

Indonesian Labour Migration to Sabah: Changes, Trends and Impacts

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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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LIST OF ABBREVIATIONS

BNBCC	British North Borneo Chartered Company
BNP2TKI	National Body of Placement and Protection of Indonesian Workforce (National level)
BNP3TKI	National Body of Placement and Protection of Indonesian Workforce (Provincial level)
CIDB	Construction Industry Development Board Malaysia
DEPNAKER/PJTKI	Department of Manpower and Transmigration
DOSM	Department of Statistics Malaysia
DOSS	Department of Statistics Sabah
E&E	electrical and electronics
EPU	Economic Planning Unit
FBB	fresh fruit bunch
FDI	foreign direct investment
FELCRA	Federal Land Consolidation and Rehabilitation Authority
FELDA	Federal Land Development Agency
FOMEMA	Foreign Workers Medical Examination Monitoring Agency
FWA	Foreign Workers Agency
GDP	gross domestic product
ICT	information and communications technology
IDOM	Immigration Department of Malaysia
IDOS	Immigration Department of Sabah
ILMS 2010	Indonesian Labour Migration Sabah 2010
ILO	International Labour Organisation
IMM13	Refugee card
IT	information technology
JTK	Labour Force Department (Sabah)
KDI	Knowledge-Based Economic Development Index
KJRI	Consulate General of Republic of Indonesia
KTP	<i>Kartu Tanda Penduduk</i> (birth certificate)
LCE	Lower Certificate of Education
MASCO	Malaysian Standard Categorisation of Occupation
MCE	Malaysia Certificate of Education

MHSC	Malaysia High School Certificate
MIDA	Malaysian Industrial Development Agency
MOH	Ministry of Health
MoU	Memorandum of Understanding
MSC	multimedia super corridor
NDP	National Development Policy
NEAC	National Economic Action Council
NEP	New Economic Policy
NRD	National Registration Department
NVP	National Vision Policy
PATI	<i>pendatang tanpa izin</i> (illegal immigrants)
PMR	<i>Penilaian Menengah Rendah</i> (see LCE)
POIC	Palm Oil Industrial Cluster
PPT-LIPI	Research Centre for Population and Manpower Studies – Indonesian Institutes of Sciences
Pusdatinaker	National Labour Force Database Centre (Indonesia)
RCI	Royal Commission of Inquiry
R&D	research and development
S&T	science and technology
SAKERNAS	National Labour Survey (Indonesia)
SLFD	Sabah Labour Force Department
SLMF	Special Laboratory on the Management of Foreigners
SME	small and medium enterprises
SPM	Sijil Pelajaran Malaysia (see MCE)
SRP	Sijil Rendah Pelajaran (see LCE)
SUHAKAM	Human Rights Commission of Malaysia (Malay: Suruhanjaya Hak Asasi Malaysia)
SUSENAS	National Socio Economic Survey (Indonesia)
TFP	total factor productivity
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UPEP	Ethnography and Developmental Research Unit, UMS
VPTE/PLKS	Visa Pass for Temporary Employment

GLOSSARY

Aspal	Authentic but falsified
Bumiputera	Sons of soil
Calo/taikong/taukeh	unlicenced recruiter
Dewan Undangan Negeri (DUN)	State Assembly
Kartu Penduduk	Local Identity Card (Indonesians')
Ketua kampung	Head of Village
Lorong Tikus	rat trails
Mandor	supervisor
Menteri Besar/Ketua Menteri	Chief Minister
Orang Kaya Kaya	Head of the district
Pas Lintas Batas	border Pass
Pelni	Pelayaran Indonesia (Indonesian National Voyage)
Peribumi	native peoples
Yang Di-Pertuan Negeri	Governor of Sabah
Yang Di-Pertuan Besar	Great Pertuan