

**Nota Penyelidikan/Research Note**

**The Irregular Labour Migration System from  
Indonesia to Peninsular Malaysia**

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**INTRODUCTION**

Undocumented labour migration into Malaysia has been in the public eye at the latest since 1976, when the issue was first raised in Parliament. Shortly thereafter, in 1981, the term *pendatang haram*, or *illegal immigrant*, was introduced into public debate as a comparable category to the *refugees* or Vietnamese boat people who were then being denied entry into the country. By the mid-eighties, the negative appellation *illegals* had gained popular currency and is still widely used today to refer to foreigners working in the country without a valid work permit.

In spite of all this public attention however, relatively little is known about the phenomenon of undocumented migration into Malaysia – its magnitude, composition and distribution – in large part of course precisely because it is undocumented. Various estimates of the size of the foreign labour force abound, but, as noted in a 1995 World Bank report on the labour market in Malaysia, “most of the public and private sector people interviewed in 1994 had neither an estimate of migrant stocks and flows nor a proposed methodology to obtain data on migrant workers” (World Bank 1995: 59). This included data on legal as well as illegal workers.

Beyond the question of numbers, relatively little is also known about the internal composition of the migrant communities, or the structure and dynamics of the migrant labour market. Official data is not published and if made available, is usually gleaned from newspaper reports. With notable exceptions (see in particular Azizah Kassim 1993, 1997 and Pillai 1992, 1995), research on the issue has remained unpublished and scattered.

The current research project conducted by the authors at IKMAS (Institut Kajian Malaysia dan Antarabangsa), UKM, focuses on undocumented Indonesian labour migration to Peninsular Malaysia. It is part of a larger research project on irregular migration in Southeast Asia, led by the Scalabrini Migration Center in Manila. In the rest of the report, the context to this migration stream will be outlined, followed by a description of the empirical research being conducted and the preliminary findings of the study.

## UNDOCUMENTED INDONESIAN LABOUR MIGRATION TO MALAYSIA AND THE POLICY RESPONSE

With the implementation of a more effective registration system since 1995, the estimation of the current size of the foreign worker population has been put on a somewhat more reliable footing. In February 2000, it was reported that at the end of 1999, the Immigration Department had issued a total of 766,748 work permits, of which 235,796 were for the manufacturing sector, 176,218 for the construction sector, 135,787 for the plantation sector, and the rest for the service sector (*New Straits Times*, February 4, 2000). At around the same time, the Deputy Home Minister was reported as saying that the number of 'illegals' had been reduced to "less than 300,000" (*New Straits Times*, February 13, 2000).

These 'illegals' came from various countries, including Indonesia, Bangla Desh, Myanmar, the Philippines and Nepal, but figures from the 1998 amnesty exercise indicated that Indonesians constituted almost 90 percent of the undocumented migrant labour force. It is thus clear that the underground labour economy is essentially an Indonesian phenomenon.

Indonesian migrant workers have been entering the Malaysian labour market in increasing numbers since the mid-seventies, brought in by local labour contractors to work in the new land development schemes and in the existing plantations which were then being depleted of local labour resources due to massive rural-urban migration (Devi 1988; Navakundam 1988). As these new labour needs developed, the vast majority of these foreign workers were sourced from the neighbouring country of Indonesia, which had been a traditional source of migrant labour for the Malaysian plantation and small-holder economy since historical times, and in particular, in the nineteenth and twentieth century (Hugo 1993).

This in-migration of Indonesian labour in the seventies was by necessity of an irregular nature. In Malaysia, there did not then exist an official machinery for the management of foreign contract labour. Although the Employment Restriction Act passed in 1968 had stipulated that work permits were required for non-citizen workers, no machinery had been developed for its implementation. Indonesian migrants could work freely and many subsequently regularised their status in Malaysia through the acquisition of permanent resident status in the country.

The majority left Indonesia and entered Malaysia without any official documents. In order to leave Indonesia legally, several official papers, including an international passport, as well as payment of a hefty exit tax, was necessary. Poorly educated peasants from the outlying islands of Sumatra and East Java, who constituted the bulk of the labour influx, were much happier to take advantage of long-standing cross-border maritime links between the two countries to enter Malaysia without official travel documents from Indonesia.

By 1981, there were an estimated 130,000 Indonesian estate workers in Peninsular Malaysia, constituting about half of the total labour force in this sector (Ozay, 1987). By 1981 however, many Indonesians, upon completion of their contracts, had also drifted from the plantations to the major urban centres in the Klang Valley, where construction work, domestic sector work and petty trading opportunities abounded. Informal migration channels also brought new Indonesian migrants directly into the urban centres (Azizah Kassim 1988).

It was this urban visibility that led to the first official recognition of the de facto existence of a growing foreign labour force. In 1981, an Act was passed to allow for the establishment of legal recruitment agencies for foreign contract labour. This was followed by the establishment of a Committee for the Recruitment of Foreign Workers in 1982. Finally, in 1984, the Medan Agreement was signed with Indonesia for the supply of Indonesian labour for the plantation and domestic sector, followed by a Memorandum of Understanding with the Philippines for domestic labour in 1985, and with Bangladesh and Thailand in 1986. With this set of measures, a legal channel, based on a government-to-government mechanism, was finally established, some ten years after the fact, for the legal recruitment of foreign labour (Azizah Kassim 1993, 1994, 1996, 1997, Pillai 1992, 1995, 1999).

This however, did little to stem the tide of what had now become formalised as irregular labour migration. In 1989, when the failure of the Medan Agreement had become evident, a second set of measures were undertaken to bring irregular migration under control, consisting in a legalisation exercise for undocumented Indonesian workers in the plantation sector. Known as Program Pemutihan Pekerja Tanpa Izin Indonesia (PPTI), the 1989 legalisation programme was largely an exercise in futility. No more than 20,000 workers were legalised under this programme.

In October 1991, a major revision was made to its immigration policies by the Malaysian government. This third policy initiative constituted what has been termed the first comprehensive and transparent policy for the control and management of foreign labour (Pillai 1992). The basic principle of the policy, which was to be effective for five years, was that all foreign workers had to have a legal status and were to receive the same wages and benefits as local workers. The plantation and construction sectors were allowed access to such legalised foreign labour whilst the manufacturing and service sector requests were to be reviewed on a case-by-case basis. Higher penalties for employers of illegal labour were imposed. These measures were complemented by the 1992 Budget-imposed levy on all foreign workers, the amount of which varied according to sector and skill-level (Pillai 1992).

Supplementing this slew of measures were two enforcement exercises known as Ops Nyah I (literally, *Get Rid Operations I*) and Ops Nyah II. Both operations are still on-going. Ops Nyah I is designed to prevent illegal landings on Malaysia's long coastline and is directed by the Police Field Force. Arrested illegal immi-

grants are turned over to the Immigration Department which is responsible for their deportation. *Ops Nyah II* is directed at irregular migrants already in the country and takes the form of raids on work sites and squatter settlements.

The Indonesian embassy itself subsequently authorized twelve, later increased to twenty, Malaysian recruitment agencies to register workers and obtain the SPLPs for them (Jones 2000: 23). The demand was overwhelming. By the time the registration period ended on June 30, 1992, 442,276 workers had registered, 50% of whom were in the construction sector, 24% in the plantation sector, 9.7% in the domestic sector, 8.5% in manufacturing, 2.6% in restaurants and 4.6% in trading (Azizah Kassim 1994: 15). Indonesians accounted for 83% of all those who registered.

Since then, and especially in the wake of the 1997 crisis, government attempts to bring foreign labour migration under legal control has resulted in further legal and administrative refinements to the system. Nonetheless, undocumented migration, especially from Indonesia, continues to feed into the Malaysian labour market.

The term 'Indonesian' however, is clearly misleading. Innumerable empirical studies (Nasution 1997; Gan Li Yun 1995; Lee 1993; Gan Mei Chen 1995; Lee 1995) confirm that the migration flow from Indonesia consists of highly segmented and distinct streams based on ethnic and territorial origin, and directed at different segments of the Malaysian labour market. M. Arif Nasution (1997) identifies eleven streams in his study conducted in 1993.

The most prominent groups or *suku* are from Sumatra (Minang, Achehnese, Melayu-Riau and Mandailing), East Java, Lombok and Flores. It should be borne in mind that the language and cultures of the different ethnic groups or *sukus* differ considerably and in Malaysia itself, each *suku* tends to keep to itself. The widespread use of the term 'Indon' in local Malaysian parlance obfuscates these important distinctions.

Unfortunately, there is no official data available on the ethnic breakdown of Indonesian workers in the country. Neither is there any data on the gender breakdown. The existing studies indicate however a clear segmentation of the regular and irregular labour market along ethnic and gender lines. Male East Javanese workers predominate in the construction sector, male Lombok workers in the plantation sector, and female workers from West Java, and increasingly Eastern Indonesia, in the services and manufacturing sectors. Although petty trade is not open to foreigners, there is a large number of peddlers and petty traders in the Klang Valley, most of whom would be Minang and Achehnese (Azizah Kassim 1996).

## THE EMPIRICAL STUDY

### THE RESEARCH DESIGN

Given the paucity of primary data on undocumented migration in the country, the study was designed essentially as a mapping exercise. In contrast to most of the existing studies however, the conceptual object of analysis was the illegal labour market, or what could be otherwise called the underground economy, rather than the individual migrant him/herself. Furthermore, in framing the sample as well as the subsequent analysis of the data, the unit of research and analysis was the *suku* or ethnic group, rather than the undifferentiated category 'Indonesian'.

Accordingly, apart from gathering socio-demographic data on the migrants, the questionnaire was directed at the social organisation of the migration process, as well as of the labour market in Malaysia. The sample consisted of 100 irregular migrants – 91 with no documents whatsoever and nine in possession of forged documents – working in five sectors in 11 different locations in Peninsular Malaysia. Research sites included the urban and the rural: 44 interviews were done with migrants in the Klang Valley urban conurbation and 16 in Penang, with another 15 in Bidor (Perak), and 24 in Bentong (Pahang).

As can be seen from Table 1, 40 migrants were in the construction sector, 35 in agriculture, 16 in petty trading, seven in services and one was a housewife. The table also indicates the ethnic groups (*suku*) represented: from Lombok (20), Madura (10), East Java (14), Flores (14), Aceh (18), Buton (5), Bawean (4), 3 each of Mandailing, Minang and Sumatran Javanese, 2 Bataks, and one Malay and one Balinese.

Altogether, there were 87 males and 13 females in the sample. The women were found in all sectors (3 in construction, 4 in services, 1 in manufacturing, 4 in petty trading and 1 housewife) except for agriculture.

### SOME PRELIMINARY FINDINGS

Within 4 weeks of the decision to leave for Malaysia, 96 migrants had managed to organise their departure. The majority (54), decided to organise their departure on their own; 16 resorted to *taikongs* from the home village, 3 to a *taikong* darat and laut, and 5 had their departure organised through official recruitment channels. The rest had their passage to Malaysia organised by family or friends. Interestingly, use of a *taikong* from the home village who took care of all aspects of the journey was marked among the Bawean (all 4 cases), East Javanese (3), Madurese (4) and Lombok (3). What is striking however is that the organisation of this irregular migration is largely undertaken by the individual, or his friends and relatives, rather than by organised syndicates.

The journey usually involved several transit stops along the way, the longest involving five stops. For migrants from the Lombok and Flores, Surabaya

TABLE 1. Distribution of sample by ethnicity and sector

|                       | Sector       |          |             |               |          |          | Total |
|-----------------------|--------------|----------|-------------|---------------|----------|----------|-------|
|                       | construction | services | agriculture | manufacturing | commerce | domestic |       |
| Lombok                |              |          | 19          |               | 1        |          | 20    |
| Madura                | 9            |          |             |               | 1        |          | 10    |
| Jawa (Timur)          | 5            |          | 8           | 1             |          |          | 14    |
| Sunda                 | 2            |          |             |               |          |          | 2     |
| Flores                | 4            | 4        | 5           |               | 1        |          | 14    |
| Acheh                 | 9            | 2        |             |               | 6        | 1        | 18    |
| Bawean                | 4            |          |             |               |          |          | 4     |
| Buton                 | 5            |          |             |               |          |          | 5     |
| Bali                  | 1            |          |             |               |          |          | 1     |
| Batak (Utara)         |              |          | 1           |               | 1        |          | 2     |
| Batak<br>(Mandailing) |              |          |             |               | 3        |          | 3     |
| MeJayu                |              |          |             |               | 1        |          | 1     |
| Minang                | 1            |          |             |               | 2        |          | 3     |
| Jawa<br>(Sumatera)    |              | 1        | 2           |               |          |          | 3     |
| Total                 | 40           | 7        | 35          | 1             | 16       | 1        | 100   |

was a key staging post, as was Medan and Dumai for those issuing from Sumatra. From these key staging posts, legal and illegal entry into Malaysia, often including further stops, was possible.

Thirty six migrants entered the country legally, (five with a calling visa, three with social visit pass valid for three months, and 38 with a social visit pass valid for one month) whilst 54 came without any travel documents. There were thus three routes to irregularity or the status of an illegal migrant: by entering the country illegally (54 migrants), by entering the country legally but over-staying (36) and by continuing to remain in the country after expiry of the work permit (5). It is interesting to note that almost all from Lombok and Flores entered without travel documents.

There were also differences in the kind of transportation used, and this was clearly correlated to documented or undocumented entry. Fifty undocumented entries used the pompom. The largest number of legal entry via a one-month social visit pass came by ferry from Medan to Penang. Migrants originating from Sumatra used this avenue. A significant number (13) also arrived by air.

This broad range of possibilities in the organisation of the passage is reflected in the cost of the passage, which varied from RM100 to RM2,200. The cost is closely related to the form of transport used, which in turn is related to the legality of entry. Legal entry via KLIA is the most expensive, while illegal entry by sea for example via the pompom is the cheapest. The largest number of migrants (18) paid between RM450 to RM700 to enter illegally via a pompom. The most frequent mode of transportation was the pompom (50), followed by the ferry (31) and the aeroplane (13).

When the migrants entered Malaysia, they found jobs in six different sectors. The largest sector was construction (46), followed by agriculture (30) and petty trade (15). There were also five migrants in manufacturing, three in services and one in fisheries. In the construction sector, 11 migrants were employed by sub-contractors, and another 32 by contractors. The sub-contractors were mostly Indonesians of various ethnic origins (East Java, Bawean, Padang, and Aceh, the largest being the Javanese, who employed five of migrants), although there was one Malay, Indian and Chinese sub-contractor respectively. The contractors were Chinese (32 migrants) and Malay (1).

In the agricultural sector, employers were either owners of small-holdings (10), contractors for plantations (4), or FELDA contractors (15). All small-holding owners were Chinese, plantation contractors were Chinese and Indian, and the FELDA contractor were Chinese and Malay. The manufacturing jobs were with Japanese-owned factories (5). Other urban jobs in the services or in petty trading were either with Chinese establishments or with Indonesian ethnic businesses.

Within eight months, 41 migrants had left their first jobs. Altogether, 63 migrants have left their first jobs, leaving 37 in their original jobs. In fact, job mobility is extraordinarily high, with 63 migrants having to change jobs once, 41

migrants twice, 26 migrants thrice, 14 migrants four times, 11 migrants five times, six migrants six times, four migrants seven times, two migrants eight times, two migrants nine times, and one migrant 10 times. Most of these job changes occurred within the construction sector, although there were also shifts between sectors. It should also be noted that in ethnic terms, the main shift involves migrants from Lombok previously in construction (6), to the agricultural sector.

#### PRELIMINARY CONCLUSIONS

The data is still being analysed and supplemented with ethnographic observations. Nonetheless, some preliminary conclusions can be drawn. They are summarized below.

1. Irregular Indonesian labour migration to Malaysia should be examined in the framework of a system of entry and departure as well as a system of work.
2. This system of irregular labour migration is sustained by a complex web of relationships involving professional brokers, social networks comprising family, friends from the village of origin, and work colleagues, both in the sending and receiving locales, employers (including ethnic businesses), and the complicity of the state and its representatives.
3. Within this system of irregularity, three different positions and patterns of access and vulnerability, related to ethnicity, were identifiable:
  - a. The Sumatra pattern  
Legal entry, cheap and self-organised, social capital (both formal and informal) available within own community as well as in host society. In construction or ethnic business.
  - b. The Nusatenggara Timur pattern  
Irregular entry, cheap and often self-organised, social capital (just informal) only available within own community. In construction, service and agriculture.
  - c. East Java  
Legal entry, expensive and organised through a broker, social capital (formal and informal) available within own community. In construction and ethnic business.
4. This particular type of labour migration system, sustained by a complex distribution of social capital and complicity, should be understood as constituting a regional migration system, rather than a system of international migration.



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