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Migration Policy in Indonesia

The increasing global attention on the potential role of south-north migration as an engine for development in origin countries (United Nations 2006b; World Bank 2006a; Global Commission on International Migration 2005) focuses attention on the largest south countries of China (2008 population 1336.3 million), India (1186.2 million) and Indonesia (234.3 million). These countries are distinctive not only because of their large populations but their vast geographical size and diversity. Inevitably international migration is less likely to have impacts at the national scale that occur in smaller nations. Indeed much of the increase in personal mobility is channelled into internal migration with intranational economic and spatial inequalities being analogous to international inequalities driving south-north migration out of smaller less developed economies to more developed countries. Nevertheless international migration is of increasing demographic and economic significance in the three Asian demographic giants. Moreover the impact of this migration is spatially concentrated within particular regions and communities from which migrants are disproportionately recruited. In such regions the impacts are substantial. In a context where increasing attention is being paid by policy makers in LDCs to widening inter-regional inequalities and the need to supplement sectoral economic development strategies with regional development initiatives, such spatially focused economic impacts are of particular significance. Nevertheless in the meagre literature relating to economic effects of migration upon origin countries in Asia the bulk of analysis has been conducted at the national and individual levels of analysis while regional and community effects have been neglected.

Indonesia is the world's fourth largest country by population (2008 population 234.3 million) and although fertility has fallen by almost two thirds over the last four decades the population is still growing at 1.1 percent per annum. Moreover, its labour force is increasing at 1.4 percent per annum – a net increment of around 1.6 million workers are added annually to the almost 111 million currently in the labour force. While GDP grew at more than 5 percent for much of the 1970s, 1980s and the first half of the nineties, the Asian economic crisis of the late 1990s had a devastating impact and recovery from it has been slow. With a GNP per capita of US\$1,280 (World Bank 2008), Indonesia remains a low income nation, underemployment is very high, unemployment is increasing and more than half the workforce has only elementary school education or less. It is a quintessential emigration country.

This paper examines the development of international migration policy in Indonesia. It focuses especially on international labour migration. Government support and encouragement of labour migration has grown but governance of it remains weak and in this context exploitation, corruption and excessive rent taking is common. The paper examines recent changes in the governance of labour migration in Indonesia and assesses the challenges which the government faces. It examines the role of the major stakeholders including government, the private sector, NGOs and the migrants themselves. There is also consideration of increasing regional dialogue on migration

issues in the ASEAN region and Indonesia's role in this. Particular attention is focused on Malaysia which is a major destination for Indonesian migrants.

The paper also considers linkages between international migration and development in Indonesia. There has been a lack of coherence between migration and development policy at national and regional levels in Indonesia. The paper examines the potential for policy to maximise the development dividends of migration in Indonesia.