Politics of International Labor Migration and the Survival of (Illegal) Brokers in Indonesia

Sri Aryani¹, Rochman Achwan²
¹Department of Sociology, Faculty of Social and Political Sciences University of Indonesia, Indonesia
²Department of Criminology, Faculty of Social and Political Sciences University of Indonesia, Indonesia

ABSTRACT: Indonesian labor migration is a multifaceted process heavily influenced by private actors, particularly brokers who operate both within the bounds of legality as recruitment agencies and outside it as illicit recruiters. These brokers are frequently accused of exploiting Indonesian migrant workers, leading to government efforts to limit their roles. However, despite legislative efforts, such as the 2017 law aimed at restricting the roles of labor-recruiting companies and illegal brokers, these intermediaries persist. Drawing on the concept of brokerage and the Theory of Strategic Action Field, this article explains why brokers remain despite legislative challenges. This study also argues that state regulations inadvertently create structural holes, thereby providing brokers with opportunities to maintain their involvement in labor migration. Through 56 in-depth interviews with various actors—including current and former migrant workers, recruiters, recruitment agencies, civil society organizations (CSOs), and government officials—the study illuminates how the Indonesian government’s framing of “procedural migration” contains inherent loopholes. Brokers then exploited these gaps to legitimize their presence and assert control over workers’ destinies. These brokers adeptly adapt to regulatory changes and influence migration.

KEYWORDS: brokerage, labor migration, strategic action field, Indonesia

I. INTRODUCTION

Numerous studies explore the experiences of Asian migrant workers and migration facilitation, focusing on state and private sector involvement, including brokerage entities (Anderson & Franck, 2017; Chamaratana et al., 2017; Debonneville, 2021; Deshingkar et al., 2019; Goh et al., 2017; Ho & Ting, 2021; Kern & Müller-Böker, 2015; Khan, 2019; Krifors, 2021; Lindquist, 2017, 2018; Low, 2020; Phuong & Venkatesh, 2016; Polanco, 2017; Spaan & van Naerssen, 2017; Wee et al., 2019, 2020; Xiang, 2017). These studies focus on various aspects of broker facilitation on migrations, which is quite common in Asia, as facilitating migration may require more resources than Recruitment Agencies (RA) possess and necessitate the involvement of a diverse array of brokers (Krifors, 2021).

These brokers can come in various forms, whether formal or informal, consistent or sporadic, and of any gender, professional or amateur (Phuong & Venkatesh, 2016). In Thailand, for example, these brokers obtain a higher social status because of their increased revenue after becoming migrant brokers (Chamaratana et al., 2017). They might include the migrant’s social networks, which may operate in parallel with recruitment agencies (Kuschminder, 2016) and often start in the home country (Ho & Ting, 2021). While migrant networks can enhance migrants’ social capital, they can also transform into exploitation networks, resulting in social deficits for workers (Morales, 2016). In some cases, illicit brokers navigate bureaucratic obstacles, often resorting to irregular practices that involve government bureaucracy (Ambrosini, 2017; Schapendonk, 2017; Spaan & van Naerssen, 2017). Informal brokers use their social and cultural capital to leverage it for financial transactions. They are in a better position because they have a close relationship with prospective migrants and deep knowledge of the industry (Ho & Ting, 2021). As a result, migrants are dependent on them and subject to exploitation, including manipulation, exorbitant fees, trafficking, and abandonment (Kuschminder, 2016; Spaan & van Naerssen, 2017). In the recruitment process, brokers implement a matchmaking process between prospective employees and employers and try to produce migrants who fit this ideal. (Debonneville, 2021). Meanwhile, migrant workers willingly fulfill the anticipated role as envisioned by brokers as a strategy to access Qatari labor markets (Deshingkar et al., 2019).
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The existence of these brokers was also intertwined with how the state shaped migration policy. State policy to place stricter control might also open up opportunities for brokers to operate (Spaan & van Naerssen, 2017). In other cases, this means that the state apparatus is also a part of the brokers (Schapendonk, 2017). Furthermore, the state also plays a key role in facilitating migration together with private actors. The state collaborates with the private sector to conduct market studies, offer training, and handle documentation to support migrant workers while ensuring their repatriation upon contract completion (Polanco, 2017). Moreover, state regulations frequently target brokers as crucial policy subjects, contributing to the regulation of migrant worker movements (Xiang, 2017). Furthermore, while brokers play a key role in facilitating migration, the state remains heavily controlled over the border, resulting in the ongoing negotiation of complex configurations of state control and autonomous operation (Khan, 2019). Its success depends on brokers' abilities to mediate relationships among prospective migrants, governments (Lindquist, 2018), and employers. Hence, even though there are widespread negative practices and instances of fraud, brokers still play a vital role in setting up the infrastructure for labor migration (Kern & Müller-Böker, 2015).

The aforementioned studies have shown the diversity of actors facilitating migration and how they work to facilitate migration. This article aims to enhance our understanding of the dynamics of brokerage within labor migration by examining the governance aspects of brokerage and labor migration. Through empirical analysis of state bureaucratization, brokerage prevalence, and government migration policies, this study seeks to shed light on the resilience of brokerage, particularly the 'illegal' brokers, within Indonesia's labor migration landscape. Furthermore, this study examines the effects of the 2017 Migration Law of Indonesia, which aims to move away from the traditional "brokerage" model by advocating the creation of migrant agencies to promote safer and fairer labor migration facilitation.

II. SITUATING BROKERAGE IN THE THEORY OF STRATEGIC ACTION FIELD: A THEORETICAL APPROACH

Burt (2004, 2005) pointed out that brokers gain advantage from their social position toward structural holes, a space between the unconnected parties. In other words, proximity to structural holes determines an individual's social capital, with closer proximity indicating greater social capital. Those near multiple structural holes possess an intermediary potential that bridges the relationships between groups. The concept of brokerage serves as a useful starting point for identifying brokers and the practice of brokerage in the labor migration field. However, it still lacks explanation on how brokers sustain their social position in the field, particularly since the regulatory framework was not unfavorable to them. Thus, this article combines the concept of brokerage (Burt, 2004, 2005) with the Theory of Strategic Action Fields (SAF) (Fligstein & McAdam, 2011, 2012) to offer a more comprehensive analysis of the field's dynamics.

Fligstein and McAdam (2012, p. 9) define SAF as a “constructed meso level social order”, shaped by collective or individual actors interacting on the basis of a mutual understanding of the rules in the field, their social position, and the rules on the fields. Moreover, Fligstein and Mc Adam (2012) argue that all collective actors themselves comprise strategic action fields. Using the analogy of Russian dolls, they illustrate how one field can be nested within another, with relationships between fields ranging from disconnected to interdependent. As these fields are interconnected, changes in one field can influence the dynamic in another field. Furthermore, internally, actors always try jockeying their position to fit in the field, which creates other dynamic within the field.

Thus, SAF imagines that the field is always a dynamic arena where actors try to defend and challenge each other. Incumbents are the actors who dominate the field and always want to maintain the status quo, whereas challenger actors always try to change the rules in the field. Thus, in this context, changes in the state field can also affect the stability of non-state fields. The state is formally authorized to set rules and legitimize the survival of non-state actors. In the Indonesian labour migration context, the state ensures that the brokers' existence is legitimate, but at the same time limits their authority. Changes in state regulations disrupt social stability within the field. Actors' capacity to shape shared meanings and collective identities is influenced by their social skills. Through their social skills, actors shape the agenda and persuade others to support their efforts to either uphold or challenge the rules of the field. Moreover, actors may employ framing as part of their social skills to mobilize consensus around interpretations of the rules and dynamics in the field (Fligstein & Adams, 2012, p. 22).

III. METHODS

This article presents findings from a comprehensive study on labor migration conducted between 2018 and 2023. This study employs Extended Case Methods (ECM). This method allows research to not only become an observer but also a participant or extends from observer to participant (Burawoy, 1998). ECM also allows extended observation to understand reproduction and social contestation over time. The ECM also extends theory and enriches the analytical framework. Thus, ECM enables the researcher to critically analyze the field through the lens of concepts such as brokerage and strategic action fields, thereby scrutinizing the responses of actors to dynamic changes in the field.
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The study scrutinized 37 case documents. Interviews were conducted with 42 Indonesian migrant workers who had returned from and were still working abroad. In addition, the researcher interviewed 13 formal and informal brokers. The study also conducted in-depth interviews with 16 government officials, NGOs, and labor unions in Indonesia and Hong Kong. Moreover, the study analyzed 43 regional and national regulations, 4 Supreme Court decisions, and 84 news articles in conjunction with empirical data.

IV. RESULT

A. Policy on Labor Migration in Indonesia and Rules for the Indonesian Labor Migration Strategic Action Field

In 2017, the enactment of the Law on Migrant Workers Protection marked a significant departure from its predecessor, the 2004 Migrant Workers Law, bringing substantial changes to the regulatory landscape, notably in limiting the role of brokers in the migration process. The law redefined the role of Recruitment Agencies (RAs), treating them as akin to travel agents responsible primarily for assisting migrant workers in navigating documentation requirements from the host country, such as working permits or visas. Consequently, RAs were reduced to two core functions: linking prospective workers with overseas job opportunities and managing visa and travel documentation. Notably, RAs were relieved of prior responsibilities such as providing training or administering migration financing. Moreover, the law mandated that migrant workers manage all required documents independently, without RA assistance. Additionally, the establishment of the ORIS centralized document management and placement procedures for prospective migrant workers effectively prohibited individual recruiter engagement.

This legislative overhaul was prompted by criticisms of the 2004 Migrant Workers Law, which was perceived to prioritize placement over protection, effectively shifting governmental responsibilities to RAs and perpetuating bureaucratic hurdles. The 2004 law significantly bolstered the role of brokers in four key areas. First, it mandated the use of RA services for informal workers. Second, it transferred state responsibilities to the private sector, notably seen in RAs’ obligation to resolve migrant workers’ issues abroad, as outlined in placement agreements between migrant workers and the recruitment agency. Third, RAs were granted the authority to administer migration financing, further entrenching dependency on financially constrained migrant workers. Fourth, the law required migrant workers to undergo training at designated institutions, often organized by RAs or their affiliates, rather than merely passing a competency test. These measures intensified migrants' reliance on RA.

The new law designates training as the responsibility of local governments and no longer explicitly allows RAs to finance migration. It mandates that prospective migrant workers only cover the costs of personal documents like ID cards, passports, and early medical exams. Moreover, the law mandated that migrant workers manage all required documents independently, without RA assistance. Additionally, the establishment of the One Roof Integrated Services (ORIS) centralized document management and placement procedures for prospective migrant workers will effectively limit individual recruiter engagement. However, despite its intended objectives, the new law inadvertently perpetuates the inequalities inherent in previous legislation. For example, it retains the obligation for migrant workers working for an individual employer (informal migrant workers), such as domestic workers, to use RA services. The migrants’ workers group, particularly those in Hong Kong, has been advocating for a direct hiring scheme since the mid-2000s, for a cheaper and faster process. However, the proposals to include a direct-hiring or self-contracting scheme in the law were dismissed during the legislative session. The government is concerned about the risks of potential irregular migration. In that case, the government could not hold RAs accountable if something happened to the workers. Consequently, the current situation highlights the government’s tendency to delegate the responsibility of protecting migrant workers to the private sector.

This study then delineates the key rule field within the strategic action field that is also influenced by the regulatory landscape. It is a common understanding among the actors in the field that individual or informal brokers/recruiters are deemed illegal, whereas Recruitment Agencies (RAs) are the sole legal entities authorized to facilitate migration, with their services mandated for informal migrant workers. Consequently, the pathway to legal migration is often conflated with the use of RAs (Interview, Government officials, 2019). In addition, RAs shoulder responsibilities for safeguarding Indonesian migrant workers abroad. Thus, recruiters, particularly informal brokers, are marginalized in the field.

To foster stability in the field, the government must ensure that all actors in the field have a similar understanding and agreement with the rules in the field. The government then developed a novel framing to maintain the rules and reduce claims from other groups in terms of changing the rules in the field. This innovative action supports the existence of these actors. The rules of the fields, which amplify the state policies on migration, are translated into one key messages: “Procedural migration”, in which become the main frame of government in communicating the rules on the field. The government a "procedural migration" framing, in which these individuals are dispatched abroad according to established processes. While procedural migration emphasizes compliance with procedures and documentation, the obligation to use RAs has resulted in a common understanding
that the pathway to procedural migration is often conflated with the utilization of RAs (Interview, Government officials, 2019). This situation puts the RA in an advantageous position, which will be elaborated in the next chapter.

The underlying assumption is that adherence to official procedures minimizes potential issues. However, according to the government's perspective, non-procedural migrant workers, despite possessing work visas in the host country, remain vulnerable to various problems, including labor disputes such as wage non-payment and instances of physical or sexual assault (Interview, Manpower Office, 2019). The government uses this framing, although there are also significant cases of exploitation experienced by procedural migrants. As emphasized above, procedural migrants by most actors in the field were almost identical to the use of RA. This framing also effectively mobilizes support from various actors in the field, including civil society, ‘illegal’ brokers and RA.

In addition to procedural migration, the government often campaigns for the preparedness of migrant workers before departure. The government also implies that a procedural migrant also fulfills 4S (4 Siap): physically and mentally prepared, language and skillfully prepared, documentally prepared, and Knowledgeably Prepared about the Destination Country. It is generally assumed that if migrant workers are mentally and physically prepared, they will be safe during their work in the destination country (Interview, Government Official, 2019). However, “procedural” migrants also face similar vulnerabilities. A member of the Indonesian domestic worker union in Hong Kong highlighted that most of the cases brought to them involve migrants who have already gone through the proper procedures in Indonesia (Interview, Labor Union, 2021). The concept of procedural migration essentially perpetuates the unequal power dynamic between workers and recruitment agencies by mandating the use of their services. Moreover, the 4 Readiness (4 Siap) concept has been used to emphasize the capacity of migrants to cope with problems. However, as argued by Wee et al. (2019), the extent of precariousness that workers experience is shaped by various interconnected factors that are often beyond the workers' control.

**B. The Chain of Recruiter**

The study found that RAs have a limited capacity to expand their recruitment into villages. The government attempted to address this issue by allowing RAs to establish branch offices in the district. In fact, some local regulations, such as those in West Java, stipulate that the recruitment of migrant workers must exclusively occur through agencies possessing branches domiciled within the province or those whose headquarters are situated therein. These branch offices assume primary responsibility for overseeing recruitment processes, in contrast to the head office, which focuses on coordinating activities with affiliated agencies in host countries, managing visa processes, and facilitating social security and pre-departure orientation registration. Consequently, branch offices serve as pivotal interfaces and locales for managing recruitment at the local level. However, as shown in this study, the branch offices also have limited internal capacity to conduct recruitment directly at the village level. Thus, rather than setting up an internal team to conduct recruitment, these branches rely on their network, colloquially termed sponsor, to engage potential migrant laborers.

These sponsors are connected to certain RAs but are not formally part of the recruiter’s RA team. These sponsors have no exclusive relationship with any specific RA. In many cases, these sponsors supply workers for more than two RAs. Sponsors remain indispensable in the Indonesian migration context, despite regulatory limitations and government efforts. From the RA’s perspective, sponsors serve as a valuable safeguard against accusations of human trafficking or document forgery. By ensuring that they only accept “clean” documents, for example, the RA transfers responsibilities for verifying the authenticity and legality of migrant workers’ personal documents to sponsors. Sponsors also provide assurance to the RA, particularly concerning the “uang fee”. The uang fee is common practice and is usually paid by the RA to prospective migrant workers upon successful completion of medical examination. Usually, the uang fee ranges from 1 to 5 million rupiahs. From RA’s perspective, “uang fee” represents risks, as migrant workers might run away after being paid. Thus, the recruitment agency places sponsors as guarantors and holds them accountable if prospective migrants abscond. Usually, the sponsors substitute the absconded worker with an alternative candidate.

Prospective migrant workers often perceive the sponsor’s role as indispensable. For prospective migrant workers, sponsors can help navigate the complexity of government procedures. They may also act as “document fixers”. For instance, migrant workers often have their personal documents falsified. When they want to work again abroad, this can be an issue. In such cases, third-party “fixers” are often needed to navigate the document correction process. Sponsors also frequently mediate disputes between prospective migrant workers (and their families) and the RA. Migrant workers find comfort in using sponsors because they can push the RA to expedite processes and placements (Field Observation, 2018-2019). In addition, many workers feel reassured when sponsors are from their own community, fostering a sense of safety and accessibility. This familiarity allows workers and their families to approach sponsors with concerns. Sponsors also offer personal support to migrants, such as assisting their families or providing necessary items before departure, strengthening their relationship with the migrant community.
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The RA also plays a crucial role in navigating the complexities involved in processing legal documents for migrant workers. Securing a passport, for instance, can pose significant challenges. Applications without RA assistance is often rejected to avoid “irregular procedures.” However, irregularities persist even with RA assistance. RA frequently advises to utilize the services of “paguyuban”, an informal network of brokers specializing in facilitating passports at the Immigration Office. Unfortunately, these services come at a significantly higher cost, often double or triple the official fees, although opting out may result in prolonged processing times. Extortion practices are also prevalent across various government levels, as observed in numerous cases. A sponsor noted, “Sometimes if only the domestic worker comes, the head of the village doesn’t want to deal with it because they know domestic workers don’t have money; they’ll surely ask the sponsor to come.” (Interview, sponsor, 2019)

However, sponsors can also be exploitative. Sponsors, who often find themselves under pressure to recruit as many workers as possible, can provide inaccurate or incomplete information during recruitment. Consequently, migrant workers may not make fully informed decisions and could fall victim to fraud and exploitation. In cases of exploitation, such as overcharging, sponsors may resort to intimidation tactics against workers and their families to deter them from taking legal action against the recruitment agency.

In a different context, the government delegates, to some extent, the protection of (informal) migrant workers to the RA. Consequently, the RAs are held responsible for any issues that arise with the workers. This makes RA a form of “assurance” for the government, ensuring liability if migrant workers encounter problems abroad. Thus, brokers, whether operating within informal or formal structures, emerge as essential actors in navigating the inherent complexities of migration processes. They ensure smooth facilitation while mitigating associated risks.

V. DISCUSSION

This study shows that brokerage is a social mechanism nestled within the complex structure of the strategic action field. As described in the findings above, in the SAF of Labor Migration nested some collective actors, including recruitment actors, government actors, legislation actors, and civil society actors. Recruitment actors operate within a hierarchical structure that includes the sponsor, field coordinators, and RAs. In this recruitment field, all of them have varying degrees of relations with migrant workers, employers, local government offices, central governments, destination country representatives in Indonesia, or even Indonesian representatives in destination countries. These hierarchical relations render brokerages ineffective and generate a system in which migrant workers are seen as commodities.

In the meantime, as the stability of the SAF needs to be maintained, governmental actors employ “procedural migration” framing as part of their social skills. Procedural migration is the result of the government’s interpretation of the rules in the field, which can establish frames of action and mobilize other actors within those frames. In Strategic Action Fields framing is the embodiment of social action. This framing was also reproduced by civil society and private actors and understood as the general rules in the field.

The recruitment SAF itself, just like other SAF, is susceptible to changes and dynamics from other fields. Legislative transformations, which are primarily reflective of the rules of the labor migration field, also influence the recruitment field. As the rules of the labor migration field primarily reflect the legal and regulatory arrangements of labor migration, changes in legislation will affect the recruitment field. In this context, the changes in legislation that have limited the roles of RAs and banned individual brokers have put the brokers, particularly the individual brokers, in a marginalized position within the field.

This situation shows that the recruitment actor was not an incumbent who held power in the SAF of labor migration. Although recruitment actors hold a dominant position within the recruitment SAF, their influence in the broader SAF is limited. This limitation is primarily due to regulatory constraints that restrict the roles of RAs and ban individual brokers. With limited support from other actors in the Labor Migration SAF, actors in the recruitment field are forced to closely adhere to regulatory requirements to preserve their status and position within the labor migration SAF. One key strategy employed by brokers in the recruitment SAF is to strategically align themselves with the framing established by the government and adapt their entire business processes to fit within the framework of procedural migration. Within this context, recruitment actors recognize that procedural migration framing affords them opportunities to maintain their position within the field, particularly given the perception among other stakeholders, including governmental entities, that procedural migration is similar to the use of RA. Consequently, actors within the recruitment field aim to leverage this opportunity and adapt to this framework.

This integration is demonstrated by the inclusion of (illegal) brokers within the formal recruitment practices despite their illegal status. RAs facilitated such inclusion by issuing assignment letters to sponsors to legitimize their positions. However, the letter has other additional values. The letter not only legitimizes these (illegal) brokers but also serves as a strategic move to officially include these (illegal) brokers into formal practice. By using this letter, the (illegal) brokers create the illusion that such brokers are working formally for specific RAs and thus their activities in recruiting migrant workers are legal, while in reality they...
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have no formal contract with RAs and hold more than one letter from many RAs. Thus, by providing legitimacy to (illegal) brokers, RAs blurred the line between legal and illegal brokers. Concurrently, individual brokers operating within legal ambiguities align their actions with the principles of procedural migration to maintain their presence.

Thus, it shows that the procedural migration, which serves as the framework for the legality of migrant workers in Indonesia, also encourages the integration of non-procedural practices into formal procedures. This action is part of the survival and adaptation action of RAs and individual (illegal) brokers to maintain their position in the field. Furthermore, with an asymmetrical position and regulatory context, as shown in the cases above, migrant workers still heavily rely on (illegal) brokers to navigate the process and ensure that their documents meet standards.

VI. CONCLUSION

The narrative discussions above reveal that brokers, occupying a peripheral position in the arena, are capable of navigating Indonesian migrant workers through various stages, from preparation to implementation and return from overseas. Brokers have become a social institution in the international labor migration of Indonesia. This finding enriches Fligstein and McAdam’s theory of strategic action fields. Both scholars (2012, 2011) view actors in dominant positions as incumbents, maintaining their positions by mobilizing resources for support. Meanwhile, actors in non-dominant positions are “challengers” who seek to change rules within the arena. However, this study shows that brokers are dominant actors but do not have the power to change rules within the arena, as altering these rules is considered disadvantageous. Brokers choose to amplify the procedural migration narrative by integrating themselves into formal procedures. This adaptive strategy is a middle ground strategy rather than the binary strategy offered by Fligstein and McAdam (2012). This strategy effectively perpetuates the existence of brokers within the arena.

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