

## **Remittance Management in Realizing a Prosperous Household of Indonesian Migrant Workers (TKI) on Remoted Communities in Bawean Island Indonesia**

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**Abstract:** Remittance management is a very important thing in realizing the economic welfare of Indonesian migrant workers (TKI). The results of the first year's study found three models for managing remittance management which are direct management model and savings management model (deposit model, savings model and bank loan model). From those management model comes a problem the extent to which the Indonesian migrant workers are realizing the economic prosperity of the household. This study aims to determine the level of economic welfare of Indonesian migrant workers. The research subjects were 19 TKI. In the data collection, conducted by in-depth interview. This research stage begins with data collection, data reduction, data display and verification. To analyze the success of the household economic management of Indonesian migrant workers (TKI) is done through the "prosperous family development" from Committee of Population and National Family Planning (BKKBN). Based on the research result, the stages of family prosperous of Indonesian migrant worker are varies. Of the 19 subjects, the two subjects were in the development of the second stage of prosperous families while 15 subjects are in the third stage of prosperous families and 2 subjects attained a phase 3 plus family. In the pre-prosperous family and stage 1 families were not found. This is because the two stages are poor families, one of the indicators is the floor house has not been tiled, yet while the families of the Indonesian foreign workers, their house floor have all been tiled. The low level of subject at the 3 plus stage, it is generally based on the activeness indicator in the board of institutions or the local community activities. This study concludes that all the subject already have a good economic condition, so that, the families of Indonesian migrant workers are not among the poor.

**Key words:** Management, remittance indonesian migrant workers, indicator, institutions, economic, condition

### **INTRODUCTION**

Remittance management is a very important thing in realizing the economic welfare of Indonesian migrant workers. Remittance is salary or wage received by TKI abroad and sent to country of origin. The number of TKI who work abroad due to the problem of labor market inequality in the country. It cause some workers to work abroad, become TKI (Indonesian migrant workers). In addition to the factors of labor market inequality in Indonesia, one of the factors of towing migrant workers who work abroad is the salary received is greater than working in Indonesia with the same type of work.

Management of well-structured remittances can provide economic welfare for Indonesian migrant workers. Behavior of wasteful, consumptive, utilization of remittances that are not according to need is a form of unstructured management (Susilo, 2002). Many migrant households on the Island of Bawean have a relatively well-established household economy (much more than adequate), yet many families of migrant workers in the

area of origin still have not changed with the situation before becoming migrant workers. Cases that encountered in remote family TKI communities on Bawean Island (Susilo, 2015). In some cases, labor migrants work together in the same destination country, the same type of work and the time of departure abroad almost simultaneously but the level of economic prosperity of households in the origin areas are much different, this can be identified through the real life of very different house conditions (Susilo, 2002). This fact signaled the model of remittance management by each TKI or the TKI family in different Bawean area.

The occurrence of Bawean society phenomenon work abroad as TKI in addition to a little help to solve the problem of employment, especially unemployment in particular also can improve the level of household economic prosperity.

Literaly, the meaning of household economic management of TKI is the goal from the beginning when the desire to work abroad can not be separated from various motives both the motive of cause and the

purpose motive (Schutz, 1962). A TKI to achieve the level of household economic welfare has several factors relating to his/her background as well as his/her family background, thus, encouraging both to work abroad to become TKI.

The success of remittance management for the achievement of household economic welfare is very much dependent on the understanding of TKI itself when the early TKI departure has an understanding of economic prosperity as its objective, then the achievement of prosperity is immediately realized or realized. According to Ritzer and Douglas (2007) that one's understanding is not removed from the social context and one's future goals, just as the Bawean TKI community from the beginning aims to have economic prosperity (Susilo, 2015)

One measure to find out the level of economic welfare of TKI can use the analysis of prosperous family development (Pembangunan Keluarga Sejahtera/PKS). Prosperous family development is a family formed based on legitimate marriage, able to meet the needs of spiritual life and material worthy, devoted to God Almighty has a harmonious, harmonious and well-balanced relationship between family members with the community and with the environment (BKKBN, 1994). Prosperous family development can be classified into five stages consisting of 12 variables: food, clothing, shelter, health, education, religion, family planning, family interaction interaction with environment, saving information and role in society.

The prosperous family stage consists of five stages including the pre-prosperous stage: the pre-prosperous family stage is a family that has not been able to meet one or more indicators of the prosperous family stage 1. The second is the first stage of prosperous families. The family of stage 1 is fulfilled if the family: eats twice a day or more, different clothing for various purposes, floor house has been tiled, health or sick children (taken to health facilities).

The prosperous family of stage 2 is a stage of family economic welfare in which all the indicators of phase 1 are met and supplemented by: eating meat/fish/eggs as a side dish at least once a week, obtaining new clothes in the past year, the floor area of each house 8 m<sup>2</sup>, literacy for all adult family members aged under 60 years old, school-aged children (6-15 years) attend school, family have fixed income, healthy family members in the last month, family members perform regular worship correspond to their faith.

Prosperous family stage 3 can be identified if all the indicators of stage 2 are met, plus: children who live at most 2 people, productive parents are still using contraception, families have savings, eat together with at

least once a day, participate in community activities, recreation at least once every 3 months, getting news from newspapers, radio, TV, magazines, family members using the means of transportation. While the prosperous family of stage 3-plus is depicted with all indicators at each stage are fulfilled, plus: regularly contributing in material form to the community, active as the board of foundations/ community institutions.

## **MATERIALS AND METHODS**

In this study, subjects were determined based on the number of subjects in the study in 2016. The subjects of the study were the active TKI, the migrant workers who temporarily did not work but there was intention to work abroad again and the TKI less than a year ago still work abroad (former TKI). The amount of research subjects 19 TKI such as research subjects in 2016.

The process of collecting data has been done long before further proposal was made, especially documentation and general observation. Based on information at the first phase of the community leaders as well as the family of the subjects, on the big day of Islam many migrant workers return home and every month there are always workers who return to Bawean island for 1 or 2 weeks. This in-depth interview aims to understand individual actions. In data collection, conducted by in-depth interview and deep interview. (Kuswanto, 2009). In-depth interviews were conducted to clarify and validate data on observation records. Deep interview has been conducted to clarify and validate data from observation. Therefore, in-depth interviews are conducted by way of more researchers acting as listeners. In this research, researchers treat informants (respondents) as individuals who are experts in their own life and experience (Fatchan, 2009). In this research in this research analysis technique use interactive data model analysis as developed by Miles and Huberman, (1992). Data analysis conducted simultaneously with the data collection process. Stages of this research begins with data collection, data reduction, data display and verivikasi or draw conclusions. To analyze the economic management of Indonesian migrant workers is done through the stages of prosperous family development used stages of prosperous family development (BKKBN) Committee of Population and National Family Planing (BKKBN, 1994).

## **RESULTS AND DISCUSSION**

The results of the first year research shows that remittance management is very unique, namely finding three models how to regulate remittance management

before used in the form of investment. The model is direct utilized and savings system remittance (model of deposit, saving and loan model).

**Development of prosperous families based on the economic management of migrant domestic workers:**

Prosperous family development is a family formed based on legitimate marriage, able to meet the needs of spiritual life and material worthy, devoted to God Almighty has a harmonious, harmonious and well-balanced relationship between family members with the community and with the environment (BKKBN, 1994). Prosperous family development can be classified into five stages consisting of 12 variables: food, clothing, shelter, health, education, religion, family planning (KB), family interaction interaction with environment, saving information and role in society.

Based on the results of research conducted with in-depth interviews, the stages of prosperous families of migrant workers vary. Of the 19 subjects, based on the indicators of prosperous family development, 2 families were at stage 2, 14 families were at stage 3 and 3 families were at stage 3 plus while pre-prosperous and prosperous families stage 1 were not found. This is because the two stages are the poor family group, one of which indicates the floor has not been tiled yet while the families of Indonesian migrant workers have all been tiled floors.

**Pre-prosperous family:** Based on the results of research from 19 subjects, no family of Indonesian migrant workers were found in the pre-prosperous family stage. This is because all respondents meet the indicator of family prosperous. Those indicators are: eat twice a day or more; Different clothing for various purposes; House floor has been tiled; health (sick children brought to health facilities). Substantively, there is no family of TKI belonging to the pre-prosperous family which means no family of poor TKI. Level of economic welfare of TKI in Bawean has fulfilled indicator of family prosperous, primary requirement such as food of clothing and board is more than enough, even all subject of TKI resides not far away far from health center. Health facilities and infrastructure in research location is good and this makes it easier for subjects to get access to health services.

**Prosperous family stage 1:** Based on the results of the study, no subject belonging to the first stage prosperous family. Where all research subjects can meet the first stage welfare indicators and meet all the indicators in stage 2. This is indicated by the fulfillment of indicators such as: eating meat/fish/eggs as side dishes at least once

a week; Obtaining new clothes in the past year; Floor area of each house occupant 8 m<sup>2</sup>; Literacy for all adult family members aged under 60 years; School-age children (6-15 years) attend School; Families have a regular income, healthy family members in the past month, family members regularly worship correspond to their faith. The development of the first stage of prosperous families is still a poor family.

**Prosperous family stage 2:** The second stage of prosperity can be fulfilled if the Indonesian migrant worker's families can meet the 8 indicators in stage 2. Based on the results of research there is 1 subject belonging to the prosperous family stage 2. Where the subjects can not meet all the indicators in stage 3 such as: children who live at most 2 people, productive parents still using contraception; The family has savings; eating together at least once a day; Participate in community activities; Recreation at least once every 3 months; Get news from newspapers, radio, TV, magazines; Family members using the means of transportation.

One of the subjects belonging to the second stage welfare family is a 43 years old Mr. Suhudi, the subject is a former elementary School Graduate (SD) who works in Malaysia as a construction worker. The subject went to Malaysia through a recruitment agency with a pay-cut system. The subject explained that at the time of becoming TKI his remittance not well-managed. As long as being a migrant worker is not much money is set aside for savings, the subject decided to borrow money in the bank to open a fish collecting business. At the time of the interview the subject explained that he did not have any savings which means that one of the stages of the family of welfare 3 can not be fulfilled. Therefore, Mr. Suhudi belonged to the second stage prosperous family because he could not fulfill one of the indicators of the prosperous family of stage 3.

**Prosperous family stage 3:** Prosperous family stage 3 can be fulfilled if all the indicators of stage 3 are passed. Based on the results of the study, of 19 subjects 16 subjects belonging to the prosperous family stage 3. This is because all indicators of stage 3 can be fulfilled but can not meet the indicator stage 3-plus. Indicator 3-plus consist of: make regular contributions in material form to society; Active as a board of trustees/community institutions. The results showed that of all subjects namely 19 TKI, most of which are 15 subjects in the management of remittance is at the level of prosperous stage 3. Subjects can not achieve the welfare of phase three-plus, more due to the indicator someone must be

active in the board of the foundation or community institution. For example, the subject of 60 years old Haji Gufron is a former Indonesian migrant worker whose home economic success is sourced from remittances when being a migrant worker, the subject of owning a hotel and owning a gold shop. Subjects based on monthly narrative contributed to the orphanage foundation in Gresik but because the subject was so old that it was no longer active in the local community institution's management, the subject was in the stage of developing prosperous family stage 3.

The subjects in general who are in the development of prosperous family stage 3 are hampered by the active indicators in the stewardship of community institutions. It is known that in Bawean the administrators of the community institution are positions that are well-regarded in their community, so, it is not surprising many people interested in to be the head of "Rukun Tetangga" or "Rukun Warga", so there must be election of RT and RW. In contrast to the condition in Java, the urban areas for head of RT are not much in demand, besides because this is a social position, also only get a very low salary honorarium.

The subject, 47 years old Kemas Sulaiman, works in a foreign ship, tells us that the economy is more than enough and has a successful store business investment. Subjects such as Kemas Sulaiman this time more used abroad, sometimes in 1 year only once back home and even in 2 years, so, it is not possible subject will enter society stewardship. The subject will not achieve the three stage plus prosperous, even if the economic welfare is very well established. Based on the results of research in the social context of the subject has a multi-storey house has a large enough yard and quite good compared to houses nearby. Kemas Sulaiman family is a family that has a high social status in his community, based on the information from head of RT, Kemas Sulaiman family is very helpful in RT development programs, especially in programs related to finance.

**Prosperous family stage 3-plus:** Based on the results of research, from 19 subjects there are 2 subjects belonging to the family of prosperous stage 3-plus. Where the two subjects can fulfill all the stages of the welfare family and are added by: contributing regularly in material form to the community, active as a board of trustees/ community institutions.

Two subjects who entered into the family of stage 3-plus are Mr. Haris and Mr. Masrum. Mr. Haris is a former Indonesian migrant worker and high school graduate who works in a Dutch shipping company. The management of remittances is done by direct system

model where subjects set aside salary to build boarding house business and music studio in the area of origin. The subjects are classified into the prosperous family stage 3 plus because it is a local community leader who is actively involved in contributing regularly to the local area where the subject is also a head of RT 4 RW 3 in the village Kotakusuma, Sangkapura District, Bawean Island.

Aside from Mr Haris, a subject that belonging to the third stage of prosperous plus family was Mr. Masrum. Mr. Masrum is a former TKI who works as a construction worker in Malaysia. Subjects manage remittance with savings system, during working in Malaysia the subject of saving and opening a shop business in the area of origin. Previously, subject opened a food stall near the work place in Malaysia. The subject states that he successfully opened a food stalls in Malaysia with his wife. After a long time with food stalls in Malaysia, the subjects decided to go back to Bawean Island and open a food stall with savings capital of work and business in Malaysia. One interesting thing about the food stall business in Bawean Island is the menu that is served. The menu served in the stall is a menu of dishes from Malaysia that were not available on Bawean Island. In addition, to good remittance management, the subjects are also involved and play an active role in the community environment. The subjects regularly contribute in material form to the environment. The subject is also the head of RT 1 RW 4, Sawahmulia village, Sangkapura district, Bawean Island. This finding is in line with the results of Susilo's (2014) research on remittance and welfare to TKI in Tulungagung.

Two of the 19 subjects belonging to the stage 3 plus family are prosperous. Because not all families belonging to the third stage prosperous family can socialize very well, so, less able affirmed to enter the structure of community institutions.

## CONCLUSION

Economic management of Indonesian migrant workers household from remittances, shows that all subjects have a good level of well-being, meaning that no subject is at a poor welfare stage. Subjects generally exist in the welfare phase 3 and only two subjects that are on the welfare phase 3 plus. The low level of prosper is more caused by active indicators in the structure of local community institutions. Subjects in understanding the management of household economic welfare aims to have more economic prosperity, so as to be able to start further business investment.

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