

MIGRATION AS A PRO-POOR LIVELIHOOD STRATEGY

THE CASE OF PONOROGO

Rural-urban migration and overseas migration are very common in Indonesia. Not only is labour migration pursued as a livelihood strategy for upward socioeconomic mobility, it is also promoted as a crucial development strategy in response to local unemployment and poverty.

Based on a survey conducted in 2013 in Ponorogo, Indonesia, this booklet highlights key findings on migration patterns and impacts, and outlines the policy implications.



Summary

Key Findings



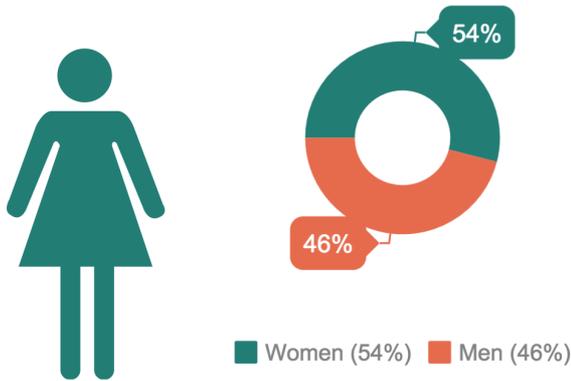
Policy Recommendations

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Key Findings

Patterns of migration

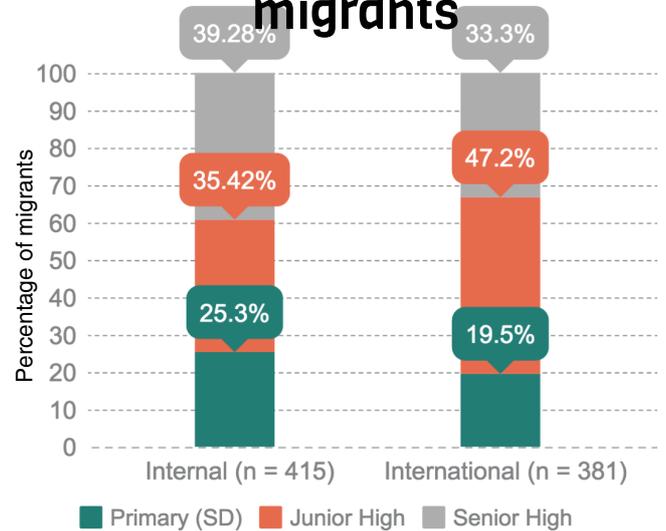
Gender of international migrants



There are more women who migrate internationally than men. Given how women are more likely to send remittances than men, female migrants' remittances are sizable and vital to local communities.

Note: The degree of feminised international migration in Ponorogo corresponds to the wider national figure in BNP2TKI's (2013) report.

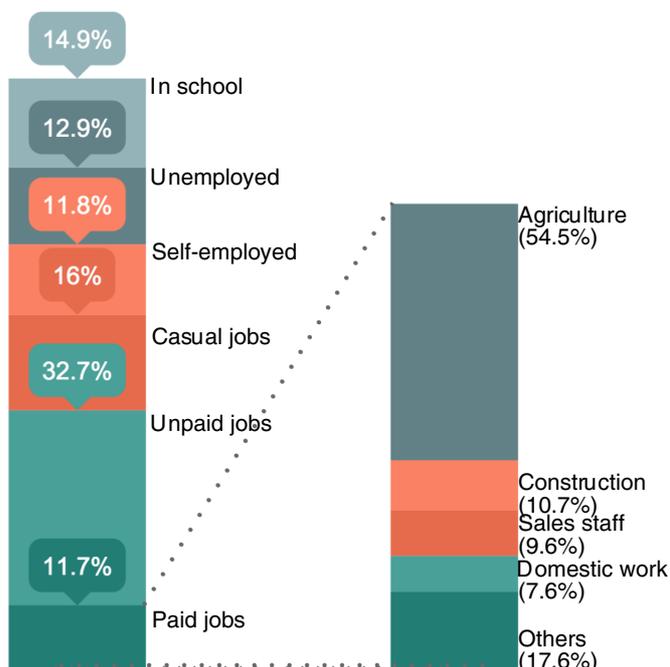
Education of current migrants



Internal migrants generally have higher educational qualifications than international migrants. International labour migration persists as a livelihood opportunity for people with relatively lower education qualifications and restricted access to skilled jobs.

Migration is a livelihood strategy

Activity before migration



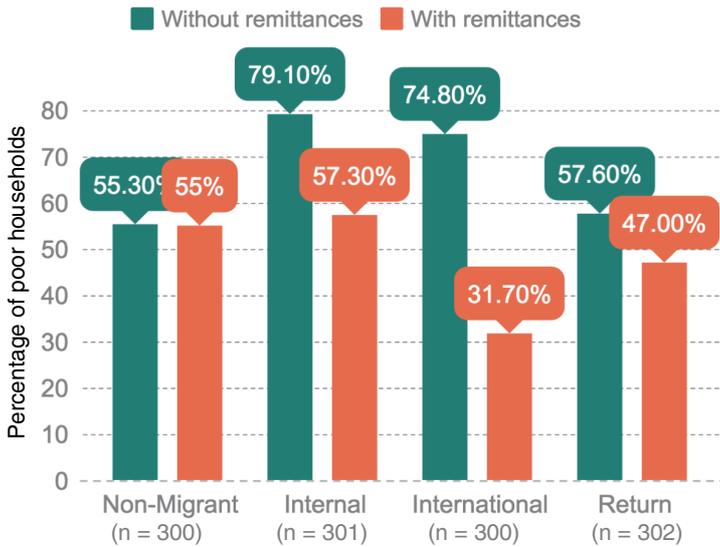
Top reason for migration
WORK
96%

Before securing stable employment outside of Ponorogo, many migrants engaged in irregular or unpaid work. Those with paid jobs were largely employed in agriculture, which yields seasonal income.

Key Findings

Migration is a pro-poor livelihood strategy

Absolute poverty



Note: The category of 'poor' is based on the per capita incomes that fall below the poverty line.

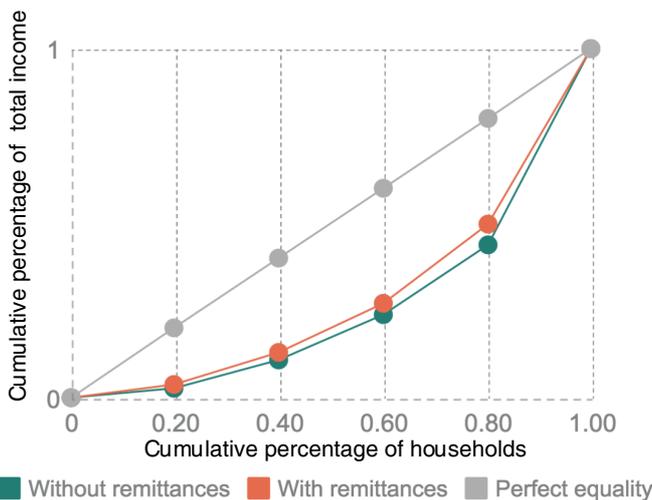
Indonesian Poverty Line for Rural Areas (Sep 2013): IDR 275,779

Remittances play an important role in reducing the proportion of poor migrant households. The poverty-reducing effect of remittances is most pronounced for international migrants, whose remittances are larger than internal migrants'.

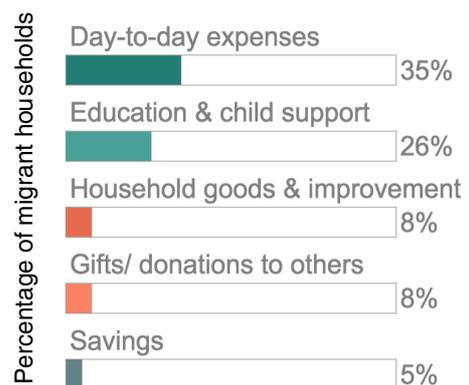
These findings support the larger argument that international migration and remittances have the potential to reduce the severity of poverty.

Relative poverty

While there are debates about the impacts of remittances on income inequalities, this study found that remittances equalise income distribution in Ponorogo. As the graph below shows, remittances help to reduce income inequality.



Top remittance expenditures



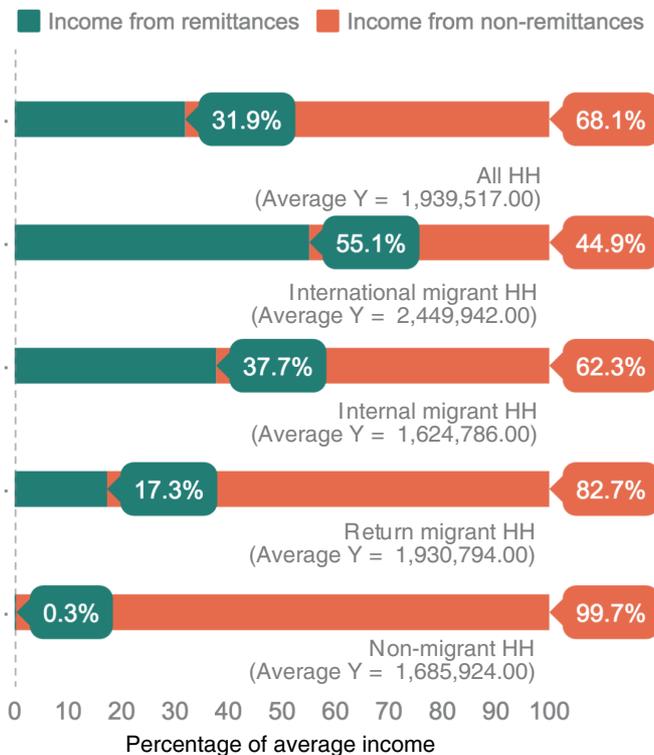
Remittances are channelled to day-to-day expenses of migrant households as well as productive investments in education. This points to the importance of migration as a livelihood strategy for the poor.

Policy Recommendations

-Support income diversification-

Remittances as a component of household income

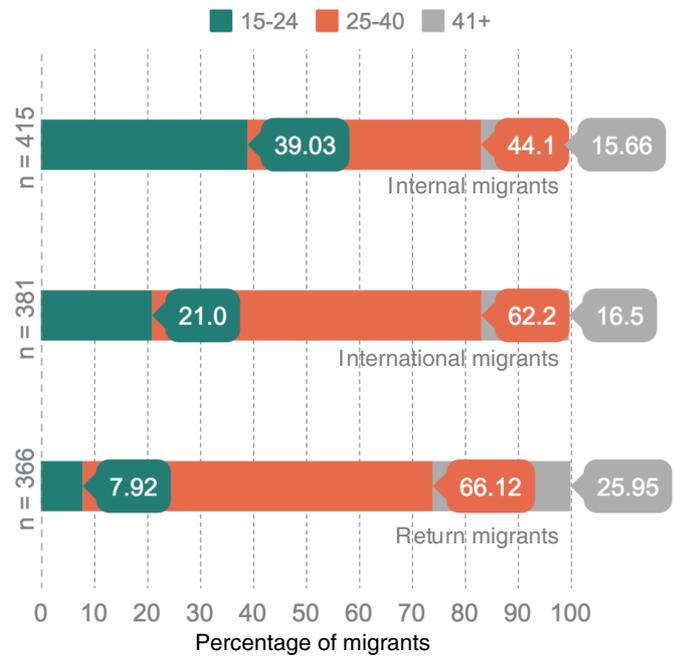
Unsurprisingly, remittances form a significant proportion of migrant household incomes. However, remittances are likely to form a smaller proportion of the household income when migrants return.



Productive investments

Creating investment opportunities for migrants as well as equipping them with remittance management skills would strengthen the viability of migration as a livelihood strategy and the sustainability of its benefits in the long run. As such, current migrants should be encouraged to reduce their reliance on remittances while they have a sizeable remittance stream.

Age of migrants



Further, as the graph above indicates, there are distinct age differences between internal, international, and return migrants. A reduced remittance component would coincide with the migrant's later years.

Case study

Rita worked as a domestic worker in Taiwan for 8 years. Apart from building a house and saving money for their son's education, Rita and her husband wanted to buy land for economic security. With the money remitted over the years, they invested in 2 plots of land and a tractor. These investments have reaped a steady stream of income since Rita's return 4 years ago. They continue to diversify their incomes through rearing poultry.

Policy Recommendations

Facilitate safe migration



Provide access to credit

Migration - skilled and unskilled - is an important route out of poverty in rural areas. Restricting migration of either kind would limit access to legal migration and chances of upward mobility.

In order to facilitate safe migration through legal channels, access to credit can be provided for migrants through credit unions (koperasi simpan pinjam) and bank loans (small enterprise credit).

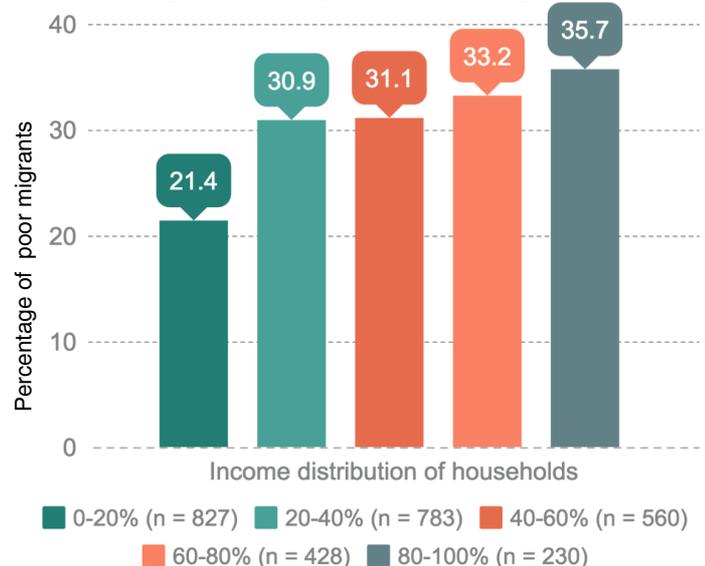
Case study

Due to the high costs of obtaining a work permit, Khalid worked as an illegal labourer in Malaysia for 3 years. He recounted that he lived in fear throughout this period. While he managed to remit money from abroad, he eventually had to stop work at short notice to hide from the police. Khalid's distressing migration journey illustrates the importance of making legal migration affordable and accessible.

Case study

Rafik (in his early 20s) works as an odd job labourer in Ponorogo, and earns about Rp.300,000 per month. Having previously worked in an oil plantation in Riau for Rp.80,000 to Rp.100,000 per day, Rafik is very keen to return. However, he cannot finance his travel costs (estimated Rp.600,000) as he is one of two people working in his household. A 'migration loan' would grant him access to labour migration in Riau where he can earn around 7 times his current pay.

...especially for the poor



Note: Households may register in the highest income percentile but contain a significant number of members such that per-capita incomes fall below the poverty line.

Even though the poor are 6% more likely to migrate than the non-poor, only 21.4% of lowest income percentile of poor households have migrated. Access to credit could facilitate the migration of poorest households.

Policy Recommendations

—Encourage higher education—

Aspirations of migrants

It is important to enable access to both skilled and unskilled migration so that the lower-educated and the poor can reap the benefits of labour migration, even if in subsequent generations. Often, migrants aspire for their children to work at better skilled jobs, which require a minimum standard of education.



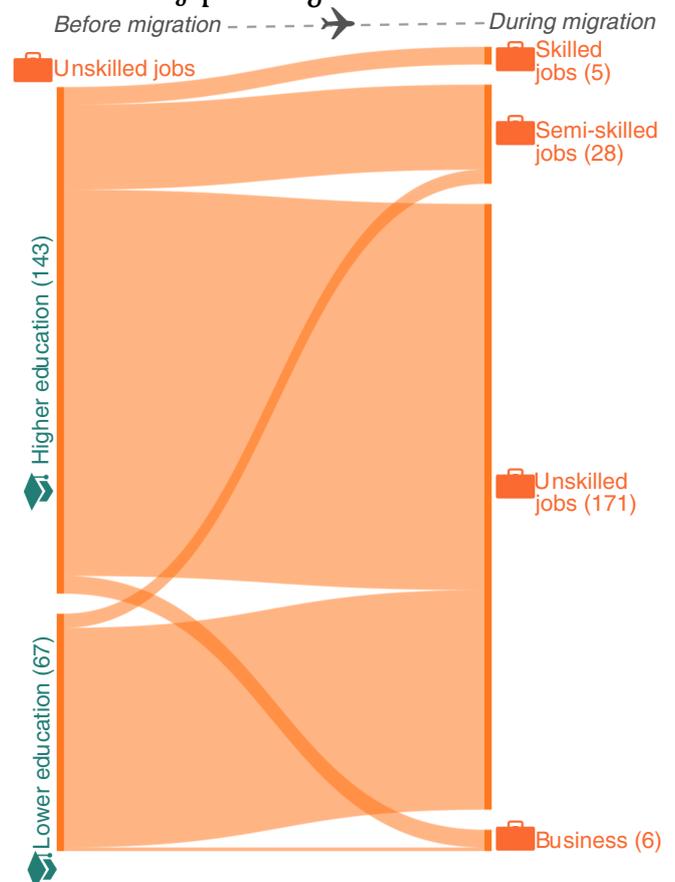
Case study

Salimah worked in the Middle East over 20 years. Labour migration was an economic necessity; she had to fund her daughter's education after her husband died. Today, her daughter has graduated from university and is working as a teacher in Ponorogo. For Salimah's daughter, labour migration is a choice and not a necessity. She wants to remain in Ponorogo close to her family. Salimah's migration has enabled her daughter to access higher education and secure a better-skilled job.

Occupational mobility



As the diagram below shows, migrants with higher education levels (senior high and above) were more occupationally mobile during migration. A sizeable portion of migrants with higher education were able to advance from unskilled jobs in Ponorogo to (semi)skilled jobs during migration. Given occupational mobility that higher education enables, making education affordable and accessible for all is paramount. For instance, Kartu Indonesia Pintar-KIP (Indonesia Smart Card) that currently extends educational assistance to the poor should become more accessible and expand to include those on the brink of poverty.



Note: The Indonesian Central Bureau of Statistics (BPS) categorise jobs as

1. Unskilled (blue collar): agriculture, construction works, transport operator and domestic works
2. Semi-skilled (grey collar): sales work, service work, production staff
3. Skilled (white collar): professionals, managers, engineers, technicians

Related Publications

Arlini, Silvia Mila. 2015. "Migration, Socio Economic Status and Livelihood Strategy for the Poor in Rural Indonesia, Ponorogo." Unpublished Manuscript. Asia Research Institute, Singapore.

Khoo, Choon Yen, Maria Platt, Brenda S.A. Yeoh, Silvia Mila Arlini, Grace Baey, Theodora Lam, Sukamdi, Julie Litchfield and Endang Sugiyarto. 2014. "Gendered Migration Patterns, Processes and Outcomes: Results from a Household Survey in Ponorogo, Indonesia." Migrating out of Poverty Working Paper No. 22. University of Sussex: Falmer, Brighton.

Khoo, Choon Yen, Maria Platt, Brenda S.A. Yeoh and Theodora Lam. 2015. "Structural Conditions and Agency in Migrant Decision-Making: A Case of Domestic and Construction Workers from Java, Indonesia." Migrating out of Poverty Working Paper No. 25. University of Sussex: Falmer, Brighton.

Khoo, Choon Yen, Maria Platt and Sukamdi. 2015. "Ringkasan Hasil Penelitian: Pola dan Dampak Migrasi Pekerja di Kecamatan Sampung, Ponorogo" (Fact-sheets from Research Findings: Patterns and Impacts of Labour Migration in Sampung Sub-district, Ponorogo). ISBN 978-979-3969-50-3. Gajah Mada University: Centre for Population and Policy Studies.

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The Asia Research Institute (ARI), National University of Singapore, is the Southeast Asian core partner for the Migrating out of Poverty Research Programme Consortium (RPC), which aims to provide policy approaches that maximise the potential benefits of migration for poor people whilst minimising its risks and costs. Following on from the Migration DRC established in 2003, Migrating out of Poverty engages in research, capacity-building, training, and the promotion of dialogue to provide the strong evidential and conceptual bases needed for such policy approaches. Migrating out of Poverty RPC is funded by the UK Government's Department for International Development (DFID), although the views expressed in this policy briefing are the authors' own.

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