

SOCIAL ENTERPRISE AND PROMOTION OF SAFE MIGRATION
AMONG RETURNED MIGRANTS:
CASE STUDIES OF A CREDIT UNION IN
BONE DISTRICT OF SOUTH SULAWESI PROVINCE INDONESIA

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A Thesis Submitted in Partial Fulfillment of the Requirements
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วิทยานิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต

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อินโดนีเซียเป็นประเทศต้นทางของแรงงานอพยพมากที่สุดประเทศหนึ่งในภูมิภาคเอเชียตะวันออกเฉียงใต้ แรงงาน
อินโดนีเซียจำนวนมากมีความเสี่ยงที่จะตกเป็นเหยื่อการค้ามนุษย์ในประเทศปลายทาง งานวิจัยนี้มีวัตถุประสงค์เพื่อ (1) ศึกษา
บทบาทและการมีส่วนร่วมขององค์กรภาคประชาชนในประเด็นการย้ายถิ่นฐาน (2) ตรวจสอบบทบาทของสหกรณ์ออมทรัพย์
Pammase ในการส่งเสริมการย้ายถิ่นฐานอย่างปลอดภัยผ่านทางความมั่นคงของมนุษย์ทางด้านเศรษฐกิจ (3) ตรวจสอบถึงวิธีการ
ดำเนินงานของสหกรณ์ออมทรัพย์ Pammase ว่าสามารถช่วยป้องกันการตกเป็นเหยื่อจากการค้ามนุษย์ของแรงงานอพยพได้หรือไม่
และมากน้อยเพียงใด โดยผู้วิจัยเลือก เมืองบอเน จังหวัดสุลาเวสีใต้ ประเทศอินโดนีเซีย เป็นกรณีศึกษาในฐานะพื้นที่ต้นทางของ
แรงงานอพยพแห่งหนึ่งในประเทศอินโดนีเซีย การลงพื้นที่ศึกษาและเก็บข้อมูลเกิดขึ้นในเดือนมิถุนายนถึงกรกฎาคม ปี พ.ศ. 2556

งานวิจัยนี้ พบว่าความมั่นคงทางเศรษฐกิจเป็นปัจจัยหลักที่มีอิทธิพลต่อการตัดสินใจของแรงงานอพยพในการย้ายกลับสู่
ถิ่นฐานเดิม และสรุปว่า สหกรณ์ออมทรัพย์ Pammase ในเมืองโบเน ยังไม่สามารถทำให้เกิดความมั่นคงทางเศรษฐกิจของสมาชิกได้
อีกทั้งสหกรณ์ออมทรัพย์สามารถทำให้เกิดความเข้าใจในเรื่องการย้ายถิ่นฐานเพียงเล็กน้อยเท่านั้น ด้วยเหตุนี้ สมาชิกจึงยังคงมีความ
เสี่ยงในการตกเป็นเหยื่อการค้ามนุษย์ในอนาคต โดยปัญหาสภาพคล่องทางการเงินของและการบริหารจัดการขององค์กรเป็นปัจจัย
หลักที่ทำให้สหกรณ์ออมทรัพย์ Pammase ยังไม่สามารถบรรลุวัตถุประสงค์ขององค์กรได้ในปัจจุบัน

สาขาวิชา การพัฒนาระหว่างประเทศ.....

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Indonesia is one of the biggest sending countries of migrant workers in Southeast Asia. Unfortunately, a significant number of these migrant workers have migrated in a way that is unsafe causing them to be victims of trafficking in the countries of destination. This research will attempt to: (1) examine the involvement of CSOs in promoting safe migration; (2) investigate the role of the Credit Union *Pammase* (CUP) in the promotion of safe migration through the implementation of economic security strategies; and (3) examine whether these strategies of CUP has promoted safe migration and prevented potential trafficked persons from being trafficked. This research draws on fieldwork conducted in one of the sending areas of Indonesia, the Bone District, South Sulawesi Province during the period of June - July 2013.

This research argues that economic security became the main factor that influenced the future migration decisions of returned migrants. The paper concludes that CUP in the Bone District has not yet succeeded in strengthening economic security for its members. Instead, its contribution has only been to provide the members with a limited understanding of how to migrate to other countries in a safe and secure way. As a result, the members are still vulnerable to future trafficking. In addition, the problems of self-financing and management challenges are also two factors amongst others that prevent CUP to achieve its mission.

Field of Study: International Development Studies

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LIST OF ABBREVIATIONS

BNPPTKI	-	Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia (National Agency for Placement and Protection of Indonesian Workers Overseas)
BNI	-	Bank Negara Indonesia (Indonesian State of Bank)
BRI	-	Bank Rakyat Indonesia (Indonesian People of Bank)
CIDA	-	Canadian International Development Agency
CUP	-	Credit Union <i>Pammase</i>
CUCO	-	Central of Credit Union
CSO(s)	-	Civil Society Organization(s)
ICITAP	-	International Criminal Investigative Training Assistance Program
ICMC	-	International Catholic Migration Commission
ILO	-	International Labor Organization
IOM	-	International Organization for Migration
KUR	-	Kredit Usaha Rakyat (People Business Credit)
LPP	-	Lembaga Pemberdayaan Perempuan
NGO(s)	-	Non Government Organization(s)
NPA	-	National Plan of Action
OPDAT	-	Overseas Prosecutorial Development Assistance and Training
TAF	-	The Asia Foundation
TKI	-	Tenaga Kerja Indonesia (Indonesian Migrant Worker)
UN	-	United Nations
UNDP	-	United Nations Development Program
UNHCR	-	United Nations High Commissioner for Refugees
U.S.	-	United States
U.K.	-	United Kingdom

CHAPTER I

INTRODUCTION

1.1. Research Background

Indonesia is one of the sending countries of migrant workers in the South East Asia region. Unfortunately, many of these migrant workers have limited access to information on how to migrate abroad for work in a safe and secure way (Human Rights Study Center of Hasanudin University, 2009:23). As a result, migration abroad occurs in an unsafe way causing them to be vulnerable to trafficking. The human trafficking problem in Indonesia is considered serious. The Indonesian government has reported that around 4.3 million documented Indonesian migrant workers are abroad and it is estimated that 86,000 of them are trafficked in certain destination countries such as Saudi Arabia, Malaysia, Singapore, Taiwan and Hong Kong (U.S. Department of State, 2012). Although the government in Indonesia has been working to address this problem, they do not fully comply with the minimum standards for eliminating it (U.S. Department of State, 2012). Many more interventions can be made by the government to address the problem of trafficking in a more comprehensive way.

The South Sulawesi Province, especially Bone District, is one of the migrant workers sending areas in the country (Sugiarti, 2006:274). The migrant workers from this province are trafficked for labor exploitation purposes to Sarawak and Sabah of East Malaysia Province (Human Rights Study Center of Hasanudin University, 2009:61). According to the 2007 statistics from the South Sulawesi Government, 1,500 migrant workers migrated legally to various countries and, it was estimated that around 150,000 had migrate unsafely (Human Rights Study Center of Hasanudin University, 2009:59). It was also reported that labor export agencies and middlemen often falsified the identity of migrant workers from Bone (Human Rights Study Center of Hasanudin University, 2009:58).

The government of Indonesia has showed good political will and commitment in addressing the problem of human trafficking. This is evidenced by the implementation of various legal instruments in the last five years. Another example of the governments will and commitment is the enactment of Law No.21 on the Eradication of the Criminal Act of Trafficking in Persons in 2007. This law provides a strong basis for the government to address the problem. Furthermore, in 2009, the government enacted the 2nd National Plan of Action (NPA) on the Eradication of the Criminal Act of Trafficking and Child Sexual Exploitation year 2009-2014. The NPA serves as an implementation guideline for stakeholders to address the problem. However, despite the enactment of these legal instruments, the problem of human trafficking still continues to date.

To address the problem of trafficking, the Indonesia government collaborates with civil society organizations (CSOs) with the implementation of prevention, protection and prosecution actions nationwide. A non-government organization (NGO) based in Bone District, South Sulawesi Province, called Lembaga Pemberdayaan Perempuan (LLP) (Women's for Empowerment Organization), is one of the organizations that is actively addressing the problem of human trafficking through their programs. In 2011, LPP established a social enterprise in the form of financial cooperative or credit union (CU) named *Pammase* (Self-Help). The Credit Union *Pammase* (CUP) aims to enhance economic security and facilitate safe migration practices targeted to migrant workers including their family members as well as the creation of sustainable financial services that can meet their specific needs.

The use of a social enterprise in the form of a cooperative to promote safe migration through strengthening the economic security of returned migrants is a very unique and innovative model. Unfortunately, past research shows that there are no CSOs in Indonesia that has used this approach (Agustinanto. et al. 2006: 387-389). There appears to be an absence of research that looks specifically at the contributions made by social enterprises in promoting safe migration and addressing trafficking problems. However, one research project has been identified that focused on

addressing human trafficking through social entrepreneurship (Dyrud, P., Naveed, M., Sunnanon, T. 2007). Unfortunately, that research did delve into the role of social enterprises in promoting safe migration. Instead, the objective of the study was to investigate the ability of social entrepreneurship to strengthen coordination efforts among stakeholders in order to address trafficking problems. The literature shows that previous research carried out on trafficking were mainly focused its attention on traffickers; their *modus operandi*; push and pull of factors of trafficking; profiles of trafficked persons and their experiences of exploitation. Therefore, looking at this gap in the knowledge-base, it becomes necessary to conduct research on the contributions made by social enterprises to promote safe migration and to address the problem of trafficking.

1.2. Research Questions

1. What are the roles played by CSOs in promoting safe migration in Indonesia?
2. How does CUP contribute to promoting safe migration through economic security?
3. How does more effective economic security provided by CUP contribute to promote safe migration and prevent further trafficking?

1.3. Research Objectives

1. To examine CSO involvement in promoting safe migration in Indonesia.
2. To investigate the role of CUP in promoting safe migration through economic security.
3. To examine whether CUP, through providing better economic security, has promoted safe migration and prevented further potential trafficking.

1.4. Research Methodology

This research is qualitative research using qualitative methods to collect data and information such as in-depth interviews, observation and content analysis. Qualitative research is defined as *“an approach that allows the researcher to identify issues from the perspective of the researcher study participants, and understand the meanings, and interpretations that they give to behavior, events or objects* (Hennink, M., Hutter, I., Bailey, A. 2011:9). Data and information are gathered from written documents as well as the field research. Thus, this research methodology is divided into two: document research and field research. All relevant primary and secondary data in Bahasa Indonesian and the English language were gathered and used during this research.

1.4.1. Document Research

After carrying out a literature survey the researcher carried out a documentary analysis that included textbooks, academic journals, research reports as well as government and NGOs reports. Documentary analysis is understood as *the study of existing documents, either to understand their substantive content or to illuminate deeper meanings, which may be revealed by their style and coverage*” (Ritchie J. 2003:35). The documents were carefully selected based on their relevancy with the research topic. Through this documentary analysis, relevant data and information were collected including: existing knowledge on social enterprise and credit union including CUP; the role of CSOs in promoting safe migration; the establishment of CUP; and, finally, the concepts of economic security, safe migration, human trafficking, social protection and International Migration Theory. This data and information have been used to achieve research objective Number 1 and Number 2 and to support the writing of Chapter 1 on Introduction and Chapter 2 on Literature Review.

1.4.2. Field Research

Criteria of Case Study Selection

There are three objectives of the research, firstly, is to examine CSO involvement in promoting safe migration. Secondly, to investigate the role of CUP in promoting safe migration through economic security. Thirdly, to examine whether CUP, in their quest to provide better economic security, has promoted safe migration and has prevented trafficking. To address the first and second objective of the research, the informants for this research are LPP Bone Director and CUP management and staff. To address the third objective of the research, key informants were selected for key informant interviews including: twelve returned migrant workers out of which six are members of CU and six are non-members. Returned migrants were selected because CUP is established primarily to serve returned migrants. Therefore, by selecting them, the research could better address the third objective of the research. The proportion of sex, age and marital status of the informants are carefully considered.

The field research was conducted in Bone District, South Sulawesi Province during the period of June and July 2013. South Sulawesi Province is located in the eastern part of Indonesia. It is about two hours by airplane from the capital city of Indonesia, Jakarta. Bone District could be reached within four hours by car from Makassar, the capital city of South Sulawesi Province. Bone District is selected for at least two following reasons: firstly, Bone is categorized as one of the high sending migrants' districts within the province and Secondly, because CUP is located and is based in this district. An added benefit is that most key informants for this research live in several villages within the district.

Figure 1 Map of Sulawesi



Source:

http://perso.numericable.fr/chantaldi/cartes/pagescartes/pagcarte_indonesie/carte_sulawesi.htm.

Ujung Pandang, known as Makassar, is the capital city of South Sulawesi Province, Indonesia. Bone District is located in the North East of Ujung Pandang/Makassar.

Data Collection

The researcher previously worked with LPP in establishing CUP. To avoid a personal bias during the fieldwork research, the researcher not only conducted interviews with key informants such as the LPP Bone Director and staff, but provided an objective view through interviewing external parties such as CUP members, government officials, other cooperative staff and local bank officials.

In the context of data collection, the researcher compiled and analyzed all written documents that relevant. These documents were gathered from LPP, CUP government departments and NGOs. Observation was conducted especially to observe interactions and communication between CU staffs and members. In order to cross check different sources and clarify information that conflicting, the researcher used a triangulation approach to study the same incidents.

In-depth Interviews

In-depth interviews is defined as “*one-to-one method of data collection that involves an interviewer and interviewee discussing specific topics in depth*” (Hennink, M., Hutter, I., Bailey, A. 2011:109). The interviews were conducted using a semi-structured interview guide. The first step was to conduct interviews with the LPP Bone Director and the CUP management and staff. The second step was to conduct in-depth interviews with the returned migrant workers, including both CU and non-CU members. The third step was to conduct in-depth interviews with relevant government officials, staff of other cooperatives and officials of local banks.

The aim of the interviews with key informants from the LPP Bone was to collect data describing the involvement and role of LPP Bone in establishing CUP. The aim of the interviews with CUP management and staff were to collect data on the profile of CUP including structure, programs, services and how they conduct their business. In addition to this, a series of in-depth interviews with returned migrant workers were conducted with the aim of collecting data on income security, job security, their reasons in joining or not join CU, their past migration journey

experience, their life experience after returning and joining CU, their motivation to or not to migrate abroad in the future and, finally, if they intend to, how will they migrate in the future. Lastly, a series of in-depth interviews were conducted to obtain data on the perception and opinion of relevant government officials, other cooperative staff and local bank staff on the impact of CUP on the migrant worker community.

To get informants' perspectives, the researcher did the following: Firstly, prior to the interview, the researcher developed a good rapport with the informants which ensured a trusting relationship. Secondly, questions were asked in an open and empathetic way. Thirdly, the researcher used a probing technique a technique that assisted in motivating the informants to share their story.

Observation

Observation is understood as a process that offers researcher "*the opportunity to record and analyze behavior and interactions as they occur*" (Ritchie J. 2003:35). For this part of the research process, observation was used particularly to observe communication and interactions between CUP staff and member particularly when the member had financial transaction with the CUP staff both at the CUP's office and member's house. Observation was useful for the researcher to observe any actions, events or experiences from the researcher's own lens.

Triangulation Approach

A triangulation approach is understood as "*the use of different sources of information that will help both to confirm and to improve the clarity, or precision, of a research finding*" (Lewis J., Ritchie J. 2003: 275). Triangulation is important to check the validity of the research information. In the context of this research, conflicting information gathered from interviews with one informant was cross checked with other informants from different sources as well as from written documents.

1.5. Research Scope and Limitations

The research was conducted in Bone District for reasons that have been discussed earlier in this chapter. The scope of the research was from the period of 2011 to July 2013. 2011 was selected due to the fact that this was the year that CUP was established for the first time and from that year had begun to implement their activities and recruit members. It must be noted that the research was restricted to Bone District because of time constraints that were faced by the researcher. The researcher was only provided with approximately one month to conduct field research.

1.6. Significance of the Research

Based on research reports on various efforts to address human trafficking problems in Indonesia, it was found that both government and CSOs rarely use the concept of the social enterprise as a means to promote safe migration and strengthen economic security of returned migrants and, in turn, addressing the problem of unsafe migration and human trafficking. This research becomes an important part of the knowledge-base that will inform relevant stakeholders and the general public about the positive impacts as well as the limitations of social enterprises in addressing the problem. Furthermore, the research is able to contribute to the on-going research efforts on the social enterprise and trafficking issues in Indonesia and the region.

1.7. Ethical Issues

The researcher has used a voice recorder to record all informant interviews. Before using the recorder, the researcher had obtained permission from the informants. The use of the recorder was decided after securing verbal consent from the informants.

The informants were free to decide whether or not they would be part of the interview process. Prior to conducting the interview, the researcher provided them

with background information about the research as well as purpose of the research, how data will be used, expected outcomes of the research and only then were they asked about their willingness to be informants for the research. The interviews with informants were conducted only when the researcher had secured a verbal agreement from them. Furthermore, the informants had the freedom to withdraw their participation in the research at any stage if they did not feel comfortable.

CHAPTER II

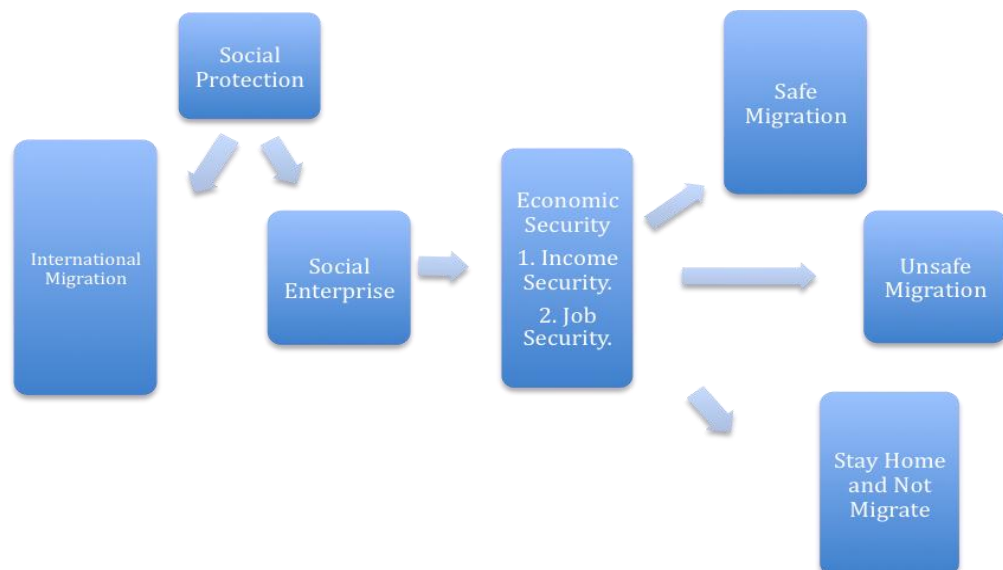
CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW

The chapter provides a description of the conceptual framework used in this research and an analysis of a literature review that was conducted. The literature review covered textbooks, journals, research reports as well as government and NGOs reports that were relevant to the research topic. The first part of this chapter discusses the conceptual framework and the second part discusses the literature review which provides more detail about the theory and concepts that are used throughout this research. These include the following: International Migration Theory, Economic Security, Social Protection, Social Enterprise, Credit Union and Labor Migration from Indonesia.

2.1. Conceptual Framework

The diagram below explains the conceptual framework that is to be used for this research. The diagram also explains the connection of each concept.

Figure 2 Conceptual Framework Diagram



International Migration is defined as the movement of individuals across the border from his or her home country to a new country so as to settle either temporarily or permanently (International Migration Law, 2004:33). Social protection is a broad concept that is interpreted differently by various actors. Social protection is defined as an effort targeted to vulnerable individuals or marginalized groups to protect them from poverty and loss of income or jobs. It also raises their status and promotes their rights in the community so as to reduce their vulnerability both socially and economically (Devereux, et al., 2002). In the context of International Migration, Sabates-Wheeler and Waite (2003:17) argue that migration abroad for work purposes is one of the social protection mechanism that are used by migrant workers to cope with risks such as unemployment and poverty that they experience in their home village. Social protection should be provided to the migrants since they are vulnerable in different contexts such as their home village, within transit areas and in the country of destination. One kind of social protection provided to migrants in the context of this research, is the establishment of a Social Enterprise in the form of the CU.

This research uses International Migration Theory, discusses why the possibility of migration from Bone, to different parts of the world, could occur. The concept of Social Protection linked to the notion of labour migration as a social protection mechanism is also discussed. The work of CUP in providing financial and safe migration information services to migrants as one of the social protection forms is also investigated and discussed. The economic security conditions such as income and job security conditions of all twelve informants are analyzed. Finally, this chapter examines the link between the informants' economic security conditions and their decision to migrate in the future.

International Migration Theories

International migration is defined as a “*movement of a persons who leave their country of origin, or the country of habitual residence, to establish themselves either permanently or temporarily in another country*” (International Migration Law,

2004:33). Under the international migration theories, workers can be categorized as skilled and unskilled workers. Skilled workers (also known as white-collar workers) include managers, engineers, doctors, artists and teachers while unskilled workers (also known as blue-collar workers) include cleaners, domestic helpers, agricultural workers and service workers. Migration can be categorized into forced migration and voluntary migration.

The neoclassical economic theory of International Migration argues that the migration of people from one country to another is determined by various factors in the sending and destination country. Massey et al. (1994) argues that there are at least two factors present within sending countries that push migration. This includes the high unemployment rate and the fact that it is easy to gain entry into the destination country. In the destination country there are at least two factors that pull migrants to migrate and this includes the opportunity to earn high wages and the need for labour as a result of growing economies. According to this theory, the prospective migrants will consider many things rationally prior to migrating abroad for work. These considerations include migration costs; living costs in the destination country; the ability to meet the requirements of immigration policies or to avoid deportation in destination country and, lastly, the earnings. After considering these aspects, they will make a decision to migrate if they know that they are able to secure a better income in the destination country. This theory also assumes that migration happens because there is a gap in terms of wage earnings between sending countries and destination countries.

In addition to neoclassical economics theory, there is one theory called New Economics that attempts to explain the International Migration phenomenon. Massey et al. (1994:711) asserts that the new economics theory view is that migration happens because markets in developing countries are absent, imperfect or inaccessible. As a result, it endangers income and livelihood of people come from a low economic background. In order to survive, families will decide to send their family members to migrate for work in other countries for better income. The new economics theory

emphasizes that migrant workers have important roles and are able to support economic development of their home villages through remittances sent home. According to this theory, the remittances sent will have a nonunitary effect because it is not only used for consumption or daily needs but also for productive business activities. It is important to note that both views, namely, the new economic theory and neoclassical economics theory, complement each other in their attempt to explain the phenomenon of International Migration.

Another theory that attempts to explain the phenomenon of International Migration is the segmented labour market. Massey et al. (1994:715) explains that contrary to the new economics theory, the Segmented Labour Market Theory argues that the movement of migrants from one country to another is not created by rational calculations made by the prospective migrants or families of migrants to response the imperfect market. Instead, it is created more by the demand of the market of the destination country that has created a primary and secondary job sectors. The primary job sector offers stability, a good salary, many benefits and good working conditions. To the contrary, the secondary job sector offers instability, low salary as well as poor working conditions. Since locals in the destination country are reluctant to work in the secondary job sector, it creates a need for the destination country to recruit workers from other less developed countries to overcome labour shortages. It is important to note that this theory cannot explain everything about the demand of the secondary sector workers from less developed countries. The theory complements the arguments made in the neoclassical economics theory and the new economics theory in their explanation of the phenomenon of International Migration.

Another attempt to explain the International Migration phenomenon is the network theory. This theory argues that migration happens because there is a strong connection among the migrant workers, former migrant workers and non-migrants both in the sending and the destination countries. This strong connection is based on ties of kinship, friendship or the similarity of origin (Massey et al. 1994:728-730). Because of these ties, migration costs and risks of migration is reduced and, as a

result, people tend to migrate. This theory argues further that prospective migrants from particular ethnic groups will migrate to an area or country where a similar ethnic group exists and strong social ties exist.

Under the cumulative causation point of view, it is argued that international migration will continue to happen in the future because migrants who had migrated at least once in the past tend to migrate again in the future. They have new motivation to migrate again because they already possessed work experiences abroad and have gained new skills from their experiences (Massey et al. 1994:733). He asserts that if migrants conduct second, third or multiple migrations, they will later create social and economic ties in the destination country and will make them feel fully settled there.

Migrant Workers

The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families that was adopted by UN General Assembly resolution in 1990, enforced in 2003, defines migrant workers as “*a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national*” (Article 2 point 1 of the UN Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families). Indonesia has ratified this convention in April 2012 (Human Rights Watch, 2012). By ratifying the convention, the government has an obligation to promote the rights of migrant workers and members of their families through the implementation of various policies, laws and regulations.

Social Protection

The aim of Social Protection is to assist individuals, households and communities to improve their social and economic vulnerability so that they can face the risks that endanger their basic consumption and social needs (Sabates-Wheeler and Waite, 2003:5). Social Protection is defined as “*All public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks and enhance the social status and rights of the marginalized*”

with the overall objective of reducing the economic and social vulnerability of poor, vulnerable and marginalized groups” (Devereux, et al., 2002).

Vulnerability is a means to measure resilience against a shock that can endanger the individual or the groups’ welfare (Sabates-Wheeler and Waite, 2003:12). Therefore, when people talk about vulnerability and risk, they often link them with shocks and hazards. An example of a shock that can impact on individuals or households are unemployment or death of a husband or breadwinner. This is called as idiosyncratic. Shock can impact on an entire community or region such as floods or the fluctuation of prices. This is called a covariant. A shock can happen repeatedly such as floods, civil war or a financial crisis. It is important to understand the magnitude of shock that is experienced by individuals or groups in order to measure the level of vulnerability that the individual or group has.

Migrants¹ both in the home village, in transit areas and the destination countries are in a vulnerable condition. Their vulnerabilities are divided into four categories, including: temporal, spatial/environmental, social-cultural and socio-political (Sabates-Wheeler and Waite, 2003:13). Temporal vulnerability means that migrants face different vulnerabilities depending on their migration points-in the home village, in transit areas or in the destination country. Spatial vulnerability is related to mobility, the remoteness of migrants or environmental hazards that migrants face. One of the examples of spatial vulnerability is that migrants are more vulnerable to diseases since many of them work in dirty, dangerous and difficult conditions, live in slum areas and cannot access good housing facilities in the destination country. Social-cultural vulnerability is related to gender and race. Employers and communities in the destination country often distinguish female migrant workers within a specific race and view them as second-class. As a result, they can only access dirty, dangerous and difficult jobs. Socio political vulnerability is related to institutional constraints of governments or community in a destination

¹ Migrants include returned migrant, migrant worker currently working and their families.

country. The government in a particular destination country often lacks political will to protect migrant workers' rights. This results in migrants having limited access to basic services that are provided by legal institutions making them vulnerable to discrimination and exploitation.

Migration is one of the social protection mechanisms or coping mechanisms for the migrants and their families. Holzmann and Jorgensen argue that migration itself can be seen as social protection mechanism for those who want to anticipate shocks before it comes or for those who try to cope with shocks that have already occurred (Sabates-Wheeler and Waite, 2003:17). Migration as a social protection mechanism addresses three strategies of social protection, namely, promotive, preventive and protective. Usually migration as social protection involves sending earnings from abroad to their family members at home.

Considering what has been described about vulnerabilities above the social protection provided to migrants needs to be adjusted according to their specific vulnerabilities faced in each of the migration points. Social protection can be provided to migrants using four strategies, including: promotive, transformative, preventive and protective (Sabates-Wheeler and Waite, 2003:8). A promotive strategy is provided with the aim of increasing the income and capability of the migrants. This strategy includes improving education services and combating diseases. The second strategy is a transformative strategy that aims to strengthen the bargaining power of the migrants so that equity can be achieved and the migrants can be protected from discrimination and abuse. This strategy includes activities and programmes that promote the rights of migrant workers' and the right to empowerment. The third strategy is a preventive strategy. This strategy is provided with the aim to prevent scarcity in specific way and includes the provision of social insurance by both the state and non-state actors. The last strategy is a protective strategy. This strategy is provided with the aim of providing support from scarcity and includes the provision of social safety nets for a specific target group. This strategy is the last effort when promotive or preventive strategies fail.

Social Enterprise

The EMES European Research Network defines the social enterprise as an *“organization with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits, placing a high value on their autonomy and on economic risk-taking related to ongoing socio-economic activity”* (Nyssens, M. 2006:5). From this definition, it can be seen that the social enterprise possesses both economic and social dimensions with each dimension having its own criteria (Nyssens, M. 2006: 5-6). With regards to the economic dimension, EMES European Research Network sets out four criteria that includes the following: (1) conducting activities such as producing and selling of goods and/or services; (2) has a high level of independence; (3) conducts business that have a significant level of economic risk; and; (4) employs a minimum number of paid staff. For the social dimension, the EMES Network establishes five criteria, including the following: (1) has a clear aim to do good for the community; (2) is established by a group of people; (3) applies a decision-making power not based on capital ownership; (4) applies a participatory approach that could involve relevant parties that may possibly be affected by its actions; and; (5) practices limited profit distribution behavior. Furthermore, Prof. Muhammad Yunus, the founder of Grameen Bank and the winner of Nobel Prize describe the Social Enterprise as *“businesses with a clear social purpose, have the power to deliver profound and sustainable change for the benefit of all”* (Crainer, S. 2012:16).

Looking at its economic and social dimensions, it appears that the social enterprise has unique characteristics (Nyssens, M. 2006:6). The economic dimension of the social enterprise indicates that it is a business entity that produces products and provides a service to its members. It also relies on a small number of paid staff to run its day to day business operations, all of which, has a high level of economic risks. The social enterprise is highly dependent on its members to secure financial resources as a business capital. Furthermore, it is considered that the social enterprise, as a business entity, should be free from outsider interventions including interventions by

its parent organization or by government officials. In terms of the social dimensions, the social enterprise has a clear mission to promote social responsibility and to assist vulnerable individuals or groups in the community. As part of this mission, the social enterprise promotes democracy in the community by running the business in a participatory way. There is an expectation that members are to participate and must be involved in the management and implementation of the business. The practice of equality with regard to decision-making processes among members are encouraged. As a result, all members have equal rights in determining the future of the social enterprise regardless of the financial capital that he or she has invested in the enterprise.

Economic Security

According to United Nations Development Program (UNDP) (1994:25), Economic Security is defined as an “*assured basic level of income usually derived from productive and remunerative work, or in the last resort from some publicly financed or community safety net*”. The International Labor Organization (ILO) argues that “*Economic Security is composed of basic social security, defined by access to basic needs infrastructure pertaining to health, education, dwelling, information, and social protection, as well as work-related security*” (ILO, 2004). In the context of work related security, ILO has established seven dimensions of work-related security. They are: (1) income security, (2) representation security, (3) labor market security, (4) employment security, (5) job security, (6) work security and (7) skill reproduction security.

According to the UNDP report (1994:25), for the last twenty years economic security became very important because it has been difficult for people to find work and to keep jobs. The growth of industries are relatively slow and they cannot absorb the increasing workforce that are dominated by women. This situation is progressively worse in developing countries and as a result, many job seekers who are unable to find work in the formal sector, end up working in the informal sector or becoming self-employed. With regard farmers in developing countries, the report

notes the difficulties they face because their limited access to land. It is no different for those who have access to land or want to run a business because access to credit is limited.

Economic security analysis is divided into two levels, namely, micro and macro levels. Micro-level analysis focuses more at individual, household or local communities' and in particular on the protection of their livelihoods. On the other hand, macro-level analysis focuses on a nation-state level and their engagement in the international economic system (Dent, 2007:204-205). This research focuses at the micro-level analysis of economic security and deals specifically with issues of livelihood, job security and income security of individuals within the context of high levels of poverty and unemployment.

The ILO (2004) defines income security as sufficient income that is earned or provided through social security and other benefits. Job security is also to the ability of an individual to engage in work that matches with his or her interests, training and skills. Poverty is considered to be a condition where individuals cannot maintain his or her normal life through the earnings of a minimum wage. Unemployment is considered to be a situation where labour is not utilized maximally and as a result, individual income and consumption will decrease (Wongboonsin. et al., 2006:38).

Safe Migration Characteristics

Safe migration is discussed in this research in the context of labour migration. Labour migration is defined as a "*movement of persons from their home state to another state for the purpose of employment*" (International Migration Law, 2004:38). Therefore, for the purpose of this research, safe migration is understood as the safe movement of person from Indonesia to abroad for the purpose of work. The ILO (2012) notes that there are eight basic principles that enhances safe migration. For the purpose of this research, migration is considered safe in the event that the eight factors specified by the ILO is met. The basic principles outlined by the ILO are: (1) *Be informed*: before making a decision to migrate, prospective migrants are advised to

consult with different people including the returned migrants, friends, families, and NGOs. Different types of information should be obtained such as information about the culture and the quality of life in the destination country; challenges faced when working there; the costs involved when migrating and the type of work available; (2) *Migrate legally*: prospective migrants are advised to migrate legally through legal channels. By doing this, prospective migrants can get protection when needed from the authorities both at home or when abroad. Migrating legally can also prevent prospective migrants from being arrested and deported by the authorities abroad, (3) *Check the recruitment agency*: prospective migrants are advised to check the legality and reputation of the recruitment agency through the local authority and to be aware if the agency requests work without a contract or if the agency falsifies the identity. If prospective migrants borrow money from the agency, the migrants are advised to consider how to make repayments before making the loan, (4) *Sign a contract with the recruitment agency and employer*: before leaving the country, the migrants are advised to sign a contract with the agency and employer and should ask them for clarification of unclear information in the contract. The contract should contain salary information, working conditions such as their rights and work hours as well as their duties and job description, (5) *Maintain copies of all documents*: make photocopies of the documents including the work contract, passport, work visa, and identity card. Leave the copies of these documents at home with family or friends and bring with them spare copies abroad, (6) *Prepare for emergencies*: in the event of problems and the need to seek assistance when abroad, prospective migrants need to have on record contact details for important people and organisations such as the embassy, NGOs and trade unions as well as family and friends; (7) *Have a support network*: Keep regular communication with family members and friends back home, (8) In the event of any problems, act on them immediately: If face problems at work, it is advised to talk directly to the supervisors or the agency. If they cannot solve the problems, ask assistance at the Indonesian embassy or local NGOs.

Human Trafficking

In the context of this research, human trafficking means “*the recruitment, transportation, harboring, sending, transfer, or receipt of a person by means of threat or use of force, abduction, incarceration, fraud, deception, the abuse of power or a position of vulnerability, debt bondage or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, whether committed within the country or cross-border, for the purpose of exploitation or which causes the exploitation of a person*” (Article 1 point 1 of the Law of Republic of Indonesia No. 21 Year 2007 on the Eradication of the Criminal Act of Trafficking in Persons). This definition is in line with the trafficking definition as stipulated in the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children as the supplement of the United Nations Convention against Transnational Organized Crime. This definition is also widely accepted by international communities in general. As of February 2013, one hundred and fifty four countries, including Indonesia, have become signatories to this convention (United Nations Treaty Collection, 2013).

For the purpose of this research, the prevention of trafficking is understood to be any act that aims “*at preventing the criminal act of trafficking in persons at the earliest moment possible*” (Article 56 of the Law of Republic of Indonesia No. 21 Year 2007 on the Eradication of the Criminal Act of Trafficking in Persons). There are many examples of the implementation of traffic prevention projects, programmes and campaigns in Indonesia, Specific examples include conducting awareness raising campaign, creating new job opportunities as a poverty reduction mechanism, human resource development and decreasing the school drop-out rate. However, it is noted that, compared to these examples, efforts to reduce social and economic vulnerability of vulnerable groups were limited (Agustinanto. et al., 2006:393).

2.2. Literature Review

This section provides an overview of literature review. A review was conducted of textbooks, journals articles, research reports, government records and

NGO reports. The review covered the theories and concepts such as Labor Migration from Indonesia, Economic Security, Social Enterprise and Credit Union.

2.2.1. Labor Migration from Indonesia

Economic development in developed countries provides job opportunities for both high and low skilled labors. As a result, people with low skills from less developed countries tend to migrate to more developed countries to find better paid jobs. This phenomenon is also known as globalization from below (Morgan, G. 2010:17-20). Malaysia and Saudi Arabia have become two main destination countries for many Indonesian migrant workers. In the last seven years, the government has legally placed more than 6.7 million migrant workers to these two countries (BNPPTKI, 2012). The government has recorded that the majority are categorized as low skilled labour working in the informal sector as domestic workers or plantation workers (BNPPTKI, 2012). In addition to using government procedure to migrate abroad for work, Indonesian migrants also migrate abroad voluntarily as part of their traditional migration practice (Asyari, 2008:14). In the past, when people did not familiar with border between states, they easily moved by boat to neighboring countries like Malaysia, Singapore and Brunei.

An economist, John Keynes said that to be able to survive from poverty, migration will occur naturally (Turner, B. S., and Habibul Haque Khondker, 2010:4). Many Indonesian migrant workers have said that the limited number of job opportunities in their villages and their willingness to improve their living conditions are the main drivers for them to leave their homes to migrate abroad for work (Human Rights Study Center of Hasanudin University, 2009:76). Also, labour shortages in the destination countries especially work in the informal sector – noted for its dangerous, difficult and dirty jobs as domestic workers and plantation workers - has become a pull factor for them to work abroad. There are labour shortages in the destination countries which is a result of local labour, especially female labour, been quickly

absorbed into the formal sector (Rohana Ariffin and the Hawke Institute, University of South Australia, 2001).

Labour export agencies and brokers play significant roles in facilitating the migration of Indonesian migrant workers. Previous researchers (Sugiarti, 2006b:355-359) found that most Indonesian migrant workers depend on the local brokers who recruit them and transport them from their home village to the holding center run by labour export agencies. For this service, they have to pay fee to the brokers. In addition, prospective migrants have to bare pre-deployment costs such as training, finalization of travel documents including work visa, medical checkup and accommodation in the holding center. Unfortunately, most migrant workers from poor families do not have the financial means to finance their migration. Therefore, many of them have to sell their assets or borrow money from moneylenders or loan sharks with high interest rates in order to finance their migration. The interest rates ranges from 100% to 200% for 3 months up to 1 year. Furthermore, some migrants become indebted to labor export agencies to pay for all pre-deployment costs in advance. Later, the agencies will transfer the inflated debt to the migrant workers who then have to repay the debt by having their wages deducted. The International Organization for Migration (IOM) argued that the labour export agencies are involved in trafficking of Indonesian migrants (U.S. Department of State Trafficking Report, 2012). They use different means to place the migrant workers into slavery-like conditions abroad such as debt bondage, withholding of documents, deception of the working conditions abroad and threats of violence (U.S. Department of State Trafficking Report, 2012).

In the context of South Sulawesi Province, the province is a source areas of migrant workers in Indonesia (Sugiarti, 2006a:271). The Manpower Office of Nunukan District, East Kalimantan Province, noted that during period of 2003 and 2004, there were more than 70,000 migrant workers from South Sulawesi that transited in the district before they crossed the border to Sabah East, Malaysia (Sugiarti, 2006a:272). Moreover, the local government of Pare-Pare District, South

Sulawesi Province, also estimated that between January and July 2005, there was 36,700 migrant workers that disembarked in the district (Sugiarti, 2006a:272). Pare-Pare is known as crucial transit area in the province that is used by migrant workers from this province before and after they migrate abroad, especially to Sabah and to Sarawak of East Malaysia (Human Rights Study Center of Hasanudin University, 2009:55)

Sugiarti (2006a:275) noted that migration practice abroad for work is very common among South Sulawesi's people. However, unlike other provinces, many migrant workers, especially female migrants from this province, migrate without the assistance of labour export agencies. They migrate with the assistance of family members, relatives and friends who already possessed work in Malaysia. After they secure work as domestic worker, factory workers or waitresses, they would, only then ask their employer for a letter to obtain a work visa. In contrast, Sugiarti (2006a:276) noted that most male migrants from South Sulawesi Province migrate with the assistance of a labour export agency that is based in Nunukan District, East Kalimantan Province. Many of them work at a palm oil plantation under the control of an agency and an employer and are trapped in debt bondage. In the context of Bone District in South Sulawesi Province, the Office of Manpower, Bone District claimed that there is no labour export agency that is based in Bone (Human Rights Study Center of Hasanudin University, 2009:58). Thus, most of the migrants from Bone District process their travel documents in Nunukan District of East Kalimantan Province, which is the border city between East Kalimantan Indonesia and Sabah Malaysia. By processing their travel documents in another province, their profiles such as name, age and address could be easily manipulated.

In addition to the roles played by family members, friends, relatives and labour export agencies, individual brokers also play key roles in recruiting prospective migrants and it was found that most of them operate independently (Sugiarti, 2006b:349). Although they do not work for the labor export agency, they do possess official documents given by the agency in order to recruit migrant workers. After the

recruitment of the migrant workers they would then send them to the agency and receive a commission. Sugiarti (2006b: 356) found out that one broker can receive a commission from US\$ 55 up to US\$ 165 per migrant. This fee is a motive for the broker to recruit migrants through deceptive ways, including making false promises to prospective migrants.

An actor that is also very important in the migration process in the South Sulawesi to East Malaysia are the middlemen (Human Rights Study Center of Hasanudin University, 2009:57) and travel agencies (Sugiarti, 2006a:277). In this context, both the middlemen and travel agency operate in the transit areas such as Pare-Pare District of South Sulawesi Province and Nunukan District of East Kalimantan Province. These actors play an important role in providing transportation and accommodation services to migrants; processing travel documents of the migrants and connecting them with labour export agencies (Sugiarti, 2006a:277). The middlemen in Pare-Pare District charge migrants US\$ 250 for using their services to purchase a ferry ticket and to make new passports (Human Rights Study Center of Hasanudin University, 2009:57).

Sugiarti (2006a:276) notes that legal migration through the government mechanism is expensive and that is the reason why migrants opt for the illegal route. It appears that migrants who want to migrate through government mechanisms via licensed labour export agencies would need to pay over Rp.1 million up front. When using of unlicensed brokers, they would only need to pay Rp.500,000.

Indonesian migrants that work abroad are trafficked for two purposes: sexual exploitation and forced labour. It appears that those who are trafficked for forced labor purposes are mostly male and would end up working at a palm oil plantation or at a construction site located majority in Malaysia, Saudi Arabia and Jordan. (Dasgupta, 2006:35). Female workers are reported to find work as domestic workers, factory workers and shopkeepers (Center for Anthropological Research of University of Indonesia, 2010:14).

Indonesian migrants who are trafficked abroad suffer various abuses and exploitations. There are illegal salary deduction practices where many Indonesian female migrant domestic workers that are trafficked to Malaysia earned between \$US 220 to \$US 530 after working for two years and according to cases reported, some of them do not earn money at all (Sugiarti, 2006b:362). Furthermore, they experience physical and psychological abuses including physical confinement; withholding of passports and salaries (Center for Anthropological Research of University of Indonesia, 2010:27). It is noted that male migrant workers who are trafficked as palm oil plantation workers in Sabah Malaysia also experienced the similar physical and psychological abuses that their female counterparts who are trafficked as domestic workers experience (Center for Anthropological Research of University of Indonesia, 2010:25). These abuses include limited freedom of movement, no salaries; monies deducted from salaries and long working hours without sufficient breaks.

The Indonesian government has been working hard to ensure that migrant workers are placed abroad through legal channels. The National Agency for Placement and Protection of Indonesian Workers Overseas (BNPPTKI), a government institution that is responsible for the protection of migrant workers' rights, is mandated to monitor the work of licensed labour export agencies in placing migrant workers abroad. Furthermore, BNPPTKI also created a new database and a national workers identification card system to verify migrant workers profiles including labour export agencies (U.S. Department of State Trafficking Report, 2012). By implementing protective mechanisms for migrant workers, they will be able to work safely abroad and will be able to send remittance home and can, thus, improve their families economic condition.

Remittances sent by migrant workers to Indonesia is significant and it is reported that in 2009, the remittance sent reached \$US 6.6 billion (International Organization for Migration, 2010:1). The survey conducted by the International Organization for Migration (2010) found that migrant workers who worked in

Malaysia and Saudi Arabia contributed most of the remittances and sent it through banks and western union. Only a few migrants hand-carried the remittances. The authorities in Malaysia has allowed non-bank financial institutions to be remittances service providers. As a result, migrant workers in Malaysia now have more options and access to send remittances to Indonesia. The survey also found that the remittances used by migrant workers' families were for their daily needs; house renovations; purchasing of furniture and equipment and child education.

2.2.2. Economic Security

The discussion on economic security cannot be separated from the discussion on human security. Human security means "*protecting fundamental freedoms that are the essence of life. It means protecting people from critical (severe) and pervasive (widespread) threats and situations*" (Commission on Human Security, 2003:4). Threats and situations that endanger people's lives are varied and they include poverty and unemployment which threatens economic security; hunger and famine which threatens food security; lack of access to basic health care which endangers health security; natural disaster which endanger environmental security; physical violence and child labour which endangers personal security; ethnic conflict which endangers community security and, finally, human rights violations which endangers political security (UN, 2009:7).

Human security is a comprehensive approach that put people at the center of its focus and aims to protect and empower them so that they will be more able to deal with threats (UN, 2009:6). It offers an alternative approach since the old security approach only focused on state security that aimed to protect the state from another country's aggression (UN, 2009:6).

With regard to income, the UNDP (1994:26) report found that in the last twenty years, the income security of people has been threatened because minimum wages has increased very slowly and annual inflation rates have reduced in value. As

a result, real income of people is on the declined. With low income and unstable income, many people are expecting support from the government, who, according to the report, have failed in providing sufficient assistance. Government budgets have been cut and there is widespread unemployment and very little welfare benefits. As a result, numbers of people living in poverty have increased and in developing countries, many people have to survive with an income of less than US\$1 a day.

In the context of Indonesia and job security, unemployment becomes an issue since two million of new Indonesian workforces enter job market every year and the market found difficulties to absorb maximally the new workforces (Indonesia-Investments Web Site, 2013). Indonesian Government recorded that in February 2013, there were 121,190,000 workforces in the country. Out of this number, 114,020,000 workforces were working and 7,170,000 workforces were unemployed (Indonesia-Investments Web Site, 2013). However, experts argue that the unemployment numbers was supposed to be higher since “half unemployed” workforce should be categorized as unemployed. But at the moment, government categorized them as working although he or she only works to help others at one hour per week. If government categorized “half unemployed” workforce as unemployed then the total unemployment numbers in the country in 2012 reached 34,3 million workforces (ILO, 2013).

Furthermore, unemployment rate among female workforces was also high although the number shows a decreasing trend. In 2010, World Bank recorded that unemployment rate among female workforces in Indonesia were at 8.7% (Indonesia-Investments Web Site, 2013). Like in many other countries, the problem of gender inequality also becomes a big issue in Indonesia. Although women access to health and education is improving but many female workforces still work in the poorly paid job sector and they are paid less than their male counterparts.

In the context of income security, it cannot be avoided to discuss about minimum wage. In Indonesia, minimum wage is set up at the provincial and district

level through governor and mayor decree. The minimum wage is reviewed every year. However, the minimum wage that set up is not sufficient to support daily needs of the workers. Recently, trade unions and 20,000 of Greater Jakarta workers had a big demonstration to demand for minimum wage increase by 50% or to Rp. 3.7 million per month in 2014 (Jakarta Globe Website, 2013). Furthermore, in relation to farmers' income, farmers from South Sulawesi and other provinces in Indonesia argued that at the moment their profession as farmer could not bring economic advantages for them since production costs invested is much higher than income gained at harvest time (BBC Indonesia.Com Website, 2009). In order to get sufficient income, they argued that each farmer should have minimum 2 hectares rice field.

2.2.3. Social Enterprise

Although the term Social Enterprise was first coined in the 1970's, it is still considered to be a new, growing and a central subsector of civil society (Edwards, 2011:87). The emergence of the social enterprise is driven by two factors. The first is the problem of donor support which is faced by many NGOs and the second is the problem faced by the community that unsolvable by both the government and private sector. Social Enterprise is mostly established by not-for-profit agencies to secure funding or to support its programmes when financial support from donors have been reduced (Nyssens, M. 2006:4). In addition to this, the social enterprise usually conducts the programme in the community where resources and services are inadequate (Di Domenico, M., Haugh, H., & Tracey, P. 2010:683). Thus, the emergence of the social enterprise could be seen as a response to the lack of resources and services for communities as a result of market or government failures in that particular area.

The Social Enterprise is doing business for social purpose and not for profit purpose. As a business entity, the Social Enterprise is managed on the same principle as the private sector especially with regard to financial management. The difference between the social enterprise and the private sector that the profit gained by the social

enterprise is used to solve social problems in the community to support the sustainability of its operations rather than distributed maximally to its owners and shareholders as is the case with the private sector (Alter, K. 2007:18-20). The Social Enterprise could be established in various forms and one of these forms is cooperative (Alter, K. 2007:26).

Based on the mission orientation, the Social Enterprise has three classification, namely: mission centric, mission related and unrelated to mission (Alter, K. 2007:23). The mission centric Social Enterprise is an enterprise that is established to solve the social problems in the community using a self-financing model. It is important to note that the mission of this Social Enterprise is in line with its founder mission. An example of this Social Enterprise is an organization that has in its mission to address poverty in a community and establishing a cooperative that provides job opportunities for youths. The profit gained by the social enterprise is not only used to finance its business costs but also used to finance the other organisation's programmes for particular communities such as education and training for youth and children.

The second type is a mission related Social Enterprise. For this type of enterprise, its mission to expand the mission of its founders. For example, an organization with a mission to serve the elderly through various programmes has established a Social Enterprise that provides paid services to the elderly from middle and high-income family. The profit gained from the Social Enterprise is then used to support the organization's other programmes such as free of charge services to the elderly from poor families.

The third type is unrelated to mission Social Enterprise. This type of enterprise has a different mission from the founding or parent organization. It is established only to generate profit. The profit gained will then be channeled to the parent organization to finance their specific social programmes. For example, an organization that has in its mission to promote children's rights has established a restaurant for general public.

The profit gained by the restaurant is then channeled to the parent organization to finance their social programmes.

The Social Enterprise could also be classified based on the level of integration between social programs and its business activities (Alter, K. 2007:26-30). The first type is an embedded Social Enterprise, the second is an integrated Social Enterprise, and the third is an external Social Enterprise. Under the embedded Social Enterprise, the social and business activities are the same. It achieves social and financial benefits at the same time. In other words, the social and business activity relationship of the enterprise is comprehensive. In many cases, the embedded Social Enterprise is similar with mission centric Social Enterprise.

The second type is an integrated Social Enterprise. The business activities of this enterprise have similarities with the social activities. Under the integrated social enterprise, the business and social programs relationship are symbiotic - they strengthen each other. This type is in many ways similar to the mission related social enterprise.

The third type is an external Social Enterprise. The business activities that are conducted by the enterprise are not related to the social mission of the parent organization. Instead, it is established only to gain profit to finance the social mission and to cover the overhead costs of the parent organization. Under this type of enterprise, the relationship between the social and business activities are supportive. The external Social Enterprise is in many cases similar to the unrelated to mission Social Enterprise.

It is very difficult to understand the size of social enterprise. This is mainly due to the fact that Social Enterprise may be established in different legal forms such as a community interest company, a social cooperative, a social solidarity cooperative, a company limited by guarantee, a publicly limited company, a unincorporated voluntary organization or a combination of these different forms

(Edwards, 2011:85). In the United Kingdom (UK) alone there were 62,000 social enterprises in 2007. Three years later or in 2010, the number had increased to 232,000 social enterprises (Edwards, 2011:86). In Indonesia, there were 192,443 cooperatives by mid-2012 and the numbers appear to increase every year (Ministry of Cooperative and Small, Medium Enterprise of Republic of Indonesia, 2012).

Rahayu and Idris (2012) noted that, historically, in Indonesia, organizations that have Social Enterprise characteristic have been known to exist since the late 1800's and long before the country gained its independence in 1945. However, as a concept, social entrepreneurship in Indonesia was only recognized since 1983. During period of 1895 to 1945, many social movement organizations in Indonesia could be categorized as Social Enterprises since the organizations use social entrepreneurship strategies in order to empower the local community economically and promoted the idea of independence as their social mission. Such social movements include *Kartini School*, *Sarekat Dagang Islam*, *Sjarikat Oesaha*, *Muhammadiyah*, *Nahdatul Tujar*, *Nahdatul Ulama*, *Taman Siswa* and *Himpunan Saudagar Islam Indonesia*. Organisations such as *Nahdatul Ulama* and *Muhammadiyah* still exists today and has become two of the largest Muslim groups in Indonesia. The positive growth and development of the Social Enterprise in Indonesia during period the period of 1895 to 1945 was largely influenced by the great depression in 1930 that hit the Dutch economy. It was during that period that the Dutch government had reduced the state budget for spending on its colonies, including Indonesia.

The debate among actors on the issue of the Social Enterprise was on the profit distribution of the Social Enterprise to the shareholders (Social Enterprise Buzz, 2013). Some actors, especially from the Italian government, prefer the Social Enterprise to distribute its profit of up to fifty percent to its shareholders, very similar to the Social Enterprise in the UK. Previously, Social Enterprises in Italy did not distribute its profits to its shareholders. Instead, the profits were reinvested into the enterprise. Those who agree with the profit distribution idea argued that this approach would make the social enterprise in Italy compete with the private sector. On the other

hand, those who disagree with the idea of profit distribution argued that all profits should be reinvested back to the enterprise to avoid profit-maximizing behaviour. Each country has applied different policies with regard to this. In some countries like the UK and Belgium, profit distribution is allowed but with limitations. In other countries like Latvia, profit distribution is not allowed while in other countries like Finland, profit distribution is allowed without limitations. There is no further information available that suggests that the best approach that supports the business sustainability of the Social Enterprise.

Currently, the Social Enterprise has played an important role in the economic development of countries. In the UK, during the period of 2005 to 2007, the Social Enterprise had contributed approximately £24 billion to the UK's economy (Crainer, S. 2012:16). In India, one Social Enterprise was able to expand the business of 30,000 low-income business owners (Crainer, S. 2012:16). Furthermore, in Italy, the Social Enterprise was able to produce products and services worth more than €6 million and employ close to 300,000 people or, indeed, 1.4% of the total labour force (Fazzi, L. 2011:120). In Indonesia, the cooperative becomes an important stakeholder in contributing to the economic development of the country. The Ministry of Cooperative and Small Medium Enterprise recorded that in 2013 there were 100 cooperatives that have assets of more than Rp.10 billion (Ministry of Cooperative and Small Medium Enterprise of Republic of Indonesia, 2013). Despite the important contribution of the Social Enterprise to the economy, it was found that there is a dearth of research on the subject. Therefore, there is limited data on its effectiveness, outcomes and impacts (Edwards, 2011:87-88).

2.2.4. Credit Union

Historically, the credit union (CU) was established for the first time with the aim to help the poor or marginalized groups to obtain loans so that they could avoid the high interest charged by moneylenders and loan sharks. The first emergence of credit unions can be traced back to 1861 when Victor Aime Huber, Germany, belief

social reformer, had aspirations to fight poverty through the creation of a cooperative movement (Hume, J. 2007:99). Two pioneers from Germany, namely, Schulze-Delitzsch, and Friedrich Wilhelm Raiffeisen realized that aspiration. Schulze-Delitzsch in 1846 established a cooperative and loan association to assist urban craft and trades people. In 1864, Friedrich Wilhelm Raiffeisen established Heddersdorf CU to assist poor farmers to obtain loans so that they could avoid high interest rates charged by moneylenders and loan sharks (Hume, J. 2007:100-110). Similarly, in 1897, triggered by his anxiety after one man was forced to pay \$US 5,000 interest on a loan of \$US 150, Alfred Desjardins, established a CU in Montreal, Canada. In order to fight the loan shark and facilitate obtaining a small loan, he then initiated a cooperative savings society where the members were able to save the money in the cooperative and use that collective money as a loan for the common benefit of all. More than 50 years later, the cooperative became the largest CU and the sixth largest financial institution in Canada with 5.8 million members and \$US 172 billion in assets (Ellwood, W. 2012).

The CU is defined as a “*member-owned, not-for-profit financial cooperatives that provide savings, credit and other financial services to their members*” (World Council of Credit Union, 2013). The CU has unique characters that are different from commercial banks and other financial institutions (World Council of Credit Union, 2013). In terms of organization, the CU has a not for profit motive. The profit gained will be maximally reinvested back to the community or to sustain its services. In addition, members of CU usually share a common tie such as similarity of occupation, place of residence, etc. Furthermore, the income generated by the CU comes from the savings, share and deposits of the members and not from outside institutions or donations. Members who invest their money in the CU automatically own the CU and they have the right to elect or to be elected as volunteer board directors. Each member has one vote in the election of the board of directors regardless of how much they have invested in the CU. The uniqueness of the CU is guided by internationally agreed principles which are: a democratic structure, service to its members as well as social purpose (Credit Union Central of Indonesia, 2013). These principles guide all

CU's to treat its members without discrimination, involve them in the monitoring and the implementation of the CU, build their financial stability, provide them with education and the sensitivity to care for others.

In terms of financial services the CU offers the same financial services that commercial banks offer, including savings, credits, remittance and insurance. However, the CU offers competitive financial products and provides more benefits compared to commercial banks. Examples of this are the higher interest rates on savings; no administration fees, lower rates on loans and no collateral (World Council of Credit Union, 2013). In addition, the CU is also an independent entity and applies a self-financing model where it uses its own resources to finance and sustain its services. The CU mainly uses savings, shares and deposits that are invested by its members to finance the loan products. They do not rely on the capital external to the organization. Furthermore, the CU adds value to the life of each member. Through the financial services and products they offered, the CU does not only as financial institution but also plays the role of a problem solver for the community that are not been serviced by the by the commercial banks. For example, using various loan products, members can start their own small businesses and continue their children's education. Also by investing their money in the CU, members can own a financial institution and can exercise their decision-making rights (World Council of Credit Union, 2013). These benefits cannot be achieved by joining a commercial bank.

The numbers of the CU movement and its members in the world are increasing every year. This indicates that the CU is widely accepted is growing and is playing a significant role in meeting the financial needs of its members. The Statistical report of the World Council of Credit Unions (2013) recorded that in 2003 there were 40,457 CU's in eighty four countries with a membership of 123,497,445. Eight years later, in 2011, the number has increased to 51,013 CU's in 100 countries with total membership of 196,498,738 people joined as the members. The increased numbers of CU's and its membership are also reflected in the Asia region. In 2003 there were only 16,513 CU's in 13 countries with a membership of 11,011,634.

However, in 2011 the number was increased to 19,798 CU's in 22 countries with a membership of 39,729,234. In the Southeast Asia Region, in 2010, Thailand had the most CU's with 2,064 CU's registered nationwide, followed by the Philippines in second place with 1,192 CU's and Indonesia in third place with 930 CU's. Although Thailand has the most CU's, the Philippines has the largest number of members in the region. In 2010, 4,146,622 people were recorded to have joined CU's in the Philippines, followed by Thailand in the second place with 3,496,283 members and Indonesia in the third place with 1,808,755 members.

Structurally, the CU in Indonesia has one national office called the Central of Credit Union (CUCO) or *Inkopdit* located in Jakarta, 30 offices located in provincial level called *Puskopdit* and 829 offices located in district level. CUCO is playing the role as the central national financial service for all CU's both on a provincial and on a district level. Furthermore, CUCO is also playing a role to expand CU's nationwide and build their capacity through trainings (Credit Union Central of Indonesia, 2013). Based on CUCO's statistic of 2007, in South Sulawesi Province, there was one CU office or a *Puskopdit* on a provincial level and 13 CU office's on a district level with 3,070 members. In general, the CU growth and development in Indonesia is promising. They are welcomed by the public especially those who are marginalized in the community.

The current debates on CU's is on the competition between the CU's and the private banks as well as on the privileges given to CU's and not to the banking fraternity (FindaCU.org, 2013). The CU's and the banks conduct the same business and compete with each other to obtain more customers. An example of the privileges experienced by CU's is the case of the United States (U.S), where for almost seventy years, have been granted tax exemptions by the government. The CU also has unique structure where they employ an unpaid director and board members. With these privileges and advantages, CU's are able to perform efficiently and serve many poor individuals that are not served by the banks. CU's are growing very fast, are highly profitable compared to private banks and, as is the case of the US, start to serve

middle and high income workers. Seeing this unfair condition, actors from private banks are critical and they have asked the government to lift all privileges given to CU's.

CHAPTER III

CIVIL SOCIETY ORGANIZATIONS AND CREDIT UNION

This chapter describes the involvement and roles of civil society organizations in promoting safe migration in Indonesia. It also discusses the role of CSO's in establishing CU with specific reference to CUP in Bone District of the South Sulawesi Province, Indonesia. This chapter highlights the work of CUP in promoting safe migration and strengthening the economic security of the returned migrants. Obstacles faced by CUP *Pammase* in providing quality services will be also discussed.

3.1. The Involvement of CSO's in Promoting Safe Migration in Indonesia and Establishing CUP

The involvement of CSO's in promoting safe migration in Indonesia has been crucial. CSO's were at the forefront of initiating, designing and implementing many strategies to promote safe migration. With financial support from donor agencies, the CSO's (including international NGO's and local organizations) have worked in many high sending provinces of Indonesia. The international organizations provided both financial and technical assistance to local NGOs to enable them to provide appropriate services. It is important to note that there were no organizations that worked to promote safe migration through strengthening the economic security of the returned migrants. All of the efforts to promote safe migration were done through the distribution of printed materials and the implementation of awareness raising events, for example, the distribution of comic books, posters campaign, leaflets and public service announcements, theater performances, radio talk shows, screening of a documentary on trafficking in Indonesia and an animated film on the commercial sexual exploitation of children. Some NGO's implemented training for facilitators.

CSO's can be credited with the establishment of CUP. They played a significant role in providing financial support and technical assistance which includes

helping CU in promoting its products to potential members, that is migrant workers and their families. It is important to note that CUP was supposed to be established through a bottom-up approach, meaning that CSO's were supposed to facilitate migrant workers and their families in establishing CU. However, in reality, it was found out that CUP was established through a top-down approach by CSO's with very limited involvement from migrant workers and their families.

3.1.1. The Involvement of CSO's to Promote Safe Migration in Indonesia.

A report written for the United States Agency for International Development (USAID) (2006) identified that there were at least eight international organizations receiving financial support from the US. Government to address the problem of human trafficking in Indonesia through promotion of safe migration. The eight organizations included the International Catholic Migration Commission (ICMC), Solidarity Center, International Organization for Migration (IOM), The Asia Foundation (TAF), International Labor Organization (ILO), Save the Children US, International Criminal Investigative Training Assistance Program (ICITAP) and Overseas Prosecutorial Development, Assistance and Training (OPDAT). The eight organizations became the implementing partners for the US. Government in addressing the problem of trafficking in the country.

According to the same report, several strategies were used by these organizations to raise the awareness about trafficking including safe migration practices in vulnerable communities. These strategies included the distribution of posters and leaflets, theater performances, radio talk shows, the distribution of public service announcements on trafficking in food packages, screening of documentary on trafficking in Indonesia and an animated film on the commercial sexual exploitation of children, the distribution of comic book for youths on safe migration and the implementation of training for facilitators to use tool kit on trafficking and safe migration practices. In addition to this, several other strategies were also used to increase the awareness of public and vulnerable individuals on trafficking including

safe migration practices (Agustinanto. et al. 2006: 389); puppet (*wayang*) and music performances, the distribution of banners and pamphlets printed in the local language, public service announcements aired on national television, musical jingles aired on local radio stations and the appointment of a popular television personality as the National Spokesperson for the Campaign to Eliminate the Trafficking of Women and Children.

In implementing the awareness raising activities, the researcher who has been a close observer on human trafficking issues in Indonesia over the last ten years observed that many of these international organizations did not work alone. ICMC for example, worked with local NGO partners that were based at a provincial or district level and provided them with financial as well as technical assistance (International Catholic Migration Commission, 2010). The financial and technical assistance enabled the local NGOs to develop and broadcast public service announcements and radio talk shows on local radio stations and also to distribute thousands of comic books to youth on safe migration and the risks of trafficking in at least six provinces in the eastern part of Indonesia.

In increasing awareness of general public and vulnerable individuals on human trafficking and safe migration practices, these eight international organizations were found out working in at least twelve highly vulnerable provinces of Indonesia such as West Java, Central Java, East Java, West Kalimantan, West Nusa Negara, East Kalimantan, Jakarta, Banten, North Sulawesi, North Sumatra, Riau and Aceh (United States Agency for International Development, 2006:15-16). However, the report argues that the program interventions conducted by the organizations needed to be expanded to more areas since high sending areas for trafficking are expanding as well. The trafficking survivors mostly come from rural areas where access to information is limited. Moreover, the report also argued that a coherent strategy including cost effective tools to conduct information campaigns needed to be further developed in order to reach more vulnerable individuals in the country.

3.1.2. The Role of Donor Agencies in Establishing CUP

The establishment of CUP can be traced back to August 31st, 2010 when two international organizations, the Ford Foundation and ICMC agreed to implement a project entitled “Promote access to remittance in selected rural areas of Indonesia through the formation of Migrant Workers’ Organizations, Microfinance Institution and Self Help Groups”. This project was proposed by ICMC to Ford Foundation who provided financial assistance. The project started in September 2010 and ended in March 2012.

Ford Foundation with its headquarters in New York USA was established in 1936 by Edsel Ford (Ford Foundation, 2013). He was also former President of the Ford Motor Company, one of the biggest automobile companies in the US. The foundation works to provide grants to organizations working in all 50 US states and 10 regions in North America, Latin America, Africa and Asia including Indonesia. It is an independent, non-profit and nongovernmental organization with its own structure that is different from the Ford Motor Company. Ford Foundation is focusing its works in advancing human welfare especially in eight issue areas, economic fairness, metropolitan opportunity, sustainable development, democratic and accountable government, human rights, educational opportunity and scholarship, the freedom of expression and sexuality and reproductive health and rights.

ICMC was founded in 1951 as a response to human displacement caused by World War II (ICMC, 2013). Its mission is to serve forcibly uprooted people, migrants, refugee and internally displaced people based on changing and dynamic needs around the world. From its headquarters in Geneva Switzerland, ICMC work focus on seven areas, refugee resettlement, provide aid to extremely vulnerable individuals and families, combat human trafficking, provide capacity building training to local actors who work with the uprooted people and migrants, participate actively in international policy making discussions on migration and development, implement a resettlement deployment scheme with United Nations High Commissioner for

Refugees (UNHCR) and to conduct advocacy on migration policy and governance. Currently, ICMC runs its project in 40 countries around the world including Indonesia.

The project of “Promote access to remittance in selected rural areas of Indonesia through the formation of Migrant Workers’ Organizations, Microfinance Institution and Self Help Groups” was designed by ICMC based on a survey conducted in Nunukan, the border area of East Kalimantan Province Indonesia and Sabah State Malaysia. The survey showed that significant numbers of Indonesian migrant workers particularly from South Sulawesi Province were recruited through deception and debt bondage² and experienced exploitation by their employers in Sabah Malaysia. ICMC believed that the problem of debt bondage has been recognized as one of the major causes of trafficking of women and men from Bone to Sabah in Malaysia. Furthermore, families of migrant workers also had limited facilities to save and leverage remittances received towards financial products that would improve their economic livelihood. The ICMC report also highlighted that the Local Government of Bone had no strategy to empower migrant workers and their families. They remained poor even though they had been migrating abroad frequently. Considering these facts, the project was designed and implemented and aimed to build economic security for migrant workers and their families by providing them with technical assistance to form micro-finance institutions such as Self Help Groups (SHGs) and cooperatives thereby empowering them to utilize remittances more productively. It also focused on the creation of financial products and innovations for

² The United Nations Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar To Slavery adopted in Geneva on 7 September 1956 defines *debt bondage* as “*the status or condition arising from a pledge by a debtor of his personal services or those of a person under his control as security for a debt, if the value of those services as reasonably assessed is not applied towards the liquidation of the debt or the length and nature of those services are not respectively limited and defined*”. The United Nations High Commissioner for Human Rights further elaborated in “Debt Bondage, A Universal Mechanism of Enslavement (1998)”: “*A person carries debt bondage when their labor is demanded as a means of payment of a loan, or money given in advance. Usually, people are tricked or trapped into working for no pay or very little pay (in return for such a loan), in conditions which violate their human rights. Invariably, the value of the work done by the bonded labor is greater than the original sum of money borrowed or advanced*”.

micro finance institutions that were suitable for the needs of migrant workers and their families.

To achieve this goal, ICMC with financial assistance from Ford Foundation conducted several activities which aimed to establish CUP. These included (1) an assessment mission in Sabah Malaysia with the involvement of LPP Bone Director and the Head of Cooperative and Small and Medium Enterprise Bureau of Bone to generate remittances related information such as instruments chosen, costs, advantages and difficulties encountered, (2) a baseline study to generate data about the volume of foreign remittances received by poor community members and the uses of such remittances, and to collect details about how remittances were channeled, (3) a study trip to Yogyakarta of Central Java Province for the prospective board of management of CUP to visit a successful CU to see how they work, (4) three workshops for local government staff and the general public, (two at a sub-district level and one at the district level) to disseminate the assessment mission and baseline study results focusing specifically on the role of foreign remittances in the economy of Bone District, (5) trainings for management and staff of CUP on product development, marketing and accounting techniques, (6) technical assistance for the prospective CUP management board in creating an organization charter (*Anggaran Dasar*), internal policies (*Anggaran Rumah Tangga*) and the structure of CUP, (7) the disbursement of funds to provide initial support for the new financial products of CUP, (8) monitoring the roll out of new products including loan portfolios of CUP and (9) an end of project survey to measure project progress against the baseline survey including analyzing the impact of remittances sent by migrant workers abroad to their families back home.

In addition to the role played by ICMC, Ford Foundation as the main donor provided financial support and also provided technical assistance to ICMC. During the initial implementation of the project, Ford Foundation facilitated a meeting with the management of ICMC to discuss the preparation of the project and also conducted two monitoring trips to see progress of the project and to provide inputs to ICMC as

the implementing organization. The first monitoring trip was conducted in the middle of the project while the second trip was conducted around the end of the project. Between the monitoring trips, Ford Foundation also received and reviewed project reports – both narrative and financial reports submitted by ICMC.

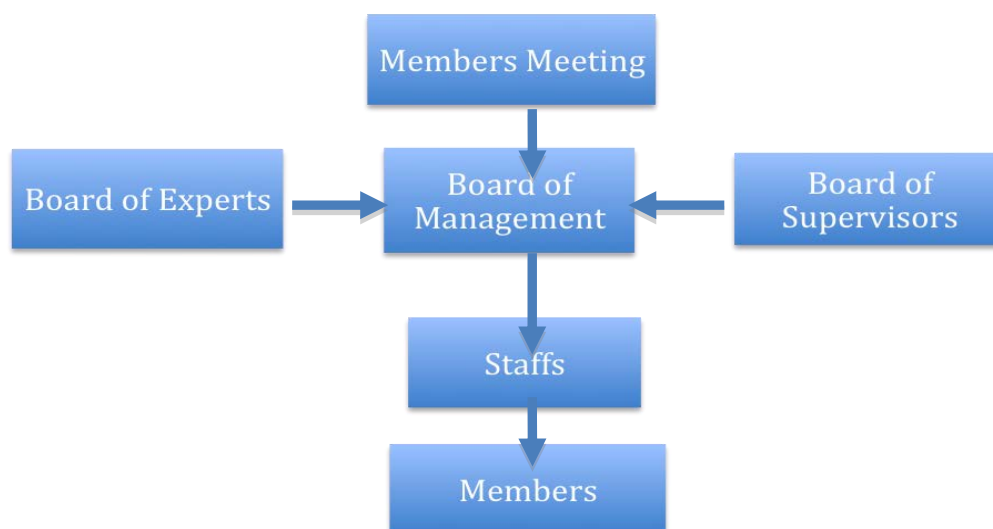
3.1.3. The Role of LPP Bone in Establishing CUP

LPP Bone was a local partner for ICMC and Ford Foundation in establishing CUP. LPP Bone received grants on February 2011 from ICMC to carry out several activities to establish CUP. These included (1) together with ICMC participated in the assessment mission to Sabah Malaysia to collect data on remittances-related information such as instruments chosen, costs, advantages and difficulties encountered, (2) participated in study trip to Yogyakarta of Central Java Province organized by ICMC to visit a successful CU to observe how they worked, (3) facilitated the trainings for CUP management and staff on product development, marketing and accounting techniques, (4) participated in the workshop organized by ICMC to create organization charter (*Anggaran Dasar*), internal policy (*Anggaran Rumah Tangga*) and the structure of CUP, (5) assisted ICMC in conducting baseline study in Bone to collect data on volume of foreign remittances received by poor community members, the used of remittances and how it was channeled, (6) launched CUP in November 2011, (7) conducted twenty information campaigns especially for potential members of CU and prospective migrants to give sessions on the dangers of human trafficking, how to migrate safely abroad, how remittances can be transferred, received and used for productive purposes and local economic development to strengthen economic security as well as how CUP products and services could strengthen their economic security and promote safe migration, (8) assisted ICMC in the implementation of end project survey to measure project progress against the baseline survey including analyze impact of remittances sent by migrant workers abroad to their families back home.

During the research process it became obvious that CUP's structure was created through a top-down approach and that the ICMC staff and LPP Bone Director played a significant role in creating the structure as well as choosing selected individuals to be on the structure. The annual members meeting, similar to other cooperatives, became the highest forum in the organization. This forum was designed for board management that represented the members to mandate the Chairperson of CU to report on the progress and financial status of CU to its members. Moreover, the board of management led by the chairperson was responsible for the operation of CUP with the assistance of staff who were responsible for day-to-day operations including the provision of services to members.

It is important to note that Director of LPP Bone was selected as Chairperson of CUP and also as a member of the board of management. In addition to board of management, a board of experts and a board of supervisors was also established. The board of experts was responsible for technical support and input while the board of supervisors was responsible to provide supervision to the board of management in running the business. The board members of CU were chosen from village leaders, local parliament member and community leaders who were originally from and lived in Bone District. Moreover, staffs of CU were also originally from Bone District. Below is the structure of CUP.

Figure 3 Structure of CUP



Source: Fatimana Agustinanto, Field Interview, 19 June 2013.

LPP Bone, the founding organization of CUP, is a non-government organization that was established on 18 August 1999. Andi Ratna, one of the founders of LPP Bone who held the position of Director of LPP Bone explained (Field Interview, 21 June 2013) that LPP Bone was established with the aim to create gender equity and to empower women, children and marginal communities. LPP Bone's work focuses on four key areas, including policy advocacy, information sharing and publications, the provision of counseling services to women and children victims of violence and the provision of capacity building and education to other institutions and communities. LPP Bone has been working in partnership with many donor agencies, international organizations and national organizations such as United Nations Development Program (UNDP), the Asia Foundation, World Bank, Netherlands Leprosies Relief, ICMC, Canadian International Development Agency (CIDA), National Commission on Violence Against Women, Indonesia Women Coalition, Women Solidarity, etc.

Bone District is located in the east cost of South Sulawesi Province (Central Board of Statistic of Bone District, 2012). It is located about 174 km from Makassar, the capital city of South Sulawesi Province. Bone has 27 sub-districts and 372 villages. The local government recorded that in 2011, there were 724,905 inhabitants the gender ratio was 345,394 males to 379,511 females. 55% of the population were farmers.

3.2. The Work of CUP in Promoting Safe Migration and Strengthening Economic Security

In order to promote safe migration and strengthen the economic security of its members, CUP offered various products and services. To promote safe migration, CU conducted Information Campaign Events to disseminate information on safe migration. A documentary on human trafficking and safe migration in Indonesia entitled “Silent Suffering” was produced by ICMC, Solidarity Center and On-track Media in 2004 and was used to educate the members during the Information Campaign Events. However, it was found out that the documentary did not address all of the eight characteristics of safe migrations comprehensively. It lacked information on some of the factors.

In order to strengthen the economic security of its members, CUP offered financial products and services that were more competitive than commercial banks. However, it was found that many of migrant workers did not utilize all the products and services offered. Members also did not deposit their monies regularly. As a result, CUP faced difficulties in financing their business loans to other members.

3.2.1. The Work of CUP in Promoting Safe Migration

To promote safe migration among its members, CUP conducted Information Campaign Events to disseminate information on safe migration. This was done through the screening of a documentary on trafficking and safe migration titled

“Silent Suffering” to its members as well as to prospective members. After screening the documentary, a question and answer session was held. The documentary contained information on the dangers of human trafficking and illegal migration, the modus operandi used by traffickers and tips on safe migration. The video was produced by ICMC, Solidarity Center and On-Track Media in 2004.

After reviewing the documentary, it was evident that the content had limited information on the eight characteristics of safe migration including encouraging migrants to talk with different people such as the returned migrants, friends, families and NGO staff prior migrating so that they can be informed on relevant issues such as culture, life styles in destination country, challenges faced when working abroad, migration costs and types of jobs available. The documentary did have a strong message regarding the importance of migrating legally. Migrants are advised to migrate using the legal *TKI* (Indonesian Migrant Worker) passport with their original profiles and organize through a registered placement agency. Failure to do so, according the documentary, made the migrants vulnerable to exploitation abroad by employers, law enforcers or criminals. Illegal migrants are also vulnerable to being arrested and deported by immigration official in the destination country. The documentary was found to have a lack of information on the importance of migrants checking the legality and reputation of the recruitment agency through a local authority. Clear warnings for migrants to avoid an offer from placement agency staff to go abroad without having signed work contract or with passport bearing false name and identity were given.

The documentary also contained messages about debt bondage and the modus operandi that are mostly used by traffickers. To avoid debt bondage, migrants are advised to establish migration costs at the outset, including how much he or she will owe the placement agency and how long the salary deductions will occur to pay off the debt. Furthermore, migrants are also advised to understand and sign work contracts prior to migrating; they are encouraged to ask to the placement agency staff questions regarding any articles in the contract that they do not understand.

The documentary also contains information about the importance taking photocopies of important documents such as the passport, identity card (especially of the recruiter) and to leave copies with family members at home. To anticipate problems abroad, migrants should remember and record important phone numbers especially the Indonesian Embassy's phone number. However, the documentary does not advise and teach migrants to establish networks of support of abroad although it does suggest that migrants to communicate regularly with family members. There is limited information on how to solve problems with employers or agency abroad.

The research found that only the chairperson of CUP delivered this safe migration information at the information campaign events. Other CU staff appeared to have difficulties in understanding the characteristics of safe migration. For example, one staff member was unable to differentiate between a regular and a *TKI* passport as well as between a work visa and a stay permit. It was also found that CUP did not have concrete work plan and schedule to disseminate safe migration information regularly.

Research findings indicated that it was difficult for CUP to raise the returned migrants awareness on how to migrate safely abroad for work. Thus the three major factors that hindered the effectiveness of CUP's safe migration program included lack of understanding themselves of the intricacies of safe migration information, staff shortages and lack of a strategy to deliver a comprehensive and thorough programme of events.

3.2.2. The Work of CUP in Strengthening Economic Security

In order to strengthen the economic security of its members, CUP offered more competitive financial products and services than commercial banks. As of May 2013, CU was able to offer one hundred and ten members with higher interest on saving and lower interest on loan. However, only sixty-seven members utilized saving

products; many of the CU members became passive members, holding only the Mandatory Saving Account. Furthermore, only just over half of the members (sixty-two in total) members utilized loan products.

Competitiveness of CU products with commercial banks is described in the paragraphs that follow. Daily saving offered by CU gives interest of 3% per year with no administration fee regardless of how much money the customer has in his/her account. In contrast, the daily saving *Taplus* Product offered by BNI, one of the biggest commercial bank in Indonesia, gives maximum interest of 2.25% per year with an administration fee of Rp.10,000 per month. It is important to note that this interest rate is given only to customers who have a minimal balance of Rp. 1 billion in his/her account (BNI Website, 2013). For a customer who has less than Rp. 1 billion in his/her account, BNI give less than 2.25% per year. As for the productive business capital loan product, CUP only charges members interest at 13.47% per year (declining balance) while for a similar loan product (*KUR Mikro* offered by BRI, another big commercial bank in Indonesia with a wide network nationwide), customers will be charged with a flat interest rate of 22% per year. (Komite Kredit Usaha Rakyat, 2013).

Overall, there are twelve financial products in the form of savings and loans offered by CU These include the mandatory saving, daily saving, student saving, children's education expenses saving, pension saving, group saving, capitalization loan, productive business capital loan, consumptive loan, seasonal loan, group loan and migrant workers placement fee loan. All members who want to get loan need to meet certain requirements, which include being above the age of 18, having participated in the basic education program organized by CU, possessing a pension saving or children's education expenses saving and depositing money consistently within 3 months period.

Mandatory Saving

Mandatory saving is a member monthly saving. Members are required to deposit at least Rp.10,000 into their account per month. CU give a 6% interest rate per year. This product is not offered by commercial banks. This saving is one of the sources of capital for CU. However, it was found out that members do not deposit as regularly as required. An interview with one member uncovered that they had not deposited for more than three months and the staff member of CU who was responsible for collecting from him had resigned from CU because of personal reason. The member also did not know the address of CU office.

Sometime I want to add my money in the saving account, but I do not know who should be contacted (M, Field Interview, 17 June 2013).

Daily Saving

Daily saving is a member saving that facilitates daily deposits and/or withdrawals. CU give 3% interest per year on this product. Members can deposit any amount they choose. As discussed previously, this product is much more competitive than the same product offered by commercial banks. This product also becomes one of capital resources for CU. However, the researcher found only seventeen out of one hundred and ten CU members utilized this product.

I do not utilize Daily Saving Product because I have also daily saving account at bank. So I do not think we have to have two same products (S, Field Interview, 10 June 2013).

Yes, I only have Mandatory Saving account. I do not have other saving account. I am planning to open new saving account to increase my saving (Hj. Mar, Field Interview, 12 June 2013).

I only have Mandatory Saving account. At the moment, I do not have other saving accounts (RS, Field Interview, 12 June 2013).

Student Saving

Student saving is a daily saving product designed especially for students below 22 years old. This product is designed to train the student to be efficient in using their pocket money and learning to save. However, only nine members utilized this product. Interest given is at 7% per year. The minimum deposit is Rp.1,000. Commercial banks also offer a similar product, as explained by the Head of Branch of bank of BNI of Bone District below.

Now, we have saving product for individuals aged up to 17 years old. We named it Child Saving (Taplus Anak) Product. We also have product for young man and women aged 17 up to 25 years old. We named it Young Saving (Taplus Muda) Product. These two products are designed to educate them to start saving from early age (Heruni, Field Interview, 21 June 2013).

The Student Saving Product offered by CU with an interest rate of 7% per year is much more competitive than similar products offered by commercial banks such as BNI. The Child Saving Product of BNI only gives interest at a maximum of 1.5% per year for those who have a balance greater than Rp.5 million. People who have less than Rp. 5 million get a lower interest rate (BNI Website, 2013). The Young Saving Product of BNI also gives interest rate only at maximum 1.25% per year for those who have more than Rp.100 million in her or his bank account. For those who have less than Rp.100 million, BNI will give interest rate less than 1.25% per year (BNI Website, 2013).

Children's Education Expense Saving

The Children's education expense saving is a saving futures product. Twenty seven members utilized this product. This product assists parents to save their money for their children's future education expenses. Money can be withdrawn after 3 or 6 years depends on the agreement with CU and need of the members. The first deposit is Rp.50,000; thereafter the minimum deposit is Rp.20,000 per month. The interest rate is 10% per year. This type of saving can be used as collateral to get loan from

CU. BNI does not have Children's Education Expenses Saving Product, but it does have Planning for the Future Saving Product (*Tabungan Perencanaan Masa Depan*), which can also facilitate customers who want to save their money for their children's education expenses in the future.

The Children's Education Expenses Saving Product offered by CU is more competitive than the Planning for the Future Saving Product offered by BNI. In terms of interest rate, product offered by CU gives interest rate at 10% per year while similar product offered by BNI only gives interest rate at 4% per year (BNI Website, 2013).

Pension Saving

Pension saving is another saving futures product that facilitates CU members to save their money for their old age. Only fourteen out of one hundred and ten members utilized this product. The initial deposit is set at Rp.250,000 and interest earned is 15% per year. This type of saving also can be used as collateral to get a loan from CU. BNI offers the same product to customers named *BNI Simponi*. This product is more competitive than Pension Saving Product offered by CU. Customer of BNI just need to deposit at Rp.50,000 as first deposit to utilize the product - much less than what is required from CU. Furthermore, *BNI Simponi* also gives more options for customers to get high return. The interest rates for this product are given based on investment packages chosen by customers. There are four investment packages that can be chosen by customers, they are: time deposit, financial market, bond, or stock. Each of them offers high return from 25% up to 75% based on the interest rate applies in the market.

Group Saving

Group saving is a member daily saving that is designed to facilitate members who run group business activities to deposit their money. No members utilized this product. The interest rate is 8% per year. Money saved only can be withdrawn after 5 years. This type of saving can be used as collateral to get loan from CU. BNI also has

the similar product named Business Saving (*Taplus Bisnis*). In terms of interest rate, Group Saving Product with interest rate at 8% per year offered by CU is more competitive since Business Saving Product offered by BNI only gives interest rate at maximum 2.50% per year and only for those who have more than Rp.1 billion in their bank account. For those who have less than Rp. 1 billion, BNI will give less than 2.50% per year (BNI Website, 2013). However, Business Saving Product of BNI offers more flexibility than Group Saving Product offered by CU since the customer of BNI can withdraw their saving anytime while CU members cannot withdraw their saving until 5 years.

Capitalization Loan

The Capitalization loan is a product that is designed for members who do not have enough money but they want to deposit their money at CU. Only three members utilized this product. Members can ask for a loan from CU up to maximum Rp.25 million and that loan automatically becomes their saving. Every month, they have to pay installment up to maximum of 60 months. Once the loan is paid off, they can own and withdraw the money. Interest is charged is at 11% per year (declining balance). This product is not offered by either BNI or BRI as two biggest commercial banks in Indonesia.

Productive Business Capital Loan

The Productive business capital loan is a loan product designed for members who need start up business capital. Thirty-two out of one hundred and ten members utilized the products. Members can propose a loan up to Rp.25 million and need to pay monthly installment up to maximum 60 months. Interest is charged at 13.47% per year (declining balance). BNI offers similar product named BNI Entrepreneurship or *BNI Wirausaha* (BNI Website, 2013). This product facilitates customers who need business capital from Rp. 50 million up to Rp. 1 billion. However, this product is less competitive than Productive Business Capital Loan offered by CU since customers of BNI are asked to proof that her/his business is successful in order to get the loan. On

the other hand, CUP is more flexible. Members who want to start their business can still access the loan if other requirements are met.

Furthermore, for customers who need to get business capital loan below Rp.50 million, BNI offers other product named KUR.

KUR can accommodate those who need business capital loan up to maximum Rp. 500 million. Interest rate that charged to customer is at 10 up to 12% per year. They have to repay the loan within 3 up to maximum 5 years. Customer can get the loan up to maximum Rp. 20 million without collateral (Heruni, Field Interview, 21 June 2013).

The KUR product offered by BNI is quite competitive. However, Productive Business Capital Loan offered by CU has advantage for members since interest rate charged by CU is at 13.47% per year based on declining balance while interest rate charged by BNI is 12% per year based on flat rate.

Consumptive Loan

The Consumptive loan is designed for members who need cash for their personal needs. Twenty-three members utilized this product. Members can propose a loan up to Rp.25 million and need to pay monthly installment over a maximum 48 month period. Interest is charged is 13.47% per year (declining balance). BNI offers similar product named *BNI Fleksi* (BNI Website, 2013). Without collateral, customers can get a loan from Rp. 5 million up to Rp. 100 million. However, only those who have regular income and a permanent job such as government employees can utilize this product. Given that many of the returned migrants do not have regular income it is anticipated that they will find difficulties to access this loan.

Seasonal Loan

The Seasonal loan is designed especially for members who have seasonal income such as farmers who need capital to support their work. Only four members

utilized the product. Members can propose a loan of up to Rp.2 million and they can re-pay the loan after harvest time; they are given a maximum of four months to pay off the loan. Interest is charged at 2.02% per month for a 2 months period, 1.92% per month for a 3 months period and 1.85% per month for a 4 months period. BNI also has similar product named Transactional, as explained by Head of Branch of bank of BNI of Bone District below:

We also have seasonal loan product we named it Transactional. Customer can repay the loan up to 6 months. But still we need collateral from the customer. For big loan, the collateral can be up to 120%, so for example if customer want to get loan at Rp. 20 million then we need collateral in the amount of Rp. 24 million. Customer can repay the loan by monthly or by the end of 6 months (Heruni, Field Interview, 21 June 2013).

The Transactional Product of BNI has difficulties competing with the Seasonal Loan Product of CU since it requires collateral from the customer who want to get the loan. Returned migrants acknowledge that CU offers benefits, for example providing members with access to various loans without collateral.

The advantages of CU, no administration charges for saving product and we continue receive returns. That makes me interested on its saving products. And also for the loan products, no collateral needed to get the loan, they only need our saving as collateral. If one day we need business capital, hope CU can assist us (M, Field Interview, 17 June 2013).

Group Loan

A Group loan is designed for members who form a group and need capital to run their group's business. No members utilized the product. A group can propose a loan up to Rp.25 million and need to repay over a maximum of 36 months. Interest is charged at 2% per month (declining balance). BNI does not have similar product. However, they have BNI Entrepreneurship Product or *BNI Wirausaha* (BNI Website,

2013) that can address the need of group of customers who run group's business for loan. This product could facilitate them with business capital from Rp.50 million up to Rp.1 billion. To access this product, BNI requires group's business to be a legal entity. This requirement might be a problem for returned migrants.

Migrant Workers Placement Fee Loan

The Migrant workers placement fee loan is a product that is designed for members who need cash to pay for their migration costs abroad for work. Members who want to get this loan need to consult with CU staff and have to show a valid work contract that has been signed by their employer and endorsed by an official at the Manpower Office. It was reported that that no returned migrants had utilized this loan (CUP Staff, Phone Interview, 3 July 2013). BRI offers similar product named *Kredit Usaha Rakyat (KUR) TKI* (BNPPTKI Website, 2011). Through this product, BRI in collaboration with National Agency for Placement and Protection of Indonesian Workers Overseas (*BNPPTKI*) provides loans to finance migration costs. Unfortunately, this loan is only available to migrants who go abroad under government-to-government and government-to-private programs.

Under a government-to-government program, migrants are only allowed to migrate to countries where the Indonesian Government has already signed a memorandum of agreement such as Japan, South Korea and Timor Leste. Under the government-to-private program, migrants are only placed through Inter Resources Consulting Global Search, a skilled worker recruitment agency for a computer company based in Penang Malaysia. Migrants who are placed in Japan, South Korea and Timor Leste, are provided with loan of up to Rp.9 million per migrant. Migrants who are placed through Inter Resources Consulting Global Search are provided with a loan of Rp.4.1 million per migrant. During the period December 2010 to November 2011, BRI had provided two hundred and fourteen migrants with loan amounting at Rp.2.2 billion (BNPPTKI Website, 2011). Given the context of migration in Bone District, the *KUR TKI* product does not benefit migrants since most of the migrants from Bone migrate to Sabah Malaysia to work in the plantation, factory and restaurant

sector. The branch head of BRI in Bone District also confirmed that the migrants in Bone did not utilize this product (Imam Sapto Yuwono, Field Interview, 26 June 2013).

In addition to saving and loan products, CUP also offers remittance services and cash benefits to its members who are hospitalized or have passed away. Remittance services are designed to facilitate migrant workers and their families to send and receive remittances from abroad using new a *Telkom* product, *Delima* (Delivery Money Access). No members utilized this product since *Telkom* as a new alternative remittance service provider in Indonesia reported there are some pending issues regarding international transfer remittance transaction. Currently, *Delima* could only be used for domestic transfer transactions with the international transfer transaction service being expected by the end of 2013. Commercial banks like BNI or BRI also offer remittance services. BNI received a national award as a commercial bank channeling big volume of remittances to Indonesia (Heruni, Field Interview, 21 June 2013). Heruni also claimed that BNI has a wide network in several destination countries such as Middle East, Saudi Arabia, Turkey, Qatar, Japan, Hongkong, South Korea, Malaysia and Singapore.

Cash benefits to the amount of Rp.1 million are given to family members of CU members who passed away. Moreover, cash benefits are also given to members who are hospitalized. An amount of up to Rp.50,000 per day for 10 days in one year may be awarded. To be eligible for cash benefits, members are asked to deposit Rp.20,000 per year. No members received or claimed the benefits.

There are three strategies applied by CUP staff in recruiting new members and promoting its products. The first strategy is to distribute brochures about CU and its products to prospective members through either the current members or at various events conducted by CU. The second strategy is to conduct presentations on CUP and its products to prospective members at specific events such as Information Campaign Events. The third strategy is to ask current members who have already received a loan

from CU to recruit at least two new members. These strategies were far less competitive compared to techniques used by commercial banks. Banks apply more aggressive and interesting strategies to recruit new members and promote its products as explained by the Head of Branch of bank of BRI of Bone District.

Advertising, we always put advertising in printed and electronic media. We also give presents and organize drawing events, seminar, and gathering or become sponsor for many events like sport such as basketball and volleyball (Imam Sapto Yuwono, Field Interview, 26 June 2013).

Although there are three strategies created by CUP to recruit new members and promote its products, it was found that these strategies were not implemented aggressively enough. The chairperson of CUP (Field Interview, 29 June 2013) told that currently CU is applying a prudent approach in selecting new members. CU only accepts prospective members who show commitment to developing CU and not only to borrow loans from CU. An informal interview session was often conducted with a prospective members prior to the registration process. CU as a social enterprise depends largely on savings from its members as capital to finance its loan products. As a result of this, CU does not possess enough capital to finance its loan products.

CU staff not only provide members with services from the office but they also often go to the villages to collect deposits from or to disburse loans to members. Usually the villages are located very far from the office so the members have difficulties to visit CU office regularly. Before visiting the villages, CU staff usually make an telephonic appointment with volunteers. Volunteers are not staff of CU but they are members of CU who voluntarily help staff in collecting deposits, promoting CU and its products and recommending names to be a new member or to get loan from CU. In each village, CUP has one volunteer. They are informal leaders or villagers who are very active in the community. This kind of service is not provided by commercial banks, particularly to their regular customers.

Currently, CUP employs a total of two paid staff members that are responsible for the day-to-day operations of CU. Members who come to the office are attended to by the staff who are available in the office from 9 am to 5 pm, Monday to Friday. The research clearly indicated that the staff compliment is not sufficient, especially when the two staff members are also required to go to the field to collect deposits from members, to disburse loans to members or to organize information campaign events.

We do not have enough people. If Irfan and I go to the field, office will be empty. If members come to the office to pay loan installment and no one in the office, then no services for them, poor them (CUP Staff, Field Interview, 19 June 2013).

Interestingly, it was also observed that the staff were not only friendly in serving the members but also gave a personal touch. While doing transaction and communicating with members, staff members used clients name as if they already knew them personally. Moreover, they also talked informally about other issues such as their family, jobs and local politics. This kind of atmosphere cannot be found in the commercial banks' office.

This research argues that the financial products and services offered by CUP are competitive enough compare with the similar products and services offered by commercial banks. Furthermore, CUP can address the specific needs of returned migrants for saving products with higher return and no administration charge and for business loan products with lower interest and no collateral. Theoretically, these products could contribute to the achievement of better economic security of the returned migrants. However, the research highlights the fact that many members did not utilize all financial products and services that offered by CU. Many of them become "passive" members who only possessed the Mandatory Saving Product. Furthermore, many of those who possessed the Mandatory Saving Product did not deposit their money regularly. As a result, CU faced a lack of capital to finance its

loan products and was unable to maximally strengthen the economic security of the members.

To explain this phenomenon, Chairperson of CU Center of South Sulawesi Province argues that CU members do not have adequate information on financial products and services available in the CU including its benefits for them.

I think this is the failure of Basic Education Program that delivered by CU Pammase. Actually, the program has very important role. If it was delivered well, it can educate members on CU's products and its advantages for members and also for CU's business (Yuada, Field Interview, 29 June 2013).

3.2.3. Obstacles faced by CUP

The first obstacle faced was inconsistency of the management of CU to implement the organization charter. Since its establishment in 2011, CU, based on its organization charter, was supposed to have held two annual member meetings. However, up to July 2013, CU had not yet held a meeting. Article 13 of organization charter of CU says that member meetings should be held at least once a year. The member meeting is an important gathering, that is held (according to the charter), to allow management to report to members on the business progress of CU. Furthermore, through the meeting, the strategic business policies of CU should be reviewed and evaluated. The implementation of member meeting was also seen as an important way to maintain trust among the members of CU. Only one member of the board of supervisors voiced during the interviews the importance of conducting the meeting urgently. However, he did not voice his concern to the board of management directly.

My suggestion to CU management, we need to have member meeting soon because it is already more than a year. I have never received an invitation to meet to discuss about that (AN, Field Interview, 11 June 2013).

The second obstacle to the effectiveness of CU is the lack of capital. It was found out that CUP could not fulfill the needs of the members for business capital loan higher than Rp.5 million as promoted as CU faced a lack of capital to finance its loan products.

In terms of capital, CU does not have enough to realize big loan.... at the moment, I think, Rp.5 million is considered big for CU. If it is Rp.2 million then it is safe for CU (CUP Staff, Field Interview, 19 June 2013).

Currently, in terms of its capital, CU depends on members savings and CU does not aggressively find new members. Furthermore, CU also has to compete with commercial banks that apply more interesting and aggressive strategies to get new members (Imam Sapto Yuwono, Field Interview, 26 June 2013). As a result, the numbers of new members have only increased gradually. CU applies a prudent policy to get new members because both the management and staff believe that they need to carefully select the right members who have the motivation to develop CU by saving their money regularly and not only join to get a loan (CUP Staff, Field Interview, 19 June 2013). This limitation has pushed some of CU members to find other sources for business capital loan.

The other member moved to Kendari. She wanted to borrow Rp.5 up to Rp.10 million and promised will pay it off in 5 years. I said no, we cannot afford it and I offered her Seasonal Loan instead but she refused it. It seems that she felt CU could not help her so she quit from CU membership (CUP Staff, Field Interview, 19 June 2013).

The third obstacle faced was staff shortages. CU did not have the person power to aggressively market CU products or encourage members to save regularly. As a result, many of CU members became passive and did not apply for the various

saving and loan accounts other than Mandatory Saving. They also did not deposit their money regularly.

The fourth obstacle was the limited capacity of staff. CU staff were unable to assess the current financial needs of the members and conduct product development. A staff member of CU reported that he did not receive requests from the members to get Migrant Workers Placement Fee Loan and to use International Remittance Services (CUP Staff, Phone Interview, 3 July 2013). With more skilled staff CU would be in a position to understand the current financial needs of the members and to conduct product development. Through periodic evaluation CU could create new and innovative products that could answer the financial needs of their members and also could benefit CU in terms of income.

The fifth obstacle faced was the limited knowledge of staff on safe migration information. It was observed that staff of CU have a limited understanding in differentiating between the work visa and stay permit, *TKI* and regular passport as well as to understanding the consequences for migrant workers if using the wrong passport for wrong purposes.

The last obstacle faced was the poor image of credit cooperative amongst community members in South Sulawesi Province in general and in Bone District in particular. Corruption by the management of *Kospin* in the past including stealing of member's money resulted in credit cooperatives being seen in a poor light. Due to this, credit cooperatives are facing difficulties in getting trust from the public and need to put in double efforts to convince the public to become a cooperative member.

Many cases in South Sulawesi happened in the past especially Kospin cases. They took away money that saved by their members. It is real challenge for us who work with cooperative. Scorn from public was received. It is very difficult to convince them to be member of cooperative. This also pushes us to work harder (Sukriadi, Field Interview, 25 June 2013).

In South Sulawesi, many people are still traumatized with cooperative. They have poor experience. When they now hear about cooperative they just ignore. Kospin in Pinrang District, they generated a lot of money from members. After that, they did not lend the money to members. They took away the money, billion of rupiah. That makes the growth of credit cooperative in South Sulawesi is not too good compare with cooperative in Java Island (Yuada, Field Interview, 29 June 2013).

CHAPTER IV

RETURNED MIGRANTS, ECONOMIC SECURITY AND SAFE MIGRATION IN CU PAMMASE

This chapter is divided into five main sections. The first section explains past migration experiences of the returned migrants. The second section describes the economic security of the returned migrants both CU members and non-members. The third section describes future migration decisions of both CU members and non-CU members. The fourth section discusses safe migration characteristics of the returned migrants both CU members and non-members. The last section discusses the link between economic security of the returned migrants and their future migration decisions.

4.1. Past Migration Experiences from the Returned Migrant Cases

Most of the returned migrants (both the current members and non-members of CU) migrated abroad in unsafe ways in order to improve their economic condition. Only few returned migrants have used legal channels, for example the *TKI*'s passport, or through government-to-government cooperation.

In some cases migrants entered Malaysia (with the assistance of family members including husband, relatives, or friends who already worked in Malaysia) and looked for a job using unlawful channels such as using illegal routes, going without travel document at all or without proper travel document. After they secured a job in Malaysia, some of them went back to border area of Nunukan, East Kalimantan Indonesia to make migrant workers type of passport with the assistance of private agency and financial support from employer, although this was deducted from their monthly salary.

It is important to note that the majority of the returned migrants, with the assistance of the private agency falsified their profiles such as name, home address

and age. The new profiles were then used to make *TKI* type passport. This happened because their original profiles were already used for their first passport and could not be re-used again.

Although the majority of the returned migrants did not possess proper travel documents and work visa in the beginning of their migration journey that did not lead to exploitation and no abuse cases during the journey were reported. However, a few of the migrants faced problems when the supervisors withheld monies and made deductions from their salary. As consequence of working without proper travel document and visa, the majority of migrants had to hide from immigration officers during raids held by local authorities. They were paid about RM 5 up to RM 28 (US\$ 1.5 up to US\$ 8.5) per day and worked in various sectors such as palm oil and cacao plantation, fisheries, plywood factories and in restaurants.

4.1.1. Motivation to Migrate

Most of the returned migrants interviewed migrated to Sabah State of East Malaysia. Only one of them migrated to Japan. Their main motivation to migrate was to improve their economic conditions since some of them were unemployed or in poorly paid jobs.

Before going to Malaysia, I was a public transportation driver. My income was little and not enough. So I followed my brother in-law. Helping family and working to earn more income (AI, Field Interview, 10 June 2013).

At that time I was just graduated from high school in 1992. I had no job here. I was unemployed. My uncle from Malaysia was at home and I asked my parents permission so that I can follow my uncle to go to Malaysia. Who knows I can find a job there (AN, Field Interview, 11 June 2013).

First time I went there to Malaysia when I was 18 years. If I went to school, perhaps I just graduated from high school. My main reason to go there was to find a job (ASK, Field Interview, 11 June 2013).

My main reason to go to Malaysia was to find a job in palm oil plantation. I was unemployed. Before I went there, I had no imagination what kind of work that I would do, I just go (F, Field Interview, 11 June 2013).

I was in Berau East Kalimantan before migrating to Malaysia. I worked there for 7 years already at furniture workshop. One day in 2003, my friends asked me to go to Malaysia. They said there is a job available there in the plywood company (R, Field Interview, 12 June 2013).

Before migrating to Malaysia, I was unemployed here. I did not do anything. No job here (ST, Field Interview, 18 June 2013).

Some of the female returned migrants interviewed stated that their motivation to migrate was to follow or find their husbands who were already working in Malaysia. Once they were in Malaysia, they also actively looked for a job.

My husband asked me to follow him to Malaysia. There was my friend from the same village wanted to go there, so I followed her (Hj. Mas, Field Interview, 11 June 2013).

My husband first migrated to Malaysia. After one year, he never sent me letter or money. Instead of living here alone and has no money, better for me to sell my necklace and go to Malaysia. ...Once I arrived there, I also looked for a job in (S, Field Interview, 10 June 2013).

I followed my husband who already worked there in Malaysia. At that time, he had worked there for one year. When he returned back, he asked me to follow him (Hj. Mar, Field Interview, 12 June 2013).

At that time, my reason to go to Malaysia was to follow my husband. Before marriage, my husband already worked there. After marrying me, then he went back to work in Malaysia for one year. After one year, he went back home and picked me up (RS, Field Interview, 12 June 2013).

One women interviewed stated that she migrated to Malaysia due to personal problems. Migrating to Malaysia was one of her strategies to escape from her unhappy condition.

I had a personal problem. For me the most important thing was I have to leave the village. I have a cousin who already worked there in Malaysia. So I followed her (ASL, Field Interview, 18 June 2013).

4.1.2. Transit: Getting Into the Destination Country and Obtaining Travel Documents

Most of the migrants interviewed entered and looked for a job in Malaysia through illegal channel such as using illegal routes, without travel document at all or without proper travel documents such as an official passport.

In fact, when I arrived in Nunukan, I had to make my own passport. I paid Rp. 1 million. Later I found out that the passport could not be used to apply for a job in Malaysia. It was a regular passport only for traveling and not for working abroad (S, Field Interview, 10 June 2013).

I was able to enter Malaysia illegally without document at all. First, I stop at Tawau but could not get a job because I had no document. Then I moved to Lahad Datu following my uncle. There I managed to make Malaysia's identity

card but it was fake. After that I returned back to Tawau. With that fake ID, I was able to find a job in restaurant in Tawau (AN, Field Interview, 11 June 2013).

To reach Sabah Malaysia, I took the route of Pare-Pare Harbor then to Tarakan and to Nyamuk River. I migrated without any documents and used small illegal boat. We wanted to avoid the police (ASL, Field Interview, 11 June 2013).

In year 2003, I went there without any documents. 3 of us went to Malaysia from Bereau. From Bereau we took car to Bulungan. From Bulungan we went to Sebatik in Nunukan and then crossed the border to Klabakan. Local brokers in Nunukan assisted us. We paid them to cross the border and we used small illegal boat (R, Field Interview, 12 June 2013).

In year 2002, I used cross border permit to go to Tawau Sabah from Nunukan. Local brokers assisted me. In Tawau, for the first 3 years, I worked at plywood factory. There were several raids but I had never caught. The second time I went there I also did not use passport. I used cross border permit and took illegal small boat (ST, Field Interview, 18 June 2013).

Interestingly, one of the returned migrants did not migrate to Malaysia but to Japan. He migrated to Japan used legal channel under Government of Indonesia and Government of Japan collaboration. Using legal channel was convenient for him since the government prepared and paid everything in advance.

Government prepared all travel documents. We did not pay for anything. Two times I went to Japan and I did not use my personal money (M, Field Interview, 17 June 2013).

To migrate to Malaysia, most of the returned migrants were assisted by or together with family members, relatives or friends who had already worked in Malaysia. They also assisted the migrants to find a job although most of them did not possess proper travel document including visa to work themselves.

I told my friends, please I go with you to find my husband in Malaysia. I can also find a job there. So I followed two of my friends. They have gone there before (S, Field Interview, 10 June 2013).

In 2010 I went to Malaysia. I went there with my wife and child. My brother-in-law lives in Malaysia and he came here to pick me up. He has two trucks and he asked me to work with him in Lahad Datu. I worked for more than 2 years. I brought passport with me but it was regular passport (AI, Field Interview, 10 June 2013).

First time I migrated, I was with my cousin. I have a cousin who already worked in Malaysia at plywood factory. So I followed her. (ASL, Field Interview, 11 June 2013).

First time I went to Malaysia I was with family, my aunty. She works and lives there. At that time, she was in Bone for my grandmother. I followed her when she returned back to Malaysia (ASK, Field Interview, 11 June 2013).

First I migrated to Malaysia was in 2005. At that time, I went there with six of my family members. When we arrived there, my brother-in-law picked us up. Then I followed him to work in palm oil plantation (F, Field Interview, 11 June 2013).

I migrated in 1996 just after I married with my husband. We went there with my aunt and her husband. I looked for a job together with my aunt (RS, Field Interview, 12 June 2013).

When I went there, I was with my mother. She often goes to Malaysia because my older brother is there. He is selling clothes. He also assisted me to find job in plywood factory (ST, Field Interview, 18 June 2013).

After they were able to secure a job in Malaysia, some of migrants interviewed, went back to the border area of Nunukan East Kalimantan Province Indonesia to process *TKI* type of passport with the assistance of a private agency. In order to be able to process the passport, the majority of them falsified their profiles such as name, age or home address; in some cases the private agencies assisted in the falsification. One of the reasons why this happened because their original profiles were used already to make their own first passport. Employers also assisted them financially to make a passport. As the consequence, their monies were deducted from their salary.

*Three days we were in Sandakan to find job. First passport that I made could not be used to apply job because it was regular passport. Then I went back to Nunukan to make *TKI* passport with the assistance of local brokers. In Nunukan, our life was suffered because we needed to wait for two months for the passport. First passport was under my original name but in the second passport my name was falsified became Hernita. My boss paid everything to make the passport (S, Field Interview, 10 June 2013).*

*I went first to Malaysia used regular passport. I made the passport in Nunukan with the assistance of brokers. All expenses paid by my aunt. I waited for one month for the passport. While in Nunukan, I stayed at broker's house. My aunt crossed the border first and I stayed in Nunukan for the passport. After I got job in Malaysia then I returned back to Nunukan to make *TKI* passport. My first passport was still valid but it was just stamped out. In the new passport, I still used my original name but my age was different. My age was raised a little bit because if you are underage you could not work. My*

home address was also changed. In the new passport, my home address became Nunukan while in my first passport my home address was in Bone. Company paid in advance for everything. My salary was deducted to pay debt to company for making passport. In the first month, after making the passport, my salary was deducted at RM. 500. At that time I only received salary at 50 cent. The next month, it was deducted at RM. 300 and then in the third month, it was deducted at RM. 100 and the next month became only RM 50. It was deducted for the whole first year. In the second year, there was also deduction but it was different from the first one. On the first month in the second year, it was deducted at RM. 120 and then reduced in the next month to RM. 50. So my salary was always deducted during I worked in Malaysia (ASK, Field Interview, 11 June 2013).

When I first went to Malaysia in 2005 I used passport made in Nunukan with the assistance of local broker. It was regular passport. I made it with my own money. It cost at Rp.1 million per person. After two years and it was on March 2006, I had to go back to Nunukan to make TKI type of passport. At that time, I had to wait for one month for the passport. I stayed at broker's house. Every month when I worked in Malaysia, my salary was deducted at RM. 50 because the company paid all expenses for the passport. Under the TKI type of passport, I used different name. If we used the same name then we could not process the passport in Nunukan. (F, Field Interview, 11 and 18 June 2013).

At that time, when I first entered Malaysia, I did not make passport because we did not have enough money. Our money was just enough for transportation costs. After I arrived there and I applied job at plywood factory. They did not accept my application because I had no document. Because of that I was forced to make passport. At that time I made passport in Nunukan. I stayed in Nunukan for one week and paid Rp. 250,000 to the local brokers. The brokers also assisted me to cross the border (Hj. Mar, Field Interview, 12 June 2013).

Interestingly, one of the returned migrants used the “flying passport” method to secure work visa for his regular passport. A “Flying passport,” means that his regular passport was sent from Sabah Malaysia to the border area of Nunukan of East Kalimantan Indonesia to be processed with new work visa without his presence as the passport holder in Nunukan. Later, with the assistance of local broker, he crossed the border illegally to Nunukan and back entered to Tawau of Sabah Malaysia to take picture, fingers print and collect the work visa and passport. This method was used to save his time because he did not have to wait too long in Nunukan.

The passport arrived first in Nunukan and then I followed later. There was broker who arranged everything. I gave this passport to the broker in Tawau. He then brought to Nunukan. Many of my friends jealous with me because I only spent one day in Nunukan while they spent half month. (AI, Field Interview, 18 June 2013).

The example of the flying passport practice, confirms that Malaysian authorities are allowing Indonesian migrants to work in Malaysia using regular passports with a work visa. This only applies for migrants who work for individual owners of small palm oil plantations. However, it is important to note that Indonesian authorities, in practice, only recognized legal migrant workers as those who migrate using a special passport for migrant workers that contains 24 pages.

4.1.3. Working in Abroad and Income

The returned migrants interviewed worked in at least five sectors, including palm oil plantations, cacao plantations, fisheries, plywood factories and restaurants. Most of them received salary either as a daily or monthly wage. A few migrants reported receiving payment under the contract system. Those who worked under contract system earned more income than others. Furthermore, regardless of their status, that is, whether they have proper documents to work or not, senior staffs who had worked in the job longer received a larger salary than new recruited staff.

I worked at plywood factory of Sinora in Sandakan. My job was to lift goods. My income was enough to support my daily needs there. First, my income was at RM. 9 per day. Other workers also received the same amount. After 3 months, I was promoted as administrator and my salary was increased to RM. 12 per day. That amount I received during I worked there (S, Field Interview, 10 June 2013).

There I worked to drive a truck with 12 wheels. I made a fake driving license. I took many goods like fruit or stone from the plantation and then brought to town. My brother-in-law was my boss I was paid monthly. 20% out of total truck rent cost per day became my portion. So I had no stable salary. If I work hard then I will get more money. For example if we got total RM. 1,000 from renting the truck then my portion was RM 200. My income was enough and I even can saved it (AI, Field Interview, 10 June 2013).

First I worked at restaurant in Tawau as waitress. I only worked for one month. I did not like working there because my boss is a Christian and his restaurant still opened during fasting month. I was paid RM 200 per month but they gave me food for free. All waitresses received the same amount of salary except cashier or manager. They got higher salary. Then I moved to Lahad Datu. There I worked cutting the tree in the forest. I was paid RM. 60 per day under contract system. We lived in the forest for one month and went to town for one week for break. If my employer got job order then we went to forest again. We brought all logistic such as can fish, flower and rice inside the forest. But I was sick inside the forest. I got malaria. I had worked total for 14 months in Malaysia then I returned back to Bone (AN, Field Interview, 11 June 2013).

First I worked at palm oil plantation to spray grass. I was paid RM. 4.5 per day but it was increased every year. And then secondly I also worked to spray

grass but this time I worked at cacao plantation. I was paid daily. Thirdly I worked assisting my supervisor to record work assignments given to other workers at the plantation. Fourthly, I worked everything but it was easy job. I counted and recorded palm oil fruit on each tree to identify which one that still crude, or ripe. Every day I recorded total 200 up to 350 trees at 14-15 hectare. I was paid daily at RM. 10. Lastly, during period of 2003-2004, I was paid at RM. 12 (Hj. Mas, Field Interview, 11 June 2013).

Firstly I worked at plywood factory in Tawau in 1994. I was paid daily. Every month I earn RM 270 including bonus. The salary was paid every month in cash. There was no deduction but if we did not go to work then our salary will be deducted at RM. 50 per day. My niece earn higher because she had been worked longer. New staffs got less. Gradually it was increased. It depended on the performance. Secondly I worked at restaurant. First I received RM. 150 and then increased to RM. 400 per month. First I worked washing the dishes and then I cooked the foods. I got up 4 AM every day to cook all the foods. At 1 AM in the morning, the restaurant closed then I could go to sleep. Thirdly, I worked at plywood factory again in Trengganu near Kuala Lumpur. I worked cutting the timber there for one year. I was paid weekly. I earn RM. 26 per day. If we worked over time then we got another RM. 5 per hour. I could earn more than RM. 100 per week. I observed that senior staffs got higher salary although she or he has or has no travel documents. New recruited staffs received less (ASL, Field Interview, 11 June 2013).

I worked at plywood factory. At that time I worked to lift the wood. I worked from 7.30 AM until 5 PM. We had three times break a day, at 9 AM, 12 PM and 3 PM. I was paid RM. 10 per day and we had to buy our own food. All workers received the same amount of salary except administrator and supervisor. I had worked there for around 2 years (ASK, Field Interview, 11 June 2013).

Firstly, I worked to load palm oil fruit to the truck at the government's own palm oil plantation company. I worked there for almost two years. At that time, I earn RM. 900 per month. During I worked there, my salary was deducted at RM 50 per month for making passport. Secondly, I worked at different palm oil plantation company to pluck up the fruit. My reason to move was because I wanted to join with my friends who worked there. But I only worked there for 6 months and my brother-in-law asked me to return back to the first company. I got the same amount salary in the second company at RM.850-900. There was also deduction against my salary there (F, Field Interview, 11 June 2013).

I worked at plywood factory in Keningau for 1.5 years. Then I moved to another plywood factory still in Keningau for 6 months. I operated a machine to lift goods. I was paid under contract system. I was paid at RM. 12 to lift one ton of goods. One day I could lift 13 to 15 tons of goods. So, one day I could earn RM. 160 or around RM. 3,200 per month while in the first factory I only could earn RM. 500 per month after it was deducted for meals. In the second factory, we were off during Saturday and Sunday. We only worked from Monday to Friday from 7 AM until 5 PM (R, Field Interview, 12 June 2013).

Firstly, I worked at palm oil factory in Tawau for one year. I worked to select palm oil fruit. I was paid monthly at RM. 300 including over time fee. If we did not work overtime then we only earned around RM. 200. I worked from 7 AM to 2 PM. I quit from this factory because I had conflict with my supervisor. Then I moved to Sandakan and worked there for 5 years. Firstly, I worked at plywood factory. In this factory I earned more than RM. 400 per month including overtime fee. I worked from 7 AM to 7 PM. Then I moved and worked for a restaurant as waitress. I worked for almost 2 years there. Lastly, I moved to Kota Kinabalu and worked at fishery factory there for almost 3 years. In this factory, I earned RM. 13 per day and no deduction (Hj. Mar, Field Interview, 12 June 2013).

I worked at fishery factory for 4 months to peel the head shrimp. After that I moved to plywood factory for 8 months. When I worked for fishery factory I was paid at RM. 200 per month. I was paid twice a month. Every day I finished working around 7 PM. But when the manager told me to stay to work over time we had to stay until 12 AM. I moved to plywood factory because my friends said they offered better salary. There I was paid at RM. 400 per month. Because I was pregnant then I quit from the job (RS, Field Interview, 12 June 2013).

In Tawau, I worked for Plywood Company for three years. During three years I always moved to different plywood companies. I worked under contract system. Under this system I earned around RM.300 up to RM.400 per month. When we worked a lot then we received a lot of money. But I also had worked and was paid daily at RM.12. And I also spent RM.100 per month for renting house. My income was enough for my daily needs and to pay debt at the canteen because usually we eat and pay later after we received salary (ST, Field Interview, 18 June 2013).

Interestingly, one of the returned migrants interviewed found work as a skilled worker, had better working conditions and received a larger salary. He worked at an electricity factory in Japan, which had different policy than Malaysia in terms of salary and working conditions.

From 1995 until 1997, I worked for Sake Soken Company, an electricity factory in Nagoya Japan. I worked to install electricity devices. I worked from 7 AM until 5 PM. In terms of salary it was better than in Indonesia. I earned 90,000 yen per month so if it is converted to Rupiah it was at Rp. 2,5 million. My salary was also deducted. The Japanese friends told us that actually our salary was 150,000 yen so our salary was deducted at 60,000 yen per month. Maybe it was for our airfare, passport, and training in Indonesia for three

months and also meals during our training. Now I feel it was not deduction because we used our own money. After two years I returned back to Indonesia because our contract ended. We stayed at dormitory. All were provided there except meals and our clothes. In the office, lunch and snack were also provided. We were only responsible for our own breakfast and dinner (M, Field Interview, 17 June 2013).

Most of the returned migrants were able to send remittances to their family members at home. The remittances were used not only for daily needs but also to assist extended families and relatives. Remittances were also invested in agricultural assets, such as rice fields, land for plantations and cattle.

I sent money through my cousin. My sister-in-law who needed the money then received it in Bone. She borrowed from me for her business capital. She sold clothes in the market. I sent her several times. Each time I sent her in the amount of Rp. 1 million (S, Field Interview, 10 June 2013).

I sent to home villages in the amount of Rp. 2 million. Three times I sent the money to my father-in-law because he has bank account number. My brother-in-law went to bank in Malaysia to send the money. My father-in-law received the money through BRI bank here. The money then used for his medical expenses, for my child education expenses and for daily needs of the family (AI, Field Interview, 18 June 2013).

Small amount from my income was sent to my mother at home for her daily needs. Not much. I sent her in the amount of Rp.100,000. Sometime I also sent to my mother-in-law in the same amount. From my earning in Malaysia, I was able to build this house. I was also able to go for pilgrimage, buy land, rice field and furniture. I did not save my money in the bank. We just saved it some at home and some were lent to others (Hj. Mas, Field Interview, 11 June 2013).

I bought all furniture and utensils from my earning in Malaysia. First I sent to my aunt at RM.250 when she wanted to go for pilgrimage. At that time I sent through my family members who went back home. I also sent some money for my child education expenses. When we worked in Trengganu for one year, we earned a lot of money. Using my friend's bank account in Malaysia, I sent the money to family members at home through my sister's bank account. With that money, we bought motorcycle, cattle and land and also used for my child education expenses. My sister-in-law also borrowed Rp.30 million from me (ASL, Field Interview, 11 June 2013).

When I worked, every time after I received my salary, I often sent money to my family in Bone. I sent money and used bank, my aunt sent it because she is a citizen of Malaysia. I also used the money for my daily needs and gave some to my aunt. My mother received my money and she used it for daily needs (ASK, Field Interview, 11 June, 2013).

I sent money to my family around 20 times. Almost every two or three month, I sent money. I sent it using the bank not far from my workplace. My boss opened bank account for me. I had complete document including passport, so I was opened a bank account and given an ATM card. My salary always transferred to that account. I just went to the bank to collect it. Before that, my brother always sent the money. My parents here received the money using their bank account. Every time I sent in the amount of Rp.2 million or around RM.500. My parents used that for daily needs and also to buy small land. Now we plant cacao in that land (F, Field Interview, 11 June 2013).

When I worked there, I saved my money at home. When I worked at the first place, sometime I sent money to my parents. My friend helped me to send the money because I did not have passport. My family received the money through post office. I sent around RM.200-300 or around Rp.600,000 to Rp.900,000. If

I had money then I sent the money. My parents used the money to buy utensils and daily needs. The money was not enough to buy land (R, Field Interview, 12 June 2013).

When I worked at the second place, I often sent money to family here. Usually I sent around Rp.500,000 up to Rp.1 million. At that time I asked my family who returned back to village. I also had sent money through bank. My husband sent the money to my nephew's account. My husband had passport. When there was a land want to be sold then I asked my family to buy then I sent the money. I went for pilgrimage also from my earning in Malaysia. I went to Mecca in 2003 (Hj. Mar, Field Interview, 12 June 2013).

I had sent money to my father and mother to buy rice field, land and house. At that time, my parents informed there was a person who wanted to sell his land, and he asked me to send him the money. I had one child when bought that land. Then, I sent the money through my relative, my uncle. Now my father plants the land with paddy (RS, Field Interview, 12 June 2013).

We received salary in cash every month. Thank God, my income was more than enough to cover daily needs because I also worked over time. We were paid 2,000 yen per hour for the over time work. I sent my money back home through bank. When US Dollar was strong then I sent the money home. We monitored from the TV. When US Dollar was weak then I kept the money at home. So I did not send money every month. It depended on the US Dollar. At that time, my brother received the money and he later then gave to my parents. My parents then bought land, rice fields, cattles and also used the money for business capital. After I sent the money then I wrote letter to my brother and informed him to let him know (M, Field Interview, 17 June 2013).

The interviews explored any abuse that had been experienced by the returned migrants. No physical or sexual abuse was reported by the returned migrants

interviewed. However, because some of them did not have proper documents to work, or were seen to be violating regulations, some reported being arrested by law enforcers and were jailed. They also had to hide during raids conducted by local authorities.

One day after finished making TKI type passport, I was arrested for one day. At that time we had not officially started working. All new workers were also arrested. Police came to the factory and arrested us. We went to jail and our boss came to release us. When we were released our hands were stamped "Release" (S, Field Interview, 10 June 2013).

When I drove truck in Malaysia, I had experienced stopped by the police twice because I was violating traffic regulation. When I was stopped and arrested, I bribed him and gave him RM.30 then I was released (AI, Field Interview, 10 June 2013).

When I first worked at plywood factory in Tawau I had no document with me. When there was a raid by the police, we run away. If we are arrested our company will come to release us. But I was never caught. When I worked in Trengganu for more than one year, I also had no proper document. When there was a police raid then I just hide at home (ASL, Field Interview, 11 June 2013).

I have no major problem at the work place except about salary. My boss sometime gave me daily payment and sometime monthly payment. But after I possessed TKI type passport, he gave me monthly payment (ASK, Field Interview, 11 June 2013).

Other problem was I had no passport. When there was a raid, we were informed by the boss in advance and then all undocumented workers run away to the jungle. We stayed in the jungle for one week. When there was no police

at the office, we went back to office only to eat or change our clothes but then we went back again to the jungle to hide (R, Field Interview, 12 June 2013).

I worked in Tawau only using cross-border permit. When there was a raid, I just hide at home. I worked there for 5 years and I was never got arrested (ST, Field Interview, 18 June 2013).

4.1.4. Returning to Indonesia

The migrants went back home voluntarily to Indonesia for various reasons. Some of them went back because their work contract had ended. The others went back because of personal reasons such as age, not being allowed to take leave by employer, returning for a pilgrimage, children going to school, illness, marriage, pregnancy or to give birth.

I went back home in 2007 when I wanted to deliver my baby. Company was also not allowing their employee in pregnant condition (S, Field Interview, 10 June 2013).

I went back home to Bone because my parents were sick. My brother-in-law accompanied me to go home until Tawau. All my family members went back home, my wife and children. I arrived here in November 2012 (AI, Field Interview, 10 June 2013).

I went back home because I was sick I got malaria (AN, Field Interview, 11 June 2013).

We decided to go back home because my husband wanted to go home. He said he is too old and do not have the strength to work again. He just wants to work as a farmer at home (Hj. Mas, Field Interview, 11 June 2013).

Firstly I went back home because I wanted to get marriage. After that, we went back to Malaysia again for work. Secondly, I went back home because I wanted to deliver my first child. It was around 17 years ago. I delivered all my children here. After delivering my children here, I went back to Malaysia for work. We went back home from Trengganu about two years ago around 2011. The main reason was we remembered about our children. My parents are getting old and they are no longer able to take care the children. So our main reason was to take care children (ASL, Field Interview, 11 June 2013).

I worked in Tawau for 18-20 months or almost two years then I took leave because I missed my parents. Actually my work contract was still valid at that time. It was renewed every year. I was planning to come back again to Malaysia but I had no money (ASK, Field Interview, 11 June 2013).

I went back home because I was sick I got ulcer and it could not be cured. I asked my boss permission to go back home. After I stayed at home for a while, I became healthy again (F, Field Interview, 11 June 2013).

I decided to quit from my job because there was my family member here that was sick. It was in 2006 (R, Field Interview, 12 June 2013).

When I went back home for the first time I took my leave because I missed my family. Secondly, my nephew got married. Thirdly, my grandmother passed away. I asked for leave again but it was not allowed then I had to quit from the job. Lastly, I went back home because I felt I was lost. I always paid for the work permit but I did not work. So I thought better for me to get back home (Hj. Mar, Field Interview, 12 June 2013).

When I got pregnant, I quit from the job. After that when I was about to deliver my child, I went back home. It was in 1998. I delivered both of my children here in Bone. When my first child was about to enroll elementary

school then I went back home. It was in 2003 (RS, Field Interview, 12 June 2013).

I went back home because my work contract in Japan had ended. It was only valid for two years (M, Field Interview, 17 June 2013).

First, I went back home in 2005. At that time I did not work for any companies there so I did not have to ask permission to anyone. I had to go back home because my mother went to Mecca for pilgrimage. After she returned back, I left again to Malaysia with my brother-in-law. In 2006, my mother-in-law was sick so I had to go back home with my wife (ST, Field Interview, 18 June 2013).

Some of the migrants who possessed proper travel documents went back home through legal channel according to immigration policy. Those who did not have travel documents at all went back home through unlawful ways using illegal routes and means of transportation. However, interestingly, it was found out that some of the returnees who possessed proper travel documents went back home through illegal ways because their relatives or families members who did not possess proper travel documents also went back home with them.

All of my family members, my wife and children went home. It was in November 2012. Last time I went out from Malaysia, I did not go through immigration. Although I had passport, it was not stamped. I hide and used small boat to reach big passenger legal ship. When arrived in Nunukan, we went directly to local broker's house. We did not report to immigration of Nunukan. Maybe someday if I return to Malaysia, I will not report again, just go directly to Malaysia illegally. If I report myself then it would be a problem because my passport was not stamped both in Tawau and Nunukan (AI, Field Interview, 10 June 2013).

I had TKI type of passport. I went home with my brother and he only had regular passport. Both of our passports were not stamped. We took small illegal boat to reach the big passenger ship in Tawau. When we reached Nunukan, we did not report to immigration. We were afraid to be sent back to Malaysia again by Immigration of Nunukan since we did not report and get stamp out for our passport from immigration in Tawau (F, Field Interview, 11 June 2013).

When I went home, I took illegal small boat. I was alone and informed by my friend how to find local brokers who can assist me. My route started from Klabakan, it could be reached about one day from Keningau where I worked. From Klabakan I took the small boat to Nunukan. Then I stayed in Nunukan for 5 days to get ferry ticket to Pare-Pare (R, Field Interview, 12 June 2013).

I had TKI type of passport. When I went home, that day we used airplane from Kota Kinabalu to Tawau. From Tawau then we took legal passenger ship to Nunukan. And from Nunukan, we continued the journey to Pare-Pare. From Pare-Pare we took public bus to Bone (Hj. Mar, Field Interview, 12 June 2013).

I did not have proper document, so I went back home using small speedboat through Nyamuk River to Nunukan. Around 10 passengers fit in the speedboat. I went back home first alone and then secondly with my brother-in-law (ST, Field Interview, 18 June 2013).

4.2. Economic Security of the Returned Migrants

The section below describes the economic security (in terms of income and job security) of the returned migrants, both those who became members of CU and those who did not. It was clear that the majority of CU members had better economic security but that CU had limited contributions to the achievement of their current

economic security conditions. On the other hand, the majority of those who do not become CU members had poor economic security condition.

4.2.1. Members of CU

All CU members have a relatively stable income and jobs. The majority of the female returned migrants who become members of CU still depend on the remittances sent by their husband who are currently working in abroad. They also earned additional income from small business activities they are engaged in having used some of remittances sent by their husband for business capital to start their small business. Moreover, some of the male returned migrants also possessed a stable income from their small business activities, from their work as farmer or as head of the village.

All of the migrants interviewed are successful having invested their remittances in agricultural assets such as rice fields, plantations, cattle, land or for business capital to start their small business. It is important to note that although CU members possessed quite good economic security, CU did not contribute maximally to the creation of their current good economic security condition and CU did not provide most of them with start up or additional business capital loan.

Now, I am just working at home and also working for someone for his seaweed business. I work 5 or 6 days in a week from 8 AM until 5 PM. I earn Rp.15,000 per day. My income was used for my daily needs. Once every three months, my husband sends money through bank. The account is under my name. If I do not work then our income is not enough for our daily needs. So I also depend on the remittance sent by my husband. He sends me once every three months in the amount of Rp. 3 million. Minimum, he sends around Rp. 1 million. After I joined with CU, I feel that my income is not improving yet, maybe because I have not proposed and utilized a business loan yet from CU (S, Field Interview, 10 June 2013).

Now, I work for someone to sew school uniforms. The boss is from Makassar. She sends me the materials and I sew it here. After I finish then I send the school uniforms back to Makassar. Actually there is a car that will collect it. I have been working like this for two years. Now my husband works in rice fields as farmer. At that time, we used some of the remittance to buy 3 hectares of rice field. We also bought small plantation. Now our income is enough to support daily needs (Hj. Mar, Field Interview, 12 June 2013).

I am doing seaweed business now with my brother. The profit from this business is shared equally with him. If the yield is good then I share with him Rp. 1 million. But if it is poor then I only share around Rp.500,000 or even less at Rp. 200,000. My husband is still working in Malaysia now. He often sends me money using bank transfer. I have three children. The oldest is in high school level and the youngest is still in the elementary level. My husband is responsible for all children's education expenses (RS, Field Interview, 12 June 2013).

Now, I work on my father's rice field and my father in-law's embankment. We grow seaweed in that embankment. We can sell it at Rp.5,000 per kg. I also have been working as a Head of Village for 3 years. This is paid job and I serve until 2016 (AN, Field Interview, 11 June 2013).

I just brought little of money from Malaysia, only Rp.7 million. I add it with my income here and used it for down payment to credit a new car. The car now is used for public transportation, my current business. I also run motorcycle workshop with my younger brother. Now my income is enough to support my daily needs. I own my income and do not have to deposit it to my boss. I use it some to buy oil and tires. Every month I earn around Rp. 3 million. I work from 7 AM until 3 or 4 PM. I use my income for the car installment and my family's daily needs. I also borrowed money twice from

CU, firstly at Rp.500,000 and secondly at Rp. 2 million. The money was used for the car installment and the rest was used for my wife baby delivery expenses (R, Field Interview, 12 June 2013).

Now I work on my rice fields as farmer. When I worked in Japan, some of the remittance sent was used to buy rice fields, land, cattle and small plantation. Now, I also run small grocery business here at home (M, Field Interview, 17 June 2013).

Despite of limited contribution by CU in achieving good economic security condition of the returned migrants, the members of CU have high expectations that CU can protect and answer their future needs. Some of the members utilized the Children's Education Expenses Saving Product and a few also utilized the Pension Saving Product.

I utilize Pension Saving Product for my future. When I am no longer able to work then my children can benefit from the saving. I also utilize Children's Education Expenses Saving Product to anticipate my children education expenses in the future when they want to enroll to higher degree to junior or senior high school level. It is a futures product so that we cannot withdraw everyday (S, Field Interview, 10 June 2013).

I have Children's Education Saving Product at CU. I have two children, the oldest just graduated from elementary school and the youngest is still in the second grade. I hope the saving can assist me to continue my children education. If I need something, I can also borrow from CU. I have not proposed business loan to CU, maybe someday in the future (AN, Field Interview, 11 June 2013).

I have been joining CU for almost one year. I utilize Children's Education Saving Product. My child now is one year old. I utilize the saving to ease me to cover her future school expenses (R, Field Interview, 12 June 2013).

The reason why I utilize Children's Education Saving Product is because if someday we are having difficulties to finance our children's education expenses then we can borrow from CU. We will also have some money, which can add to it. Also, in terms of loan, if we need business loan in the future, we hope CU can assist (M, Field Interview, 17 June 2013).

4.2.2. Non-Members of CU

Some of the returned migrants who are not a member of the CU do not possess good economic security condition. They reported being jobless and have no stable and independent income. They depended on income from their parents or from working on their parent's rice fields as farmer.

Now I have no job. For my daily income, I depend on my parents. My parents work as a farmer (AI, Field Interview, 10 June 2013).

I used to receive job order from Makassar to sew clothes. But lately, after the owner's husband passed away, I rarely received the order. Now I have no income (ASK, Field Interview, 11 June 2013).

Now I am only helping my father working at his rice fields. Income is not enough (F, Field Interview, 11 June 2013).

Now I am selling fish at the local market. My income fluctuate everyday. Sometime I earn Rp.100,000, sometime only Rp.50,000 or even less and only earn Rp.30,000 per day (ST, Field Interview, 18 June 2013).

Only few of the non CU members possessed good economic security condition because they were quite successful working in Malaysia and were able to invest their remittances in agricultural assets such as rice fields, plantations and cattle.

Now, I am not working. I just stay at home. My income now is from the rice fields and plantation. Income from Malaysia was used to buy rice fields, land, and all utensils. Income is enough for our daily needs (Hj. Mas, Field Interview, 11 June 2013).

Now, we are doing farming and we have also cacao plantation. Our income comes from farming and from the cacao plantation. From the rice fields we can earn Rp.6 million every 4 months. Our income is enough for our daily needs. Actually it depends on the way we manage our income. I also have four cattle. The youngest cattle can be sold at Rp.4-5 million each. The oldest one could be sold at Rp.10 million each (ASL, Field Interview, 11 June 2013).

4.3. Future Decision regarding Migration

Most members of the CU who possessed good security conditions reported have no aspirations to migrate abroad. A few of the interviewees, despite possessing good economic security conditions, still have aspiration to migrate abroad to earn more money to expand their business at home. Those who did not become members of CU and possess good economic security condition have no aspiration to migrate. The others who possess poor economic security condition tend to migrate abroad.

4.3.1. Members of CU

All members of CU possessed good economic security. Although they possessed good economic security some of the young (below 45 years) married male migrants with children still preferred to migrate abroad to earn more income. The young married female migrants preferred to stay home because they are obliged to take

care of the children who are currently in school. Furthermore, one young male married migrant with children said he preferred to stay home because of his personal choice to be close to his family.

I still have the intention to go to Malaysia for work. Actually, my income is enough for daily needs but I have no saving to expand my business. I do not know when I am going there (R, Field Interview, 12 June 2013).

If I say my income is enough actually it is not. But if I say my income is not enough actually in fact it is. I want to go to Japan again if there is a job offer to get capital for my business here. But I do not want to go to Malaysia because there I know we will work at palm oil plantation. If going to Japan, I will not think twice because I know already the situation and expected income there (M, Field Interview, 17 June 2013).

I do not want to go abroad for work because I am happy since the children are here. They are in school now and I have to take care them. I also have my own house here. If I need financial assistance, there is CU. But if only for traveling or meeting family there, maybe I would do it but not for working like in the past (S, Field Interview, 10 June 2013).

I want to go to Malaysia but only for traveling and not for working. No one take care the children if I work. All my children are boy (RS, Field Interview, 12 June 2013).

Maybe I am going to Malaysia for visiting my child but not for working. I have a child who stays there. I love to work here in Bone. My husband also can work here. Our income is enough for daily needs. I have no intention to go to Malaysia for work (Hj. Mar, Field Interview, 12 June 2013).

No, I do not want to go abroad anymore. I have children and family now. Before, I was still single. If I no longer become Head of Village, I want to be a farmer. I am very grateful with my condition now (AN, Field Interview, 11 June 2013).

4.3.2. Non-Members of CU

Some of the non-members of CU did not possess good economic security while the others possessed good economic security. Women migrants, married with children, both young (below 45 years) and old (above 45 years) that possessed good economic security tended not to migrate. The younger married female migrant tended not to migrate due to household obligations including taking care of school going children. The older married female migrant tended not to migrate because she considered herself as too old to work abroad. On the other hand, those who are still young both single and married with children, possessing poor economic security conditions tended to migrate to get better income.

Since I have to take care the children then I will not migrate. Actually, my husband does not allow me to go (ASL, Field Interview, 11 June 2013).

I am going there but only for traveling visiting my children. I am old already and there is no company who want to employ workers in my age. My age is more than 55 years now. My husband is 60 years now (Hj. Mas, Field Interview, 11 June 2013).

I am planning to work in Malaysia again because I have no income. If I have money and there is person who wants to accompany me then I would go back there (ASK, Field Interview, 11 June 2013).

I am planning to go to Sabah. I have no job here. Now I am waiting for my brother to come back. Then I will follow him again to Malaysia. For

temporary, I work assisting my father at the rice field. My brother is planning to come back home in November (F, Field Interview, 11 June 2013).

I have a plan to go there because income here often is not enough. I will go there alone without my family (ST, Field Interview, 18 June 2013).

Now I do not have job here. I am planning to go back to Malaysia. Life here is very hard, I do not have regular income. Income as driver now is not enough. Now I am only helping my parents to work in the rice field. My plan is to go back this fasting month to Malaysia to work again with my brother-in-law or work at palm oil plantation (AI, Field Interview, 10 June 2013).

4.4. Characteristics for Safe Migration: Experiences of the Returned Migrants

Most of both CU and non-CU members only possessed limited knowledge on how to migrate safely abroad for work. They did not have comprehensive knowledge on safe migration. Most of them only understood that lawfully going abroad for work one needed to possess legal documentation such as a passport and or to migrate through government programs and mechanisms. Although some migrants interviewed knew the legal way to migrate, some of them still prefer migrate to Malaysia without proper documentation, such as a regular passport, which is illegal according to Article 51 of Indonesia's Law No.39/2004 on the Placement and Protection of Indonesian Workers Overseas. Some people also preferred to migrate illegally without document at all, with the assistance of family members. The reason for migrating without proper documents or without documentation at all due to the belief that it is much faster, cheaper and safer.

Many of the other factors of safe migration were not understood by those interviewed. Such factors included (1) talking with relevant people prior migrating abroad about situation, life style and working condition abroad, (2) checking the legality of placement agencies, (3) signing a work contract before going abroad, (4)

carrying a photocopy of the travel documents including the work visa and identity card, (5) talking with supervisors and/or agents if encountering problems at the workplace and (6) recording and carrying important telephone numbers such as embassy and NGOs office for assistance.

4.4.1. Members of CU

Members of CU only know a little about how to migrate safely abroad for work. For example, some migrants only knew that going abroad needed a legal passport with original profiles or through government program. This knowledge was gained from their participation in the information campaign held by CU. Although they know the legal way to migrate, one migrant was trying to be realistic. In the limitation of his future financial condition, he chose the fastest and cheapest way to enter Malaysia even though it is illegal.

If we want to go to Malaysia and prevent ourselves from being trafficked and abused, we need to have complete passport with our real name in the passport. They will not complicate us to enter Malaysia. That's what we understood from CU staffs when they held information campaign (S, Field Interview, 10 June 2013).

One day, my friend offered me to go to Japan again but at that time with our own cost in the amount of Rp. 50 million. If I have that much money, I prefer to use it for business. I see many people were deceived. If government pays for all my migration costs in advance and later they deduct from my salary like what I experienced in the past that would be ok for me (M, Field Interview, 17 June 2013).

I am planning to go alone to Malaysia. Maybe I will get passport in Nunukan. We just see the condition later. Which one is faster that would be my preference, although it is illegal (R, Field Interview, 12 June, 2013).

4.4.2. Non-Members of CU

Those who did not become members of CU also did not possess comprehensive knowledge on how to migrate safely abroad. For example, some interviewees only knew that in order to be protected abroad, they must have passport and work permit. Furthermore, some of them, based on their previous migration experiences believed that going abroad for work using migrant workers type of passport cannot protect them maximally; also it is time consuming and costly. Therefore, they prefer to migrate abroad in the future without proper document such as using regular passport as long as they can secure work permit. Some of them also prefer to migrate illegally as long as they can find a job.

As discussed previously, the Malaysian Government, in specific conditions, is allowing Indonesian migrants to work in Sabah Malaysia using the regular passport as long as they can secure work permit. On the other hand, the Indonesian Government considers migrants who work using regular passport as illegal, since they do not possess *TKI* type of passport and migrate abroad without the arrangement of a labor export agency.

My passport is still valid and it is with my original name. In order to be saved in Malaysia, we need to have passport and secure work visa. If we have work visa, we just only need to renew it every year. If we do not have work visa then we have to renew our stay permit every month. I will just use my current regular passport like I did in the past although the work visa has been expired. Later after I arrive in Malaysia, I need to get a new work visa again. Those who were abused it is because they have no document and family. And they have no goal. Usually they migrated with the assistance of broker. We understand that phenomena as trafficking. Their salary was deducted as well. They were suffered and did not know where to go for assistance (AI, Field Interview, 10 June 2013).

I will just use regular passport to cross the border. I also want to go alone without through labor placement agency (PPTKIS). If we found problems in Malaysia, just contact our boss. But if we have problems with boss, we cannot report to police because we do not have document. So we just run away from the workplace to our family or friend's house for assistance. I think it is ok to cross the border without document as long as brokers assist us. I prefer that way compare to what usually do by migrant workers. They maybe will not be arrested because they have work contract but employer will withhold their passport. Although I did not have proper document but I still received my salary in time. If I migrate like migrant workers, I will be abused and I cannot quit from my work. In the past, when I wanted to quit from the work, I could easily quit because I had no work contract and commitment (ASL, Field Interview, 11 June 2013).

In the past, I worked using TKI type of passport and my salary was deducted. Next time, I will go with regular passport with the assistance of broker and not the labor export agency. If I want to work, I have family there and they are already became Malaysian citizen so they can assist me in finding a job and securing work visa (ASK, Field Interview, 11 June 2013).

I will go next time using regular passport. But my problem is that the passport is expired already. In the past, when I made TKI type of passport in Nunukan, it cost more than Rp. 1 million and took one month to complete. I had to stay in Nunukan for one month. Before I used TKI type of passport, I used to use regular passport for working for two years. Every month my permit was renewed. My employer paid for everything (F, Field Interview, 11 June 2013).

It is ok to migrate to Malaysia without proper document. To get new passport is very expensive, it cost at Rp. 700,000 and then we need to renew the stay permit every month if we do not have work permit. Previously when I migrated

to Tawau, it was ok to use cross-border permit to cross the border. But the permit only allows us to move around the town. It was ok because I did not have plan to go outside of the town. It cost at Rp.300,000 to get the permit. A local broker in Nunukan assisted me to get it (ST, Field Interview, 18 June 2013).

4.5. Economic Security, Future Migration Decisions and Safe Migration Characteristics of the Returned Migrants

In the context of the economic security of returned migrants and their future migration decisions, this research found out that economic security conditions are the main factor that influenced the future migration decision of the returned migrants. Returned migrants with poor economic security conditions tend to migrate again in the future. While returned migrants with good economic security conditions tend not to migrate in the future.

Moreover, the research also found out that limited understanding of the returned migrants on how to migrate safely abroad put them in the vulnerable situation to be trafficked in the future since they will migrate unsafely. Interestingly, the possession of good economic security condition did not encourage one migrant to migrate safely in the future. The researcher argues this happened because not all safe migration characteristics are related to economic factors. Furthermore, the research points to the ways that may be chosen by returned migrants to migrate in the future and that these may be influenced by their personal preference and past migration experiences. The table below describes the economic security conditions of the returned migrants with their final future migration decision and safe migration characteristics.

Figure 4 Economic Security, Future Migration Decisions and Safe Migration Characteristics of the Returned Migrants.

Profile of Returned Migrants	Number of Informant	Economic Security Condition	Safe Migration Characteristics	Status in CU	Future Decision.
Male, young (below 45) single.	1	Poor.	Only possessed safe migration characteristics no 2 and 7.	Non-member.	Migrate unsafely.
Female, young (below 45) single.	1	Poor.	Only possessed safe migration characteristics no.7.	Non-member.	Migrate unsafely.
Male, young (below 45) married with children.	2	Poor.	Only possessed safe migration characteristics no. 1, 2 and 8.	Non-Member.	Migrate unsafely.
Male, young (below 45) married with children.	2	Good.	Only possessed safe migration characteristics no.2.	Member.	Migrate unsafely (1 person) and Migrate safely (1 person).
Male, young (below 45) married with	1	Good.	Only possessed safe migration characteristics no.2.	Member.	Not migrate.

children.					
Female, young (below 45) married with children.	4.	Good.	Only possessed safe migration characteristics no.2, 7 and 8.	Member (3 people). Non-Members (1 person).	Not migrate.
Female, old (above 45) married with children.	1.	Good.	Only possessed safe migration characteristics no.2.	Non-Member.	Not migrate.

The table shows that in addition to economic security as the main factor, other factors also influenced the future migration decision of the returned migrants, including gender, marital status and age. It was found out that the first group who have big aspirations to migrate again in the future are male, married with children and young (below 45) migrants that do not possess good economic security, are jobless and have no regular income. The second largest group who also have big aspirations to migrate again in the future are single, young, female and male migrants who do not have good economic security. This research also found that interestingly those who possess quite better economic security also have aspirations to migrate again in the future. This group consists of young males who are married with children. Their motivation to migrate is to earn more business capital to expand their business activities at home. They are member of CU but were unable to access sufficient business capital loan.

The fourth group is those who have no aspiration to migrate again in the future. This group is female, married with children and old (above 45) migrant who

possessed good economic security. She preferred to stay home mainly because she is no longer young enough to work abroad and now has sufficient income by farming. In the past, she was a successful migrant abroad who was able to invest her money in agricultural assets such as rice fields, plantation and cattle. The fifth group consists of both females and males, with good economic security below 45 years old, and married with children who have no aspirations to migrate again in the future. Most of the female migrants depend on their small business activities and regular remittances sent by their husband from abroad for their main income. In addition to good economic security, the other factor that makes them prefer to stay home is the obligation imposed on them to take care of school going children. The same reasons may also apply to one male, who has a stable job and a regular income from a profession as head of the village and farming. In addition, he also indicated a preference to be close to his family and children.

In the context of safe migration, it was found that both returned migrants who have good economic security, and those who have poor economic security did not possess a comprehensive understanding on how to safely migrate abroad for work. Many only demonstrated three out of eight safe migration factors, they are: migrate legally (safe migration characteristic no.2), have a support of network (safe migration characteristic no.7) and act on problems faced at the workplace (safe migration characteristic no.8). This puts them in the vulnerable situation of being potentially trafficked in the future due to the fact that they migrate in an unsafe manner. Furthermore, as described previously, the methods of future migration indicated were often not safe and were influenced by past experiences. Although the migrants interviewed know that migrating abroad need to be conducted legally but they believed that based on their past migration experiences, migrating abroad for work using legal channel and document was time consuming, costly and could not protect them maximally abroad. Therefore, many preferred to migrate illegally or without proper documents in the future since it is faster, less expensive and could prevent them from being exploited abroad.

Overall, the researcher argues that CUP has not been able yet to strengthen economic security and promote safe migration among its members. Furthermore, the researcher believes that economic well-being of the returned migrants is much more important to their migration decision-making than any services offered by the CUP. CUP was able to promote on the importance and benefits of migrating legally among its members, but members still did not possess a comprehensive understanding on how to migrate safely abroad for work purpose. This puts them in a vulnerable position for being trafficked in the future. Self financing problems, management challenges and limited capacity of staff have prevented CU to in achieving its mission.

CHAPTER V

CONCLUSION, DISCUSSION AND RECOMMENDATIONS

Civil society is important stakeholder to promote safe migration. Their work benefits the migrants and other vulnerable individuals who live at least in twelve provinces out of thirty-three provinces in Indonesia. The importance of civil society is also reflected in Bone District of South Sulawesi Province through their contributions in establishing CUP in 2011. Within two years after its establishment, CUP was able to provide sixty-seven returned migrants, their families and the public in general with more competitive financial products and services than commercial banks. They also conducted Information Campaign Events to promote safe migration by providing relevant information to at least 110 members and prospective members.

Unfortunately due to management challenges, lack of capital and capacity of its staff, CUP in its infancy has not been yet able to strengthen the economic security of the returned migrants. Furthermore, due to various reasons, such as a lack appropriate and relevant awareness raising materials, a lack of capability of its staff to deliver safe migration information as well as the unavailability of an action plan and schedule for ongoing information campaigns, CUP was not able to promote safe migration comprehensively among the returned migrants.

Although eight characteristics to ensure safe migration had been identified, CU was only able to promote one characteristic and failed to promote the other seven characteristics. All of these factors put the returned migrants in the situation where they are still vulnerable to be trafficked in the future.

The returned migrants future decision to migrate is influenced mainly by their economic security condition. Furthermore, limited understanding by returned migrants on how to migrate safely abroad puts them in a vulnerable situation since they reported implementing unsafe methods of migrate in the future. The research

indicated that the decisions made on the mechanics of future migration are also influenced by their personal preferences and individual past migration experiences.

The section below describes more details of the research conclusion. It also presents the analysis of the research findings as well as recommendations to relevant parties.

5.1. Conclusion

CSO's Roles in Promoting Safe Migration in Indonesia

CSO's played an important role in promoting safe migration in Indonesia. They provided financial as well as technical assistance particularly to local organizations to promote safe migration amongst migrants as well as trafficked person in at least twelve high sending provinces in Indonesia. Most of the safe migration promotion efforts by CSO's were done through the distribution of various types of printed awareness raising materials, screening video documentary at Information Campaign Events, broadcasting of public service announcements on local radio stations and implementation of radio and television talk shows. None of the CSO's tried to promote safe migration through the strengthening economic security of returned migrants similar to the current work of CUP.

CSO's Roles in Establishing CUP

Civil society organizations such as Ford Foundation and ICMC also played important roles in establishing social enterprise especially in Bone District. They provided financial and technical assistance to LPP Bone in establishing CUP. Although not originally planned CUP was established through top-down approach. ICMC and LPP Bone were supposed to only facilitate the formation of CUP with returned migrants and not played crucial roles in selecting and appointing individuals to be on the structure. As a result, the Board of Supervisors could not play their roles maximally to control the Board of Management in implementing the organization charter consistently. For example, the members of Board of Supervisors could not

voice their concern to the Board of Management directly to conduct an annual member meeting as soon as possible. They were reluctant to voice their concerns since the Director of LPP Bone (who was also a member of Board of Management of CU) played a significant role in establishing CU and in appointing them to be members of Board of Supervisors. An Annual Member Meeting is a very important step to be conducted to evaluate and enact new business plan of CU as well as to maintain trust among members and general public of CU as financial institution.

CUP Efforts in Promoting Safe Migration

To promote safe migration among its members, CUP conducted Information Campaign Events. These events were for prospective members and members of CU. During the Information Campaign Events held at village level, CU staff screened a documentary titled “Silent Suffering” about human trafficking, debt bondage and safe migration in Indonesia. Discussions after video screening were also conducted. The content of video had limited information on some of the important aspects of safe migration. Some factors not addressed in sufficient detail by the documentary includes (1) the importance of collecting information from families, friends and returned migrants regarding migration costs, challenges faced when working abroad, culture and life style in destination country and types of job that one will be doing in abroad, (2) the necessity to check the legality and reputation of placement agencies, (3) the need to establish supportive networks abroad and (4) the ability to solve problems with supervisors or agency if facing challenges at the workplace. However, the documentary had strong information to encourage migrants to: (1) migrate legally using a legal passport with original profiles and through registered placement agencies in Indonesia, (2) understand and sign the work contract before migrating, (3) make photocopies of travel documents including passport, work visa and identity card and leave some copies with family members at home, (4) avoid debt bondage and clarify with the agency in Indonesia regarding any debt that migrants should pay through salary deductions abroad (5) communicate regularly with family members at home and (6) record important phone numbers abroad including the Indonesian Embassy’s phone number.

The research found that staff of CU had limited capacity in delivering the information to returned migrants. Only the chairperson of CU had the confidence to deliver the information during the events held. In addition, CU had no work plan and schedule to disseminate safe migration information regularly.

CUP Work in Strengthening Economic Security

In order to strengthen the economic security of its members, CUP offered various types of saving and loan products as well as other financial services. Most of these products and services were more competitive than similar products offered by commercial banks. Furthermore, CUP offered saving products with a higher return and no administration fee as well as loan products with lower interest and no collateral to returned migrants. Theoretically, these products can contribute to the achievement of stronger economic security of its members. However, the research found that a large percentage of members of CU did not utilize the products maximally. For example, only sixty-seven out of one hundred and ten members utilized the products. Many of them became what was called “passive members” since they did not apply for other saving or loan products except Mandatory Saving. Furthermore, some members did not deposit money regularly. An expert from CU Central of South Sulawesi Province argued that under utilization of the products was as a result of CU not delivering the Basic Education Program effectively to its members. As a result, members had limited information regarding CUP’s products and services as well as the benefits of utilizing CUP products.

The research highlights that CU also did not aggressively promote the products to prospective members due to limitations in the number of staff. The CU management and staff also apply prudent policy to recruit new members. As a result, CU faced a lack of capital to finance its loan products due to the fact that CU, as a social enterprise, depended on the members savings to finance its loan products.

Past Migration Experiences from the Returned Migrant Cases

Most of the returned migrants migrated to Sabah State of East Malaysia with the assistance of family members, friends or relatives using illegal methods. They utilized illegal routes and means of transportation without document at all or without proper travel document such as a regular passport or a cross-border permit. Their main motivation was to improve their families economic conditions and to earn a better income. Once they were able to secure jobs, some of the migrants reportedly went back to Nunukan of East Kalimantan Indonesia to apply for a migrant worker passport with the assistance of the local broker and with the financial support of the employer. As a result, monies were illegally deducted from their salary every month.

Most of the returned migrants worked as low-paid workers in five sectors, palm oil plantations, cacao plantations, fisheries, plywood factories and restaurants. Some of the migrants were able to send remittances to their family members at home. The remittances were used for daily needs, assisting other family members or to be invested in agricultural assets, such as rice fields, cattle, or land for plantation. No physical or sexual abuse was reportedly experienced by the migrants but some highlighted in the interviews that they had problems with their supervisors because their salary was withheld and illegally deducted. Additionally, some migrants were arrested for violating traffic regulations while working or had to hide from local authorities during raids because they did not possess necessary documentation.

Economic Security of the Returned Migrants

Members of CU possessed good economic security but CUP had made a limited contribution to the achievement of the migrant's current good economic security condition. Female returned migrants had a stable income from the remittances sent regularly by their husbands and from additional income they earned from their small business activities. Male migrants also achieved a stable income from their small business activities or from their jobs as farmers or head of the village. Most of them were all successful migrants who were able to use the remittances to be invested in agricultural assets such as rice fields, cattle, land or to start small business.

CUP did not provide start up or additional business capital for returned migrants who run the business.

In contrast, some of the returned migrants who did not become CU members had poor economic security conditions. They did not have a stable income and were jobless. However, some none CUP members did have good economic security conditions. They had a stable income from their vast rice fields or cacao plantation. They bought the rice fields and cacao plantation from their earnings when they worked in Malaysia.

Future Decisions regarding Migration of the Returned Migrants

The decision of the returned migrants to migrate or not in the future was mainly influenced by their current economic security conditions. Most returned migrants who possessed good economic security conditions tended not to migrate in the future. However, there were exceptions to this. For example, two young married males migrants who possessed good economic security conditions still had an aspiration to migrate again in the future to earn more money to expand their business as well as for future savings. Migrants not possessing economic security tended to migrate to earn better income.

Safe Migration Characteristic of the Returned Migrants

Both CU and non-CU members had limited knowledge on how to migrate safely abroad for work purposes. Many of them only understand that going abroad one needed to possess a legal passport with original profiles and a secure work visa. They did not understand other factors that enhance safe migration, such as (1) to collect information from family members, friends or returned migrant about migration costs, culture and life style in destination country and types of job that will be doing in abroad, (2) to check the legality and reputation of the placement agency in Indonesia, (3) to understand and sign work contract before migrate, (4) to make photocopies of the passport including a work visa and identity card and leave some copies with family members at home, (5) to establish a network of support, (6) to

record important phone numbers of institutions abroad that could assist if necessary and (7) to talk with the supervisor or agency if challenges or problems arose at the work place.

Many of the returned migrants believed, based on their previous migration experiences, that migrating abroad using a migrant worker passport through legal channels was time consuming, costly and could not protect them maximally. Therefore, in the future, they stated a preference to migrate illegally without documentation or without proper documents such as a regular passport or cross border permit as long as they can secure work visa or job in Malaysia.

CSO's played an important role in promoting safe migration in at least twelve high sending provinces in Indonesia. They also played an important role in establishing CUP to address the problem of unsafe migration through the strengthening of the economic security of its membership in Bone District.

Still in its infancy, the CU has not been yet able to strengthen the economic security of its members although it has achieved some success in increasing awareness levels of its members on the benefits of to legal migration. However, members of the CU did not possess a comprehensive understanding on how to migrate safely abroad leaving them in a vulnerable position and open to being trafficked.

Striving for economic security was the main factor influencing future migration decisions of the returned migrants interviewed. Furthermore, limited understanding on how to migrate safely abroad among returned migrants put them in vulnerable situation since they intended to migrate unsafely in the future.

Management challenges and a lack of capacity and staff have prevented CU to in achieving its mission. It was clear that the organization charter and internal policies were not implemented consistently. Staff were not able to deliver information

campaign events, lacked the capacity to carry out product development, marketing and follow-up trainings.

In order to improve its performance, CUP needs to run the organisation in a more professional manner by implementing the Organization Charter and Internal Policies more consistently. Moreover, the capacity of its staff and volunteers need to be strengthened. Lastly, CU needs to aggressively promote its financial products to the current members and also proactively secure grants from third parties to boost its financial capital. Established in 2011 CU is still in its infancy; it is thus premature to conclude that the organisation has failed in achieving its mission.

5.2. Discussion

This section will expand on the use of International Migration Theory in explaining the phenomenon of migration from Bone District for work in other countries particularly Sabah Malaysia. Furthermore, the relationship between the economic security of the returned migrants, both CU and non-CU members, and future migration decision will be also discussed. Lastly, using the Social Protection Concept, this section will also discuss CUP and how it works as a social enterprise and its contribution to prevent human trafficking.

International Migration from Bone

Economic development in Sabah clearly creates job opportunities especially for low skilled labors from Bone District. As a result, migrants from Bone District with low skills, migrate to Sabah for better-paid jobs. This phenomenon is also known as globalization from below (Morgan, G. 2010:17-20). Migration from Bone District to other countries is a natural coping mechanism for the returned migrants to escape from poverty (Turner, B. S., and Habibul Haque Khondker, 2010:4).

Most of the returned migrants from Bone District migrated abroad with the main motivation to find job and earn a better income. Once abroad, most of them

worked as low-paid workers in the agricultural and service sectors. Through the lens of International Migration Theory, the characteristic of migration from Bone District was voluntary economic migration and the migrants are categorized as unskilled or blue-collar workers. Furthermore, from the perspective of the Neoclassical Economic Theory of International Migration as described by Massey et.al, (1994), the migration from Bone District was caused by push factor that is a limited job opportunity in Bone District as well as pull factor which was the possibility of obtaining higher wages particularly Sabah Malaysia. From this research, it was found that working in Malaysia, the returned migrants earned from US\$ 1.5 to US\$ 8.5 per day or Rp.375,000 to Rp.2.1 million per month. If they work as farmer in Bone, they would only earned Rp.1.5 million per month if they worked in the rice fields with a good irrigation infrastructure, which is very rarely found in Bone. Work as a tailor would only yield Rp.375,000 per month if they received stable job orders every month. It is clear that earnings from work in Sabah Malaysia was higher than working in Bone District. The gap in wages between Indonesia and Malaysia acts as a push factor for migrants from Bone to move to Sabah Malaysia in search of higher paid work.

The returned migrants differed in both educational backgrounds and employment status. Most have low levels of education. Some of the migrants interviewed had graduated from high school level while but most did not finish high school, and some reported not graduating from elementary school level. According of New Economics Theory described by Massey et.al, (1994:711), formal job markets in Bone District in particular or in Indonesia in general, are inaccessible for people with low educational levels. Formal job markets need people who posses at least diploma or university education which many people don't posses and as a result, local job opportunities available is limited to the informal sectors and the wage for these sectors is low and instable. In the longer run, it could endanger their income and livelihood. Therefore, according to New Economics Theory, many people have to migrate for work to other countries that can give more income in order to survive.

The research indicated that most of the returned migrants from Bone District sent their remittances to their family members at home. The remittances were used for daily needs as well as for start up capital to run their small business activities. Family members also invested the remittances in agricultural assets such as rice fields, lands and cattle. According to New Economics Theory, these returned migrants have important roles and contribute to improving the economic development of Bone District through the remittances sent. Furthermore, the remittances sent have nonunitary effect since it was also used for productive business activities.

The migration from Bone District to countries abroad can also be explained using the Segmented Labor Market Theory. According to this theory, Massey et al. (1994:715), argue that the movement of migrants from Bone District to Sabah Malaysia is created more by the demand of market in Sabah Malaysia. The economic structure of Sabah Malaysia has created two sectors of job, that is, primary and secondary. The theory argues that the primary sector job offers stability, good salaries, many benefits and good working conditions. On the contrary, the secondary sector job offers instability, a low salary as well as poor working conditions. Malaysian people are reluctant to work in the secondary sector. As a result, the market needs to recruit migrant workers from other countries including from Bone District to work in the secondary sector to cope with the labor shortage. The Ministry of Manpower of Malaysia states that every year the country needs at least 1 million migrant workers from different countries and 60% of the workforce is provided from Indonesia (Sugiarti, 2006:342). The Ministry of Manpower and Transmigration of Indonesia stated that the demand for Indonesian workers in Asia-Pacific was high and half of the demand came from informal sectors such as agricultural, plantations, domestic work and construction (Sugiarti, 2006:343-346).

The migration from Bone District to Malaysia and other countries could also be explained using Network Theory of International Migration which argues that migrants from specific ethnic group will tend to migrate to area where the same ethnic group exists. In the case of Bone, the migration could happen because Bone people or

the *Bugis* ethnic group had already settled and existed in Sabah for a long time. In addition to this, migration from Bone to Sabah Malaysia happens because both migrants who stay in the home villages and who already worked or settled in Sabah Malaysia have strong connection since they come from the same ethnic group (Massey et al. 1994:728-730). Because of this strong connection, irregular migration from Bone to Sabah could happen easily. The costs and risks of migration also can be reduced. From this research, it was found that family members, relatives or friends who already worked or settled in Sabah often came to Bone and assisted financially other family members to migrate to Sabah. Furthermore, it was also found out that some of them even picked up and welcomed the migrants at the harbor in Tawau Sabah, provided them with temporary shelter and proactively assisted migrants to find job or secure work visa.

Using the cumulative causation point of view, it is predicted that the phenomenon of migration abroad from Bone to especially Sabah Malaysia will still continue in the future. It is because many migrants from Bone who already possessed work experiences and gained new skills from their past work experiences tend to migrate again for many times in the future as explained by Massey et al. (1994:733). To some extent this is actually proved because some of the returned migrants that interviewed had migrated to Sabah for more than once.

Economic Security and CUP as Social Enterprise

This research argues that those who earned more than Rp. 1.5 million per month could be categorized as possessing good economic security whilst those who earned less than Rp. 1.5 million per month are categorized as possessing poor economic security condition. Living as a farmer in Bone with small rice field and poor irrigation infrastructure cannot provide workers with sufficient income to support their daily needs and therefore make them financially challenged. As a result, they need to find a way to survive and prevent themselves and their families from living in poverty by migrating abroad for work. When their income is stable and sufficient to support daily and future needs, migrating abroad for work is not an

option, especially when they also know that they could face a lot of risks abroad. Therefore, possession of a stable income and job in Bone are very important so that the returned migrants have alternative options to work locally.

Those who possessed good economic security condition were successful migrants and they were able to invest the remittances in agricultural assets such as rice fields, cattle, plantation and to start small business activities. From those assets and business, they were able to earn sufficient income to support their daily needs. Since the economic well being of the returned migrants is much more important to their migration decision-making process it can be argued that it is necessary for CU to provide them with various financial services so that they can maintain and further improve their economic security. The research demonstrated that the returned migrants have expectations that CU can protect and address their future needs through schemes such as the Children's Education Expenses Saving and Pension Saving. Furthermore, they also hoped CU can provide them with additional business capital loans to expand their business activities. It is also important for CU to continue support their members who are farmers with Seasonal Loans so that they can avoid loan sharks and buy fertilizer in affordable price.

In the context of CUP as social enterprise, CU was established not to response lack of funding that faced by LPP Bone as its parent organization. It was established to response lack of services as explained by Di Domenico, Haugh, and Tracey (2010:683), especially lack of financial services that faced by the returned migrants and their families members to leverage remittances sent. CUP is engaged in financial business for a social purpose and good, which is to promote safe migration of the returned migrants. As a business entity, CUP is run not different from private sector especially in terms of financial management. However, it differs from the private sector in terms of profit sharing. Profit that gained by CUP is used to support sustainability of its operation and to solve the problem of unsafe migration practices among returned migrants that lead to trafficking. Therefore, the profit is not distributed maximally to its owners, which are the members. From the standpoint of

the researcher, the current approach applied by CUP to minimize profit distribution to its owners is good since CUP needs to have financial capital to run its social mission. On the other hand, the researcher is of the opinion that profit still needs to be distributed to owners since it is one of additional incentives for members and also prospective members to join CU. Therefore, it is wise if members at the annual member meeting can discuss what proportion of the profit goes to them and how much goes to CU to support its social mission.

Based on their mission orientation (Alter, K. 2007:23), CUP is classified as a mission centric social enterprise. It is an enterprise that was established to solve the social problems in the community; using a self-financing model the organisation aims to eradicate unsafe migration practices leading to trafficking. The mission of CUP is in-line with LPP Bone mission as its founder organization, which is to empower marginalized groups. Based on the level of integration between social programs and its business activities (Alter, K. 2007:26-30), CUP is classified as embedded social enterprise since it achieves social and financial benefits simultaneously.

In term of self-financing, CUP currently largely depends on savings collected by members as a main resource of capital. The research highlights that members did not deposit money on a regular basis nor did they maximize on the various saving products offered by CU. A reason for this uncovered in the research is that members did not have adequate information on the benefits of financial products offered by CU. CU also did not aggressively promote the products to members due to lack of human resources. As a result, CU faced a lack of capital to finance its loan products, was ineffective in its safe migration education and in short was not able to achieve its social and financial benefit simultaneously.

CUP possessed unique characters both economically and socially (Nyssens, M. 2006:6). From an economic dimension, CUP provided financial products and services to its members on a continuous basis with a limited number of staff, which had a significant level of economic risk. CU was an independent entity that had a

separate structure from LPP Bone as its parent organization and had full rights to manage its operations without intervention from other parties. The research found that although CU has separate structure from LPP Bone the LPP Bone Director and ICMC staff established CU's structure from the "top". As a result, the LPP Bone Director who was also selected as chairperson of CU played a dominant role in managing CU. This thesis asserts that the top-down approach in creating the CU structure was problematic and resulted in supervision roles that were supposed to be played by the Board of Supervisors not being done maximally. Members of the Board of Supervisors were reluctant to give criticism and challenge the Chairperson directly since the Chairperson played a dominant role in selecting and appointing them to be on the structure. Only one member of Board of Supervisor voiced the importance of CU conducting the long awaited annual member meeting as soon as possible although this was not communicated directly to the Chairperson.

Under the social dimension, CUP had two important aims, that is, serving the returned migrants and their families as a vulnerable group in the community and strengthening democracy at the village level. In order to strengthen democracy at the village level, CUP applied equal decision-making rights among its members with the principle of, "one member one vote" regardless of how much money was invested by individual members. However, the research found that the CU's aim to strengthen democracy at the village level had not been achieved because the CU had not conducted mandatory annual member meetings since 2011. This research highlights the importance of conducting the annual member meeting not only to exercise the decision-making rights amongst the members but also to maintain public trust and avoid malpractice of the CU management. If the CU cannot maintain public trust and transparency, it will endanger their operation sustainability.

Social Protection

Migration can be seen as a social protection mechanism for returned migrants to cope with their vulnerabilities especially at a household and village level. In addition to vulnerabilities faced by the returned migrants at home, they also face

vulnerabilities in both the transit areas and destination country. It is essential that specific social protection needed to be provided to migrants to address their vulnerabilities in each stage of their migration journey. Social protection can be provided using four strategies, that is promotative, preventive, protective and transformative.

As discussed in Chapter 2 shocks often link to the vulnerability of the migrants. Shocks that are faced by the returned migrants especially at the village encourage them to migrate abroad for work. This research found that most of the returned migrants migrated abroad with the main motivations being to improve their economic conditions and gain more income opportunities. Other returned migrants interviewed stated that they migrated abroad with aim of escaping from unhappy social conditions such as living far from their husband with no regular income and facing personal problems. In this context, unemployment and unhappy social conditions, according to Sabates-Wheeler and Waite, (2003:12) are categorized as idiosyncratic shock since it is impacting on individuals.

In terms of vulnerability the returned migrants interviewed possessed specific temporal vulnerabilities that linked with their mobility in each point of their migration journey, such as at the home village, in the transit areas and the destination country. These temporal vulnerabilities interacted with other vulnerabilities, such as spatial/environment, socio-cultural and socio-political vulnerabilities (Sabates-Wheeler and Waite, 2003:13). This research found that spatial vulnerability was linked to unemployment and living without regular income could endanger livelihood of the returned migrants and led to poverty. The unemployment was caused by spatial dislocation of the returned migrants since they lived in Bone where social and economic opportunities were limited.

This research argues that working as migrant worker in dirty, difficult and dangerous sectors resulted in workers been seen as a second-class race by communities in Malaysia so that they are more or less discriminated. This became

their socio-cultural vulnerability. As a result, they were prevented from accessing public services such as education for their children and health services. Some of the returned migrants went back home since they could not access education services in Malaysia for their children. Some of them also had to return back to their home villages to deliver their unborn child.

According to Article 51 of Law No.39/2004 on the Placement and Protection of Indonesian Workers Overseas, migrant workers who migrate abroad without possessing a migrant worker passport are considered illegal. Moreover, according to article 62 and 63 of the law, those who are illegal are not eligible to access social benefits provided by government. Because of this restriction, many of the returned migrants who migrated and worked without possessing a migrant worker passport did not get insurance benefits. This Act discriminates against migrant workers and heightens their socio-political vulnerability.

As described previously, many of the returned migrants interviewed migrated abroad with the intention to improve their economy condition and earn more income. According to Sabates-Wheeler and Waite (2003:17), such migration could be categorized as migration as a social protection mechanism in response to perceived shocks and risks in order to prevent further hardships.

In the context of this research, social protection provided to migrants was only limited to protect them while they were still at their home villages. The researcher argues that the establishment of CUP it self can be categorized as one of the forms of social protection provided to migrants. Moreover, since it was established to increase income and capabilities to ensure the safe migration of its members, it could be categorized as promotive strategy.

The researcher also argues that effort done by CUP to disseminate information on safe migration, debt bondage and the dangers of trafficking to its members can also be categorized as one of social protection mechanisms provided to migrants. Since the

efforts aimed to change bargaining power and empower the returned migrants, it could also be categorized as a transformative strategy.

Lastly, cash benefits provided by CUP to families of members who passed away or members who were hospitalized was a clear example of social protection that was provided to migrants. Cash benefits are categorized as a preventive strategy since it prevents scarcity in specific ways.

Safe Migration

The researcher asserts that unsafe migration put migrants in a vulnerable position to be exploited abroad. Learnings from the research findings, indicate that in migrating abroad following the eight characteristics of safe migration cannot always guarantee migrants can be free from exploitation. In the context of this research, migrating using *TKI* type of passport through a labor export agency was time consuming, costly and resulted in the salary of returned migrants being withheld and monies illegally deducted by employers. Migrant workers in also had to pay a higher levy. In contrast, when the returned migrants migrated using a regular passport, they could migrate faster and paid less levy. They also received their full salary on time. Furthermore, when they had problems with their employer, they also could easily leave the job and find another new employer. However, migrating with a regular passport was not without risk. The returned migrants interviewed had to hide from immigration officials who were initiating raids.

Since the government migration procedure is very complex, time consuming, costly and cannot protect the returned migrants maximally abroad, it made the procedure less popular among the migrants interviewed. Although most of the returned migrants knew that a person migrating abroad ideally should possess a migrant workers passport and go through government procedures, they still preferred to migrate using a regular passport without going through a labor export agency. This could explain why only 1% of migrants from South Sulawesi migrated legally in 2007. Looking at this phenomenon, it is necessary for governments to review the

current procedure and replace it with new procedure that can accommodate the needs of migrants for a simple, less expensive and faster migration procedure.

Additionally, the research highlights that the possession of good economic security conditions does not automatically encourage the returned migrants to migrate safely in the future. This is because safe migration factors are not all economically determined. Some of the factors are more related to the ability to anticipate and solve problems abroad. R (Field Interview, 12 June 2013) a returned migrant who possessed good economic security conditions and was a member of CU was planning to migrate abroad for work without the proper travel document since it is faster although illegal. For him with his good economic security conditions, making an expensive migrant worker passport is not an issue, but given that time is important to him he decided to forego the bureaucracy even though he did not realize the possible risks that he could face abroad as illegal migrant.

The different legal basis applied in Malaysia and Indonesia concerning the definition of legal and illegal migrant workers also encouraged returned migrants interviewed to migrate using a regular passport for work (which is illegal according to the Indonesian Government as discussed previously). The case of AI (Field Interview, 10 June 2013) confirmed that the Malaysia Government allowed migrants to cross the border and work legally at small individual owned palm oil plantations in Sabah Malaysia using a regular passport. He decided to migrate the same way in the future. These issues require that both governments need to discuss to solve this problem.

It is clear that CUP need to continue its efforts to encourage returned migrants to go through a registered placement agency in Indonesia since this is a system that is currently in place and established by government. Although some of the placement agencies became part of the problem and cannot be trusted, it is a problem to allow returned migrants to migrate illegally without going through a registered labor export agency. Not possessing the proper documentation will put illegal migrants in a vulnerable situation since the government will refuse to provide maximum protection.

This research clearly indicates that it is necessary for government to start establishing new systems where migrant workers can migrate independently without the assistance of a labor export agency.

5.3. Recommendations

Recommendations are addressed to several relevant parties; donor agencies working on the issue of social enterprise, management of CUP and thirdly to the Center of CU of South Sulawesi Province. Recommendation for further research is also provided.

Recommendations for Donor Agency

- Use a consistent bottom-up approach in establishing social enterprise or CU. Using bottom-up approach is expected can secure sense of ownership of the CU amongst its members.
- Implement similar projects in long-term time frame. This is to ensure donor agencies and implementing partners have adequate time to implement, monitor and evaluate the usage of CU financial products and services by the members.
- Support financially and technically the implementing partners to develop and produce various awareness raising materials that address the eight characteristics of safe migration.

Recommendations for management of CUP

- Implement the organization charter and internal policies consistently including conducting member meetings annually. Conducting annual member meeting regularly can maintain public trust in CU and avoid malpractice of management.
- Communicate regularly with Central of CU of South Sulawesi Province. Maintaining regular communication with Central of CU is important to anticipate, discuss and solve problems faced by CUP management.

- Aggressively promote CU financial products and services to its current and prospective members and encourage them to deposit money regularly. By doing this, they will have adequate information on the products and services and will utilize it maximally. At the end, CU will have adequate financial capital to finance its loan products and will be able to strengthen economic security of its members.
- Actively look for alternative sources of funding to boost financial capital of CU such as grant from foreign donor agencies, international organizations and local government. Other alternative source of funding could be donations from mosques.
- Conduct follow-up capacity building training for its members who utilized a business loan product. This is to enable members to anticipate and solve problems in running the business and expand the business so that members will have no difficulties to repay the loan to CU in time.
- Develop and use various awareness raising materials that can address the eight characteristics of safe migration as well as develop a work plan or schedule to conduct Information Campaign Events regularly.
- Recruit and train more volunteers not only from returned migrants but also from university students to assist CU staff in providing services and in promoting products and services to the members.
- Conduct training for trainers on safe migration factors so that staff and volunteers are able to deliver Information Campaign Event independently and reach more returned migrants.

Recommendations for Central of CU of South Sulawesi Province

- Proactively inform CUP on various services that are available and can be provided by Central of CU, for example, financial assistance.
- Conduct regular monitoring meeting with CUP to anticipate, discuss and solve problems faced by management.
- Continue provide technical assistance to CUP staff especially to enable them to create new products and services and conduct product marketing.

- Conduct regular audit of CUP to check their financial reports and to provide inputs and support.

Recommendations for Returned and Future Migrants

- Invest the remittances received or income earned to various financial products offered by CUP.
- Proactively find safe migration information from CUP before migrating abroad for work.

Recommendations for Future Research

This research was conducted with a focus on the CU highlighting the fact that the organisation is in its infancy and faces challenges in terms of financial capital to provide full financial services to its members. It is recommended that similar future research focuses on the old established CU with strong financial capital that also targeted returned migrants.

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