



The Role of Remittance in the Development of Migrant Origin Areas in Parigi Moutong Regency, Central Sulawesi Province

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ABSTRACT

This study aims to analyze the effect of remittances on development in the area of origin of migrants, the impact of remittances on the welfare of households of origin, the use of remittances by households of migrant origin and to analyze the difference in remittance values between international migrants and regional migrants. The method of determining the sample using snowball sampling. The analytical method used is cross tabulation and Chi-Square analysis. The results show that remittances of migrant workers contribute to development in the migrant workers' origin areas. Most (57.3%) the proportion of remittances of migrant workers is used to meet daily consumption needs. While the other 47.2 percent is used for investment in education, health, gardens, vehicles and building houses. There is a positive relationship between the amount of remittances sent by migrant workers and the allocation of remittances for productive business activities. There is a very significant difference between the remittances of international migrant workers and the remittances of internal migrant workers.

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1. Introduction

The polarization of development, which is only found in certain areas in Indonesia, has led to an unequal distribution of the population. The island of Java, which has an area of only 132,187 km or 6.9 percent of the total area of Indonesia, has a relatively large population. Population census results data for the year 2020 shows that the total population inhabiting the island of Java is 151.6 million people or relatively 50.10 percent of the Indonesian population. Meanwhile, Kalimantan with an area of 539,460 km or 28.1 percent of the total area of Indonesia is inhabited by a population of only 16.6 million people or relatively only 6.15 percent of the total population of Indonesia (BPS, Results SP, 2020).

In anticipating the uneven distribution of the population, the government has long implemented a transmigration policy, namely by relocating part of the population on the island of Java outside Java. Although the government has implemented this policy, it has come to In the last census of 2020, as previously stated, Java is still a relatively densely populated area. The amount of population growth in Java is not only influenced by natural growth, but also by in-migration from outside Java. Java is the main choice for migrants from outside Java, because in Java there are various centers of activity, which promise a relatively large income. Mohr 1938 (in Mantra, 1985: 159) stated that Java's population density was caused by its fertile soil and favorable climate for agriculture. Furthermore, Charles A. Fisher (in Mantra, 1985:

Differentiation in the level of soil fertility, unequal land ownership by farmers in rural areas, lack of job opportunities, coupled with the increasing number of residents in rural areas, so that the narrowing of land ownership by farmers has pushed villagers to switch professions from agricultural workers to

non-agricultural jobs. in urban areas. Mantra 1981, (in Abustam, 1989: 32) states that the centrifugal force that drives people to leave the area arises because of the feeling of dissatisfaction of the population in agriculture, lack of job opportunities and limited educational facilities. Suharso 1978 (in Abustam, 1989: 33) suggests that the economic motive is the main basis for the movement of population in Java, especially the movement from rural areas to cities. Todaro (1987: 263) states that migration takes place in response to differences between urban and rural areas in expected rather than actual income. Expected gains are measured by the difference in real income between urban and rural jobs, and by the probability for new entrants to find work in the city.

On a macro and micro level, migrants have a significant role in development in their area of origin. Lewis (in Todaro, 1987: 273) states that out-migration in the agricultural sector is nothing to worry about, because by moving abundant labor to leave and find work and with good wages in urban areas will reduce pressure on land that is rare for those in the villages who remain, higher incomes can result from a higher land-to-labor ratio which allows for greater productivity of individual workers. Higher incomes will encourage the remaining workers to improve their land and thereby increase productivity and income will be even higher.

On the part of migrants who migrate apart from being able to affect the personal lives of migrants themselves, also by having found work in the destination area, part of their income will be sent to families in rural areas. This situation will be able to affect the level of family income in the area of origin and encourage their purchasing power of goods and services, so that prosperity and welfare can also be increased. Thus, the existence of remittances by migrants can also affect the distribution of income in the area of origin. With the description above, this research is very important to do. This study aims to analyze the effect of remittances on development in the area of origin of migrants, analyze the impact of remittances, analyze the use of remittances by households of migrant origin, and analyze the differences in remittances between international migrants and regional migrants.

2. Research Methods

2.1 Research Sites.

This research was conducted in Parigi Moutong Regency, Central Sulawesi Province. This location was taken purposively, with the consideration that in this district many residents migrated. Meanwhile, the selection of village locations was carried out in stages. The first stage is choosing a village with a relatively large number of people migrating out. Then in the second stage randomly select a sample of villages that have been compiled in the first stage.

2.2 Sampling

The sample in this study is household families who migrate (migrants). The sampling method was carried out using the snowball method.

2.3 Data Collection

The types of data needed in this study are primary data and secondary data. Primary data is data obtained through interviews with selected respondents using a list of questions and the conditions of the villages selected in this study.

Secondary data includes data sourced from government agencies such as statistical offices, as well as other relevant agencies. Other secondary sources are in the form of research journals, as well as other references that are related to the context of this research.

2.4 Data Analysis Method

The analytical method used in this study is to use a descriptive analysis method that tries to describe the use of remittances which include, the allocation of remittances for consumption, the allocation of remittances for the purchase of investment goods, the allocation of remittances for the improvement of rural facilities, while to see the relationship between the amount of remittances and the allocation of remittances. For consumptive and investment purposes and the difference between international remittances and regional migrant remittances, Chi-Square analysis is used, with the following formulation:

$$X^2 = \sum \sum \frac{(f_o - f_e)^2}{f_e}$$

Information:

X^2 = Chi-Square

f_o = Frequency obtained in research

f_e = Expected frequency

$\sum \sum$ = Sigma = Sum

Decision making criteria:

H_o is accepted if $X^2 \text{ count} < X^2 \text{ table}$

H_o is rejected when $X^2 \text{ count} > X^2 \text{ table}$

3. Results and Discussion

3.1 Effect of Remittance on Development In The Area Of Origin.

The purpose of development is for the welfare of the community. The main task to achieve this goal is the government, both local government and central government. As the researcher has stated in the results of the research above, remittances have had an impact on development in the area of origin. The success of the development of a region not only pays attention to the duties and obligations of the government, but also public awareness of the progress of an area. One of the obstacles for the government in efforts to improve and specifically improve the welfare of its people is the limited development funds to develop the region, including building its community in order to improve the people's welfare.

For this reason, the role of the community in participating in regional development is very important. Community participation in development is not only valued in terms of money, but participation in the form of providing input through constructive thinking to the village government, especially in utilizing existing funds so that they are used in accordance with the agreed plan.

Migrant workers' families are part of the community and have participated in the development of their villages. The data from this study indicate the concern of the working families to participate in village development efforts. Their participation in development is manifested in the form of donations of money for the construction of village infrastructure, including the construction of houses of worship (72.0%), construction of Islamic boarding schools (3.7%) and the improvement of other village facilities (4.9%). The results of this study are in line with the results of research by Abustam (1989) which states that the role of migrants in supporting development in their villages, especially households in their area of origin, is relatively large.

The research above is also in line with Todaro (1987) who stated that there are 5 main benefits enjoyed by the region of origin as a result of international migration. Two of the five benefits are, First, the money sent by migrant workers to their area of origin will lead to increased consumer demand and people's savings in the area of origin and also become a source of foreign exchange for the government for the formation of physical capital that spurs economic growth in the long term. Second, returning migrants will take home the skills learned in more affluent countries, thus creating human capital without having to spend money. The description shows that migrant workers have contributed to development in their area of origin.

3.2 The Impact of Remittances on the Welfare of the Homeowners of Origin

The high rate of population growth in Indonesia has had an impact on the increase in the number of generations. This high increase in the number of the workforce is not balanced with the expansion of employment opportunities. This situation has the impact of increasing the number of unemployed in Indonesia, including in Parigi Moutong Regency. One option for those who have not yet found a job is looking for work outside the Parigi Moutong Regency area. Based on the research data, there are two options for them, namely looking for work in the country and workers abroad. The limited field of workers in the country has influenced some workers to try their luck abroad.

There are two responses about the impact of welfare on migrant workers' households after their families work as international migrants and internal migrants. Most (73.2%) of households from

migrant workers stated that there was an increase in their welfare after their families worked abroad or at home. On the other hand, 26.8 percent (Table 4.6) of households from migrant workers did not feel any change in their level of welfare.

The existence of remittances or remittances made by migrant workers has an influence on the pattern of income distribution in rural areas. Remittances can also narrow the welfare gap among villagers. In fact, some of the international migrant workers have made significant contributions to their families and children. One of them is Mrs. Astin. He is a migrant worker in Saudi Arabia, has worked for five years and he returned to his village a year ago because of the Covic 19 pandemic. His employer told him to return to his village and if the Covid 19 pandemic was over then he would return to Arabia to work . According to him, the employer is very kind, and every month he sends money to his village an average of Rp. 5,000,000 by the employer himself. From the remittance, Ibu Astin used it to repair a house, buy a garden and send her child to high school and the other is to study at the Midwifery Academy in Palu. Thus, in proportion to the allocation of the use of remittance funds, most of them are for meeting consumption needs, but there are as many as households from which they are used for the formation of physical capital such as houses, gardens, vehicles and non-physical capital in the form of education and health.

3.3 Utilization of Remittances by Households of Origin.

Population growth that is too fast, especially experienced by the regions will have negative consequences for the economy. The result of this growth is the increasing number of the workforce. At the same time, the relatively limited field of workers gives impetus to workers to look for workers outside their area. Some of them migrate, some get information from friends or family who migrated first, thus encouraging them to migrate. But there are also those who move with enthusiasm to find work to earn income for the families left behind.

Migrating for them is wrong in migrating because they generally already know the conditions in the destination area based on information from friends or family who have previously found workers in the destination area. The income they get in the destination area is used in addition to meeting the needs of life in the area where the migrant works, but also to send some of it to their hometown.

The research data shows that most (57.3%) of remittances from workers are used by the household of origin to meet daily consumption needs and the other part, namely 42.7 percent, is used for children's school fees, health costs, building a house. , purchase of vehicles and purchase of gardens. Partially, it is very interesting to study that there are 20.8 percent of remittances from migrant workers, which are used by households of origin in their children's education up to college. This means that remittances by migrant workers have a direct impact on the quality of the human resources of the children of migrant workers. Thus there are double benefits obtained by migrant workers, namely increasing the welfare of the household of origin,

"The above statement is in line with Todaro's (2011) expression which states that education and health are fundamental development goals. Education and health each also have an important meaning. Health is essential to well-being, and education is essential to a fulfilling and worthwhile life. Both are fundamental in relation to the broader idea of increasing human capability as the core of the true meaning of development.

At the same time, education plays an important role in increasing the ability of a developing country to absorb modern technology and develop the capacity for sustainable growth and development. In addition, health is a prerequisite for increased productivity, and successful education also depends on health on adequate health. Thus, health and education can also be viewed as vital components of growth and development, as inputs to the aggregate production function. Their dual role as input as well as output makes health and education very important in economic development". (Todaro, 2011:445-446)

3.4 Analysis of Differences in Remittances of Internal Migrant Workers and International Migrants.

From 82 respondents who were interviewed from 4 sub-districts of 20 selected villages, it was found that 15 families of migrant workers worked abroad and another 67 of migrant workers worked domestically. Based on the available data, it was found that the average transfer of international

migrant workers was higher at Rp. 2,966,667, while the average transfer of internal migrant workers was Rp. 1,291,045. These results are in line with the results of the Chi-Square statistical test below.

Table 1

Chi-Square Tests			
	Value	df	asympt. Sig. (2-sided)
Pearson Chi-Square	19,276a	4	.001
Likelihood Ratio	25,107	4	.000
Linear-by-Linear Association	14,977	1	.000
N of Valid Cases	82		

a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .22.

Based on the results of the Chi-Square Tests above, it shows a very significant difference as indicated by the asymp.sig test results of 0.001 below the confidence level of 0.005, which means that there is a very significant difference between the amount of money sent by international migrant workers compared to foreign workers. internal migrants. The results of this study are in line with those expressed by Ida Bagus Mantra (1990) where the wage level for unskilled workers in Middle Eastern countries in 1990 such as maids reached the equivalent of Rp. 250,000 per month, the wages of drivers per month reached Rp. 400,000,-. Meanwhile, the daily wage in Semarang in 1991 was Rp. 2.500, - or a month of Rp. 75.000,-. This shows that the wages of international workers, especially in countries in the Middle East, are relatively high.

4. Conclusion

Based on the description of the results of the research that has been carried out above, it can be concluded as follows:

1. Migrant workers' transfers (Remittances) contribute to development in the migrant workers' areas of origin.
2. Most (57.3%) the proportion of remittances of migrant workers (Remittances) is used to meet daily consumption needs. While the other 47.2 percent is used for investment in education, health, gardens, vehicles and building houses.
3. There is a positive relationship between the amount of remittances sent by migrant workers and the allocation of remittances for productive business activities.
4. There is a very significant difference between Remittances of international migrant workers and Remittances of internal migrant workers.

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