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## **Circular Migration & Social Protection in Aceh, Indonesia**

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## Abstract

*Circular migration* is defined as non-permanent population mobility and it is a phenomenon of social, economic and demographic significance in Indonesia (Hugo, 1982). Temporary movement from several weeks, months to years can take various routes: from one village to another, from one island to another or from Indonesia to a neighboring country in ASEAN. But increasingly, circular migration is now based on a continuing, long term, fluid relationship among countries that occupy what is recognized as a single economic space.

For Indonesia, accelerating levels of temporary mobility patterns and remittances are associated with a more equitable distribution of resources. *Social protection* is the main function of circular migration and remittances particularly in the Outer Islands of the country. This function is concerned with how societies manage risk, with the main idea being that individuals, households and communities are exposed to multiple risks from various sources. However, national governance structures tend to focus on migration at the macroeconomic level in terms of labor flow management, as a source of foreign exchange and as a complement to economic development. There is a migrant strategy at the microeconomic level that remains relatively unnoticed and uncoordinated - *the use of circular migration when households experience crises and natural disasters and this is in a country prone to such shocks.*

Using the *intra-household allocation* approach, this empirical paper identifies migrant households that experienced the aggregate shocks of 1) the Aceh independence movement and 2) the Asian Tsunami. An established mechanism of formal and informal movement across the Strait of Malacca to Malaysia and Singapore is documented. This livelihood strategy has created a mechanism and remittance corridor that provides *social protection* to households during shocks. The degree of social protection achieved by these income transfers for each household member depending on the familial relationship is documented. This paper uses these findings to provide policy implications for nascent local governance structures by emphasizing factor mobility and letting markets work.

*“I left Aceh to work in a factory in Malaysia for two years. Unlike the Javanese, Acehese women do not work in foreign countries as maids. I do not want to be bonded in servitude (“terikat”). I wanted to help my family but I didn’t want to leave them forever. I sent money home to the one bank account that the whole family uses. But the tsunami destroyed the closest branch in this village. Now my father has to pay Rupiah 8,000 (US\$1) to travel to the bank in Banda Aceh”*

Acehnese woman, aged 24, desa Mon Ikeun, 2006

## **1. Introduction**

When the Asian Tsunami hit Aceh, formally known as Nanggroe Aceh Darrusalam (NAD) on 26<sup>th</sup> December 2004, some 130,000 people were killed and 37,000 remained missing. Humanitarian aid was provided immediately based on need. In the following months, relief and rehabilitation work in Aceh as well as the earthquake Nias were complemented by reconstruction aid. The Reconstruction and Rehabilitation Agency for Aceh and Nias (BRR) and the then soon to be formed Government of Aceh coordinated the use of foreign aid to ensure that people’s shelter and other basic needs were met. Provision of services by aid agencies gradually shifted from coverage for all directly affected by the natural disaster to targeted groups based on a given selection criteria.

But someone forgot about migrant households.

Indonesia has a long tradition of migrant workers formally classified as *Tenaga Kerja Indonesia* (TKI) for males and *Tenaga Kerja Wanita* (TKW) for females who work abroad. Accurate statistics are difficult to come by because many TKI and TKW have unpredictable patterns of movement within Indonesia as well as abroad. The little that is known, concerns legal workers who find contract employment such as the young woman from Mon Ikeun village. At the micro-level, these migrant workers who leave temporarily contribute significantly to household income. Yet their contribution to local level social protection goes relatively unnoticed. When agencies collect household data to determine aid eligibility, there is a higher probability that migrant households are excluded on the basis of available income at the time.

This paper describes migrant households that have been vulnerable to physical and economic threats in Aceh which had experienced over 30 years of civil conflict and the

tsunami. This study is carried out in the context of the period of emergency, relief and rehabilitation aid. This description is made in response to many observers who claim that certain socio-economic groups are particularly vulnerable to shocks (see Cornia et al. 1987 and World Bank, 1990 inter alia). Yet there is very little research on exactly *who* is vulnerable. Rigorous vulnerability analysis using cross-sectional household surveys and panel data are especially rare to carry out in the context of a natural disaster and civil conflict. To complement the work of the World Bank using the National Socio-Economic Surveys (SUSENAS), the use of area specific fieldwork to collect case studies is carried out.

Fieldwork covered the north east coast of Aceh on one side of the Strait of Malacca and the west coast of Malaysia on the other side (see Figure 1 in Appendix 1). Primary data was collected based on individual and focus group semi-structured interviews with 29 migrant workers and / or their families in Aceh. The sampling method used was non-random snowballing because of the sensitive nature of questions asked about a family's finances. Attempts were made to ensure the sample group was split urban (13 respondents) – peri urban (6 – respondents) - rural (10 respondents) and male (21 respondents) – female (8 respondents).

The rest of the paper is organized in the following way. Using World Bank information, Section 2 describes poverty in Aceh and how this creates conditions that forces labor movement to either other parts of Indonesia or abroad. Section 3 describes the different mobility mechanisms, the remittance corridor and the risks that the migrant worker faces because of an uncoordinated labor market. Section 4 details how the migrant's social protection strategy for the household was badly affected in the aftermath of the tsunami. This is followed by conclusions and analysis with local level policy ramifications in Section 5.

## **2. Descriptive Statistics**

According to the 2003 estimates of the national *Badan Pusat Statistik* (BPS), almost 30 percent of the population in Aceh was living below the poverty line, as against the

national average of 17.4 percent. At the time Aceh was the third poorest region in Indonesia despite being endowed with natural resources that are mainly extracted for use at the national level. Table 1 in Appendix 1 provides a breakdown of income per capita and poverty levels by district in 2003.

The unemployment rate in Aceh was 11.2% in 2003 which was higher than the national average of 9.5%<sup>1</sup>. Many of the unemployed Acehnese are either unskilled or low skilled who traditionally come from subsistence and low income production households. Because of the past inability of the province to provide economic stability and personal livelihood opportunities and the consequences of the *Republik Indonesia – Gerakan Aceh Merdeka* (RI-GAM) conflict, workers have had to look elsewhere to improve their economic welfare.

In 2005 after the tsunami, poverty levels increased but by 2006 these levels had declined to pre-tsunami levels. See Table 2. But the relatively low levels of poverty increase in 2005 arguably mask large differences in tsunami and conflict affected areas. See Table 3. Disaggregating data to the local level strongly implies that all it takes is a small shock for them to fall below the poverty line. See Table 4. It is argued that it is through the efforts of households, that some measure of social protection is achieved in the absence of state intervention.

### **3. Mobility Mechanisms and the Remittance Corridor**

The rationale for labor movement is to improve economic welfare and to provide some form of social protection for family members. Therefore, the household economic dependence on the remittances made by migrants is very high. Most of these low skilled workers follow a circular migration process. They tend to take employment on a single short-term, repeated short-term such as repeated two year contracts in factories or seasonal basis. Many view the employment as short term because they would like to be quickly reunited with their families once they have made money. These remittances can be in the form of money, property or ideas (skills) usually carried by the returnee

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<sup>1</sup> Based on World Bank figures

migrants to their places of origin (Mantra, 1997). Main areas of spending are repairing or building a home, sending one's children to school or purchasing agricultural land (Rudnyckjy, 2004). However such spending is adjusted to the unpredictable nature of remittances – migrants will send money home only when they have paid off their debts to agents and have some savings.

The top destinations for migrant workers are Malaysia and Singapore. Other destinations include the Middle East. This is because of the geographical proximity between Indonesia and these two countries, similarities in culture and the existence of social networks in the destination countries. The labor supply chain that starts with the sourcing of labor that is then transported to Malaysia and Singapore is well established. This supply chain is managed by a series of middlemen and brokers (locally known as *calo*). The type of labor that is needed tends to be low skilled and is used to meet the needs of the mining, plantation, construction and domestic work sectors. These migrant workers come largely from the agricultural sector. But because of the gains made from technological advancement in this sector, there is less need for agricultural labor (Hugo, 1995). Unfortunately non-farm activities are limited leaving many of these workers unemployed. Because of the higher rates of economic growth in Malaysia and Singapore, there are more employment opportunities for these workers. Furthermore, the wages paid in these destination countries are much higher than in Indonesia (Hugo 1993, Jones 1996). A migrant worker can be recruited for employment following two methods 1) with the help of relatives in the destination countries or 2) by employers / employment agencies in the different sectors.

Old pioneering migrants who are settled are a very important source of job information for new migrants. In addition new arrivals in Malaysia or Singapore are initially settled by the pioneers, and they are also very instrumental in seeking jobs for the new comers. This is mainly because there is a social network in terms of a strong blood relationship between the new and the old migrants (Salt, 1987; Boyd, 1989; Mantra, 1997).

The employer or employment agency initiates the recruitment process. This type of recruitment is used by Malaysian or Singaporean employers who urgently need to fill positions in factories and plantations. A premium is paid and this provides an incentive for recruiting agencies and brokers officially licensed by the Indonesian Ministry of Manpower to as likely send migrants illegally as their unlicensed counterparts (Jones, 1996). However the consequence is that the migrants urgently recruited tend to enter on a tourist visa and when the visa expires, the workers are likely to be caught, detained and deported; this after having mortgaged land or taken out loans from local moneylenders at 100 percent interest or higher to pay the recruiter's fee in the first place (Jones, 1996). This was verified by a man interviewed in Lamno, Aceh. He had made two attempts to become a migrant worker. He sold all his household assets in order to pay for the recruiter's services as well as to buy a counterfeit passport. Upon arriving in Malaysia he was arrested and deported. His remaining asset for collateral, land was destroyed in the tsunami and he is now struggling to look for work as a driver. Based on interviews with other migrant workers, the average cost for travel papers (legal or illegal) now is a cost prohibitive Rp6 – 7 million or approx. US\$600 – 700.

One of the problems encountered in computing or estimating how much remittance is made by these migrants is the uncoordinated nature of remitting. On average remittances make up 20% - 50% of a migrant's income (Orozco, 2005). The value of remittances can range from the equivalent of US\$25 – 75 (Kompas, 30/10/2004). Although these amounts seem negligible, they have a social protection effect and go a long way in supporting the livelihoods of families. These amounts can help prevent families from falling into chronic poverty or minimizing the incidence of transitory poverty.

Although circular migration is the trend for many Acehnese workers, the conditions that make this favourable for them is the long term, fluid relationship that has been established in countries surrounding the Strait of Malacca. On the basis there is a single economic space that transcends physical borders. This relationship stemmed from the RI-GAM conflict. Acehnese society was continuously in conflict to varying degrees for over 30 years. How they coped is reflected by migration trends and how the remittance

corridor has developed over time. The same type of social protection strategy was used in response to the tsunami.

There are permanent Acehnese settlements in Malaysia and Singapore. Migration was not solely motivated by economics and redistribution. They migrated for different reasons – trade, education, religion and politics particularly the conflict. The implication is that the social network for Acehnese migrant workers is much stronger than for other Indonesian workers. The settlers become an important source of information and support for new arrivals. During fieldwork, the presence of a social network was found in an Acehnese community located in Selayang, near Kuala Lumpur the capital of Malaysia. The size of the community is about 500 people. This is a low income, peri-urban area that functions as the wholesale market for fresh produce sold to the city. Wholesale trading activities here used to be controlled by Malaysians but this is gradually changing because of the entrepreneurial spirit of the Acehnese. This community in Selayang comprises of Acehnese people with origins exclusively from Pidie, Bireun and Lhokseumawe. These were conflict ridden areas and badly affected by the tsunami. This community will only protect the interests of those from the same area of origin. In interviews with community leaders, this group has been in existence since the beginning of the conflict. According to them, there are other similar communities in the Klang Valley, Penang, Malacca and Johor. Community leaders explained that they have been assisting in the relocation of undocumented migrants, mostly men, from the same areas of origin in order to escape political persecution. This assistance was also provided in the aftermath of the tsunami when some internally displaced people (IDPs) did not know if the security situation in Aceh would stabilize. Once they have entered this community, the migrants receive assistance in looking for housing and work on construction sites or increasingly at the wholesale market. Since the RI-GAM peace agreement, some families have started to return to Aceh.

Acehnese migrant workers in Malaysia and Singapore are concentrated in urban and peri-urban areas. Based on interviews, there is specialization of work and this is distinguished by gender. The TKI or males tend to work in construction, factories and trading. The

TKW or females tend to work in factories. In the interview responses it was found that the TKI tended to accept work in the informal economy and risked arrest and deportation. On the other hand, the TKW tended to work in the formal economy and as such experienced less vulnerability. This distinction is related to education levels and qualifications required for formal work. In the interview responses, the TKI tend to be less well educated than the TKW who all have at least a high school education. This is associated with the conflict where males were targeted and many could not complete their education. Another distinction that was found was that the TKI tended to take on unpredictable short-term work while the TKW signed job contracts for 2 years that could be renewed. Many TKW tend to be between 18 – 30 years, work up to 5 years in factories, accrue more savings for remittances and / or investments and then return home to Aceh to marry. See Figure 5 for a profile of wages by occupation.

Because of the social network and the number of repeated short-term contracts, the size of remittances sent to Aceh is potentially larger than in other regions of Indonesia. However this is difficult to verify. This is because during the conflict, there was a lack of data collected. Also according to a respondent who was a GAM soldier, the system for migration and remittances was fine-tuned for use in the informal economy. This was because of a deep sense of distrust and suspicion of the government. Hence there is the unwillingness to have data recorded officially. Case in point is that the official statistics from the Aceh Department of Manpower (*Dinas Tenaga Kerja Aceh*) reported that in 2004 there were only 150 migrants workers and in 2005 only 5 workers with minimum remittances sent.

#### **4. Effects of the Tsunami on Migration and Social Protection**

Before the tsunami, the formal and informal remittance channels were well developed and functioned well. Formal migrant workers could choose between the two channels. Informal workers could use a combination of the two – the sender without a bank account could use a money changer to transfer funds to his / her family's bank account. Respondents explained that families try to ensure that there is one bank account for use

by the whole family. Normally it is the head of the family who has the bank account and everyone else piggybacks on it.

Based on interviews with Acehese families, remittances are mostly used to support aged parents. This is because of the importance of filial piety in Acehese values. The next priority is to use remittances to help pay for the family's basic needs which includes school fees at the primary and secondary school level. In dollar value, basic needs in Aceh are equivalent to Rp800000 or approximately US\$80/month<sup>2</sup>. Housing which would have been expected to be a priority was not as important to them as most of them had some form of housing.

Remittances are normally only sent after the first year of work in Malaysia or Singapore. This is especially true for workers who have to repay recruitment fees to the calo. On occasion the worker may be fortunate to have entered Malaysia or Singapore illegally using his / her social network. Because of solidarity, there are no fees to pay.

Amounts sent tend to be stable because most migrant workers aim for self-sufficiency<sup>3</sup> and have a fixed cost structure that covers in the following order of priority - debt repayment, living expenses and remittances. The percentage that can be saved for remittances is fixed. See Figure 7 for the intra-household allocation process for remittances.

Given the patterns of intra-household allocation found in Figure 7, there is a degree of predictability in the remittance pattern and there is stability in the amounts sent. Predictability increases when the sender is the father and head of the family. Fathers interviewed that by sending money every month, they felt assured that all expenditures could be paid. They did not have to worry about their wives having to manage finances. Also predictability increases when the recipient is an aged or widowed parent. But as observed in Table 2, predictability decreases when the sender is not the head of the

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<sup>2</sup> Based on calculations by PUGAR – The Center for People Movement & Democracy, Aceh

<sup>3</sup> This was verified by the internal records of Western Union for its Asia market

family. It was also found that if the sender had many siblings who had jobs, there was even less priority to send remittances. Young migrant workers interviewed especially men who were unmarried were more inclined to use their income as savings for future investment in Aceh. Daughters were found to be extremely responsible for the widowed mothers' welfare. Hence with reference to table 2 and the interview responses, remittances are of the greatest benefit to aged parents and widowed mothers, followed by the worker's wife and children. Remittances play a social protection role for these groups. However parents tend to receive remittances as subsidies while the wife and family tend to be fully covered. Remittances are of least benefit to the worker's siblings. Concerning the use of money changers, many respondents found their services to be reliable. This was confirmed by the money changers who became familiar with their customers and knew which village the recipients lived in. As such, predictability in the remittance pattern increases and amounts sent remain stable.

After the tsunami, this fragile balance that helped families month-to-month changed.

Based on interviews, in the first month after the tsunami, many migrant workers could not locate their families. Family members either died or were displaced. These workers took 14 – 30 days to locate their families using mobile phones (calls and SMS text messages) to contact friends and relatives. After locating them, there were more workers who could not return to care for their families in the emergency period than those who could. This was because of several reasons – the worker had just started his / her first year of work in Malaysia and Singapore and had to use all of his / her income to repay the *calo*; the worker had entered the destination country illegally and could not risk arrest by leaving to return to Aceh; the worker did not receive permission for a leave of absence from the employer or most family members had died including the parents and it was pointless to return to care for a surviving sibling.

A respondent who managed to return located her entire family in an IDP camp. She said that she returned with a plane load of other workers. This was in the beginning of February 2005. She was fortunate to receive a leave of absence from her employer for a

month. In addition her employer made a charitable contribution of RM1000 or approximately US\$266. She brought home money, food, clothes and gifts to help her family especially her widowed mother through the emergency period. For the whole month, she stayed with her family in the camp. She was very thankful for the foreign aid assistance that they had received in the camp because it alleviated her burden. By the time she left, her family had returned to rehabilitate their partly damaged home.

There was also a respondent who had a sister who flew from Malaysia to Aceh two weeks after the tsunami. She used to frequently send remittances to her family. But since starting her own family in Malaysia, she sent less money and tended to focus on her mother's needs. In the aftermath of the tsunami, she ensured that her mother was relocated to a relative's house and had sufficient funds, food, medicine and clothes. She did not provide any assistance to her brother. She expected her brother who lived in Banda Aceh to be self-sufficient.

There is another case where there is less concern for a sibling. A young motorized rickshaw or *becak* driver who was interviewed reported that after his parents and eight family members died in the tsunami, his older brother who had settled permanently in Malaysia decided to stop sending regular remittances. This young respondent was expected to be self-sufficient as his older brother struggled to get by in Malaysia. On rare occasions his brother would send some money.

For migrant workers who wanted to return but could not and had some savings, emergency remittances were sent via friends and relatives. According to six respondents (either worker who could not return or family of workers who could not return) amounts sent were the same as pre-tsunami.

In addition, according to a migrant worker union organizer, the union had a fund raising campaign to supplement the remittances of workers. These charitable contributions were pooled and distributed by community based organizations (CBOs) using their social networks and by emergency and relief aid agencies. But this union organizer

acknowledged that the union could not individually supplement a worker's private remittances. Other respondents confirmed that there was a significant level of charitable contributions. This implies that these contributions either supplemented or substituted for remittances.

Aid agency distribution of goods and cash (through cash transfers, grants and cash-for-work) to IDPs were reportedly extremely important during the emergency. This was especially so in geographically isolated areas where such distribution was an alternative to regular channels.

Both the formal and informal remittance channels were badly affected by the tsunami. Corresponding banks for remittances and infrastructure were destroyed or severely damaged. Only two banks on the east coast of Aceh were operational by the first week of January 2005 (Kompas, 31/12/2004). BII was operational by 14 January, 2006. Although Western Union (WU) was operational within 24 hours of the tsunami it had a limited coverage because its agents such as the above mentioned banks had suspended operations. Money changers were only operational 1 - 2 weeks after the tsunami. However Pos Indonesia still managed to function by redirecting its work load away from the damaged areas in Aceh to Jakarta and Medan. Correspondingly according to the *Bank Republik Indonesia*, total remittances received by the country for January – February 2005 was Rp. 177,680 million, down 7.34%. This figure did not include remittances using informal channels. As such it could be strongly inferred that the reduction was even more significant during the emergency period.

Although these remittance channels tried to be operational as soon as possible, the main problem that many migrant workers faced was that they could not provide an address for where their families were re-located to. A mailing address is needed by WU, Pos Indonesia and money changers in order for contact to be made with the rightful recipient. The use of a mailing address to identify a recipient is an institutionalized practice in both formal and informal channels because many recipients from poor rural households do not

have identification papers. This situation was exacerbated by the tsunami when those who did have identification papers lost them in the disaster.

The problem of the mailing address becomes significant given efforts by formal remittance sending companies to promote more transfers during the emergency period. Singapore Post (Sing Post) announced a commission waiver of the remittance service to the tsunami hit areas. This waiver was effective from 14 January – 31 January 2005. On behalf of WU, Sing Post also announced that a reduced and flat rate of \$12 (or US\$7.6) was charged for remittances to any of the tsunami affected countries. Transfer amounts could not exceed S\$1000 (or US\$131). This was valid from 14 January 2005 – 10 February 2005. But when asked whether the commission waiver increased remittance dollar amounts or volume of transactions, Sing Post responded that the trend remained stable and unchanged during this period. Using the only accessible January – February 2005 official figures from the *Bank Republik Indonesia* and Sing Post, it can be strongly inferred that many IDPs had their remittances disrupted and had to rely on foreign emergency and relief aid and CBOs.

But by February – March 2005, the remittance patterns started to recover. This may have been motivated the most by the network of money changers. According to a key player in the currency exchange business, they took the initiative to put in place an emergency communications system using the *flexsi* local mobile phone network which had limited coverage of a seven km radius from each main town in each district. Using this system, they could help migrant workers contact their families. Locations of IDP camps could then be provided to the money changers. They would make arrangements to either deliver the funds to functioning bank accounts that the IDPs piggybacked on or sometimes even make deliveries to the camps. By mid-2005, respondents observed that more migrant workers were returning to Aceh bearing money and gifts. By end-2005, remittance systems both formal and informal were operating at a higher capacity for *Idul Fitri* celebrations in November. This suggests that by mid-2005 as Aceh entered the relief and rehabilitation phase, families were using aid assistance and remittances side-by-side or in a complementary manner.

## 5. Conclusions and Policy Implications

While aid agencies focused their attention on meeting the basic needs of the Acehnese after the tsunami, very little is understood about household behavior particularly migrant households. Because the migrant worker is not available to be interviewed or surveyed, the contributions made are hidden. Aid agencies were quick to make a too strong assumption that the Acehnese were not able to cope with the natural disaster. But as the fieldwork highlights, a migration route and remittance corridor had been long established as a social protection strategy to cope with the conflict.

While there are now attempts to stimulate the economy and to particularly address regional disparities, this should be complemented by the provision of key public services. In cooperation with the family, the private sector comprising of recruitment agencies, makeshift transport providers (*becak* and *labi-labi*) and money changers fill the gap that should be the main responsibility of the public sector. By managing these services, the Government of Aceh will be able to help better coordinate the movement of labor. This in turn produces welfare effects for the economy in a state that can barely afford benefit provision for its citizenry.

The current poverty alleviation strategy being considered for Aceh focuses on increasing the productivity of the agricultural and fisheries sectors, as well as a strategy to improve the capabilities of the poor and linking them to growth poles in urban areas. In addition the Government of Aceh is urged by the World Bank to diversify the economy away from natural resources and increase transparency of the distribution and use of revenues. However such a diversification strategy is politically sensitive given the issue of national – provincial use of these resources. To strengthen this poverty alleviation strategy, migrant income and the positive externalities that it produces have to be accounted for. Focus should be given to both aggregate level growth and disaggregated level redistribution.

This can be done by establishing or improving public provision of additional bank and post office branches in remote areas; a larger coverage of local newspapers with

recruitment ads; subsidies for private sector transport providers that will give them an incentive to expand their routes and improved mapping of residential areas. This range of services can be provided at the local level and concentrated where most migrant communities are located.

This policy option of improving service provision associated with out-migration will seem counter-intuitive. Instead there is a tendency for policymakers to support targeted transfers to the poor or make some loose claim about pro-poor growth. But in this context where the people have Aceh have a long, established tradition of circular migration, the suggested policy option should be promoted. Out-migration and its trading and social networks across the Strait of Malacca is a comparative advantage for Aceh. This movement of labor goes in the direction of available financial capital and skill building / transfer opportunities. In the short to medium term, by letting market mechanisms work, this option will produce more welfare than attempts to build labor productivity in local agriculture.



Aceh Barat Daya	115.4	413	29.50
Aceh Tamiang	225.0	411	26.00
Aceh Timur	331.6	367	31.60
Aceh Singkil	124.8	363	29.50
Nagan Raya	144.0	360	34.70
Banda Aceh	223.8	357	9.70
Pidie	517.7	327	38.90
Aceh Barat	195.0	298	36.10
Simeulue	59.1	286	35.00
Aceh Jaya	98.8	270	32.00
Aceh Tenggara	150.8	144	24.20
Gayo Lues	66.4	114	32.20
NAD	4 218.60	862	29.80

Source: a/ BPS-Aceh 2003; b/ calculated based on data from BPS-Aceh and exchange rate (Rp:US\$) of 8 577;

c/ WFP data base.

Note: Poverty Line, US\$0.47 per capita per day for Aceh and US\$0.45 per capita per day for Indonesia. It varies district to district, with max in Aceh Besar of US\$0.54 and min in Simeulue US\$0.45. Calculations were made based on information available in 2005.

Figure 3: Poverty Levels (%)

	2004	2005	2006
Aceh	28.4	32.6	26.5
Aceh Urban	17.6	20.4	14.7
Aceh Rural	32.6	36.2	30.1
Indonesia	16.7	16.0	17.8

Source: World Bank, 2008

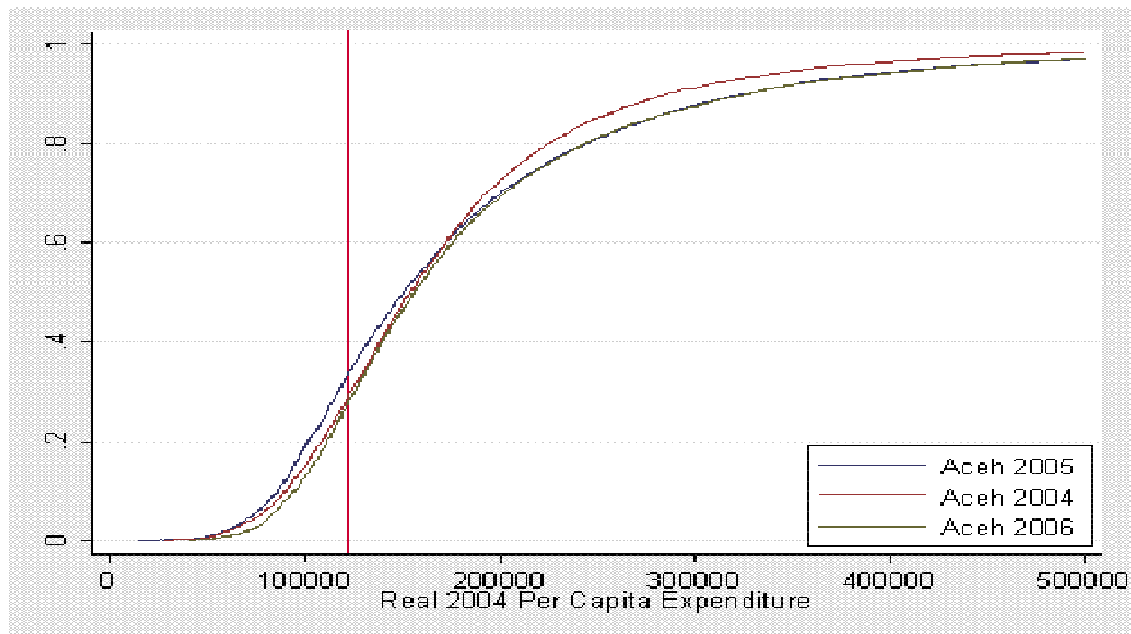
Figure 4: Likelihood of Being Poor

	2004	2005	2006
High tsunami	0.83**	1.44***	1.08
Low tsunami	1.00	1.00	1.00
High conflict	1.29***	1.43***	0.96
Low conflict	1.00	1.00	1.00

\*\* Significant at the 5% level \*\*\* Significant at the 10% level

Source: World Bank 2008

Figure 5: Real Per Capita Consumption



Source: World Bank 2008

Figure 6: Wages by Occupation

Type of Work	Monthly Wage (US\$ equivalent)
Construction	400 – 530 (depending on skills level)
Factory	114 – 530 (if including overtime)
Trading	320 (average income)
Services – bakery, restaurant, cleaning	186 - 213
Domestic Maid	133 – 213
Plantation	106 (average income)

Figure 7: Intra-Household Allocation of Remittances

Sender	Recipient	Amount Per Year (US\$ equivalent)	Frequency
Father and breadwinner	Wife & children	400 – 530	Once a month, every other month, 4x a year
Son	Parents	0 - 200 (subsidy)	Upon parents' request, once a month, 4x a year
Daughter	Parents	50 - 300 (subsidy)	Upon parents' request, once a month, every other month
Daughter	Widowed Mother	120 (subsidy)	4x a year
Brother	Parents and siblings	20 – 500	Once a year
Brother	Brother	0 - minimal amount	Upon brother's request

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