

# Executive summary

## Temporary labour migration flows from Indonesia to non-OECD countries have declined in recent years

International emigration patterns from Indonesia first consist of low-skilled temporary labour migration flows to non-OECD countries. The annual number of Indonesian temporary migrant workers deployed overseas has significantly declined over the past decade, from 645 000 in 2008 to 276 500 in 2019. This decline results from the successive bans imposed by the Indonesian government in the early 2010s on sending migrant workers to Middle Eastern countries, following the increasing number of complaints of abuse and exploitation of Indonesian migrant women.

## Malaysia has remained the main destination country for Indonesian temporary migrant workers

Malaysia is the main destination for temporary Indonesian migrant workers, followed by Chinese Taipei, Singapore, Hong Kong (China) and Saudi Arabia. Women and low-skilled migrants are overrepresented in temporary labour migration flows to non-OECD economies. The majority of Indonesian overseas migrants work as domestic workers or caregivers in their destination country.

## Japan and Korea attract the largest flows of Indonesian nationals in the OECD area

Indonesia is the fourth ASEAN country with the largest legal migration flows to OECD countries, with more than 53 000 Indonesian nationals migrating to OECD countries in 2019. Among OECD countries, Japan and Korea attract the largest inflows of Indonesian nationals, with close to 29 000 and 10 000 Indonesian nationals migrating to Japan and to Korea respectively in 2019. Other significant destination countries in the OECD area include the United Kingdom and Germany, Turkey, the United States and the Netherlands.

## Migration flows from Indonesia to OECD countries are mainly driven by work and educational reasons

A significant share of migration flows from Indonesia to Asian OECD countries are temporary labour migration flows that take place through the Technical Intern Training Programme in Japan and the Employment Permit System in Korea. However, Japan also grants Indonesian nationals a significant number of temporary student permits, as well as permanent residence permits to high-skilled individuals. The majority of residence permits issued by European countries and Australia to Indonesian nationals are issued for educational reasons.

## Only 2% of Indonesians express the intention to emigrate

Only 2% of adults living in Indonesia express the intention to emigrate permanently, the lowest share of all ASEAN countries (11% on average). Young and highly educated Indonesians express higher emigration intentions (5% and 6% respectively).

## About 377 000 Indonesian emigrants lived in OECD countries in 2015

While 377 000 Indonesian emigrants lived in OECD countries in 2015, 90% of the Indonesian migrant population resides outside the OECD area. Most of them live in the Middle East and neighbouring Asian countries and economies such as Malaysia, Hong Kong (China), Chinese Taipei and Singapore. The Netherlands, the United States, Australia, Japan and Korea are the main OECD destination countries for Indonesian emigrants. Indonesian emigrants in OECD countries can be mostly characterised as labour migrants (Japan and Korea) and international student migration (the United States and Australia).

## Indonesian emigrants are feminised and a high share among them is of working age

In 2015, the share of women among Indonesian emigrants in OECD countries was 56% but varied across destination countries. While the share of women was relatively high in the Netherlands (56%), the United States (58%), and Australia (57%), there were more male migrants in Korea (91%) and in Japan (65%). However, in other destinations such as Hong Kong (China), Singapore and Chinese Taipei, most Indonesian emigrants are women. Two out of three Indonesian emigrants in OECD countries are aged between 15 and 65. The share of working-age population among Indonesian emigrants is exceptionally high in Germany (87%), Japan (92%) and Korea (98%). A similar phenomena can be observed in Hong Kong (China) and Chinese Taipei.

## Positive selection in terms of educational attainment among Indonesian emigrants

Indonesian emigrants aged 15 years old and over in OECD countries are much more educated than the Indonesian native population living in Indonesia, suggesting a positive selection for emigration to OECD countries. Indonesian emigrants living in OECD area have a high overall level of education with almost 50% of them being highly educated. Especially, the level of education of Indonesian emigrants in the United States and Australia, two main destination countries for Indonesian international students, is very high.

## Indonesians' emigration rate is low and six out of ten Indonesian emigrants acquired the host country's nationality

In 2015, compared to other ASEAN countries, Indonesia had a very low emigration rate to the OECD area (0.2%). Among Indonesian emigrants living in OECD countries, 62% had acquired the citizenship of their host country.

## **Seventy percent of Indonesian migrants of working age in OECD countries are economically active**

For approximately 250 000 Indonesian migrants aged between 15 and 64 in OECD countries, the labour participation rate is around 70% but varies greatly by destination country. While in Germany, less than half of Indonesian emigrants participate in the labour market, almost nine out of ten Indonesian emigrants are economically active in Korea.

## **The share of employed Indonesian emigrants aged between 15 and 64 in OECD countries is 65%**

While the employment rate of Indonesian migrants in OECD countries, 65%, is more or less similar to that of the native-born population of OECD countries, it is still below that of the foreign-born population and ASEAN-born emigrants. However, in non-OECD economies such as Hong Kong (China) and Chinese Taipei, Indonesian emigrants are rarely unemployed.

## **Indonesian female emigrants face more disadvantages in OECD labour markets than Indonesian male emigrants do**

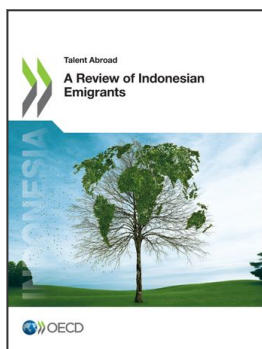
The employment gender gap in the OECD area in 2015 was around 15 percentage points but varied across destinations. In Korea, 98% of Indonesian migrant men were employed in 2015/16, while only 48% of Indonesian migrant women were employed. Yet, in both Chinese Taipei and Hong Kong (China), Indonesian migrant women are more often employed than men.

## **Indonesian emigrants experienced an increasing return to education**

While Indonesian emigrants' employment rates increase with educational level, the return to education is not as high as observed for ASEAN-born emigrants and foreign-born in OECD countries. However, Indonesian female emigrants are experiencing a mismatch between their skill level and the skill level required by their occupations.

## **The distribution of occupations of Indonesian emigrants varies significantly across destination countries**

While Indonesian male emigrants in non-Asian OECD countries are more often employed in high-skilled occupations, Indonesian emigrants in Japan, Korea and Hong Kong (China) are highly concentrated in low and medium skill level occupations, reflecting the strong pull factor in these economies.



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