

From a migrant worker to a cooperative leader

By Muhamad Nour, ILO's Project Coordinator in East Java, and Gita Lingga, Communications Officer of ILO-Jakarta

In times of economic crisis, migrant workers are often the group of workers most vulnerable to adverse impact, as they tend to have the most insecure terms of employment. The current global economic crisis is no different, as migrant workers of various nationalities, including Indonesia, find themselves on the receiving end of the downturn.

In Asia and the Middle East, Indonesian migrant workers are predominantly employed in construction, manufacturing, plantations, agriculture, hotel and catering, and health and care work, including domestic services. Among these sectors, particularly construction, manufacturing, hotel and catering have been negatively affected by the global financial crisis.

Thousands of Indonesian migrant workers have already been laid-off in the export-oriented economies such as Malaysia, Singapore, Taiwan, Korea, etc. Their dreams of having better life and income have been shuttered. For their families who are almost exclusively dependent on their remittances, this is even a severe blow, particularly as migrant workers in the present economic climate have trouble finding new jobs, either abroad or in Indonesia.

The global challenges of the crisis, however, can still turn into opportunities. And, here is a story of Waniti, a 38-year old mother of three. This former migrant worker established a cooperative specifically designed and targeted to former migrant workers and their families in Malang City, East Java, Indonesia. Malang City is well-known as one of the main sending areas of migrant workers in the country.

"Before I never thought of saving my income or investing it for business. Then, when I came back home from Hong Kong a few years ago, I did not know what to do to get income in the village. I had trouble finding a new job and I could not get a loan from the bank to start something on my own," she said.

When she learnt that most of the banking institutions refused to deal with clients with limited income or money, together with other former migrant workers, she decided to establish a cooperative called Koperasi TKI Purna Citra Bumi Mandiri in 2005. The cooperative aims to tap the potential market of migrant workers with financial products and services tailored to their needs.

Together with the ILO through its Cross-Border Labour Migration Project, the cooperative expanded its services by providing management and step down start your business (SYB) trainings. "Wide access to trainings is essential for former migrant workers, particularly in time of the today's economic crisis, so that they can improve their business skills and they can empower themselves to generate income and even to create jobs for others," said Waniti.

"We also work together with the Seafast Centre, a training provider from the Bogor Agricultural Institute (IPB), to conduct a training on food safety and processing and with the Malang District Manpower Office in East Java on traditional herbs. These trainings have stimulated many former migrant workers to start up their businesses," explained Muhamad Nour, the ILO's Project Coordinator in East Java, Indonesia.

The ILO, said Muhamad, recognizes the greater role of migrant workers cooperatives in migrant communities to promote productive use of remittances, as most of personnel in the cooperative are former migrant workers with similar background and experiences. Funded by the Government of Japan, the project focuses on knowledge base and policy research, statistical and information systems, national policy and institutional reforms, improved bilateral cooperation, capacity building for good governance of migration process and effective remittance systems and productive investment.

The cooperative is now providing various products from food to agriculture products, dairy milk, to fertilizer and micro credit. With a total of 29 key members and 100 migrant families, the cooperative now has a total asset of Rp 130 million (USD 13,000). Its members continue to grow in numbers as they have benefited from the productive use of remittances, credit for health and education as well as income generating activities. Since last year, the cooperative has formally registered at Malang District Cooperative Office.

And, in time of the current crisis, the cooperative has expanded its services, reaching out to growing number of Indonesian migrant workers returning home. "As a former migrant worker I know how it feels being returned home without knowing what to do next or how to use the savings wisely or even how to invest them. Through this cooperative, we would like to offer the most important thing in our lives, hope. That is why we continue to provide information and assistance needed to former migrant workers on how to save, invest and start their own business," said Waniti.

Because of her dedication and hard work, she had been chosen by the Ministry of Manpower and Transmigration in February 2010 to receive an award for her outstanding efforts in promoting the productive use of remittances and in promoting income generation activities in migrant communities. The award ceremony was held in Jakarta on 9 February 2010.