Research Report

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Title of Research:
Breaking out of Limitations, Building Future at Home: Entrepreneurial and Economic Reintegration Process of Indonesian Return Migrant from Malang, East Java, Indonesia

Purpose of Research: (400 words)
By 2015, Indonesia had sent about 6.5 million migrant workers overseas. Every day, almost one thousand people returned home from working overseas. Among these return migrants, some go home with one hundred million rupiahs in savings, and continue conducting business at home. In fact, there are two conditions that maximize entrepreneurship and resource opportunities and can enable return migrants to experience success in establishing/building economic activities. The first has to do with how return migrants can gain and reproduce knowledge during the migration process, and learn to practice it when they return. Second, return migrants need the ability to develop and make strategic adjustments for economic survival in their home villages. These two conditions, conversely, also become limitations if the return migrants, who lack the knowledge, education, training, and assistance needed, cannot undertake and manage a business. Return migrants’ success in developing a business at home requires social remittances—i.e. networks and relationships, skills and knowledge, ideas, and values that are not always monetary forms of exchange—that enable them to modify their individual/family economic lives. The social remittances of return migrants play a key role in bringing about such changes, and return migrants have the potential to relate and build on many aspects of their experiences from both the host and destination countries.

The development of Indonesian return-migrant entrepreneurship and entrepreneurs who set up businesses at home constitute phenomena that have long remained unnoticed, and the social roles of migrants in their society/community also remain unidentified. Therefore, the objectives of this study are threefold. The first objective is to describe the Indonesian return-migrant economy of entrepreneurial activity, as both structural opportunities and individual strategies (adjustments) are related to living conditions. Second, this study seeks to reveal and identify the role of Indonesian return-migrant entrepreneurs and the implications of their entrepreneurial activity, both for individual career development and for forging ties in the community. Third, this study examines how return migrants make a strategic adjustment by accumulating resources that include status and social mobility, and how their entrepreneurial expression affects their living conditions and socioeconomic reintegration in their home country (village). The outcomes of this study have direct implications for the economic practices of Indonesian return-migrants in the home country, improve their living conditions, and also their social relations. However, very little research has been conducted in this field of study, especially in the areas of social anthropology. This study seeks to fill this gap in the research.

Content/Methodology of Research: (800 words)
My fieldwork was conducted from September 1, 2016 through October 30, 2017. The interviews completed at this field site consisted of the following: (1) ten return migrant entrepreneurs who had at least one current business in AW village; and (2) eleven return migrant entrepreneurs who had at least one current business in DM village. The interviews were conducted with the individuals in charge of the business activities and their spouses. The majority of the returnees interviewed in both villages were between 30–40 years old, and the sample included both male and female returnee migrants. Most of the informants finished primary education, followed by those who completed senior high school. None of informants was single. Most married informants in both villages had only one or two children, followed by some who had three children. The field study selected as informants return migrants who can successfully establish, initiate, and proceed an entrepreneurship activities at home. My study emphasizes the importance of knowledge, social relations, and obstacle facing entrepreneurs, which can adopted to help return migrants to reintegrate
on their return due to their loss of financial/social capital while overseas. I chose informant with those categories. Thus, this study can show the difference between those who choose remigration work abroad again, utilize new learned skills/experience, use productively their overseas savings, and who can sustain economic livelihood through entrepreneurship activities.

Table 1.2 Types of return migrant businesses interviewed

<table>
<thead>
<tr>
<th>No</th>
<th>Type of business</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Milling (rice, coffee, corn, cacao, spices, coconut, etc.)</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Building supply store</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Printing, copy center, wedding photography/shooting</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Neighborhood store (including retail voucher)</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Poultry meat</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Poultry egg</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Saloon</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Fish farm</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>Agriculture</td>
<td>3</td>
</tr>
<tr>
<td>10</td>
<td>Unspecified business (worm farms, internet café and gaming, retail)</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Total informants</td>
<td>21</td>
</tr>
</tbody>
</table>
Figure 1 Small scale entrepreneurship in AW Village, Malang Regency, East Java
Figure 2 An example of Indonesian return migrant entrepreneurial activities in AW and DM village, Malang Regency, East Java.

Poultry eggs, DM (Upper-left); Grocery store, DM (Upper-right); Milling, AW (Bottom-left); rental music and sound system, AW (bottom-right). Savings and loan activities at “Koperasi Senang Hati,” AW (Pictured below). Photo source: Rudolf 2017.

My study has revealed the function of international migration, entrepreneurial and individual small-scale business activities, as well as confidence and sense of independence, among migrant returnees. Indonesian labour migration, as found in this study, serves two functions: as a job alternative due to lack of employment opportunities at countries of origin and as a tool to obtain capital. Migration affords workers affluence and revenues from overseas work and return activities (i.e., occupations held upon return home) as well as exposes them to other ways of life, behaviours, and changes. Individual feedback on overseas migration is positive given the relatively high economic returns, capital investments, and formation of small-medium economic (entrepreneurial) activities. In my fieldwork sites, migrant
entrepreneurship financed by international remittances can create jobs and wealth at home, develop the economy of
migrant families, introduces entrepreneurship attitude into village society and self-transformation.

Migration has influenced the experience of sameness—i.e. difficulties or dreaming better condition, which points to the
emotional closeness that enables migrants to solicit support and build social interactions or relationships with their
co-migrants or family. Migration experience further enables them to engage in mutual knowledge exchange that
supports their business orientations (entrepreneurship). Beside through migration experience, fellow migrants and
family members become important drivers of entrepreneurial knowledge formation for migrant worker. Meanwhile,
knowledge accumulation can be interpreted as the formation of management and business expertise; the knowledge
amassed by migrants can be defined as the information obtained from migrant relationship with families, friends,
governments, and migrant NGOs. With their focus on empowering migrants, governments and migrant NGOs facilitate
knowledge transfer and offer guidelines on productive remittance management to migrant workers and their families.
This condition supported by self-consciousness for better future. Consciousness refers to the memory of the home, and
such awareness is reflected when TKIs pay attention to events that take place in their vicinity, especially those that
centre on improved living in the future. Finally, migrant workers use the media as a channel or avenue from which to
obtain information or improve their knowledge. In general, migrant media comprises information from migrant
stakeholders (Government, NGOs, migrant association).

Two aspects of the immigration experience influence entrepreneurial engagement: personal factors and village
structural factors. Personal factors include knowledge production and financial planning that support the development
of entrepreneurial activities when immigrants return home. The living and working conditions in the home country, the
poor financial environments there, and limited opportunities for wage labor in the home country constrain return
migrants’ abilities to reintegrate into their villages. Entrepreneurship contributes to return migrants’ economic
reintegration. However, economic reintegration is particularly difficult for return migrant entrepreneurs, especially,
when villages’ infrastructures are not well developed.

**Conclusion/Observation:** (400 words)
In order to alleviate the economic problems that arise following their return, return migrant workers maximize
revenues, save money, and use their money and social remittances for entrepreneurship associated with
self-transformation and changes in their home villages. Return migrants undergo ‘rebirth’ by acquiring new knowledge
and following new occupations, utilizing their economic experiences and mobility, and reintegrating themselves into
the society both socially and economically.

1. From entrepreneurship to economic reintegration
There is evidence of positive interlinking between successful migration and entrepreneurship, such as the positive
outcome of return migrants becoming village entrepreneurs. Return migrant entrepreneurship has an economic
stimulation effect on the community, evidencing positive benefits such as the transfer of business expertise, social
activism, the exchange of information through the development of local cooperatives, and the exchange of knowledge
and experience at migrant community events. Migration, entrepreneurship, and return migrant activities are the sources
or parts of self-transformation, facilitating the exchange of information and learning tools; hence, individual- or
family-level economic improvement, which occurs as a part of the above-mentioned transfer experiences, can increase
in return migrant societies. Finally, successful economic (entrepreneurial) and migration experiences abroad become
incentives for fast and efficient socio-economic reintegration in home villages.

2. Return migrant entrepreneurship: A career choice for seizing the future
Return migrant entrepreneurship is considered ‘as one solution and strategy’ for creating a sustainable livelihood for
return migrants; generating employment; providing new and better jobs; and, to some extent, reducing migration.
Hence, it is vital that return migrants are able to consider entrepreneurial activities as an option since the labor market
and corporate sector provide only a very limited number of jobs for those who are appropriately qualified for their
needs. In this study, I argue that entrepreneurship is one employment solution for return migrants since we know that
there is only limited possibility for them to ‘seize the future’ as someone other than an entrepreneur. This is because the
local economy or labor market is underdeveloped. The labor market in Indonesia cannot accommodate the abundance
of return migrants searching for wage employment. Therefore, these migrants, based on their experience and
knowledge, can identify new opportunities by following entrepreneurship as a career choice and, in this manner, seize
the future by establishing a business in their home village.