

# Significance of Indonesian Workers against Remittances They Have Acquired (A Case Study in Bawean Island, Gresik, Indonesia)

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## Abstract

Study on remittances was conducted in Bawean Island, Gresik, East Java. This study has examined the meaning of remittances for Indonesian migrant workers itself, through the perspective of phenomenology. This study aimed to reveal the social context, and the meaning of remittances for migrant workers. This study used a qualitative method based on Alfred Schutz's phenomenological perspective, which states that the meaning cannot be separated from the 'because' motives and 'in order to' motives. Indonesian migrant workers who works abroad, were research subjects. The data were collected by observation, participation observation and documentation, and by in-depth interviewed. Nineteen subjects were determined as a unit of analysis. The study found the social background of the subject: they were in productive age; have many brothers and sisters; have a low level of education; their parents work as farmers; the female subjects worked as baby sitter; and male subjects worked as a construction worker; building contractor; welders; electrical installers; and factory worker. Based on the social context ('because' motives), the study found three patterns of departure payment, i.e.: paid by salary reductions, loans payment, and cash payment systems. The study also found three meanings of remittances, i.e. remittances as a substitute family economics, as home ownership, and as business investment.

**Keywords:** remittances, migrant workers, phenomenology, Alfred Schutz

## 1. Introduction

Labor problem generally is the imbalance of the labor market, where job seekers is more than the available job opportunities. As the result of the imbalance of the labor market is unemployment. Limited employment opportunities in Indonesia, is one of the causes of labor to work abroad as a Indonesian migrant worker (TKI). Workers who work abroad are trying to work hard, so that they can send some money to their family in the home village. Submissions or congenital money, goods and ideas by TKI (migrant workers) to their families in the home village is called remittances.

The study of remittances is a unique social reality, as the phenomenon of migrant workers working abroad. Remittances from Indonesian workers not only have a positive impact for the families of migrant workers, but also for national economic development. Data from the BPTKI of East Java Provincial mention that East Java migrant workers who are currently working abroad, in average give foreign exchange 6 trillion Rupiahs per year (BPTKI 2010). The positive impact was stated by Mantra (1988) in Yogyakarta, that remittances have a major impact on home village, mainly to the increase in migrant domestic economic situation.

Remittances that sent by Indonesian migrant workers (TKI) from abroad for their family in the home village, usually is the main source of income. Utilization of remittances by family in the home village, such as the daily needs, the purchase of land or paddy, payment of debt, the cost of children's education, small business capital and savings (Wini 2006). But the research results of Setiadi (2006) stated that the contribution of remittances to the ownership of the goods is not as the source of everything. To home ownership for example, only 13.3 percent stating the source of funds from sources of remittances, and 49.3 per cent said the funds did not come from remittances, and the remaining 37.5 percent said home fund ownership (manufacture) is part from remittances. This variation also occurs in the ownership of household items such as motorcycles, televisions, soil, animals and so on.

The study of remittances can be explained through the Alfred Schutz's theory of phenomenological perspective, which assumes that subjects interact with others based on the interpretation of the experience. Experience shapes different actions reality for each individual, because the action was filled with meaning. Schutz interprets the meaning as an act of a person based on past experiences, present conditions and future expectations. One's actions will be based on the cause motive ("because motives") or goal motive ("in order to motives"), or based on two motives. Therefore, a person in the act seeks to change the world in accordance with the objectives to be achieved in the future and current conditions (Schutz, 1972). Phenomenology thesis of Schutz argued that in the world of meaning, then the action regardless of the relationship between the "because motive" and the "in order to" motive. Based on the thesis, subject's action can only rely on the purposes motive (in order to motives) alone, without causing by because motive from individual past experience.

Based on the phenomenology of Schutz, the meaning of remittances of migrant workers in Bawean Island includes remittances meaning that builds based on individual decisions subjectively, and the meaning of

remittances is more determined by the orientation of the future ("in order to motives"). Research of remittances meaning for migrant workers in the village of Bawean Island is done to understand the meaning that is built on the basis of the goal ("in order to motives"), or cause motive ("because motives").

## 2. Methodology

The study was conducted in Bawean Island, Gresik, East Java in July - August 2015. Subjects were workers who are still actively working overseas, as well as workers who have already worked abroad. Determination of the number of study subjects performed until the necessary information in this study is considered saturated.

This study has several stages, namely: (1) research preparation stage, (2) field research phases, and (3) data analysis stage. Data collection is done by observing participation and in-depth interviews. Methods of data collection were done in order to understand the actions of individuals (Mile and Harbeman, 1994). Clarification of data and focus group discussion is conducted by the joint experts, peer review, and a local recruitment agency PJTKI.

Data analysis was done using interactive model data analysis as developed by Miles and Huberman (Mile and Haberman 1994). Analysis of the data takes place simultaneously and performed in conjunction with the data collection process. Stage begins with data collection, data display, data reduction, and conclusion or verification. Conclusions or verification phase aims to test the truth of any meaning in accordance with the data obtained. An understanding of the findings of the data using two levels of primary and secondary interpretations.

## 3. Results and Discussion

Results of the research on the meaning of remittances by migrant workers in Bawean Island, indicating that the meaning of remittances for migrant workers are as (a) the substitution of the family economy, (b) the ownership of the house, and (c) business investment.

### 3.1 Remittance Meaning as Substitution of Family Economy

Remittances by migrant workers interpreted as economic substitution, is as fulfilling the needs of everyday family life in the area of origin. Based on the Schutz understanding, action of migrant workers in determining the remittance cannot be separated from the background of the social context of the individual or the state of one's past in the area of origin (Because motives).

TKI action in interpreting remittances as an economy substitution is the action associated with the background of foreign departure processing systems namely salary system, system of borrowing money, and the paid in cash system. Study subjects named Samaniah, Salamah, Hamisah and Suriah, stating that the remittance action is interpreted as a substitution of economy. The findings of the data on these subjects if confirmed by background of aboard departure process, with the salary system.

Subject's understanding about the remittance action as an economy substitution is a reflection of social context background (because motives) of individuals who are driven by socio-economic background of the family in the region of origin. Bawean Island community mostly work as fisheries. Other poverty indicators are characterized by a low level of education of the children in the village. Some subjects of TKI only finished elementary school education, such as the subject named Mustofa, Sumani, Daenuri, Jaelani, and Siti Rokhmah. Research of Susilo (2000) on migrant workers and remittances in Aryojeding village finds that many subjects only completed SD level. However TKI birth in 1970 to the above, their level of education are better, that is SLTP and high school graduation, as in subjects named Salamah, Samaniah, Hamisah, and Nuryan.

The phenomenon of Bawean Island community chooses to go abroad as the Indonesian labor rather than continuing education, is one form of family economic substitution. Based Schuz Alfred (1972), this understanding cannot be separated from the background of the individual social context (Because motives), in terms of revenues earned of overseas migrant workers are sent for the sake of fulfilling the needs of the family's daily life in the area of origin.

Remittance is defined as economic substitution because migrant workers family who live in the area of origin having insufficient income to fulfill the economic needs of the family, in addition to the cost of education of children, as well as other needs related to the activities of social relationships, among others, for the invitation celebration (marriage, circumcision), and the need for the feast of Idul Fitri.

The meaning of remittances as economic substitution in this study is in line with the results of research conducted by Supadmo (1997), which suggests that one of the benefits of remittances are to the fulfillment of family welfare in the area of origin. So is the result of Susilo's research (2002), found that one of the objectives of remittances was the fulfillment of family welfare in the area of origin.

This study found that the meaning of remittances as economic substitution occurs only in female subjects (Salamah, Samaniah, Suriah and Hamisah) working on the household sector as a housekeeper, baby sitter, and the care of the elderly. This type of work in household sector has lower wages standard compared to wages in other types of work.

The amount of income earned abroad is very influential to the amount of remittances sent to the region of origin. Subjects who work in the household sector aware of the amount of income earned under the income derived from subjects who work outside the household sector, as is done by the subject named Mustofa and Solechan. This study shows that the subjects interpret remittances as a substitute for the family economy because in addition to family economic circumstances in the area of origin which are still shortcomings, as well as low income it received.

### *3.2 Meaning of Remittance as Home Ownership*

The research results indicate that the meaning of remittances as home ownership according to the phenomenology perspective of Alfred Schuz, is that social action cannot be separated from the past experience of the individual. Meaning of remittances as home ownership is a decision of a social setting behind the subject. One of the social conditions underlying the subject is the departure process to become a migrant worker with borrowing money system (because motives).

The meaning of remittances as home ownership is shown by the subjects named Khoirul, Solechan, Sumani, Muhdi, Daenuri, Nuriyan, Ahmadi, Siti Rochaniah, and Wahliyah, that motivated by social context (because motives). Subjects named Sapii, Solechan and Daenuri interpret remittances as home ownership, due to the background of the subjects who do not have homes. In addition, the departure process of the subject is by borrowing money system, meaning that they come from families whose social and economic condition is weak. Moreover, in defining remittances as home ownership, it cannot be separated from family compromise, and social structures that exist in the home village.

The meaning of remittances as a home ownership by a subject, is not a decision of individual subjectivity as it is raised by Alfred Schutz, but rather triggered by the social context (because motives) that underlying it as described previously. This data finding is in line with the research results of Setiadi (1999) that funds from remittances primarily for home ownership. This finding was also confirmed by the research of Kawi (2004) that a remittance generated by the villagers is used for redecorating.

### *3.3 Remittance meaning as Business Investment*

The meaning of remittances by the subjects as business investment was a reflection of ideals since the beginning of work abroad. By working abroad, subject hope to obtain sufficient capital to build the business, so that one day when they do not work overseas again, they have their own business. Subjects aware of their family background (social context) in the economic conditions of deprivation.

Ideals have business investment in subjects named Suryono, Jaelani, Mustofa, and Daenuri can be realized. They are grateful and proud of their business unit as a source of income in the village of origin. The subjects interpret remittances as a business investment, after they have their own home.

Determination of selected types of business investment, subject to the considerations made by his wife, and also a selection of the type of business that influenced by the success of work done by their neighbors. Subjects named Daenuri, open catfish farming, after knowing the catfish farming was done successful by the neighbors and provide a large income. Subjects named Jaelani, opened a shop at home because of his wife's idea. The idea of her produces satisfactory results, because the store is growing.

Results of research on the subject called Jaelani is not in line with the proposition Alfred Schutz (1972) which states that the remittance is built based on individual decisions by subjectivity. The subjects interpret remittances as a business investment, influenced by family considerations, neighbors, and his wife.

Subjects named Wahidin, since the beginning of work abroad on the USA, aiming to build a business investment. Selection of the type of business investment sourced from Wahidin himself as head of the household. At the time of going overseas, Wahidin already has house and paddy fields. Investments are realized in the form of dairy cow business, which is managed by his wife. In operation, dairy cow business is handled by two workers, as a search of grass; clean the cage and maintenance the cows. After a successful dairy cattle business, subjects build new home in the yard area and increase business investment through bricks burning. Bricks burning business do not exist in the village yet, and have very good market opportunities. Comparing it with the dairy cow business is quite time consuming, the effort of burning red bricks is not the case.

The meaning of remittances by the subjects as business investment in dairy cattle livestock and businesses burning red bricks is a decision that was built by the individuals themselves. This is reinforced by his wife statement that she will supports the idea and remittances meaning action by her husband's actions. The results showed that the meaning of remittances as a business investment by subjects named Jaelani, Khoirul, Daenuri, and Mustofa, is built by the social environment, especially families in the area of origin (because motives). The meaning of remittances as a business investment by Wahidin is built based on the desire to own their own business as long as the subject does not have the capital (because motives) to build the business investment.

Proposition of Alfred Schutz states that social action of individuals can not be separated from the

background of their past. If the proposition is implemented on the results of this study, it gave birth to the proposition that remittances act builds upon the individual underlying condition (because motives). The meaning of remittances as a business investment by Wahidin is construction built by the past social conditions. Abroad departure process with paid in cash system, distinguishing subjects named Wahidin. Daenuri, Khoirul, and Jaelani, have been abroad by borrowed money system.

The results showed that migrant workers of Bawean Island has a pattern in understanding remittances, starting as a substitute of family economy, then remittances interpreted as home ownership, and subsequently the meaning of remittances as a business investment.

### Conclusion

Based on the theory of phenomenology of Alfred Schucz, a meaning by individuals cannot be separated from the experience of the past or the social context of each. This study resulting in three meanings, namely remittances as a substitute for the family economy, remittances as home ownership, and remittances as a business investment. What has been said by the subject of this study was consistent with the thesis of Alfered Schutz, that individual meaning world cannot be separated with the individual's own past. The meaning of remittances as a substitute for the family economy, home ownership, and business investment, motivated by the individual's social context, in the form of a process of departure as migrant workers to abroad i.e. salary system, the system of debt, and paid in cash system.

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