

Labor Moratory: Impact on Indonesia's Economic

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Abstract: *Saudi Arabia is a major destination for Indonesian Migrant Workers (TKI), there are 137,835 workers are in Saudi Arabia (2011) 134,120 workers are in Malaysia and 78,865 Indonesian Migrant Workers in Taiwan. There is an impact on the state's foreign exchange earnings since the enactment of moratorium Indonesian Migrant Workers. This phenomenon into two sides of the currency that can not be separated required a special strategy in overcoming social problems experienced by migrant workers in their place of work. Based on the problems and phenomena mentioned earlier, then further will be discussed more in depth regarding Policy Analysis Moratorium Delivery of Indonesian Workers to Saudi Arabia. Indonesia government has the right to provide protection to the citizen. The problem that affecting migrant workers are problems which has no solution. The moratorium of migrant workers was issued in 2011 and re-issued in 2015. This study aims to find out and study the Indonesian Indonesian Migrant Workers policy (TKI) to Saudi Arabia and its impact on the country's foreign exchange. Methodology is Systematic Literature Review (SLR) method, which author looks for reference theory relevant to the case or problems which found. The results indicate that the moratorium of Indonesian Migrant Workers becomes the choice of inappropriate policy actions. The implementation of the moratorium will bring negative impacts to the country, to the impact of increased repetition, the moratorium also triggered the decline of Indonesian foreign exchange, and it was triggering the illegal labor supplier*

Keywords: Moratorium, Foreign exchange, Indonesian Labor, Saudi Arabia

1. Introduction

Informal workers are migrant workers who work on individual users. The placement and protection of Indonesian migrant workers abroad is an attempt to create equal rights and opportunities for workers to obtain decent employment and income, whose implementation is undertaken with due regard to the dignity, dignity, human rights and legal protection, while equal distribution of employment opportunities and the provision of employment in accordance with national needs is not sufficient (Priambada, 2014). However, the problems associated with migrant workers are present when many cases of torture occur and the unfair treatment of the employer. Nola (2017) points out that some countries where migrant workers are placed in the Middle East, have very little rules about the protection of foreign workers, especially if they involve private areas.

Various cases of torture, rape, murder make the government must make a policy to stop sending informal workers to these countries. States through government have the obligation to provide protection to every citizen without exception.

Various efforts made by the government to negotiate with various parties concerned in overcoming this problem, one of them is by issuing the Moratorium of overseas workers.

The moratorium of migrant workers means a temporary suspension of sending Indonesian workers to certain countries. Based on the Decree of the Minister of Manpower of the Republic of Indonesia No. 260 Year 2015 concerning the Termination and the prohibition of placement of Indonesian Migrant Workers on individual users in the Middle East Area Countries.

This moratorium is based on the problems that often happen to Overseas Workers and the weak guarantee of the protection of Overseas Workers in the State of the region

In the moratorium, the termination of migrant workers to 19 countries in the Middle East region, one of which is the State of Saudi Arabia. Prior to the Decree of the Minister of Manpower of the Republic of Indonesia No. 260 Year 2015 in effect, actually Moratorium sending workers to Saudi Arabia has been decided since August 1, 2011 by the Government of Indonesia through President Susilo Bambang Yudhono. This decision is also based on the increase of violence felt by the workers, especially in Saudi Arabia. Saudi Arabia itself is one of the countries with the largest number of Indonesian Migrant Workers. Based on data from BNP2TKI (2013), the results show that Saudi Arabia is a major destination for Indonesian labor migrants, as evidenced by the large number of Indonesian migrant workers in 2011. As many as 137,835 workers are in Saudi Arabia, 134,120 workers are in Malaysia and 78,865 Overseas Workers is located in Taiwan. By looking at the magnitude of the amount will certainly have an impact on the state's foreign exchange earnings since the enactment of moratorium Overseas Workers. This phenomenon into two sides of the currency that can not be separated, required a special strategy in overcoming social problems experienced by migrant workers in their place of work. Based on the problems and phenomena mentioned earlier, then further will be discussed more in depth regarding Policy Analysis Moratorium Delivery of Indonesian Migrant Workers to Saudi Arabia.

2. Literature Review

Indonesian Workers, commonly referred to as Indonesian Migrant Workers, according to Article 1 (1) of Law Number

39 Year 2004 is every Indonesian citizen who is eligible to work abroad in employment for a certain period of time with receiving wages.

Overseas Workers deliver program which becomes one of alternative in order to reduce unemployment in Indonesia. In addition to reducing the unemployment rate, migrant workers became one of the major foreign exchange contributors to the country

The Problem of Placement and Protection of Indonesian Migrant Workers has been regulated in Law No.39 of 2004 (in **Surya and Arumsari (2016)**) on how the procedural and operational implementation, how the role of government in performing its functions as the authorities and the extent to which relevant agencies and legal entities in charge of ensuring survival and as a legal umbrella for migrant workers working abroad, especially in this case in Saudi Arabia, is clearly noted in the Act.

Moratorium of Overseas Worker (TKI)

According to KBBI, the moratorium means a delay or suspension. There is also a definition of a moratorium as a temporary cessation (**Nola, 2017**).

Therefore, the moratorium of migrant workers is the policy of terminating the delivery of Overseas Worker to some countries within a certain time issued by the Indonesian government.

Migrantcare.net (2017) said that the execution of the deaths of two migrant domestic workers in Saudi Arabia finally made the Government of Indonesia again issued a moratorium policy on the termination of migrant worker shipments, especially migrant domestic workers to 21 countries in the Middle East which came into force on 1 July 2015 through the Minister of Manpower Decree Number 260 Year 2015.

Previously the Government also issued a similar moratorium for Malaysia (2009) and Saudi Arabia (2011) on the same consideration, due to the large number of cases of violence experienced by Overseas Workers in the country of placement, so that the moratorium issued for the purpose of protecting migrant workers in the countries often problematic, degrading the humanity and dignity of Indonesia in the international world

3. Research Methods

The method used is descriptive research method. Data analysis technique used is Systematic literature review. Systematic literature review or (SLR) is a literature review method that identifies, assesses, and interprets all findings on a research topic, to answer predefined research questions (**Kitchenham & Charters, 2007**).

SLR method is carried out systematically by following the stages and protocols that allow the review literature process to avoid the bias and subjective understanding of the researcher. Through the SLR method, the authors look for reference theory relevant to the case or problems found. SLR

can be obtained from various sources, journals, books, articles, papers, previous research, literature study related to the Moratorium of Delivery of Indonesian Migrant Workers to Saudi Arabia to the State Foreign Exchange

4. Discussion

Labor mobility choosing to work abroad can help reduce unemployment in Indonesia and increase foreign exchange. The number of unemployment in Indonesia is fluctuating and quite high. Even in 2017 there has been an increase in the number of unemployed in Indonesia by 10,000 people to 7.04 million people in August 2017 from the previous period in August 2016 of 7.03 million people (BPS, 2017). Indonesia's labor issues are still faced with inadequate levels of education and skills and limited employment. People who are at that level often choose to become Indonesian Migrant Workers (Overseas Migrant Workers) abroad as a solution to the unemployment experienced. The flow of migrant workers to provide benefits for the two parties, namely helping the economy and society in reducing domestic unemployment.

Based on data from Puslitfo BNP2TKI (2017) that Malaysia, Taiwan, Hongkong, Singapore and Saudi Arabia is the highest country with the placement of Indonesian Migrant Workers. The moratorium of Indonesian Migrant Workers issued by the Indonesian government caused the number of placement of Indonesian labor migrants in 2017 to decrease compared to 2016. In the period of January to December 2017, there were 6,471 Indonesian Workers, with a decrease of 7,067 overseas workers. Moratorium issued on various phenomena that many befall of Indonesian Migrant Workers.

According to the Ministry of National Education (2011), the problems that arise in relation to labor migrants are: a) Unclear working contracts, b) Competence of OVERSEAS WORKERS not in accordance with the needs of employers, c) Limited ability of foreign languages, d) lack of legal protection in the country place of work, and e) limited socio-cultural and legal knowledge in the country of employment. As a result some Indonesian Migrant Workers get inhumane treatment in the country where they work.

Based on data of BNP2TKI (2017), the period of 2017 types of complaints addressed to the Indonesian government are Overseas Workers who want to be discharged as many as 368 complaints, and as many as 337 reports that workers' salaries are not paid. The government should pay more attention to the migrant workers making the complaint to be discharged, while they still have unfinished work contracts.

Meilinda (2017), Problems of migrant workers present when what is experienced by the workers are mostly not comparable with his services. Often these workers get unfair treatment from employers where they work. From a series of cases experienced by the workers are not uncommon there that even make them lose their lives.

Puslitfo BNP2TKI (2016) that the period 2012-2016 the number of migrant workers died overseas with placement in Asia Pacific is quite high. Malaysia has the largest number

of Indonesian migrant workers who are repatriated to Indonesia. During that period, the number of migrant workers died in Malaysia continues to increase. Although there was a decline in 2014, but overall has the largest number with a total of 386 inhabitants.

Indonesian migrant workers died with Middle East placement, then Saudi Arabia has the highest death toll sent back to Indonesia (Puslitfo BNP2TKI, 2016). In the period 2012-2016 the number of migrant workers died in the country is 196. However this is a pretty good decline compared to the previous periods, namely in 2012 110, 2013 is 51, 2014 is 12, 2015 is 6, and in 2016 is 17. One of the factors causing the decline of deaths in Saudi Arabia is the moratorium policy of migrant workers re-issued on July 1, 2015 through Minister of Manpower Decree No. 260 Year 2015. The moratorium policy in the form of termination of migrant workers migrant workers in particular to 21 countries in the Middle East.

On one side of the moratorium as an effort to protect the government for its citizens, but on the other hand, the impact of decreasing the remittance of labor migrants

The moratorium of Indonesian labor migrants issued by the Indonesian government in July 2015 directly affected the amount and value of remittances. Based on the Indonesian Economic Report, Bank Indonesia (2016), from the secondary income account, the 2016 achievement recorded a decrease in surplus due to the reduced remittance of Indonesian Migrant Workers to Indonesia and the increasing remittance of foreign workers abroad.

The secondary income account surplus decreased from 5.5 billion US dollars in 2015 to 4.4 billion US dollars. The decline in the surplus was mainly contributed by the decrease in remittance of overseas workers and the increasing remittance of foreign workers abroad. This is related to the continuation of the moratorium policy of migrant workers especially in the Middle East, thus pushing the decline of the number of Overseas Workers in 2016 from 3.7 million people in 2015 to 3.5 million people. With the development of the remittance of labor migrants in the year 2016 was recorded at 8.9 billion US dollars or down from 9.4 billion US dollars in the previous year. In addition, the moratorium policy also had an impact on the amount of funds transfer transactions. As it is known that the value of fund transfer transactions is dominated by incoming transactions (BI, 2016), thereby decreasing the number of prospective Indonesian migrant workers / overseas workers causing the decline in value.

Thus means that the moratorium of labor migrants to Middle Eastern countries, especially Saudi Arabia can cause the decline of the country's foreign exchange reserves.

Priambada (2014) found that Indonesia gained foreign exchange from sending labor abroad more than IDR 100 trillion annually. The government conducted a moratorium on sending migrant workers to Saudi Arabia, Kuwait and Syria and Jordan. The moratorium of migrant workers does have a negative effect in the form of declining foreign exchange that impact on the state budget. Nevertheless, the

Government set aside nearly IDR 20 billion to open new jobs due to the moratorium of Overseas Workers. Another effort to reduce unemployment and to increase the country's foreign exchange due to the moratorium of migrant workers is the government can promote labor-intensive projects. Increased export industry that can spur the increase in foreign exchange and can absorb a lot of manpower.

Referring to one of the factors that make people especially Indonesians to migrate abroad and work there is the limited availability of jobs in the country of origin (Meilinda, 2017). International migration is considered as one significant way to address unemployment and low wages for some Indonesians. There are two conditions that are the main factors causing Indonesians to migrate and work abroad, the first of which relates to the large number of Indonesian populations.

Thus it can be said that the moratorium can impede the public to get a job, therefore the need to be achieved by the removal of moratorium is the reduction of unemployment.

The moratorium of Indonesian labor migrants becomes the choice of inappropriate policy actions. The implementation of the moratorium will bring negative impact to the country, in addition to the impact of increasing unemployment, the moratorium also triggered a decrease in foreign exchange into Indonesia and trigger illegal labor suppliers.

Migrantcare (2017) found that since the moratorium was enacted there were still many migrant domestic workers who went to Middle Eastern countries to work. From March 2015 to May 2016 the research team conducted the interview process at SoekarnoHatta Airport. The temporary number of 2,644 migrant domestic workers interviewed found 1,020 new migrant domestic workers departed and 1,624 were migrant domestic workers with Re-entry status or re-employed after leave. Their largest destination countries are Saudi Arabia, United Arab Emirates, Bahrain, Oman, Qatar, Kuwait, and a number of other destinations to Malaysia.

The findings of Migrant CARE have also been launched in Jakarta (Thursday, 16 June 2016) when commemorating International Domestic Workers Day also found facts indicating that this policy is weak in terms of Government's initial supervision and commitment to protect and improve the fate of Indonesian labor migrants.

In the process of collecting data at SoekarnoHatta Airport, the research team also finds out the mode of departure of the migrant domestic workers through the Indonesian Private Employment Agent (PPTKIS) who accompanies migrant domestic workers who will travel to Middle Eastern countries under the pretext of travel umroh, pilgrimage, visiting relatives, transiting, disguising appearance. Although in the confirmation of the agency or PPTKIS also admitted already know that the moratorium has been put into effect by reasoning because of high demand from Middle Eastern countries will be migrant domestic workers from Indonesia.

Meilinda (2017) found that a moratorium triggered to protect migrant workers from all attempts of violence and ill-

treatment does not necessarily address them. Issues that cause violence and abuse against migrant workers are not only from employers, but also from government procedures related to pre-placement, placement, and post-placement. Need for improvement and reevaluation of procedures to be more effective.

This policy of discontinuation also undermines the right of citizens to obtain a decent and quality life (Migrantcare, 2017). This moratorium will not address the problems of Indonesian migrant workers as long as the government does not really put the objective of protection in favor of domestic workers. As long as the migrant worker protection policy is still heavier on profit and business objectives, the domestic workers' plight will continue forever.

Supervision and organization of placement and protection of Indonesian labor migrants has been regulated by the Law, however, the weakness of the Government of Indonesia's supervision of the fate of Indonesian workers has a devastating effect on foreign workers, especially Saudi Arabia. According to Setiono (2004), the protection of the law is an act or attempt to protect the community from arbitrary acts by a ruler who is inconsistent with the rule of law, to bring order and peace to enable humans to enjoy their dignity as human beings. In addition it needs to be coupled with strong political diplomacy efforts so that placement countries also have an equal responsibility to be responsible for protecting Indonesian workers (migrantcare, 2017).

Husni (2011) argues that to protect labor migrants who work abroad properly should start with legal reform. The renewal begins with the principles upon which philosophy is based. The resulting law needs to be well socialized to all stakeholders and in its implementation needs to be accompanied by firm law enforcement. In addition, the government needs to prepare workers with better skills, knowledge and understanding. Indonesian Workers who will work overseas must have good quality of work, provided knowledge, education, expertise, and legal awareness so as to reduce the actions of unfavorable treatment or injustice that may be experienced.

The government also has the tasks and responsibilities in providing better employment, thus helping to reduce unemployment and simultaneously encourage people to take advantage of local potentials as livelihoods and reduce the number of informal sector workers.

5. Conclusions and Suggestions

The problems affecting labor migrants in various countries are due to various factors, but the weakness of government control over Indonesian Workers contributes to the increasing of these problems. The moratorium of migrant workers is not the right action, the termination of migrant workers' shipment can not reduce the problems of Indonesian labor migrants. The Indonesian government should have more strict supervision to prospective migrant workers / migrant workers as well as the applicable laws in Saudi Arabia.

Indonesian Workers who will work overseas must have good quality of work, provided knowledge, education, expertise, and legal awareness so as to reduce the actions of unfavorable treatment or injustice that may be experienced. The government also needs to conduct supervision to business entities that cooperate in the delivery of Overseas Workers, it is intended to reduce illegal workers with low resource quality. But in the Overseas Workers who need to be monitored regularly and strong diplomacy political efforts so that each country, especially Saudi Arabia has the obligation to protect the Indonesian Workers who can be in charge in the future. If all efforts can be implemented properly, then the level of solution to the Overseas Workers associated with the status and degree of Indonesia can be anticipated. Thus the number and remittances of Indonesian labor migrants will continue to increase and have a positive impact on Indonesia's foreign exchange.

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