

# “To Become Successful”: Impacts of parent migration on youth’s educational opportunities and aspirations in Ponorogo, Indonesia

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Migration happens on a large scale in Indonesia. While migrants often say supporting their children’s education is a key motivation for migration, they face tremendous difficulties in saving up for the long-term due to debt, unforeseen financial difficulties, and the lack of investment opportunities in Ponorogo. Consequently, the use of remittances for education is of an ad-hoc nature, and it does not take much to shock the household budget leading to the disruption of educational aspirations. To address these challenges, this policy brief recommends that the state provides favourable structural conditions to support young people’s access to education and occupational opportunities.

## SUPPORTING YOUNG PEOPLE

With 1 in 6 of its population aged between 15 and 24, Indonesia has a huge capacity for future economic and social development. Despite seeing the potential in youth, the Indonesian government has been struggling to provide adequate resources to support the needs of young people. Many parents who wish to secure their children’s future are therefore left to their own devices and cope by using labour migration as a strategy to support their children’s educational needs. In the Indonesian region of Ponorogo, about 10,000 people leave annually to work overseas (based on figures for the 5-year period 2011 – 2015 published by BNP2TKI 2015), while many more migrate to work in other Indonesian provinces and cities. Families are separated as they search for ways to fulfil their aspirations, especially to increase their children’s human capital via education. How do young people’s future opportunities and aspirations play out in the context of such large-scale migration? How do young people understand parental migration, especially given that it is often framed in the context of gaining money for their children’s future?

With a largely agrarian rural landscape, two-thirds of Ponorogo’s population undertake seasonal work,

landlessness and/or the inability to produce enough on their own farm, poor families in Ponorogo struggle to support their livelihood needs and their children’s educational pursuits, being without stable employment opportunities. Therefore migration is seen as a way of securing financial resources for the household’s immediate needs and long-term aspirations (Khoo et al. 2014).

This policy brief illuminates how parental migration impacts families, particularly young people’s educational opportunities and aspirations beyond junior secondary school in a community such as Ponorogo. Remittances from parents’ migration are important for supporting their children’s access to higher education. Yet educational aspirations can be easily derailed by unexpected family events (e.g. medical expenses), and perpetuate inter-generational poverty. We offer recommendations aimed at supporting people’s aspirations and raising young people’s human capital so that young people together with their families can lead good lives.

## METHOD

Our insights derive from a set of studies carried out between 2013 and 2016, using mixed methods to explore different questions related to migration. Using quota sampling, we surveyed 903 migrant households and 300 non-migrant households in 2013<sup>1</sup>. Follow-up interviews were conducted in 2014 with migrant households where at least one current or returned migrant had worked in construction (N=20) or domestic work (N=20). Additionally, we interviewed five non-migrant households and five migrants who had moved for work from Ponorogo to Surabaya. Between 2015 and 2016, a second set of follow-up interviews were conducted with an adult-youth pair in each of the 24 households.

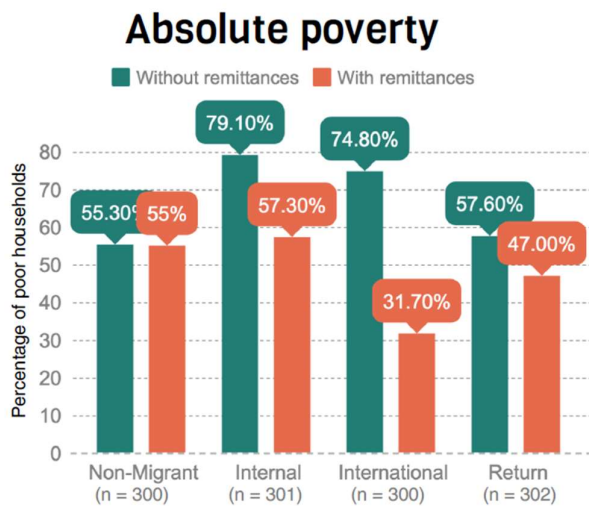
<sup>1</sup> We define a migrant as anyone who used to live in the household and has left to go away from their village/town/city within the past 10 years, with a duration of absence, or intended absence, of at least 3 months (definition adapted from Bilsborrow et al. 1984, 146).

KEY FINDINGS

1. Remittances are crucial to livelihood strategies

This study found remittances were crucial in lifting migrant households above the poverty line (Figure 1). Both the household survey and interviews revealed that remittances were not treated differently from other income sources, as they were needed to supplement insufficient financial resources to meet household needs. Hence, a large majority of current migrant households (80 per cent) used part of their remittances for day-to-day expenses. The second and third most common use of remittances revolved around supporting their children’s material and educational expenses (Figure 2).

Figure 1: Percentage of poor households (Indonesian poverty line for rural areas in Sep 2013: Rp. 275,779/month or US\$24/month)



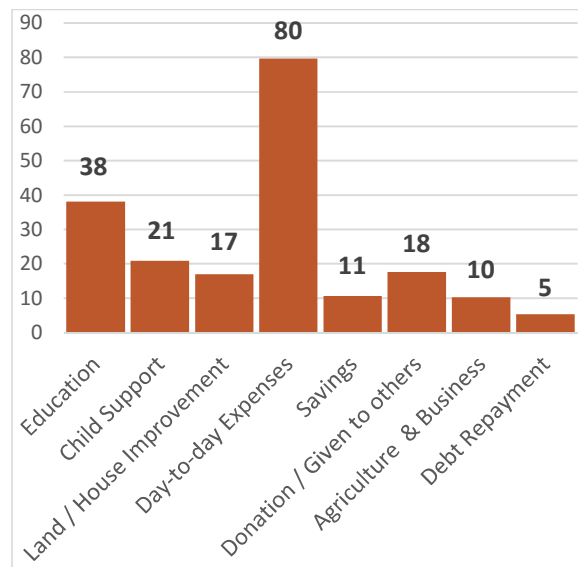
Note: The category of 'poor' is based on the per capita incomes that fall below the poverty line.

Agriculture and small businesses form a large part of people’s livelihoods. Therefore, remittances are mostly directed to small-scale agriculture investment and starting small businesses (mainly food businesses and provision shops), which are unlikely to generate profitable rates of return. Incomes are subject to seasonality, fluctuations, and instability. As such, families may incur debts to sustain their cash flows. They raise capital for unexpected events (e.g. medical emergencies) by selling productive assets (e.g. farm animals) or, when in urgent need of cash, by resorting to taking loans with high interest rates.

Some households face difficulties in channelling remittances for long-term productive investments and cash savings for future use, including saving for their children’s long-term education expenses. While debt repayment was not one of the top three uses of remittances by migrant households (see Figure 2), a majority of households interviewed (20 out of 24) reported debt repayment as one of their regular monthly household expenses. While households reported investing in land/house improvement, as well as agriculture and

business, this was reported by only 17 and 10 per cent of households respectively. Furthermore, even though 38 per cent of households reported using remittances for children’s education in the survey, our interviews revealed that they were mostly spending on education on an ad-hoc needs basis rather than with a clear long-term strategy in mind. From the interviews, only one household had cash savings specifically for their children’s higher education even though most households clearly saw educating their children as a long-term aspiration.

Figure 2: Percentage of current migrant households reporting type of remittance use (N=635) (Based on top three uses ranked by household head)



2. Children’s education drives migration

Supporting the education of their children is a key driver for many migrants, hence households tend to invest remittances in their children’s education (38 per cent; Figure 2). When interviewed, parents felt that their educational investment was a way for their children to secure better jobs and advance in their socio-economic status.

The Indonesian government guarantees the right to ‘basic education’ under the Law on National Education, covering 6 years of elementary school and 3 years of junior high school. This policy has implications for the rate of enrolment. At elementary school and junior high school, there are almost universal rates of enrolment (99.5 and 97 per cent respectively according to BAPPEDA Kabupaten Ponorogo 2015). However, at senior high school, when government subsidies are reduced, enrolment rates drop to around 75 per cent. It is at this point that the role of remittances in keeping young people in education becomes clear. Migrants have a greater ability to keep their children in school beyond ‘basic education’.

## Youth understand sacrifices made by their parents in financing their higher education

### Case study

**F**ifteen-year-old Valentina, whose father worked in the construction sector in Brunei, gave her perspective: her nursing education at the senior high school level is made possible by her father's remittances. If she did not take advantage of the educational opportunities, his sacrifices would be 'such a waste'. However she also understood that her father's continued low-wage overseas migration would be insufficient to fund her university aspirations as university costs are too exorbitant. In view of her circumstances, Valentina treats her studies very seriously as she hopes to obtain her certification in nursing, and help her parents with household finances after graduating from senior high school.

### 3. "Don't call them school drop-outs!"

#### 3.1 Household socioeconomic circumstances influence youth's education access

An important point emerging from our study is that young people harbour complex and at times contradictory feelings towards (parental) migration. The youth are not just members of the household, but also the keepers of their family's hopes and investments for a better future. The interviews highlighted that children of migrants deal with a multitude of emotional burdens, such as the fear of being perceived as a failure by others in the community and feeling responsible for their parents' suffering to the point of choosing to terminate their education so as not to prolong their parents' migration.

Accounting for the diversity and complexities of circumstances requires us to lend an ear to their individual voices, instead of categorising their experience into simple dichotomies of 'good' or 'bad', or 'success' or 'failure'.

While many young people aspire to continue their studies until university, they may not have strong incentives to do so due to opportunity costs and a lack of funds. In purely economic terms, the cost of education may outweigh the potential benefits. There is no strong evidence to indicate that staying in school longer will necessarily afford better employment opportunities, as those with a diploma and above are also found to be participating in low-wage jobs such as construction and domestic work.

#### 3.2 Poverty trickles 'down' to the next generation in gendered ways

The household survey and interviews revealed that youth from higher socioeconomic backgrounds are more likely to stay in school longer and they are also more likely to be entrepreneurial, especially if they come from families with business experience. Youth from low socioeconomic households, on the other hand, have a greater likelihood of leaving school prior to entering/graduating from senior high school and of migrating for work due to their family's financial difficulties.

While there is no significant gender difference in the probability of leaving school, there were noticeable differences in terms of labour migration. Firstly, among households with a low socioeconomic background, there is a higher probability of young women migrating for work compared to young men. This observation can be explained by the fact that young women generally enjoy more job opportunities and ease of migration. Young women are in higher demand in factories and service sectors within Indonesia's urban areas, as well as in domestic and care sectors in overseas labour markets (Khoo et al. 2014). Gendered migration regimes greatly favour young women as they do not need to pay any upfront costs prior to overseas migration, and only pay back their migration costs in instalments after starting work (Khoo et al. 2015). In contrast, young men who wish to work overseas face significant barriers to migrating as they often need to pay large sums to migrate. Hence young men who have left school have been observed to be more likely to be unemployed, or do unpaid or casual work within Ponorogo because there are fewer job opportunities available to them than to their female counterparts.

Secondly, our survey also found that the greater number of dependents a household has, the more likely it is that young men engage in labour migration, as young men are expected to assume at least some degree of responsibility in supporting the household in a financial sense. In our interviews, we also found that young women often take up household responsibilities such as cooking, cleaning and taking care of their younger siblings, especially if their mothers are physically absent due to labour migration. In line with the UN Convention on the Rights of the Child (UNCRC 2016) recommendations, there is a need for the Indonesian state to be mindful of these gendered constraints when developing policies to support young people. School systems need to be sufficiently flexible to accommodate young people who need to work or who shoulder care responsibilities.

### 3.3 Needs-driven migration perpetuates low-skilled migration

For youth, the capacity to aspire towards a ‘good life’ is tied to the reality of class as well as job opportunities. As children get older, they may have more maturity to navigate their options with a keen awareness of what privileges have been afforded to them thanks to the migration of one or more family members. Some youth decide that contributing an income as soon as possible is the best and most dutiful path to take. Where unforeseen costs arise such as in the case of medical treatment, youth may feel obliged to contribute an income immediately in the absence of savings to support the family. This spurs needs-driven migration, where young people migrate into low-skilled jobs to supplement their family income. On the one hand, taking on paid employment may have positive implications for young people as their status within the family is elevated from ‘child’ to ‘adult’. On the other hand, needs-driven migration disrupts young people’s continued access to education, which may curtail their potential for mobility into higher skilled and better paid occupations, perpetuating a cycle of low-skilled migration. Being mindful that more education does not directly translate into better occupational options in Indonesia’s context, a nuanced policy approach towards education access and work opportunities is needed to develop young people’s fullest potential.

**“To me education is important but it is not my main priority.” (Sari, 22 year old)**

#### Case Study

Despite having aspirations to attend university, Sari stopped her education after completing junior high school. She explained that this was due to the family’s struggles with medical expenses incurred by her mother’s sickness, and the costs associated with her new-born brother. Although her father and mother had worked overseas in the construction and domestic work sectors for ten and two years respectively, their savings were quickly depleted to deal with the family crises. Consequently, Sari worked in different occupations in Indonesian cities before deciding to migrate to work in Hong Kong where she can earn a bigger income to support her brother who is still in education.

It is noteworthy that Sari expressed her wishes to continue her education when she is in Hong Kong, where she hopes to enrol in training courses during her weekly day-off once she has set aside sufficient savings. Despite having left school six years ago, Sari hopes that her low-wage, low-skilled migration can be a stepping stone towards climbing the socio-economic ladder in the long term.

## POLICY RECOMMENDATIONS

### Creating a fertile ground for development

Migrants have been cast as ‘agents of development’, where they are responsible for accumulating remittances for their families and communities. Bolstering a ‘self-help’ view of migration for development overlooks the importance of the state in creating favourable structural conditions for migrants, their families and communities to thrive in. Therefore, we offer the following policy recommendations to facilitate the improvement of the social and economic landscape for society at large, while leveraging migrant households’ financial and entrepreneurial capital in creating these windows of opportunity.

#### 1. Make education affordable for all

One of the major recurring themes in our research was that despite the desire to save for education, meeting the cost of schooling was prohibitive or extremely difficult for many families. Youth’s educational opportunities may also be adversely affected by family crises where savings from migration are quickly depleted (e.g. Sari). To break the intergenerational transmission of poverty, regardless of their household socioeconomic background, youth should not be deterred from continuing school due to their inability to afford the costs.

Education grants can reduce the barriers to education access for young people from less well-to-do backgrounds. Also, education savings schemes (e.g. education endowment plans) can be made available to families where parents can park their remittances so that they can help their children access higher education in the long term.

#### 2. Create wealth for migrant workers and their communities through remittance investments

Currently, remittances are mainly distributed within households, raising the possibility of a growing economic disparity between migrant and low socioeconomic non-migrant households (who cannot afford to migrate). In the Indonesian context, appealing to *gotong royong*, or community spirit, could serve to engender positive development progress that unites, rather than divides people in the sending communities.

We suggest adopting a community-based approach towards mutual gain and development supported by partnerships with the government to create a win-win situation for both the migrants and the community at-large. Migrants can invest their money in community

projects to earn dividends to be channelled towards financing their children's higher education. For the community at-large, in particular for young men who have relatively less labour migration opportunities, the investments in community projects can create job opportunities for them within Ponorogo.

The 3x1 Citizens' Initiative in migrant-sending areas in Mexico could serve as a reference (see International Labour Organisation 2015 reference). Implemented in 2002, government departments at different levels (municipal, state, and federal administrations) match every dollar contributed by Home Town Associations (which is collected through investments from migrants). The associations then allocated the funds towards infrastructure and social services projects, providing jobs for local people at the same time as they reap financial returns for migrants' investments. The programme has garnered positive results and has recently expanded to reach neighbourhoods without a sizeable migrant community.

### **3. Nurture high-skilled employment potential for future generations**

Whilst making education affordable, it is pertinent to note from our survey findings that increased investment in education did not have a significant impact on one's wage levels. This stems from the huge skills mismatch between industry needs and school training (Ford 2015) which is in fact of national concern. The persistent skills gap is the reason for youth unemployment and underemployment. Hence there is a need to review the school curriculum to make training relevant to industry demand. Skillsets that young people obtain in school need to increase their opportunities of accessing higher-earning occupations so that an investment in education can yield good returns. Therefore, even if young people were to migrate, they have better prospects of obtaining high-skilled, higher-paid professions (e.g. nursing in Valentina's case) and have a chance at increasing their individual and family's socio-economic status in the long term.

### **4. Support alternative pathways to socio-economic mobility**

With over 400,000 Indonesians departing to work overseas (BNP2TKI 2015) annually, there is potential to increase their human capital during their migration journeys. Migrant workers' interest in, and ability to pursue training while overseas should be assessed. Migrant workers who enjoy the opportunity of accessing training and higher education courses might learn skills useful for

their employment at their migration destination, and more importantly prepare for life back home.

For example, financial management and entrepreneurial skills can enable migrant workers to develop long-term financial strategies. These strategies can link to their goals and use of remittances as identified by the survey, including saving and identifying potential business opportunities to invest in, and to secure a financially stable future for themselves and their children.



*Photo above: Ristani worked 10 years in Singapore. For two years, she spent much of her Sundays at LP3I, an Indonesian institute in collaboration with Kolej Islam Muhammadiyah (KIM), to pursue a Diploma in Business Management and Accountancy. She hopes to eventually set up an online business.*

### **5. Build young men's social capital**

To reduce socioeconomic inequalities among youth, we recognise the need to expand their social networks with the end goal of promoting economic development both as a pathway and an alternative to labour migration. This is especially important for young men who have fewer labour migration opportunities, who could benefit from economic opportunities available within Ponorogo itself.

Creating a platform to connect young men could allow them to network and learn more about job and business opportunities from their peers and other organisations. Through this platform they could also identify potential business collaborators and keep abreast of potential government support. This platform could be integrated into existing nodes of social interaction where young men usually congregate such as mosques, as well as informal gatherings organised by their neighbourhood community leaders.

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