

Indonesia's Overseas Labour Migration Programme, 1969-2010

Wayne Palmer



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Indonesia's Overseas Labour Migration Programme, 1969–2010

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Preface

This book is the product of more than eight years observation of Indonesia's often controversial overseas labour migration programme and the systematic exploitation of those who use it to find jobs abroad. My experience volunteering for a non-governmental organization that provides paralegal assistance to Indonesian labour migrants in Hong Kong during 2007 alerted me to some of the most baffling realities associated with the programme. Very quickly I learned that Indonesian labour migrants made a distinction between the date of birth in their passport and their true one, a fact that could land them in prison with a hefty fine. They knew very little about how their recruitment debt was financed, but followed agents' instructions to hand over most of their pay for up to seven months. Strangely too the Indonesian consulate seemed to exercise extraordinary power over Hong Kong-licensed agents, which at times made the local law enforcement agencies look like toothless tigers. While the Indonesian consulate promptly retrieved passports from agents behind closed doors, the Hong Kong police accompanied the migrant to her agent's office to do so but would then accept excuses, including that her Indonesian recruitment debt was still not fully settled, to hold on to the document. The crucial role that host states should play in law enforcement is indisputable but practices that partly have their origin in another country can certainly complicate efforts to do so.

My purpose here is to further examine Indonesia's overseas labour migration programme, which sets standards for legal movement of Indonesian citizens into jobs outside the country, and chart the state's technical and political involvement in migrant labour export to destinations like Hong Kong. Early on I was tempted to include accounts of how labour migrants experience the system. Fortunately, we have a raft of work that documents this perspective and demonstrates that the system has developed an exploitative tendency, which enables state and non-state intermediaries to reap profits at the expense of labour migrants, their employers and even the state itself. With time I came to see that we needed more knowledge about relationships between different parts of the bureaucracy and of individual bureaucrats' motivations for action in Indonesia to better understand the state's role in the programme. The purpose of the book lies here. It provides for the first time a detailed critical analysis of the programme's administration and how this fits with other developments within the Indonesian government. More material like this will help us produce more evidence-based recommendations that aim to develop and implement a fairer system for Indonesia's labour migrants.

A few qualifiers about the book's limitations are in order. First, I do not examine every major administrative site of the overseas labour migration programme within Indonesia. There were 18 such cities dotted across Indonesia in 2010 when I concluded my main round of fieldwork. I examined half that number, including four sites in Java (Jakarta, Semarang, Surabaya and Yogyakarta), three in mainland Sumatra (Banda Aceh, Medan and Pekanbaru), and two that share an international border with Malaysia and/or Singapore (Nunukan and Tanjung Pinang) to get a strong sense of variations in the system. Of these I selected six cities – Jakarta, Medan, Nunukan, Semarang, Surabaya, Tanjung Pinang, which accounted for one third of the system – to present a snapshot of implementation and an insight into its remarkable heterogeneity. The programme differs from decentralized interventions in that national law requires implementation to be much more homogeneous. This selective approach teased out themes that help explain the diversity of practice. It produced a set of indicators that may be used as a point of reference for examination of the remaining sites or other such national programmes.

This book deals exclusively with the western part of Indonesia, excluding some of the country's poorest regions. Eastern Indonesia is much less densely populated than the west and the islands lie much further away from the international borders that Indonesian citizens frequently cross in search of work. As a result, three quarters of the programme's offices were located in Western Indonesia, where 91 per cent of labour migrants were processed. However, this is not to say that Eastern Indonesians do not cross international borders in search of work. They do; however, the majority do not do so through the government's overseas labour migration programme, which they circumvent through the use of alternative networks that secure jobs overseas. Despite this their labour migration involves a degree of bureaucratic compliance, as Eastern Indonesians may use passports and declare their intention to work abroad at border crossings. My observations in Nunukan, where Eastern Indonesians transit on the way to work on plantations in the East Malaysian State Sabah, further confirmed this view. They hinted at the necessity for more studies that examine (1) why the programme's infrastructure is still so densely located in the west and (2) how politics play out around administering labour migration to East Malaysia, East Timor and Papua New Guinea.

I also focus squarely on the programme's operation in urban areas at the final stages of the pre-departure process. The 18 sites determine the ability of labour migrants to legally leave the country for work overseas through their provision of an overseas identity card, which immigration officials wanted to sight in addition to a valid passport at the border. In short, the cities operated as a departure point for migrants to a range of destination countries. This book

does not examine in detail the relationship between government agencies and the motivations of individuals at the stages where labour migrants are recruited and registered, which mostly takes place in rural areas and always involves a combination of direct and indirect interaction with local government. I collected interview data in a range of rural areas in East Java, but omitted them from the book. On the basis of this small sample, it was not possible to draw rigorous, evidence-based conclusions about the recruitment-administration nexus in rural areas.

Finally, it is worth noting that the chapter on administration of the programme from within Indonesian consular offices draws exclusively on data collected in the Asia-Pacific region. At this time, this area was the second most popular destination for Indonesian labour migrants after the Gulf region, where Saudi Arabia had provided informal sector employment to Indonesia for almost 40 years. Attention to the politics around implementation of the programme in these states would have yielded complementary data about the factors that drove the intra-state conflict that is the focus of Chapter 3. But although each country regardless of region presents a unique extraterritorial context in which to implement the programme, the associated opportunities and constraints are not always place-specific. Examination of the role and work of Indonesian labour attachés in Hong Kong, Kuala Lumpur and Singapore brings this experience into relief, which provides a starting point for a wider, comparative analysis of implementation in other Asia-Pacific countries, including Brunei Darussalam, Taiwan and South Korea. Anecdotal evidence suggests that these inferences may also help make sense of Indonesia's administration of the programme in the Gulf region, certain parts of Africa, the Americas, Europe and Oceania within a more global setting.

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Parts of Chapter 5 draw on material previously published in: Palmer, Wayne. "Discretion and the Trafficking-like Practices of the Indonesian State." In *Labour Migration and Human Trafficking in Southeast Asia: Critical Perspectives*, edited by Michele Ford, Lenore Lyons, and Willem van Schendel, pp. 149–66. London: Routledge, 2012. This chapter also draws on material previously published in: Palmer, Wayne. "Public-Private Partnerships in the Administration and Control of Indonesian Migrant Labour in Hong Kong." *Political Geography* 34 (2013): pp. 1–9.

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Abbreviations

APJATI	Asosiasi Perusahaan Jasa Tenaga Kerja Indonesia, Association of Indonesian Labour Service Companies
ASPAL	asli tapi palsu, real but fake
BAC	Business Accreditation Certificate
BNP2TKI	Badan Nasional Penempatan Tenaga Kerja Indonesia, National Agency for the Placement and Protection of Overseas Indonesian Workers
BPK	Badan Pemeriksa Keuangan, National Audit Agency
DKI Jakarta	Daerah Khusus Ibukota Jakarta, Special Capital Region of Jakarta
DPD	Dewan Perwakilan Daerah, Regional Representative Council
DPR	Dewan Perwakilan Rakyat, People's Representative Council
FPI	Front Pembela Islam, Islamic Defender's Front
GASPERMINDO	Gabungan Serikat Pekerja Merdeka Indonesia, Amalgamated Free Trade Unions of Indonesia
GATT	General Agreement on Tariffs and Trade
GSP	General System of Preferences
GOLKAR	Golongan Karya, Functional Groups
G30S	Gerakan 30 September, 30 September Movement
Gerindra	Partai Gerakan Indonesia Raya, Great Indonesia Movement Party
ILO	International Labour Organization
IMSA	Indonesian Manpower Supply Association
INP	Kepolisian Republik Indonesia, Indonesian National Police
IOM	International Organization for Migration
JMA	Jakarta Metropolitan Area
KOPBUMI	Konsorsium Pembela Buruh Migran Indonesia, Consortium for the Defence of Indonesian Migrant Workers
Kopkamtib	Komando Operasi Pemulihan Keamanan dan Ketertiban, Operational Command for the Restoration of Security and Order
KPK	Komisi Pemberantasan Korupsi, Corruption Eradication Commission
KSPSI	Konfederasi Serikat Pekerja Seluruh Indonesia, Confederation of All Indonesia Workers Unions
LIPI	Lembaga Ilmu Pengetahuan Indonesia, Indonesian Institute of Social Science
Malari	Malapetaka Limabelas Januari, 15 January Incident
MPR	Majelis Permusyawaratan Rakyat, People's Consultative Assembly
MUI	Majelis Ulama Indonesia, Indonesian Council of Islamic Scholars

NGO	Non-governmental organization
OPEC	Organization of the Petroleum Exporting Countries
PAPA	Persatuan Agensi Pembantu Rumah Asing, Association of Foreign Maid Agencies
PAN	Partai Amanat Nasional, National Mandate Party
PD	Partai Demokrat, Democratic Party
PDI	Partai Demokrat Indonesia, Indonesian Democratic Party
PDIP	Partai Demokrat Indonesia Perjuangan, Indonesian Democratic Party of Struggle
PKB	Partai Kebangkitan Bangsa, National Awakening Party
PKI	Partai Komunis Indonesia, Indonesian Communist Party
PKS	Partai Keadilan Sejahtera, Prosperous Justice Party
PPP	Partai Persatuan Pembangunan, United Development Party
PTUN	Pengadilan Tata Usaha Negara, Administrative Court
Pusat AKAN	Pusat Antar Kerja Antar Negara, Overseas Employment Centre
SMS	Short Message Service (text message)
UNDP	United Nations Development Programme

Map of Sites in Southeast Asia



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Law and Discretion

One day during a courtesy call to the Indonesian Ministry of Manpower, a junior official confided that her boss had made her break the law. Later a middle ranking official with the National Agency for the Placement and Protection of Overseas Indonesian Workers went on to talk about how the lawbreaking official's ministry had started duplicating her agency's services. She shook her head while saying that senior management in both institutions had had a falling out, were now competing with each other and making life hard for those bureaucrats who just wanted to do their job. These confessions were confronting because they positioned officials as victims of Indonesia's overseas labour migration programme. Surely the real victims were the migrant workers imprisoned in training centres by thuggish recruiters, given forged passports by corrupt officials and denied wages by unscrupulous employers. Of course they are. But the programme benefits and disadvantages a wide range of people, and officials are often concerned with how they are – and are not supported – to achieve their goals.

Indonesian bureaucrats generally have a reputation for subverting procedure when they do their jobs, for example, by granting exemptions in return for bribes or turning a blind eye to inconvenient facts. In administration of the overseas labour migration programme, they are often corrupt and negligent in their interactions with migrant workers and their recruiters. The officials have also shown little interest in intervening against recruiters who routinely break laws designed to protect the well-being of migrant workers.¹ Corruption and negligence are indeed rife within all aspects of the programme, including authorization of recruitment, verification of labour migrants' documents and certification of vocational competencies.² Regular failure to comply with the system's own standards has contributed to the popular perception that those requirements can simply be waived for the right price.³

- 1 Lindquist, "Labour Recruitment, Circuits of Capital and Gendered Mobility: Reconceptualizing the Indonesian Migration Industry"; Lindquist, "The Elementary School Teacher, the Thug and His Grandmother: Informal Brokers and Transnational Migration from Indonesia"; Killias, "Illegal Migration as Resistance: Legality, Morality and Coercion in Indonesian Domestic Worker Migration to Malaysia"; Killias, "The Politics of Bondage in the Recruitment, Training and Placement of Indonesian Migrant Domestic Workers."
- 2 International Organization for Migration, "Labour Migration from Indonesia: An Overview of Indonesian Migration in Selected Destinations in Asia and the Middle East," 27–31.
- 3 Human Rights Watch, "Help Wanted: Abuses against Female Domestic Workers in Indonesia and Malaysia," 23.

Major strategies to reduce corruption aim to limit government officials' discretion in the use of resources and ability to extract fees in exchange for services.⁴ Eliminating the capacity for discretionary decision-making ought to impede, or at least reduce, various forms of corruption.⁵ The underlying assumption is that opportunities to profit personally from government business are limited when government officials are deprived of the ability to use discretion, for example, in awarding procurement contracts or outsourcing government services to private companies. However, while eliminating the discretionary capacity of bureaucrats may take some element of choice away from how they perform their roles, there are cases where it is practically impossible to follow pre-determined rules.⁶ In such situations, the rule-versus-discretion model for controlling the level of corruption is not fit for the task, drawing attention to the fact that it uses a narrow understanding of discretion that ignores its role in creating capacity to implement policy.⁷

This book presents one such case in which discretion generates opportunities for corruption, but then also serves to maintain the viability of state agencies in the face of legal and institutional uncertainty. Many studies analysing the state's involvement in migration processes have captured the prevalence of corruption within the bureaucracy in Indonesia.⁸ However, there is no comprehensive study of interactions between the various government agencies, units and individuals that make up the country's 'migration bureaucracy'.⁹ Where existing studies engage with intra-state dynamics, they generally do so as part of a broader analysis of the labour migration experience rather than focusing specifically on the state's internal politics.¹⁰ To the foray, this study adds a detailed examination of the internal politics at play when bureaucrats

4 Hamilton-Hart, "Anti-Corruption Strategies in Indonesia," 67.

5 Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform*, 39–42.

6 Taylor, "Discretion versus Policy Rules in Practice," 195.

7 Brietzke, "Administrative Reform in Indonesia," 110.

8 For example, see Silvey, "Unequal Borders: Indonesian Transnational Migrants at Immigration Control"; Ford and Lyons, "Travelling the Aspal Route: 'Grey' Labour Migration through an Indonesian Border Town"; Killias, "'Illegal' Migration as Resistance: Legality, Morality and Coercion in Indonesian Domestic Worker Migration to Malaysia."

9 For a detailed discussion of how 'migration bureaucracy' is used to describe the overseas migration programme in The Philippines, see Rodriguez, *Migrants for Export: How the Philippine State Brokers Workers to the World*.

10 For exceptions, see Jones, *Making Money off Migrants*; Tirtosudarmo, *Mencari Indonesia: Demografi-Politik Pasca-Soeharto*; Ford, "After Nunukan: The Regulation of Indonesian Migration to Malaysia"; Ford and Lyons, "Travelling the Aspal Route: 'Grey' Labour Migration through an Indonesian Border Town."

perform illegal acts. It shifts the focus from the *modus operandi* of corruption to the individual and institutional factors that enable and limit corrupt and negligent behaviour on the part of those tasked with administering and managing the programme.

The inter-agency conflict between the Ministry of Manpower and the National Agency for the Placement and Protection of Overseas Indonesian Workers and the confusion it caused among officials, recruiters and migrants are a core focus of this book. Before March 2007, migrants and recruiters engaged primarily with the Ministry of Manpower. But with the establishment of the National Agency for the Placement and Protection of Overseas Indonesian Workers (Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia, BNP2TKI), responsibility for much of the overseas labour migration programme was transferred to this new institution. Conflict ensued as the Ministry fought to maintain influence over the programme. At the lowest point, the Minister for Manpower and head of the BNP2TKI authorized personnel to duplicate services provided to migrants and recruiters. In Jakarta, the Ministry set up a rival service to issue recruitment certificates, provide pre-departure training and finalize migrants' permission to travel. Elsewhere, it authorized provincial governments to do the same. In response, the BNP2TKI instructed its offices in Jakarta and 17 other locations to ignore the ministry's regulations and continue business as usual.

Taking this as a starting point, the book then goes on to identify factors that generate such conflict, including discipline and hierarchy, which can and do influence the decision-making of individual officials. Rather than assessing how inter-agency conflict affects the state's capacity to achieve particular objectives, it focusses on the ways in which individuals and groups of officials do so amid contradictory claims for authority to administer the programme. At an organizational level, the examination shows how different government bodies work to strengthen their respective positions in struggles for power and influence. In terms of personnel, it also reveals the central role of discretion in the production, maintenance and resolution of at least some intra-state conflict around interpretation of legal and policy frameworks in pursuit of institutional objectives. The following sections summarize theories that help make sense of what happened in Indonesia.

Setting Institutional Objectives

Policy-making in Indonesia is no simple task. The national government can not always count on sub-national levels of the state to share the same