Indonesian Labour Migration to Sabah: Changes, Trends and Impacts

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE OF CONTENTS</td>
<td>i</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>v</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>viii</td>
</tr>
<tr>
<td>LIST OF PLATES</td>
<td>xi</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>xii</td>
</tr>
<tr>
<td>DECLARATION</td>
<td>xiv</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>xv</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>xviii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>xix</td>
</tr>
<tr>
<td>GLOSSARY</td>
<td>xxi</td>
</tr>
</tbody>
</table>

**Chapter 1. Introduction**

- 1.1 Introduction                                                      1
- 1.2 Aims and Objectives                                              3
- 1.3 Malaysian Economic Development and Indonesian Labour Migration   3
  - 1.3.1 Economic Development in Malaysia                                6
  - 1.3.2 The Indonesia-Malaysia Migration Corridor                       12
  - 1.3.2.1 Indonesian Worker Movement to Malaysia                        15
- 1.4 Literature Review and Theoretical Framework                      20
  - 1.4.1 Studies on International Migration to Malaysia                 21
  - 1.4.2 Migration Theories in Indonesian Labour Migration to Sabah     22
- 1.5 Theoretical Framework                                             32
- 1.6 Organisation of the Thesis                                        35
- 1.7 Conclusion                                                        37

**Chapter 2. Changes in Workforce Structure and Foreign Workers in Malaysia**

- 2.1 Introduction                                                      38
- 2.2 Human Capital Development and Changes in Workforce Structure      39
- 2.3 Employment of Foreign Workers in Malaysia                         50
  - 2.3.1 Expatriates                                                 52
  - 2.3.2 Contract Migrant Workers                                    53
- 2.4 Recruitment of Foreign Contract Workers                           55
- 2.5 Size and Trend of Contract Migrant Workers                        60
  - 2.5.1 Contract Migrant Workers by Sector                           64
2.6 Illegal Migrants

2.7 Conclusion

Chapter 3   Overview of Sabah: Economic Development and Challenges

3.1 Introduction

3.2 Sabah Background

3.2.1 Population

3.2.2 Emergence of a Multicultural Society

3.3 Economic Development and Workforce Structure

3.4 Challenges in Sustaining Economic Development

3.5 Demand for Foreign Workers

3.6 Conclusion

Chapter 4   Research Methodology

4.1 Introduction

4.2 The Mixed Methods Approach

4.3 Secondary Data Sources

4.3.1 Department of Statistics Malaysia

4.3.2 Sabah State Government Agencies

4.3.3 Other Secondary Data Sources

4.4 Primary Data Collection

4.4.1 In-Depth Interviews

4.4.2 Focus Group Discussions (FGDs)

4.4.3 Non-Participant Observation

4.4.4 Survey

4.5 Data Entry, Cleaning and Analysis

4.5.1 Coding

4.5.2 Cleaning Data

4.5.3 Data Analysis and Presentation

4.6 Conclusion

Chapter 5   Characteristics of Migrant Workers in Sabah

5.1. Introduction

5.2 Sex and Age

5.3 Ethnicity, Place of Origin and Religion

5.4 Marriage and Family Status

5.5 Education
Chapter 6   Migration Strategy and Networks.......................................................... 171
6.1 Introduction........................................................................................................ 171
6.2 Motives and the Decision to Migrate................................................................. 171
6.3 Role of Social Networks..................................................................................... 176
6.4 Travel Experience............................................................................................... 183
6.5 Recruitment and Movement Strategy............................................................... 190
   6.5.1 Legal Recruitment....................................................................................... 191
   6.5.2 Recruitment Facilitated by Mandors........................................................... 195
   6.5.3 Illegal Recruitment...................................................................................... 197
6.6 Conclusion........................................................................................................... 200

Chapter 7    Economic Linkages and Impacts on Indonesian Labour
   Migration to Sabah............................................................................................... 202
7.1 Introduction......................................................................................................... 202
7.2 Pre- and Post Migration Employment............................................................... 206
   7.2.1 Pre-Migration Employment........................................................................ 206
   7.2.2 Post-Migration Employment...................................................................... 209
7.3 Migrant’s Economic Linkages.......................................................................... 211
   7.3.1 Wages........................................................................................................ 212
   7.3.2 Living Expenses at Destination.................................................................. 223
   7.3.3 Dynamics of Remittances........................................................................... 226
7.4 Conclusion.......................................................................................................... 238

Chapter 8    Demographic and Social Impacts of Indonesian Labour
   Migration to Sabah............................................................................................... 240
8.1 Introduction......................................................................................................... 240
8.2 International Migration and the Impact on Sabah’ Demographic Structure........ 241
   8.2.1 Demographic Structure Before Independence (1891-1960)....................... 242
   8.2.2 Demographic Structure After Independence (1970-2010)......................... 243
8.3 Routes to Citizenship among Migrants............................................................... 248
8.4 Impacts on Services........................................................................................... 253
   8.4.1 Health Care............................................................................................... 254
   8.4.2 Education................................................................................................... 261
8.5 Conclusion.......................................................................................................... 268
## Chapter 9  Conclusion and Implications

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1. Introduction</td>
<td>270</td>
</tr>
<tr>
<td>9.2. Major Findings and Implications</td>
<td>270</td>
</tr>
<tr>
<td>9.2.1 Changes in Malaysia’s Development Leading to Employment of Foreign Workers</td>
<td>271</td>
</tr>
<tr>
<td>9.2.2 Trends and Characteristics of Indonesian Labour Migration to Sabah</td>
<td>272</td>
</tr>
<tr>
<td>9.2.3 Roles of Social Networks in Pre-, During and Post Stages of Migration</td>
<td>274</td>
</tr>
<tr>
<td>9.2.4 Economic Linkages and Impacts</td>
<td>276</td>
</tr>
<tr>
<td>9.2.5 Demographic and Impacts</td>
<td>278</td>
</tr>
<tr>
<td>9.3 Current Policy Implementation and the Problems</td>
<td>279</td>
</tr>
<tr>
<td>9.3.1 Policy Proposals and Implications</td>
<td>281</td>
</tr>
<tr>
<td>9.4 Theoretical Implications</td>
<td>286</td>
</tr>
<tr>
<td>9.5 Limitations of the Study</td>
<td>287</td>
</tr>
<tr>
<td>9.6 Recommendation for Future Research</td>
<td>288</td>
</tr>
<tr>
<td>9.7 Conclusion</td>
<td>288</td>
</tr>
</tbody>
</table>

**Appendices**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>290</td>
</tr>
</tbody>
</table>

**Bibliography**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>337</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1.1 Malaysian Annual Growth Rate by Malaysia Plan and Sector ......................... 7
Table 1.2 ‘Other Malayans’ Making up the Total Malayans in 1947 Census ...................... 13
Table 1.3 The Number of Overseas Indonesian Workers (OIWs) to Malaysia since Repelita I .................................................................................................................. 15
Table 1.4 Indonesia and Malaysia Key Economic Indicators .......................................... 16
Table 1.5 Distribution of Indonesian Workers in Malaysia by Sector and their Proportion (% ) Compared to Other Foreign Workers................................................................. 17
Table 2.1 Malaysia Standard Classification of Occupation (MASCO 2008) .................... 45
Table 2.2 Categories of International Migrants in Malaysia ......................................... 51
Table 2.3 Temporary (Fixed Term) Contract of Low/Semi-skilled Foreign Workers .... 54
Table 2.4 Cost of Annual Levy for Foreign Workers in the Peninsular Malaysia, Sabah and Sarawak by Work Sectors ................................................................. 58
Table 2.5 Cost of VPTE, Medical Examination and Processing Fees .......................... 59
Table 2.6 Cost of Visa and Security Deposit/Bond by Nationality ............................... 60
Table 2.7 Share of Foreign Workers from Total Malaysian Workforce by Major Sector 1985, 2004 and 2010 ................................................................. 61
Table 2.8 Types of Migrants of Illegal Status in Malaysia ............................................. 70
Table 2.9 Estimates of Number of Illegal Migrants in Malaysia ................................. 72
Table 2.10 Ratio of Legal to Illegal Migrant Workers 1970-2011 .............................. 73
Table 2.11 The Number of Migrants Registered under the 6Ps and 5Ps Programmes .... 74
Table 3.1 Sabah Administrative Divisions by Districts and Area .................................. 80
Table 3.2 Distribution of Malaysian Citizens in Sabah by Ethnic Group, 2010 ............ 81
Table 3.3 Sabah Population Distribution by Districts and Average Annual Growth Rate ( % ), 1980-2010 ................................................................. 83
Table 3.4 Key Demographic, Social and Economic Indicators for Malaysia and Sabah, 2010 .............................................................................................. 92
Table 3.5 Number of Employed Person by Main Industry, Sabah 2001-2010 ................ 93
Table 3.6 Average Years of Education in Malaysia by Selected Categories (1995-2009) ............................................................................................................. 105
Table 3.7 Population Aged 10 Years to 75+ by Education Attainment, Sabah 1991, 2000, 2010 ................................................................. 106
Table 3.8  Population with Primary and Lower Level of Education .......................... 106
Table 3.9  Issuance of Temporary Work Permits Based on Nationality in Sabah,  
1997-2011 ........................................................................................................... 110
Table 3.10  Employment Sector of Migrant Workers in Malaysia and Sabah,  
2008-2009............................................................................................................. 112
Table 3.11  Distribution of Citizens and Non-Citizens by Administrative Boundaries  
in Sabah, 1991, 2000, 2010.................................................................................. 113
Table 4.1  Population Increase, Malaysia by Region 1997-2010................................. 124
Table 4.2  The Number of Employers Interviewed by Sector in Sabah.......................... 134
Table 4.3  Proportion of Indonesian Workers Issued Work Permits by  
Employment Sector................................................................................................. 135
Table 4.4  Summary of Content of Set A Questionnaire on Indonesian Workers........... 139
Table 4.5  Summary of Content of Set B Questionnaire on Employers......................... 140
Table 5.1  Indonesian Migrant Workers to Malaysia by Sex, 1984 – 2011.................... 148
Table 5.2  Distribution of Indonesian Workers by Gender 2010.................................. 150
Table 5.3  Age of First Arrival at Sabah by Sex....................................................... 152
Table 5.4  Mean and Median of Age of First Arrival at Sabah by Sex............................ 153
Table 5.5  Married Migrants by Sex and Location of Spouse...................................... 161
Table 5.6  Spouse of Indonesian Workers by Nationality........................................... 163
Table 5.7  Educational Level of Migrant Workers by Sex in ILMS Survey (2010) and  
Indonesian Workforce Data 2010 ........................................................................ 166
Table 5.8  Illiteracy Level and Workers with Low Qualification in Indonesian Workforce  
and ILMS Survey (2010) by Province................................................................. 167
Table 6.1  Who Makes the Decision to Migrate by Sex............................................... 174
Table 6.2  Individuals who Influence Decision Making to Migrate by Sex.................... 175
Table 6.3  Arrival and Depature of Migrants by Category Entering via Tawau Port........ 179
Table 6.4  Main Source of Capital that Financed Migrants’ Travel Documents  
and Costs ............................................................................................................ 180
Table 6.5  Person(s) Accompanying Respondents during the Journey to Sabah .......... 181
Table 6.6  Person(s) Assisting with Accommodation in Sabah.................................... 182
Table 6.7  Travel Costs of Indonesian Workers ......................................................... 185
Table 6.8  Length of Journey Taken by Indonesian Migrants by Region...................... 187
Table 6.9  Travel Experience of Indonesian Workers before Entering Sabah .............. 188
Table 6.10 Summary of Migration Routes Taken by Indonesian Migrant
Workers to Sabah ............................................................... 200
Table 7.1 Pre-Migration Occupation of Indonesian Workers at the Origin ............. 207
Table 7.2 Pre-Migration Employment by Sector and Sex ..................................... 209
Table 7.3 Number of Respondents Working in the Same Industry as in Pre-Migration Employment ............................................. 210
Table 7.4 Economic Indicators and Differences in Wages Earned between Countries of
Origin and Destination by Selected Provinces, 2011 .................................... 213
Table 7.5 Wage Increment between Pre- and Post-Employment ............................ 215
Table 7.6 Summary Statistics of Monthly Wages by Sex and Sector ....................... 216
Table 7.7 Estimation of Wage Rates by Selected Sector and Job Type ...................... 217
Table 7.8 Monthly Wages Paid by Employers to Workers by Nationality and Sector..... 217
Table 7.9 Benefits and Financial Incentives above Basic Income for Foreign
Workers in Main Job Sectors in Sabah ........................................... 220
Table 7.10 Employee Benefits: Comparison Between Origin and Destination ............ 222
Table 7.11 Daily Consumption at Destination by Sex and Family Status ................ 224
Table 7.12 Arrangement of Initial Accommodation in the Destination ...................... 225
Table 7.13 Accommodation Cost in Destination by Sex and Family Status ................ 225
Table 7.14 Percentage of Respondents Sending Remittances by Sex and Family Status ... 228
Table 7.15 Cash Remittances and their Proportion to Wages by Sex and Family Status ... 230
Table 7.16 Frequency and Value of Cash Remittances .......................................... 231
Table 7.17 Comparative Analysis of Incentives of Remittance Channels .................. 234
Table 7.18 Main Recipients of Remittances by Family Status ................................. 236
Table 8.1 Distribution of Sabah Population by Country of Origin (1891-1960) .......... 242
Table 8.2 Distribution of Malaysian Citizens in Sabah by Ethnic Groups
Table 8.3 Migrants’ Aspiration to Become Malaysian Citizens by Family Status
and Length of Stay in Sabah .................................................................. 253
Table 8.4 Number of Respondents’ Children Born in Sabah by Family Status
and Place of Delivery ........................................................................ 260
Table 8.5 Number of Indonesian Children Receiving Education in Sabah 2000-2010 .... 263
Table 8.6 Number of Teachers in NGO/Indonesian Schools in Selected Districts
in Sabah ......................................................................................... 264
LIST OF FIGURES

Figure 1.1 Malaysia’s Major Economic Policy 1957-2020 ......................................................... 4
Figure 1.2 Transformation from Agro-based to an Industrial-based Economy, Malaysia 1970-2020 .................................................................................................................. 10
Figure 1.3 Percentage of Malaysian Total Exports 1970 and 2005 ............................................ 11
Figure 1.4 Distribution of Foreign Population in Malaysia by Region ...................................... 19
Figure 1.5 Theoretical Framework for the Study of Indonesian Migration to Sabah .......... 34
Figure 2.1 Distribution of Student Enrolment by Level of Education Malaysia (1970-2010) ........................................................................................................................................... 40
Figure 2.2 Highest Education Attainment of Population Aged 15 and above Malaysia (1950-2010) ........................................................................................................................................... 43
Figure 2.3 Distribution of Active Job Seekers by Highest Level of Education, Malaysia (1998-2011) ......................................................................................................................................... 44
Figure 2.4 Job Vacancies Reported in Various Industries by Skill Level, Malaysia (2003-2012) ............................................................................................................................................... 46
Figure 2.5 Job Vacancies Reported in Various Industries by Sector, Malaysia (1998-2012) ............................................................................................................................................... 48
Figure 2.6 Job Vacancies by Skill Level against Job Seekers by Academic Qualification, Malaysia 2002-2012 ....................................................................................................................................... 49
Figure 2.7 Major Stages in Recruiting Migrant Workers ........................................................................ 56
Figure 2.8 Number of Foreign Workers against Malaysian GDP 1997-2012 ....................... 63
Figure 3.1 Sabah Administrative Divisions and Districts ................................................................. 79
Figure 3.2 Population Distribution by Age Group and Sex, Malaysia, Sabah 2010 .............. 85
Figure 3.3 Sabah Export, Import and Balance 1995-2010 ............................................................ 95
Figure 3.4 Sabah Five Selected Major Exports 1994-2010 .......................................................... 97
Figure 3.5 Planted Area of Main Crops by Hectare, Sabah 1976-2010 .................................... 98
Figure 3.6 Planted Area of Oil Palm (Hectare) by Division and District, Sabah 1980, 1990 ........................................................................................................................................ 100
Figure 3.7 Planted Area of Palm Oil (Hectare) by Division and District, Sabah 2000, 2010 ........................................................................................................................................ 101
Figure 3.8 Labour Force by Education Attainment (%), Sabah 1982-2009 ......................... 107
Figure 3.9 Stock of Migrant Workers against Exports, Sabah 1997-2011 ............................ 111
Figure 3.10 Foreign Population Distribution (‘000) by Division 1991 and Migrant Flow to Sabah 1991 ................................................................. 115
Figure 3.11 Foreign Population Distribution (‘000) by Division 2010 and Migrant Flow to Sabah 2010 ................................................................. 115
Figure 4.1 Indonesian Labour Migration to Sabah 2010: The Mixed Methods Approach ........................................................................ 119
Figure 4.2 Distribution of Non-Citizen Population by Administrative Boundaries in Sabah, 2000, 2010 ................................................................ 133
Figure 4.3 Indonesian Labour Migration to Sabah 2010: Research Team .................. 141
Figure 5.1 Age-Sex Structure of Indonesian Migrants in ILMS (2010) (open bars) and Sabah Population Census 2010 (shaded bars) ......... 151
Figure 5.2 Distribution of Indonesian Workers by Ethnicity ................................ 154
Figure 5.3 Distribution of Indonesian Migrant Workers by Place of Origin and Ethnicity ................................................................. 156
Figure 5.4 Migration Flow of Indonesian Migrants to Malaysia ................................ 157
Figure 5.5 Indonesian Workers by Marital Status ................................................ 160
Figure 5.6 Educational Level of Migrant Workers in ILMS Survey (2010) and Indonesian Workforce 2010 .................................................. 164
Figure 5.7 Medical Examination of Migrant Workers ............................................. 168
Figure 6.1 Migrant Workers’ Reasons to Migrate by Sex ........................................ 172
Figure 6.2 Reason for Choosing Sabah as a Migration Destination by Sex .......... 173
Figure 6.3 Job Informants for Indonesian Workers in Sabah ............................... 177
Figure 6.4 Person(s) Who Arranged Travel Documents for Indonesian Workers .... 178
Figure 6.5 Person(s) Assisting to Secure Jobs for Indonesian Workers in Sabah .... 183
Figure 6.6 The Main Routes of P.T. Pelayaran Nasional Indonesia (Indonesian National Voyage) (Pelni) ..................................................... 186
Figure 6.7 Migration Channels of Indonesian Labour Migration to Sabah .......... 192
Figure 6.8 Illegal Routes Known for Illegal Border Crossing .............................. 199
Figure 7.1 The Remittances System: A Decision Model ....................................... 203
Figure 7.2 Migrant’s Economic Linkages ILMS Survey 2010 ................................ 205
Figure 7.3 Pre-Migration Employment by Sector (n=584) ...................................... 208
Figure 7.4 Wage Differential between the Origin and Destination ..................... 215
Figure 7.5 Indonesian Workers and Remittance Flow, 2001-2012 ....................... 227
Figure 7.6 Frequency of Sending Remittances by Family Status ....................... 231
Figure 7.7 Remittances in Kind ................................................................. 232
Figure 7.8 Mode of Sending Cash Remittances ................................. 235
Figure 7.9 Uses of Remittances ............................................................ 238
Figure 8.1 Number of Sabah’s Population by Census 1970, 1980, 1991, 2000 and 2010 ................................................................. 244
Figure 8.2 Distribution of Sabah Citizens by Ethnicity in Economic Sub-Regions ........ 248
Figure 8.3 Routes to Citizenship in Sabah ............................................. 251
Figure 8.4 Process of Gaining Citizenship in Sabah ............................ 252
Figure 8.5 Number of Local and Foreign Outpatients, Inpatients and Births in Public Hospitals in Sabah ....................................................... 257
Figure 8.6 Distribution of Foreign Inpatients in Public Hospitals by Selected District, 2000-2010 ................................................................. 258
Figure 8.7 Distribution of Foreign Births in Public Hospitals by Selected District, 2000-2010 ................................................................. 259
Figure 8.8 Number of Migrants’ Children Attending Schools in Sabah by Levels of Education (N=551) ......................................................... 265
Figure 8.9 Problems in Sending Migrants’ Children to Schools in Sabah (N=138) .......... 266
Figure 8.10 Ways to Solve Problems in Sending Migrants’ Children to Schools in Sabah (N=129) ......................................................... 267
LIST OF PLATES

Plate 6.1 Five Ferry Services Tawau-Nunukan-Tawau at Nunukan Port ....................... 189
Plate 6.2 Tawau-Pulau Sebatik-Tawau Boats at an Informal Batu Batu Jetty
in Tawau........................................................................................................... 190
Plate 6.3 Speedboat from Sungai Nyamuk Arriving Near Tawau Port
Transporting Illegal Migrants........................................................................... 196
Plate 6.4 Close Proximity between Sabah and Indonesia .................................. 197
Plate 6.5 In-Depth Interview with an Indonesian Coast and Sea Guard Unit Officer
(Kepala Penjagaan Laut Pantai Indonesia) at Nunukan.....................................198
Plate 7.1 (a and b) A Variety of Items Sent by Indonesian Migrants through
Tawau Port...........................................................................................................233
ABSTRACT

This thesis is concerned with low-skilled Indonesian labour migration to Sabah East Malaysia that is driven by multi-sectoral developmental activities, particularly in plantations and agriculture. The flow of Indonesian workers that began before Sabah’s independence in 1963 has grown especially during the 1990s parallel with Sabah’s economic development facilitated by a well established network system that allows entrance to Sabah through legal, semi-legal and illegal channels. Indonesian labour migration to Sabah has become more complex with the state government’s inability to implement temporary migration policies which consequently has allowed migrants to stay longer than their contracts permit, bring family members with them and form family units. In addition, the granting of fast-track citizenship for political reasons is believed to attract more migrants to Sabah.

This study has three main parts namely changes, trends and impacts of Indonesian labour migration to Sabah. It begins with an analysis of internal changes in Malaysia generally, and Sabah specifically; that involves rapid economic development, improvement in education and changes in workforce structure initiated by New Economic Policy (NEP) implemented in 1970. As a result, Sabah had to depend on foreign workers to fill jobs eschewed by the locals. Migrants continue to play an important role to help keep production costs low and remain competitive in global markets.

The selectivity of the Indonesian migration flow is examined through an analysis of the characteristics, reasons and decisions to migrate and migration strategies which are part of the migration trends of Indonesian labour migration. Historical links and geographical proximity between the two countries; as well as physical characteristics, culture and language similarity between Indonesians and Malays are part of the reason Indonesians choose Sabah as a destination. The role of social networks in pre, during and post migration stages facilitate and smooth the process of recruitment and movement. Growth of a migration industry that comprises several layers of intermediaries who facilitate illegal movement further sustains the migration flow between the two countries.

The presence of Indonesian migrants has had economic and non-economic impacts to both origin and destination. The tendency of bringing family members and full family formation is another distinct feature that has impacts on remittance behaviour as well as health and education services. The sensitive issue of granting citizenship to migrants that contributes to changes in the demographic structure and ethnic balance in Sabah is often associated with political interest and survival of the ruling party. All these contribute to the dynamics and complexity of the Indonesia–Sabah labour migration corridor discussed in this study.

Although importation of foreign labour is seen by government largely as a short-term measure to solve labour shortages, dependency on labour migrants will possibly become a permanent feature in Malaysia. It is impossible to provide a sufficient local workforce in export industries in the current situation and the near future, hence the importance of international migration. Therefore, it is crucial for government agencies that handle
employment of foreign workers to move from a policing model to a management model of migration. To benefit from the Malaysia-Indonesia labour migration corridor, both countries should cooperate to improve the sending and receiving migrant workers. Legal employment should be made less complicated and costly to attract more migrants choosing the legal channel to overcome illegal migration problems.
DECLARATION

I, Syed Abdul Razak Bin Sayed Mahadi certify that this work contains no material which has been accepted for the award of any other degree or diploma in any universities or other tertiary institutions and to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

I give consent to this copy of my thesis, when deposited in the University Library, being available for loan and photocopying, subject to the provisions of the Copyright Act 1968.

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Signed……………………………… Date………………………………
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DEDICATION

A special dedication for
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Sayed Mahadi Bin Syed Idrus.
I am here because of you; your sacrifices and kindness.

To all my family members, especially Siti Aminah (Kak Che Am) and Syed Nasir,
Your sacrifices and support given since I was young will not be forgotten.

To my mother and father in laws, Hasan Bin Rakom and Rahimah Binti Ahmad
who have been supporting me in many ways all these years.

To my soul mate, Hadayat Rahmah Binti Hasan
and my sweet daughters, Sharifah Nur Atiqah Sufi, Sharifah Nur Shakirah Sufi and
Sharifah Nur Addinie Sufi,
I love all of you so much.
Your love, understanding and care make my life meaningful.
**LIST OF ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>BNBCC</td>
<td>British North Borneo Chartered Company</td>
</tr>
<tr>
<td>BNP2TKI</td>
<td>National Body of Placement and Protection of Indonesian Workforce (National level)</td>
</tr>
<tr>
<td>BNP3TKI</td>
<td>National Body of Placement and Protection of Indonesian Workforce (Provincial level)</td>
</tr>
<tr>
<td>CIDB</td>
<td>Construction Industry Development Board Malaysia</td>
</tr>
<tr>
<td>DEPNAKER/PJTKI</td>
<td>Department of Manpower and Transmigration</td>
</tr>
<tr>
<td>DOSM</td>
<td>Department of Statistics Malaysia</td>
</tr>
<tr>
<td>DOSS</td>
<td>Department of Statistics Sabah</td>
</tr>
<tr>
<td>E&amp;E</td>
<td>electrical and electronics</td>
</tr>
<tr>
<td>EPU</td>
<td>Economic Planning Unit</td>
</tr>
<tr>
<td>FBB</td>
<td>fresh fruit bunch</td>
</tr>
<tr>
<td>FDI</td>
<td>foreign direct investment</td>
</tr>
<tr>
<td>FELCRA</td>
<td>Federal Land Consolidation and Rehabilitation Authority</td>
</tr>
<tr>
<td>FELDA</td>
<td>Federal Land Development Agency</td>
</tr>
<tr>
<td>FOMEMA</td>
<td>Foreign Workers Medical Examination Monitoring Agency</td>
</tr>
<tr>
<td>FWA</td>
<td>Foreign Workers Agency</td>
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<tr>
<td>GDP</td>
<td>gross domestic product</td>
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<tr>
<td>ICT</td>
<td>information and communications technology</td>
</tr>
<tr>
<td>IDOM</td>
<td>Immigration Department of Malaysia</td>
</tr>
<tr>
<td>IDOS</td>
<td>Immigration Department of Sabah</td>
</tr>
<tr>
<td>ILMS 2010</td>
<td>Indonesian Labour Migration Sabah 2010</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMM13</td>
<td>Refugee card</td>
</tr>
<tr>
<td>IT</td>
<td>information technology</td>
</tr>
<tr>
<td>JTK</td>
<td>Labour Force Department (Sabah)</td>
</tr>
<tr>
<td>KDI</td>
<td>Knowledge-Based Economic Development Index</td>
</tr>
<tr>
<td>KJRI</td>
<td>Consulate General of Republic of Indonesia</td>
</tr>
<tr>
<td>KTP</td>
<td><em>Karta Tanda Penduduk</em> (birth certificate)</td>
</tr>
<tr>
<td>LCE</td>
<td>Lower Certificate of Education</td>
</tr>
<tr>
<td>MASCO</td>
<td>Malaysian Standard Categorisation of Occupation</td>
</tr>
<tr>
<td>MCE</td>
<td>Malaysia Certificate of Education</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<td>--------------</td>
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<tr>
<td>MHSC</td>
<td>Malaysia High School Certificate</td>
</tr>
<tr>
<td>MIDA</td>
<td>Malaysian Industrial Development Agency</td>
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<tr>
<td>MOH</td>
<td>Ministry of Health</td>
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<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>MSC</td>
<td>multimedia super corridor</td>
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<tr>
<td>NDP</td>
<td>National Development Policy</td>
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<tr>
<td>NEAC</td>
<td>National Economic Action Council</td>
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<tr>
<td>NEP</td>
<td>New Economic Policy</td>
</tr>
<tr>
<td>NRD</td>
<td>National Registration Department</td>
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<tr>
<td>NVP</td>
<td>National Vision Policy</td>
</tr>
<tr>
<td>PATI</td>
<td><em>pendatang tanpa izin</em> (illegal immigrants)</td>
</tr>
<tr>
<td>PMR</td>
<td><em>Penilaian Menengah Rendah</em> (see LCE)</td>
</tr>
<tr>
<td>POIC</td>
<td>Palm Oil Industrial Cluster</td>
</tr>
<tr>
<td>PPT-LIPI</td>
<td>Research Centre for Population and Manpower Studies – Indonesian Institutes of Sciences</td>
</tr>
<tr>
<td>Pusdatinaker</td>
<td>National Labour Force Database Centre (Indonesia)</td>
</tr>
<tr>
<td>RCI</td>
<td>Royal Commission of Inquiry</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>research and development</td>
</tr>
<tr>
<td>S&amp;T</td>
<td>science and technology</td>
</tr>
<tr>
<td>SAKERNAS</td>
<td>National Labour Survey (Indonesia)</td>
</tr>
<tr>
<td>SLFD</td>
<td>Sabah Labour Force Department</td>
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<tr>
<td>SLMF</td>
<td>Special Laboratory on the Management of Foreigners</td>
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<tr>
<td>SME</td>
<td>small and medium enterprises</td>
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<tr>
<td>SPM</td>
<td>Sijil Pelajaran Malaysia (see MCE)</td>
</tr>
<tr>
<td>SRP</td>
<td>Sijil Rendah Pelajaran (see LCE)</td>
</tr>
<tr>
<td>SUHAKAM</td>
<td>Human Rights Commission of Malaysia (Malay: Suruhanjaya Hak Asasi Malaysia)</td>
</tr>
<tr>
<td>SUSENAS</td>
<td>National Socio Economic Survey (Indonesia)</td>
</tr>
<tr>
<td>TFP</td>
<td>total factor productivity</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
</tr>
<tr>
<td>UPEP</td>
<td>Ethnography and Developmental Research Unit, UMS</td>
</tr>
<tr>
<td>VPTE/PLKS</td>
<td>Visa Pass for Temporary Employment</td>
</tr>
<tr>
<td>Glossary Item</td>
<td>Definition</td>
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<tr>
<td>-------------------------------</td>
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<tr>
<td>Aspal</td>
<td>Authentic but falsified</td>
</tr>
<tr>
<td>Bumiputera</td>
<td>Sons of soil</td>
</tr>
<tr>
<td>Calo/taikong/tauheh</td>
<td>Unlicenced recruiter</td>
</tr>
<tr>
<td>Dewan Undangan Negeri (DUN)</td>
<td>State Assembly</td>
</tr>
<tr>
<td>Kartu Penduduk</td>
<td>Local Identity Card (Indonesians’)</td>
</tr>
<tr>
<td>Ketua kampung</td>
<td>Head of Village</td>
</tr>
<tr>
<td>Lorong Tikus</td>
<td>Rat trails</td>
</tr>
<tr>
<td>Mandor</td>
<td>Supervisor</td>
</tr>
<tr>
<td>Menteri Besar/Ketua Menteri</td>
<td>Chief Minister</td>
</tr>
<tr>
<td>Orang Kaya Kaya</td>
<td>Head of the district</td>
</tr>
<tr>
<td>Pas Lintas Batas</td>
<td>Border Pass</td>
</tr>
<tr>
<td>Pelni</td>
<td>Pelayaran Indonesia (Indonesian National Voyage)</td>
</tr>
<tr>
<td>Peribumi</td>
<td>Native peoples</td>
</tr>
<tr>
<td>Yang Di-Pertuan Negeri</td>
<td>Governor of Sabah</td>
</tr>
<tr>
<td>Yang Di-Pertuan Besar</td>
<td>Great Pertuan</td>
</tr>
</tbody>
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