrant workers is generally thought of in three phases, including pre-departure, placement and return to the home country. At the pre-departure stage, there are three common issues that migrant workers often experience. First, the lack of reliable information from authorized sources on safe migration and the risks of working abroad, creates a challenging environment and increases workers' vulnerability. Due to this situation, prospective migrant workers may be misled by recruiters (*calo*) in their villages.

Second, there are some cases where migrant workers pay for, but do generally not receive, adequate training by the placement agency of private Indonesian workers (*Pelaksana Penempatan Tenaga Kerja Indonesia Swasta / PPTKIS*). In addition, migrant workers may not receive information about the nature of work, contract conditions, or the laws and requirements of destination countries. This results in migrant workers being unprepared for the work tasks they are required to carry out. In addition, they may not be able to communicate effectively with their employers as they are unaware of their rights.

Third is the extent of monitoring of PPTKIS, particularly regarding the training that it provides to prospective migrant workers (regular inspections, spot inspections, regional inspections) and excessive fees paid by prospective migrant workers (mandated & non-mandated costs). There are cases where prospective migrant workers who undertake training programmes conducted by the PPTKIS are exposed to hazardous conditions and are charged fees disproportionate to the training they receive. This situation can put prospective these migrant workers into debt bondage.

During the placement period, migrant workers face many challenges relating to decent work, including timely payment of wages, physical, verbal and emotional abuse from their employers, and detention, particularly for informal economy workers. Migrant workers experience challenges in the realization of their rights, as embassies and consulates have limited resources to provide the services needed by Indonesian migrant workers abroad (legal advice, assistance, shelter, vocational training, etc). As a consequence, embassies face challenges in providing support to migrant workers and the limited protection allows for further exploitation by employers and agents. To overcome this situation, the Government has been prioritizing complaint management and the regulation of brokerage services. Improved coordination and responsive services are need to promote decent work for migrant workers when they are abroad.

Upon returning to the home country, there is little support for reintegration. Although relatively reduced in number, many Indonesian migrant workers experience security problems and exploitation when they are returning to Indonesia. There is also a lack of support for the returnees and their families, particularly for productive investment of their remittances (see box 2). The Government has been providing training on financial education

for workers and their families to support the empowerment of migrant workers when they return home, however, the scale of support is still limited.

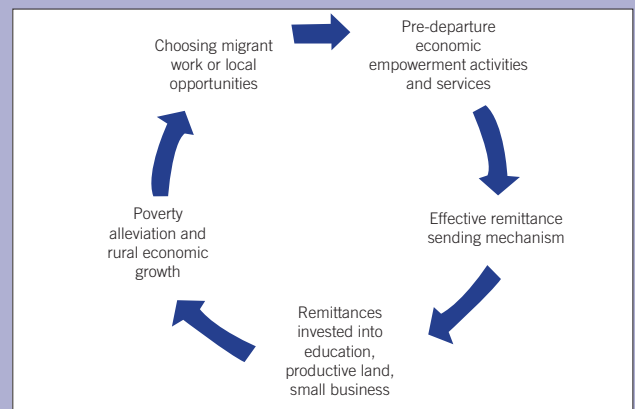
After short-lived elevated consumption levels, migrant workers are often forced to go abroad again, and enter into a continuing cycle of hazardous migration characterized by social isolation and economic and physical risks. Indonesia and sending areas are not reaping the development benefits of migration. Lack of access to livelihood opportunities and the possibility of earning higher incomes abroad provide strong motivation for continued labour migration.

### Box 2: Indonesian migrant workers and remittances

Indonesian migrant workers overseas make significant contributions to the domestic economy in terms of remittances – totaling USD 8.3 billion or equivalent to 1 per cent of GDP in 2014.<sup>4</sup> Almost half of these remittances were from migrant workers in Malaysia, Singapore and Brunei Darussalam. However, many of the households that receive these international remittances often remain poor, with the remittances often being used for supporting daily consumption needs rather than productive investments.

As the figure below illustrates, coherent policies, programmes and services are required in order to optimize the economic and employment impacts of labour migration for migrant workers' households and communities.

Figure: A productive migration cycle



Source: ILO (2012) Labour and Social Trends in Indonesia 2011 – Promoting job-rich growth in provinces, ILO Country Office for Indonesia and Timor-Leste, Jakarta.

Education and skills are keys elements for improving employability and increasing access to better quality jobs. In this sense, pre-departure training needs to equip migrant workers with skills, knowledge about risks overseas, their legal rights, and financial literacy.

Access to financial services for migrant workers and their families plays an important role in a productive migration cycle, as migrant workers and their families conduct various financial transactions throughout migration stages, starting with receiving loans to pay for recruitment fees and other expenses. Indeed, sending, receiving and saving remittances requires access to reliable and

<sup>4</sup> GDP was estimated at IDR 10,542,693.5 billion in current prices (base year 2010) by Badan Pusat Statistik and migrant worker remittances were estimated at IDR 98,822 billion by Bank Indonesia.

reasonable financial services. An effective mechanism for sending remittances can facilitate productive investment by households in education and income producing activities that can have immediate impacts on poverty and livelihood development.

Finally, a system of reliable complaint handling mechanisms, paralegal services, and consular services that help migrant workers in accessing justice abroad is necessary in order to effectively protect migrant workers abroad.

## Priorities for 2015-2019

According to the Indonesian Medium Term Development Plan (RPJMN) 2015-2019, the main areas of intervention concerning migrant workers relate to the realization of recruitment and placement mechanisms that protect migrant workers. In addition, skilled migrant is being prioritized, with the goal to the increase of the number of Indonesian migrant workers who have the skills and expertise that are in-line with market needs. In this sense, the management of the placement system of migrant workers needs to be improved. In particular, the placement needs to take in account the knowledge, education and skills of the applicants.

In addition, the Government is reviewing the current law that governs migrant workers (Law No. 39/2004). This review process should improve the existing regulatory framework for migrant workers. It is recommended that the revised law refer to international standards, including the UN Convention on the protection of the rights of migrant workers and their families, as well as the relevant ILO conventions on migrant workers (C. 97 and C. 143).

### Box 3: An instrument for the protection of the rights of migrant workers in ASEAN

To strengthen of the protection of migrant workers in ASEAN, an instrument is needed to protect and promote of the rights of migrant workers. This instrument is currently being negotiated by the ASEAN member states. The ILO recommends that the proposed instrument should refer to the rights entailed in international conventions, particularly those relevant to migrant workers. It should also refer to the contents of the ILO multilateral framework on labour migration, which is a guideline that operationalizes international conventions and good international practices in addressing the most common problems for migrant workers.

## Policy recommendations

The scale of migration that is associated with Indonesian migrant workers calls for Indonesia to be at the forefront of protecting the rights of these workers. The review of the situation of highlights a number of challenges, particularly regarding the realization of the rights of these workers. Recommendations for promoting decent work for Indonesia migrant workers include:

- ♦ Raising awareness on the rights of migrant workers. In particular, there is need for further advocacy regarding the proposed amendments to Law No. 39/2004, concerning the placement and protection of Indonesian migrant workers.
- ♦ Ensuring that private recruitment agencies operate in an environment that promotes decent work for migrant workers through ratification of the Private Employment Agencies Convention, 1997 (No. 181).
- ♦ Advocacy for the ratification of ILO conventions concerning migrant workers, in particular the Migration for Employment Convention (No. 97) and the Migrant Workers Convention (No. 143), to support the realization of migrant workers' rights.
- ♦ In addition, as Indonesia is an archipelago, it is important to continue the process of ratification for the Maritime Labour Convention (MLC 2006) and engage in further dialogue on the ratification of the Work in Fishing Convention, 2007 (No. 188). Many migrant workers also work in households as domestic workers and there is a need to promote decent work for these workers.
- ♦ Finally, workers' organizations and employers' organizations should be formally consulted in the design of protections for migrant workers.

The Government has been investing in institutions to support migrant workers and there is need for this investment to continue in order to realize their rights at work:

- ♦ Strengthening coordination, oversight and delivery of services for migrant workers throughout the full process of the migration cycle.
- ♦ Building the capacity of workers' organizations and employers' organizations so that they can play a role in promoting decent work for migrant workers.
- ♦ Investment in training programmes for migrant workers, to ensure that the training provided results in skill development for these workers. This requires improvements in the quality of the equipment, curriculum and instructors in such institutions.

In summary, to promote decent work for migrant workers there is a need for greater advocacy, as well as the strengthening of institutions to ensure that migrant is fair.

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