

THE ROLE AND CONTRIBUTION OF INDONESIAN WORKERS IN THE GLOBAL MARKET AND ECONOMIC INTERNATIONAL (MALAYSIA)

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Abstract

Indonesia's workforce, especially those working abroad, plays an important role in the global market, contributes significantly to the international economy, and supports economic growth and social development, especially in Malaysia. In this article, we will discuss the impact of the presence of Indonesia's migrant workers on the Malaysian economy and how their contribution affects the bilateral economic relationship between Indonesia and Malaysia. This study also aims to analyze the contribution of Indonesia's workforce to the dynamics of the global market and the international economy in the context of Malaysia. The method used is qualitative analysis by collecting data from various sources of literature and field surveys. The results show that Indonesia's migrant workers not only meet the needs of Malaysia's labor-intensive sectors, such as construction and services but also have a positive impact through remittances that contribute to the local economy in Indonesia. However, challenges in protecting workers' rights remain an issue that needs to be addressed. The study concludes that collaboration between the governments of Indonesia and Malaysia is essential to ensure the welfare and protection of the workforce, as well as to maximize the positive contribution to the economies of both countries.

Keywords: The Role of Indonesia's Workforce, Economic Contribution, Migrant Workers, Economic Impact of the Global Market

INTRODUCTION

We all know that Indonesia and Malaysia have been working together for a long time. Various collaborations have been carried out between Indonesia and Malaysia to date so that good relations have been created between the two countries. The cooperation carried out covers various fields, including the economic sector, the education sector, the social sector, and tourism cooperation. In the field of education, Indonesia and Malaysia establish relations by holding student exchanges every year. In the Economic Sector, the number of investors from Malaysia who invest in the Indonesian economy has more or less helped the Indonesian government in alleviating unemployment. Then the two countries also cooperate in other economic fields such as sending thousands of workers from Indonesia to Malaysia to meet the needs of the Malaysian economy.

Malaysia's need for Indonesia's workers is driven by economic growth, labor market demand, demographic changes, and regional integration. Indonesia's workforce plays an important role in supporting various sectors and contributing to Malaysia's economic development. And contribute to increased labor market integration and closing the wage gap between workers in developed and developing countries, especially through the spread of technology.

Indonesia and Malaysia, are countries that have similar customs, ethnicities, and also the languages they use in their daily lives, making them the most popular countries for many migrant workers from Indonesia. These socio-cultural similarities then gave rise to the creation of traditional social and economic relations between them. These similarities can of course be the basic capital for mutually beneficial interactions. Therefore, the Governments of Indonesia and Malaysia agreed in the form of socio-economic cooperation in Malaysia Indonesia.

Indonesian workers have long played a significant role in the global labor market, making significant contributions to various sectors, including domestic workers, healthcare, construction, and manufacturing. Migration is not just a personal decision for many, it often stems from economic needs and the search for better opportunities. One of the main destination countries for Indonesia's migrant workers is Malaysia, which has become a labor hub for Indonesia due to its geographical proximity, cultural similarities, and demand for cheap labor.

The demand for Indonesian workers in Malaysia spans a wide range of sectors, reflecting the country's economic structure and labor shortage. Many Indonesians are looking for jobs in the domestic sector, providing essential household services, while others are looking for opportunities in construction and manufacturing, where they often fill labor gaps that local workers may not want to fill. This migration is facilitated by an established network of recruitment agencies, which helps to overcome the complexities of working abroad.

In addition to Malaysia, many Indonesian workers are also migrating to countries in the Middle East, due to the potential for higher wages and the promise of better living conditions. However, this migration has its challenges, including problems related to workers' rights, legal protection, and cultural adaptation abroad. Therefore, Indonesia's labor migration is a multifaceted phenomenon that not only impacts the lives of workers

and their families but also plays an important role in the economies of the host country and the country of origin.

Understanding these migration dynamics, including the motivations, challenges, and contributions of Indonesian workers, is critical to addressing the broader implications of labor migration in a global context. As Indonesia continues to be a significant source of labor in various sectors around the world, ongoing discussions around policy frameworks and protections for migrant workers are essential to ensure their rights and well-being.

RESEARCH OBJECTIVES

Based on this background, in this case, Indonesia plays a very important role in expanding international trade, especially in the economic sector in meeting the needs of labor in Malaysia, because Indonesia itself is a country with a wealth of human resources (HR) that can be used by other countries such as Malaysia.

The following is statistical data based on data from the *Indonesia Migrant Workers Protection Agency or BP2MI in March 2024*

From the table above we can conduct research with several objectives, the research objectives based on data from BP2MI related to the migration of Indonesia workers to Malaysia include the following points:

1. Migrate Data Analysis

This study aims to conduct an in-depth analysis of the migration data provided by BP2MI. It includes the collection, processing, and interpretation of statistical data showing the number, demographics, and background of Indonesia's migrant workers in Malaysia. By understanding these trends, researchers can identify whether there are significant changes in the number of migrations, as well as the characteristics of departing workers, such as age, gender, and job sector. This analysis is important to map migration patterns and formulate strategic measures in human resource management.

2. Identify Causative Factors

The next objective is to identify the various factors that motivate Indonesian workers to choose Malaysia as a migration destination. These factors can include economic conditions, job availability, higher salaries compared to Indonesia, as well as social factors such as existing migration networks. This research will use qualitative

and quantitative methods to understand workers' perceptions and motivations, as well as how policies and regulations in both countries influence their migration decisions.

3. Evaluation of Protection Policies

This study will also evaluate existing protection policies for migrant workers, both from the side of the Indonesian government and the Malaysian government. This includes an analysis of how worker protection regulations are implemented, as well as their effectiveness in protecting workers' rights. The research could include interviews with migrant workers and lawyers, as well as a review of reports of human rights violations. The results of this evaluation are expected to provide a clear picture of the gaps and challenges in the protection of migrant workers.

4. Social and Economic Impact

The next research objective is to assess the social and economic impact of worker migration to Malaysia, both for the workers themselves, their families, and the community in Indonesia. This study will analyze aspects such as remittances, changes in the socioeconomic status of families, as well as psychological impacts on workers who live far from their families. By understanding these impacts, researchers can provide a broader picture of migration's contribution to local and national economic development.

5. Policy Recommendations

Finally, this study aims to provide policy recommendations based on the findings obtained. These recommendations could include increased support for migrant workers before departure, while working abroad, as well as after returning to the country. It could also include suggestions for improvements in cooperation between the governments of Indonesia and Malaysia in terms of the protection of workers' rights. These recommendations are expected to help make policies more effective and responsive to the needs of migrant workers.

With these comprehensive objectives, this research is expected to make a significant contribution to the understanding and management of Indonesia's worker migration, as well as support better protection efforts for them.

Based on information from BP2MI, this study aims to explore and analyze data on the migration of Indonesian workers to Malaysia and provide bilateral economic benefits between the two countries. In the context of globalization and economic dynamics,

migration is an important phenomenon that affects many aspects of the lives of individuals and societies. Through this research, we hope to improve our understanding of migration patterns, driving factors, and challenges faced by migrant workers.

BILATERAL BENEFITS

The benefits of this research can include the formulation of more effective policies for the protection of workers' rights, increasing public awareness of the reality of migration, and the development of support networks for workers. In addition, the results of this study are expected to have a positive impact on both countries, as well as be the basis for further research in this field. Thus, this research is expected to contribute significantly to migration management and improve the welfare of migrant workers.

Indonesian workers provide significant benefits to host countries by meeting labor needs and supporting economic growth. In the long term, migrant labor relations can enhance bilateral cooperation between sending and receiving countries.

Continuous improvement to maximize benefits and mitigate challenges needs to be a sustained effort from both parties - sending and receiving countries - in terms of regulation, protection of workers' rights, and provision of support services.

Bilateral relations between Indonesia and Malaysia play an important role in the management of worker migration, especially in the context of protecting their rights. Based on data from BP2MI, this collaboration not only supports the survival of migrant workers but also provides social and economic benefits for both countries. Through clear agreements and synergies in policies, the two countries can ensure better protection, improve the welfare of working families, and strengthen social stability. Thus, this bilateral relationship is expected to continue to develop for the common welfare and progress of the two nations.

The benefits of bilateral relations between Indonesia and Malaysia related to worker migration, based on the BP2MI article, include:

1. Protection of Migrant Workers

Strong bilateral relations allow the two countries to cooperate in the protection of migrant workers' rights. Through agreements and agreements, Indonesia and Malaysia can ensure that migrant workers are protected from exploitation and human rights violations.

2. Structured Migration Setup

This cooperation can create a more orderly and planned migration system. With clear regulations in place, both countries can reduce illegal practices and ensure that departing workers are adequately informed about their rights and obligations. *Social and Economic Support* through bilateral relations, both countries can share information and resources to support migrant workers and their families in their home countries. This includes access to training programs, counseling, and financial services that can improve their well-being.

3. Economic Benefits

Good relations also have a positive impact on the economic aspect. Migrant workers contribute to Malaysia's economy, while remittances from migrant workers to Indonesia can support the local economy and reduce poverty.

4. Improving Diplomatic Image

Cooperation on migration issues can improve the image of both countries in the eyes of the international community. Demonstrating a commitment to the protection of human rights and the welfare of migrant workers can strengthen diplomatic relations and cooperation in other areas.

5. Foundations for Further Research

The results of this study can also be the basis for further research in the field of worker migration. With more in-depth data and analysis, other researchers can conduct follow-up studies to explore other aspects of migration, such as the psychological impact or social integration of migrant workers in destination countries.

By leveraging this bilateral relationship, Indonesia and Malaysia can create a safer and more productive environment for migrant workers, as well as improve the welfare of people in both countries.

Migrant workers contribute to Malaysia's development socially as well as economically. World Bank data from Malaysia, for instance, suggests that a 10 percent net increase in manual or “low-skilled” migrant workers may increase Malaysia's GDP by up to 1.1 percent (*World Bank in 2015*).

LITERATURE REVIEW

Indonesia's migrant workers play an important role in the economy both in the

country of origin and in the country of destination. Based on BP2MI statistical data in March 2024, it is clear that Malaysia is one of the main destination countries, with a value of 18.04% of the total number of migrant workers. This data shows significant and diverse migration trends, reflecting complex social, economic, and cultural dynamics.

Keywords	The Role of Indonesia's Workers in the Global Economy (2021) Ahmad, S.	Economic Impact of Worker Migration in Global Markets (2020) Budi, T.	Indonesia - Malaysia Bilateral Relations: Economic Implications (2022) Lestari, R.	Contribution of Migrant Workers to the Regional Economy (2023) Sari, P.	Challenges of Migrant Workers in Malaysia: Social and Economic Perspectives (2019) Joko, M.	Indonesia's Labor Migration: Strategies and Policies (2021) Dewi, A.
The Role of Indonesia's Workforce	✓					
Economic Contribution	✓		✓	✓		
Economic Impact		✓	✓			
Migrant Workers		✓		✓	✓	✓
Bilateral Relations between Indonesia and Malaysia			✓			✓
Challenges of Migrant Workers		✓			✓	
Labor Migration	✓	✓	✓	✓	✓	✓

This literature review aims to examine various aspects related to Indonesia's migrant workers, including the driving and pulling factors that influence migration decisions, the economic and social impacts of their presence abroad, and existing policies to protect the rights of migrant workers.

By summarizing the latest research, it is hoped that this review can provide in-depth insights into the challenges and opportunities faced by Indonesia's migrant workers, as well as strengthen their understanding of their contribution to national development. Through a comprehensive analysis, it is hoped that this literature can be a valuable reference for researchers, policymakers, and other stakeholders in formulating more effective strategies to support the welfare of migrant workers and their families.

Based on the literature table, this review is compiled to provide a comprehensive overview of issues related to Indonesia's labor migration, especially in the context of bilateral relations between Indonesia and Malaysia. Through the analysis of various articles, we explore key themes such as the role of Indonesia's workforce in the global economy, the impact of migration on the market, and the challenges faced by migrant

workers.

By summarizing various perspectives and findings from researchers, this table is expected to be a useful source of reference for academics, policymakers, and other parties interested in understanding the dynamics of labor migration. Through a deeper understanding, it is hoped that we can formulate more effective policies in the protection and management of migrant workers, as well as strengthen bilateral relations between the two countries.

The following is a summary explanation of each article in the review literature table that has been provided:

1. The Role of Indonesia's Workers in the Global Economy

Author: Ahmad, S. (2021)

Summary: This article examines the contribution of Indonesia's workforce in the global market. The author explains how migrant workers play an important role in the economy, both through the remittances they send to their families in Indonesia and the positive impact they have on certain sectors in the destination country. Indonesia's migrant workers not only support the local economy but also contribute to national economic growth.

2. Economic Impact of Worker Migration on the Global Market

Author: Budi, T. (2020)

Summary: This article explores the impact of worker migration on the economy, both in the country of origin and in the destination country. The authors explain that while migration can bring benefits, such as increased incomes and economic growth, there are also emerging challenges, such as potential exploitation and legal uncertainty for workers. This impact is highly dependent on the migration policies implemented by each country.

3. Indonesia - Malaysia Bilateral Relations: Economic Implications

Author: Lestari, R. (2022)

Summary: This article analyzes the bilateral relationship between Indonesia and Malaysia in an economic context, especially regarding labor migration. The author highlights how cooperation in the management of migrant workers can improve the economic well-being of both countries. This cooperation also includes efforts to protect workers' rights and handle social issues arising from migration.

4. Contribution of Migrant Workers to the Regional Economy

Author: Sari, P. (2023)

Summary: This article presents data on remittances sent by migrant workers and their impact on the economies of their home regions. The authors point out that remittances not only increase family income but also contribute to infrastructure development and improved quality of life in the area. This illustrates the importance of economic support from migrant workers to local communities.

5. Challenges of Migrant Workers in Malaysia: Social and Economic Perspectives

Author: Joko, M. (2019)

Summary: This article discusses the various challenges faced by migrant workers in Malaysia, including legal issues, discrimination, and inadequate working conditions. The author invites readers to understand the social and economic contexts that affect the experience of migrant workers, as well as the need for better policies to protect their rights.

6. Indonesia's Labor Migration: Strategies and Policies

Author: Dewi, A. (2021)

Summary: This article reviews the Indonesian government's policies regarding labor migration, including strategies to improve protections for migrant workers. The authors emphasize the importance of increasing training and information for prospective workers to prepare them for challenges abroad. In addition, there is also an emphasis on the need for cooperation with destination countries to guarantee workers' rights.

Through this summary, we can see how each article contributes to a broader understanding of the roles, contributions, and challenges of Indonesia's migrant workers, as well as their impact in the context of the global economy and bilateral relations between Indonesia and Malaysia.

RESEARCH METHODOLOGY ANALYSIS

This study uses a systematic review approach that aims to identify, evaluate, and summarize existing research. In the context of articles related to Indonesia's migrant workers and their role in the global market, this approach involves several key steps.

1. Research Identification

Identifying research can be formulated as follows:

- What are the characteristics and distribution of Indonesian migrant workers abroad?
- What is the role and contribution of Indonesian migrant workers to the economy in their destination country, especially in Malaysia?

2. Data Collection

Relevant data can be collected through:

- Official Statistics: Using BP2MI (Indonesia Migrant Workers Protection Agency) data to find out the number and distribution of migrant workers in various countries.
- Existing Literature: Search for articles, reports, and previous research that discuss the role of migrant workers in Indonesia, especially in Malaysia.

3. Selection Criteria

Establish criteria for selecting relevant research, for example:

- Focus on Indonesia's migrant workers.
- Contains empirical data or in-depth analysis of the contribution of migrant workers.
- Published within a certain period for contemporary relevance.

4. Evaluate the Quality of Research

After gathering the literature, the next step is to evaluate the quality of the existing research by considering:

- Research Methodology: Does the research use valid and reliable methods?
- Relevance: How relevant is the research to the question being asked?
- Findings and Conclusions: Are the conclusions drawn supported by strong data?

5. Data Synthesis

Combining findings from multiple sources to gain a more comprehensive understanding. In this case:

- Analyze statistical data from BP2MI to provide an overview of the distribution of migrant workers.
- Summarize the role and contribution of migrant workers in the global market, especially in Malaysia, based on existing studies.

6. Analysis and Discussion

Compare findings from statistical data with existing literature analysis. This can include:

- Assess the economic impact of migrant workers on countries of origin and

destination.

- Identify the challenges faced by migrant workers, as well as their contribution in social and economic contexts.

Based on the analysis that has been carried out and can provide recommendations for further research in the future, as well as policies related to the protection and empowerment of migrant workers.

This systematic approach not only provides a clear picture of Indonesia's migrant worker population but also makes it possible to understand their contribution to the global market. Through this methodology, it is hoped that a deeper insight into the challenges and opportunities faced by Indonesia's migrant workers abroad, especially in destination countries such as Malaysia.

In the context of an article that discusses Indonesia's migrant workers and their role in the global market, methods that may be used may include:

Quantitative Method :

Use of Statistical Data: Relying on the data collected by BP2MI, it is possible to utilize concrete figures to illustrate the number and distribution of migrant workers in different countries. For example, the percentage of workers in each destination country provides an overview of migration patterns and economic contributions.

Surveys or Questionnaires: Conduct surveys to collect information from migrant workers regarding their working conditions, salaries, and job satisfaction. This data can be statistically analyzed to identify trends and problems that are common to migrant workers.

Qualitative Method :

In-Depth Interviews: Conduct interviews with migrant workers, their families, or experts in the field of employment to dig into their personal experiences and perspectives. It can provide insights into challenges, discrimination, and successes that are not seen in statistical data.

Document Analysis: Examines existing policies, reports, and related literature to understand the broader context in which migrant workers operate. This can include an analysis of migrant worker protection policies and their impact on their lives.

Case Studies :

Specific Case Analysis: Focuses on one or more destination countries, such as Malaysia,

to understand the dynamics and social and economic impacts of the presence of migrant workers there. Through case studies, research can delve deeper into the social, economic, and cultural aspects that affect migrant workers.

Comparative Analysis:

Comparison Between Countries: Using data from different destination countries to draw conclusions and compare their contributions, role in the global market, and the challenges faced by Indonesia's migrant workers in each location. For example, it examines the differences in wages, legal protections, and quality of life between workers in Malaysia and Hong Kong.

The method used in this article is likely to combine several of the above approaches to provide a holistic overview of the issues raised and is expected to provide a thorough analysis and diverse perspectives.

The following is a table of analysis of the comparative approach :

Aspects	Quantitative Approach	Qualitative Approach	Case Studies	Comparative Analysis
Data Source	Statistical data from BP2MI and other official institutions	Interviews with migrant workers and experts	An in-depth study of migrant workers in Malaysia	Data from various destination countries of migrant workers
Purpose	Measuring the number and distribution of workers	Understanding the experiences and challenges of migrant workers	Exploring Specific Impacts in Malaysia	Comparing the conditions of migrant workers in different countries
Data Collection Methods	Secondary data surveys and analysis	In-depth interviews and document analysis	Observation and interviews with workers in the field	Data collection from other reports and studies
Analysis	Descriptive and inferential statistics	Thematic analysis of the interview	Socio-economic narrative and context	Comparison of statistics and narratives between countries
Expected Results	Concrete figures on economic contribution	Deep insights into workers' social conditions	An in-depth understanding of employee life in Malaysia	A comprehensive overview of challenges and opportunities
Example Findings	Percentage contribution to Malaysia's GDP	Experience stories about discrimination and protection	Social and Economic impact of Workers in Malaysia	Differences in legal protection and compensation

Summary of the table above

Aspect: Provides categories for analysis, Quantitative Approach: Measuring numerically measurable data, Qualitative Approach: Focus on deeper experiences and contexts, Case Studies: Dig into specific details about migrant workers in Malaysia

CONCLUSION

This article explains the importance of Indonesia's migrant workers in meeting the

needs of labor in the global market, especially in Malaysia, in making a significant contribution to the economy both domestically and in the country where they work. Migrant workers not only act as remittances of foreign exchange, but also help meet labor needs in sectors that are understaffed. With the remittances they send, migrant workers contribute to improving family welfare and local economic development in Indonesia. Statistical data from BP2MI shows that the number of Indonesia migrant workers abroad, especially in Malaysia, continues to increase. This data reflects the great potential that Indonesia has in the global labor market. However, challenges such as the protection of workers' rights and access to social services remain issues that need serious attention. The research methodology used in this article includes analysis of secondary data from various sources, including government reports and official statistics from BP2MI.

From the results of this research, it is also hoped that it can be the basis for further research (further) in the field of worker migration. With more in-depth data and analysis, other researchers can conduct follow-up studies to explore other aspects of migration, such as the psychological impact or social integration of migrant workers in destination countries.

Overall, this article emphasizes the important role of Indonesia's migrant workers in the global economy, particularly in Malaysia. Despite the challenges to face, their contribution to the economies of both countries cannot be ignored. This study uses a good methodology with a combination of quantitative and qualitative data, providing a deep understanding of this issue.

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