8. Expanding skilled-worker mobility: comparing the migration of Indonesian careworkers to Taipei, China and Indonesian nurses and careworkers to Japan

Ratih Pratiwi Anwar*

1. INTRODUCTION

The movement of better-educated people shapes today’s international worker migration. For example, when matching education with job level, some 65% of economically active migrants who have moved to developed countries are classified as “highly skilled.” Among those are tertiary-educated health workers in professional jobs—such as nurses, physicians, dentists, pharmacists, and laboratory technicians (Stillwell et al. 2004, Khadria 2010). In addition, many countries with aging populations and worker shortages have attracted large numbers of careworkers—“skilled” workers with specific sets of competencies such as care for the elderly or chronically ill.¹

According to the National Board for Placement and Protection of Indonesian Migrant Workers (Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia or BNP2TKI),² Indonesian careworkers and health workers are important contributors to both regional and international labor markets. In 2016, 54,160 Indonesian careworkers were placed abroad—23.1% of the country’s migrant worker total. For the first time, careworkers were the largest overseas placement group among Indonesian migrant workers by occupation, surpassing domestic workers, which has fallen dramatically since 2011—from 267,733 in 2011 to 45,309 in 2016 (BNP2TKI 2016a). Indonesian careworkers mostly migrate to the Middle East; Malaysia; Singapore; the People’s Republic of China (PRC); Hong Kong, China; Japan; and Taipei, China (Asato 2009, Carlos 2009, Lan 2016).

The number of Indonesian nurses placed abroad is much smaller, and
does not rank in the Top 25 BNP2TKI overseas placement occupation categories. According to the Ministry of Health (*Kementerian Kesehatan* [MOH]), Indonesia sent 1,496 nurses abroad in 2011, 1,636 in 2012 and 1,161 in 2013, when placements were regulated, facilitated and supervised by the ministry (MOH 2015). Major host countries include Australia, Canada, the United States (US), Saudi Arabia, Qatar and Japan (JICA 2012).

Indonesia and host countries generally take a collaborative approach in managing migration of careworkers and nurses via bilateral agreements and memoranda of understanding (MOUs) (Go 2007). For example, Indonesia has a bilateral agreement and MOU to send careworkers and nurses to Japan under the Indonesia-Japan Economic Partnership Agreement (IJEPA), while Indonesia and Taipei, China signed an MOU covering careworkers (Migrant Forum in Asia 2014).

This collaborative approach has also been adopted by Indonesia in managing health workers overall—including nurses, dentists, and physicians—under the Association of Southeast Asia Nations (ASEAN) Economic Community (AEC) framework. In facilitating skilled-worker mobility, ASEAN members signed six Mutual Recognition Arrangements (MRAs) which cover nurses, physicians, and dentists, among others—under the ASEAN Qualification Reference Framework (AQRF) (Papademetriou et al. 2015).

Migration of Indonesia’s careworkers to the two hosts differ in terms of reception policies, mechanisms, and Indonesia’s recruitment/placement services procedures, placement costs, and migrant worker qualifications. Also, Indonesia’s careworkers to Taipei, China as well as nurses and careworkers to Japan are constrained by financial and nonfinancial barriers. In Taipei, China, they face financial barriers from placement costs and Indonesia’s placement cost financing system. In Japan, cultural differences and lack of language proficiency are the main nonfinancial barriers causing problems in the workplace.

Existing studies on migration of Indonesian careworkers to Taipei, China (Pawestri 2012, Yuniarto 2015, Lan 2016) and Indonesian nurses and careworkers to Japan (Asato 2009, Carlos 2009, Lan 2016) do not comprehensively compare acceptance polices, migration mechanisms, recruitment and placement service procedures, placement costs, and placement cost financing systems. Pawestri focused on job satisfaction of Indonesian careworkers in Taipei, China, while Yuniarto researched the socio-economic implications of worker migration to Taipei, China (such as “debt bondage”), and Lan compared recruitment and training of Indonesian migrant careworkers in Taipei, China and Japan. Asato examined early mobility of Indonesian nurses and careworkers to Japan under the Indonesia-Japan...
Economic Partnership Agreement (IJEPA) from the source country’s perspective, and Carlos researched migration of Indonesian and Filipino careworkers to Japan from the host country’s perspective.

The comparison is useful for several reasons. First, many countries classify their careworker equivalent as a skilled worker, and nurse as highly skilled—providing useful reference points for skilled-worker mobility under the AEC framework. Second, examples of established policy, mechanisms, and placement procedures involving Indonesian careworkers and nurses to Japan and careworkers to Taipei, China are useful as AEC labor mobility expands. Third, Taipei, China and Japan were among the Top 25 host destinations for Indonesian migrant workers in 2013–2015, with the increasing number of careworkers increasingly important to both (BNP2TKI 2016a). Fourth, both Japan and Taipei, China have rapidly aging populations that increase demand for migrant careworkers and nurses. According to a summary report of the 2015 national census, the number of elderly in Japan aged 65 or older accounted for 26.7% of the 127.11 million population, up from 23% in 2011. In Taipei, China, the population aged 65 or over approached 12.5% as of November 2015, up from 11% in 2012 (Lan 2016, Yoshida 2016, Chen and Low 2016). Finally, easing financial and nonfinancial barriers to skilled migration can help the AEC reach its goal of freer labor mobility.

This chapter adds to these studies by focusing on several issues: (i) the management of Indonesia’s healthcare worker migration to Taipei, China and Japan—especially reception policies, migration mechanisms, and recruitment and placement service procedures; (ii) components of placement costs, factors that cause high placement costs for Indonesia’s careworkers in Taipei, China, and efforts by the source country government to reduce them; and (iii) nonfinancial barriers that affect mobility of Indonesia’s nurses and careworkers to Japan and host government measures.

Section 2 defines skilled and highly skilled workers, reception programs in host destinations for nurses and careworkers, and debt-financed migration. Section 3 discusses Indonesian careworker migration in Taipei, China. Indonesian careworkers and nurses to Japan are examined in Section 4. Section 5 compares Indonesian nurse and careworker migration to Japan and careworker migration to Taipei, China—and policy measures that can reduce barriers to mobility. Section 6 concludes with some lessons learned from the two cases, research limitations, and the value of further research. The chapter uses a descriptive approach to compare the movement of nurses and careworkers to Japan under IJEPA with mobility of careworkers to Taipei, China. Most of the data used are qualitative or secondary data sourced from government statistics issued by public institutions,
documents released by government and private institutions, academic studies, and the media.

2. RECEPTION PROGRAMS FOR SKILLED WORKERS AND DEBT-FINANCED MIGRATION

Over the past two decades migration has continued to rise globally. It is becoming more skill-focused—as seen by the increased percentage of tertiary-educated workers seeking jobs in advanced Organisation for Economic Co-operation and Development (OECD) countries and non-OECD countries alike (Lowell and Findlay 2001, OECD and UNDESA 2013, Clemens 2013). Who is considered skilled or highly skilled makes a difference depending on the host government’s definition. A widely adopted definition of a skilled migrant is a person who possesses a tertiary degree (OECD 2009, Green 2014). Highly skilled migrants also have “a university degree or extensive/equivalent experience in a given field” (Green 2014, Cerna 2010). In some countries, the highly skilled category is based on an earnings threshold or skilled occupation list (Cerna 2010, OECD 2009). Others are based on visa criteria.

There is a wide variety of definitions for highly skilled migrants across destinations (Green 2014). A “foreign highly skilled worker” in Taipei, China, for example, is any foreign national selected for their ability to participate in Taipei, China’s labor market, based on the assignment of their special professional skill. The category is designed for specialized or technical work, business managers or executives, school teachers, supplementary school teachers, sports coaches and athletes, religious workers, artists and entertainers, contract performers, foreign students, and those from the PRC (Ke and Hsieh n.d.). Based on these examples, careworkers would not be considered highly skilled in Taipei, China. In Japan, the government defines highly skilled migrants based on its Highly Skilled Foreign Professional (HSFP) visa—“persons who fall into the current acceptance criteria for foreign nationals and who are recognized to have advanced abilities and skills.” The HSFP visa has three subcategories—academic research, technical activities, and business management. The technical activities category targets engineers, information technology (IT) specialists, and specialists such as doctors and lawyers (Green 2014). By this definition, careworkers and nurses under IJEPA are not considered highly skilled foreign workers.

Indonesia’s Ministry of Trade defines a skilled worker as one who has special skills or expertise, knowledge, or ability in their field. They could come from college/university or technical school or work experience.
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Table 8.1  Number of Indonesian migrant workers placements by educational attainment

<table>
<thead>
<tr>
<th>Education</th>
<th>2013</th>
<th></th>
<th>2014</th>
<th></th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Graduate</td>
<td>352</td>
<td>0.07</td>
<td>179</td>
<td>0.04</td>
<td>31</td>
<td>0.0001</td>
</tr>
<tr>
<td>Bachelor</td>
<td>6,340</td>
<td>1.24</td>
<td>3,956</td>
<td>0.92</td>
<td>4,685</td>
<td>0.57</td>
</tr>
<tr>
<td>Diploma</td>
<td>29,012</td>
<td>5.66</td>
<td>17,355</td>
<td>4.04</td>
<td>1,594</td>
<td>1.69</td>
</tr>
<tr>
<td>Senior High School</td>
<td>124,825</td>
<td>24.37</td>
<td>106,830</td>
<td>24.85</td>
<td>70,309</td>
<td>25.49</td>
</tr>
<tr>
<td>Junior High School</td>
<td>191,542</td>
<td>37.40</td>
<td>162,731</td>
<td>37.86</td>
<td>108,724</td>
<td>39.43</td>
</tr>
<tr>
<td>Elementary School</td>
<td>160,097</td>
<td>31.26</td>
<td>138,821</td>
<td>32.29</td>
<td>90,393</td>
<td>32.78</td>
</tr>
<tr>
<td>TOTAL</td>
<td>512,168</td>
<td>100.00</td>
<td>429,872</td>
<td>100.00</td>
<td>275,736</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: BNP2TKI (2016a).

BNP2TKI (2016b) vaguely defines professional migrant workers as those with the competency and higher education to do their jobs. Indonesia Ministry of Trade’s definition of skilled worker conforms to the OECD (2009) definition—a person who graduates from tertiary education with a “Diploma.” However, BNP2TKI data only record migrant worker placement according to final educational attainment rather than by major or occupation. Table 8.1 shows that the share of skilled migrant workers to total placements was roughly 6.97% in 2013, 5.00% in 2014, and 2.26% in 2015.

The data show a declining trend of Indonesian skilled migrant worker placements as well as total migrant worker placements during 2013–2015. This was likely due to the scarcity of skilled workers in Indonesia. According to a Ministry of Manpower (MOM) statement, Indonesia had 56 million skilled workers in 2017. Many of them prefer voluntary employment while they search for good jobs and high pay (Gloria 2017). Also, overall Indonesian migrant worker placements have decreased because of growing economic opportunities in several regencies—and tightened government protection. For example, economic opportunities increased in Majalengka and Sukabumi regencies in West Java due to a rise in regional minimum wages and job vacancies opened by new factories. The regional minimum wage in Sukabumi grew to IDR 1.969 million in 2015—above the estimated IDR 1.742 million cost of living—making it more attractive for job seekers, according to an officer at Sukabumi government’s Office...
of Manpower (Yolandha 2015, Suhendri 2014). In addition, to improve protection of Indonesia’s Middle East migrants, in 2012 the government stopped deploying domestic helpers to Iraq, Iran, Kuwait, Lebanon, Saudi Arabia, and Libya, among others. The moratorium did not apply to those considered more skilled, such as careworkers and nurses, and to domestic helpers in the Asia and Pacific region because of better protection in places such as Taipei, China and Japan (Erdianto 2017, Huda 2017).

Some studies classify nurses as highly skilled and careworkers as skilled. For example, Stilwell et al. (2004) say that health workers—physicians, nurses, dentists, and pharmacists, among others—are generally assumed to have completed tertiary education and hold professional jobs, and are thus classified as highly skilled professionals. In Indonesia, a nurse is categorized as a health worker. Under Health Worker Law No. 36 of 2014, health workers must have knowledge and/or skills acquired through health-related education and have been assessed as qualified to undertake professional practice. Health workers must have at least a three-year professional education (Diploma III), except for medical workers (physicians, dentists, and medical specialists), who must have at least 3.5–4 years of higher education plus 1–2 years’ professional training. Based on this definition, nurses are classified as skilled.

In countries like the United Kingdom, careworkers are categorized as skilled workers because tasks performed require specific skills and knowledge that must meet national “induction” standards backed by a certificate of competence (Gordolan and Lalani 2009). An Indonesian migrant careworker is considered skilled as they would have passed a competency test and been certified. The Ministry of Manpower (MOM) requires migrant careworkers to have competency-based training and pass a test to acquire a certificate of competence before migration (MOM 2015). In 2007, MOM issued Indonesia’s National Standard of Work Competency (Standar Kompetensi Kerja Nasional Indonesia [SKKNI]) covering careworkers. The 2007 SKKNI divides careworkers into four subcategories—“Caretaker,” “Caregiver,” “Old Folk Care,” and “Old Folk Consultant.” They are differentiated by level of acquired competence certificate—Level II for Caretaker, Level III for Caregiver, Level IV for Old Folk Care, and Level V for Old Folk Consultant. According to the Ministry of Manpower and Transmigration, a caretaker is defined as a caregiver assistant, with 24 units of competency against a caregiver’s 30 units (MOMT 2007a). Among the 50,545 Indonesian careworkers migrating in 2015, caretakers dominated placements with 44,941 persons—caregivers accounted for only 5,604. In this chapter, “careworker” means both careworker in Taipei, China (trained as a caretaker in Indonesia) and careworker in Japan (trained as a nurse in Indonesia). “Nurse” still means nurse under
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IJEPA—as they were trained as nurses, obtained nurses’ licenses, and had more than two years of prior work experience in Indonesia.

Under the ASEAN MRA on Nursing Service (ASEAN 2006), nurse refers to a national who has completed required professional training and holds a professional nursing qualification. They must be assessed as technically, ethically, and legally qualified to be a nurse and registered and/or licensed as a professional nurse by the source country’s nursing regulatory authority. This definition does not apply to a technical nurse, such as those providing basic patient care under the supervision of a registered nurse or physician.6

As the regional and global healthcare market develops, health worker and careworker migration will continue to rise (Stilwell et al. 2004). Global spending on health increased over the past two decades to 9.92% of global gross domestic product (GDP) in 2014, up from about 8.50% in 1995. Health expenditures in East Asia and Pacific countries rose from 5.8% in 1995 to 6.9% in 2004 (World Bank n.d). Global spending on healthcare was expected to reach 15% of GDP in 2015, with Asia accounting for a significant portion of the increase. Health worker and careworker mobility out of ASEAN has increased due to Japan's Economic Partnership Agreements (EPAs) with Indonesia, the Philippines, and Viet Nam—with health as one of the priority sectors for accelerated integration in creating a single ASEAN market (Francisco 1999).

Recruiting and placing health workers and careworkers overseas has been a lucrative business. Workers are placed either through a government placement agency, private recruiting firm, or direct hiring by foreign hospitals (Fransisco n.d.). While many private recruitment agencies act in good faith in assisting migrant workers at each stage of the migration process, there are instances of unscrupulous private recruitment agencies overcharging service fees from prospective workers. For example, recruiters in the PRC sometimes charge nurses between $4,000 and $15,000 to migrate to Australia and the United Kingdom. Nurses from the Philippines migrating to Jordan typically pay double the Philippine government’s allowed limit of one-month’s salary (Aguinas 2013).

Migration costs—such as medical examinations, visa fees, and airfares, among others—can reach exploitative levels (IOM 2011). Potential migrant workers and their families who cannot pay migration costs often find themselves indebted to loan sharks or private recruitment agencies. Many studies on debt-financed migration analyze debt/labor contracts between intermediaries and migrants, the intermediaries themselves, and debt repayment mechanisms (Friebel and Guriev 2004). Many cases of debt-financed migration occur illegally through smugglers and other intermediaries who withhold migrant wages from businesses operated by these
intermediaries (Chin 1999, IOM 2000). Indeed, debt-financed migration also occurs during legal migration—such as with Indonesian careworkers in Taipei, China; Hong Kong, China; and Singapore. Given that workers generally decide to migrate expecting financial benefits to clearly outweigh costs (Aguinas 2011), governments need to improve workers’ access to fair credit.

Generally, there are five ways governments try to limit migration costs: (i) licensing or registering recruitment agencies; (ii) determining allowable placement fees; (iii) requiring the use of standard contracts; (iv) setting minimum wages; and (v) offering subsidized loans. More effective are collaborative frameworks involving both host and source countries through bilateral agreements or MOUs (Aguinas 2011).

In Indonesia, the collaborative framework policy covering labor migration is Law No. 39 of 2004 on the Protection and Placement of Indonesian Migrant Workers. This law limits migrant worker placement to countries that have signed an MOU with Indonesia or to host countries with established labor laws or regulations protecting foreign workers. Indonesia’s President Instruction No. 6 of 2006 on the Policy of Reformation concerning Indonesian Migrant Workers Placement and Protection System requires a bilateral agreement to improve worker protection leading to an MOU on labor cooperation (beritasore.com 2009). For the host country or territory, the bilateral agreement strengthens international cooperation on migration to ensure foreign workers effectively match labor demand with supply.

In general, Indonesia’s MOUs contain clauses guaranteeing the protection and welfare of migrant workers—placement service procedures, work contracts, migrant worker passports, salaries, method of payment, weekly holidays, employer and recruitment agencies. In addition, MOUs regulate placement costs, worker health and safety, insurance, job training, and dispute settlement mechanisms (Zubaidah 2013).

As of 2013, Indonesia had signed 11 MOUs on labor cooperation with ten host governments—among them Malaysia; Japan; Taipei, China; United Arab Emirates (UAE); Qatar; Jordan; Lebanon; and Australia. Indonesia has since opened discussions on six MOUs with Kuwait, Brunei Darussalam, Germany, Thailand, the Republic of Korea, and Saudi Arabia (Zubaidah 2013). In general, the MOUs cover sectors where migrant workers are placed. In Malaysia, for example, they cover domestic workers and sectors such as construction, agriculture, and manufacturing; Japan covers manufacturing and healthcare; Taipei, China covers productive industries and social welfare industries; Hong Kong, China covers domestic workers; the Republic of Korea covers manufacturing, construction, agriculture, and fisheries; Saudi Arabia and Jordan cover

3. CASE STUDY 1: INDONESIAN CAREWORKER MIGRATION TO TAIPEI, CHINA

Taipei, China began to accept foreign workers in 1989. A regular guest worker program for low-skilled workers began in 1992 via the Employment Service Act (Abella 2009), with careworkers from Indonesia, the Philippines, and Thailand joining. Careworkers are employed on a two-year contract with the work permit extendable annually for a maximum nine years (IETO 2016a). In December 2004, Indonesia and Taipei, China shifted to a bilateral agreement to manage worker migration. An MOU covering recruitment, placement, and worker protection was signed by Indonesia’s Economic and Trade Office to Taipei, China (Kantor Dagang Ekonomi Indonesia di Taipei, China or IETO) and Taipei, China’s Economic and Trade Office to Indonesia (TETO). The MOU can be revised every four years—the last revision was in 2011 (Pawestri 2012, Kabinawa 2013, Lan 2016). As of January 2017, the MOU was still being evaluated for further revision.

According to Taipei, China’s Ministry of Labor (MOL 2016), Indonesians had the largest foreign worker population at end-March 2016—with 240,511 migrants, or 44% of total guest workers. They were split between social welfare (180,631 persons, up from 135,019 at end-2010) and productive industries (59,880 workers). Nearly all social welfare migrants (98%) are domestic careworkers, with 2,318 careworkers working in nursing institutions. Indonesians comprise 79% of social welfare migrants (MOL 2016).

Indonesia’s Private Agency for Placement of Indonesian Migrant Workers (Pelaksana Penempatan Tenaga Kerja Indonesia Swasta, PPTKIS) recruits and places most careworkers in Taipei, China on a private-to-private basis. There are seven stages to the process (Figure 8.1).

First, PPTKIS and the Ministry of Manpower office at the regency/city level disseminate information on recruitment, register and select applicants, and arrange placement agreements and passport recommendations. Second, selected applicants take medical and psychological examinations in government-approved medical facilities. Third, applicants without a nursing degree undergo live-in job training provided by PPTKIS, take a competency test, and pay for migrant worker protection insurance. Fourth, those who received their certificate of competence apply for a passport
Publicize recruitment opportunities, register applicant, select applicant, Placement Agreement, passport recommendation (MOM regency/city level, PPTKIS)

Medical and psychological examination (Medical facilities)

Live-in training, job competency test, insurance (PPTKIS)

Pre-departure orientation training, contract signing, KTKLN, departure to Taipei, China (BP3TKI)

Working visa (Taipei, China Economic and Trade Office to Indonesia)

Passport issuance (Ministry of Law and Human Rights)

Arrival in Taipei, China


Figure 8.1 Recruitment and placement service procedure of Indonesian careworkers in Taipei, China
from Indonesia’s Ministry of Law and Human Rights. Fifth, they apply for a working visa from Taipei, China’s TETO office. Sixth, approved applicants take Pre-Departure Orientation Training (Pembekalan Akhir Pemberangkatan [PAP]) at the BNP2TKI provincial office (Balai Pelayanan Penempatan dan Perlindungan Tenaga Kerja Indonesia [BP3TKI]). During this time, they also sign their work contract and apply for a Migrant Worker’s Card (Kartu Tenaga Kerja Luar Negeri [KTKLN]). Finally, after arriving, the Taipei, China agency—the government-authorized institution or company that recruits and places foreign workers—arranges for the migrant careworker to meet their employers (Purba 2011, Manpower Office of West Kalimantan Province 2016).

A careworker applicant to Taipei, China must be a high school graduate or a graduate of a three-year nursing academy. Those with a high school degree must complete the (stage 3) live-in job training course and pass a competency test for a Level II careworker certificate of competence. The training curriculum follows Indonesia’s 2007 National Standard of Work Competency (SKKNI) on “Sector of Individual Services for the Households Sub-Section Careworker.” Of the 24 competency units required for domestic placement, 3 units are general competency, 15 units “substantive” competency, and 6 units “special” competency (MOMT 2007a). There are 454 hours of training (Lan 2016). The training generally starts with 15 hours on moral education, work ethics, sanitation, motivation, and discipline. Knowledge and skills for housekeeping takes 27 hours, cooking 24 hours, babysitting 27 hours, and elderly care 27 hours. Careworker applicants are also taught table manners and serving (27 hours), laundry and ironing (27 hours), and how to use modern appliances (27 hours). Language instruction takes the most time, including English (114 hours) and Mandarin (138 hours) (Lan 2016).

To avoid financial exploitation and ease migration costs, Indonesia limits applicable fees. The Decision of Director of Overseas Employment in the Ministry of Manpower and Transmigration No. 152/PPTK/VI/2009 covers placement costs of careworkers at nursing institutions. Decision No. 153/PPTK/VI/2009 covers placement costs of Taipei, China domestic careworkers. Nursing and domestic careworkers have the same placement cost components, but placement cost standards are set differently (Table 8.2).

Although Indonesia sets a ceiling for placement costs, they are in fact significantly higher than minimum wage levels in many migrants’ home region. For instance, in West Java—Indonesia’s largest source of migrant workers—placement costs for careworkers to Taipei, China are roughly eight times the provincial minimum wage (Pikiran Rakyat 2015), or equal to the price of a new motorcycle. The cost of live-in job training—
Skilled labor mobility and migration

Table 8.2  Placement cost components and standards of Indonesian careworkers in Taipei, China, 2016

<table>
<thead>
<tr>
<th>Cost component</th>
<th>Domestic careworker</th>
<th>Careworker at nursing institution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IDR</td>
<td>$</td>
</tr>
<tr>
<td>1  Taipei, China working visa</td>
<td>727,000</td>
<td>55.22</td>
</tr>
<tr>
<td>2  Air ticket</td>
<td>2,850,000</td>
<td>216.47</td>
</tr>
<tr>
<td>3  Airport tax</td>
<td>150,000</td>
<td>11.39</td>
</tr>
<tr>
<td>4  Worker insurance</td>
<td>520,000</td>
<td>39.50</td>
</tr>
<tr>
<td>5  Medical examination</td>
<td>600,000</td>
<td>45.57</td>
</tr>
<tr>
<td>6  Passport</td>
<td>110,000</td>
<td>8.35</td>
</tr>
<tr>
<td>7  Competency test and certification</td>
<td>125,000</td>
<td>9.49</td>
</tr>
<tr>
<td>8  Domestic transport cost</td>
<td>100,000</td>
<td>7.60</td>
</tr>
<tr>
<td>9  Training, room and board</td>
<td>7,740,000</td>
<td>587.88</td>
</tr>
<tr>
<td>10 PPTKIS service fee</td>
<td>4,118,400</td>
<td>312.81</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,040,400</strong></td>
<td><strong>1,294.27</strong></td>
</tr>
</tbody>
</table>

Note: $ = IDR 13,166 on 17 March 2016.

Sources: BNP2TKI (2015h); BP2TKI (2015i).

paid by careworker applicants—is 45% of placement costs for domestic careworkers in Taipei, China and 43% for those in nursing institutions. PPTKIS also charges high service fees—about 24% for domestic careworkers and 27% for those in nursing institutions. Many need to borrow to cover costs, and become trapped in “debt-financed migration.”

Indonesia launched a program in 2005 to offer more affordable loans, initially targeted at migrant domestic workers. It now covers careworkers as well, and is designed to eliminate financial barriers to worker migration (Poeloengan 2006). While the aim was to provide migrants affordable loans, the program actually adds to the cost through service and administration fees, among others, and interest rates charged from formal financial institutions (Table 8.3). For nursing institution and domestic careworkers, placement loans in 2014 were equal to 12 times the average provincial West Java minimum wage (Pusdalisbang 2014). Comparing the debt payment structure of domestic careworkers with careworkers...
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at nursing institutions in 2014 shows that the financial burden for careworkers in terms of high placement loan costs remains a hindrance to migration in Taipei, China.

A comparison of placement costs and salaries in host destination shows how they vary (Table 8.4). Among those listed, placement costs in Taipei, China and salaries in Japan are highest.

Although careworker placement costs to Taipei, China remain high, migration continues to rise (Figure 8.2). Careworkers account for 99.24%, with the rest domestic helpers. Productive industries accounted for just 59,261 persons in 2015 (MOL 2015). A primary reason for the continued growth is the higher salary compared with other jobs—like domestic workers, who earn more in host destinations like Singapore and the PRC plus Hong Kong, China (BNP2TKI 2015j). Beside salaries, skills or education qualifications for working in Taipei, China’s social welfare industry better match Indonesian migrants, the majority having just a senior high school degree.

4. CASE STUDY 2: INDONESIAN NURSE AND CAREWORKER MIGRATION TO JAPAN

In 1993, the Japanese government introduced the Technical Intern Training Program (TITP) to train unskilled workers from developing countries. It

Table 8.3  Debt payment structures of Indonesian careworkers in Taipei, China, 2014

<table>
<thead>
<tr>
<th>Debt payment structure</th>
<th>Domestic careworker</th>
<th>Careworker at nursing institution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IDR</td>
<td>$</td>
</tr>
<tr>
<td>1. Principal loan (placement cost)</td>
<td>17,040,400</td>
<td>1,398.01</td>
</tr>
<tr>
<td>2. Service fee</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Lending rate</td>
<td>2,837,227</td>
<td>232.77</td>
</tr>
<tr>
<td>4. Administration fee</td>
<td>1,150,000</td>
<td>94.35</td>
</tr>
<tr>
<td>Total debt</td>
<td>21,027,627</td>
<td>1,725.13</td>
</tr>
</tbody>
</table>

Note: $1 = IDR12,189 in 2014.

Sources: 2014 data for careworkers at institutional nursing was based on the Statement Letter of Placement Cost for Potential Indonesian Careworkers at Nursing Institution to Taipei, China from PT. Jangkar Global Groups (2014); 2014 data for domestic careworkers was based on Statement Letter of Placement Cost for Potential Indonesian Children Caretaker/Careworker/Home-maid to Taipei, China, also from PT. Jangkar Global Groups (2014).
Table 8.4 Comparison of placement costs and salaries of Indonesian migrant workers in selected Asian host destinations, 2016

<table>
<thead>
<tr>
<th>Destination rank</th>
<th>Destination and occupation</th>
<th>Placement cost</th>
<th>Salary per month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>IDR $</td>
<td>Local currency IDR $</td>
</tr>
<tr>
<td>2. Taipei, China</td>
<td>a. Domestic careworker</td>
<td>17,040,400</td>
<td>NTD17,000</td>
</tr>
<tr>
<td></td>
<td>b. Careworker at nursing institution</td>
<td>17,760,000</td>
<td>NTD20,008</td>
</tr>
<tr>
<td>13. Japan</td>
<td>a. Nurse</td>
<td>2,700,000</td>
<td>JPY120,000</td>
</tr>
<tr>
<td></td>
<td>b. Careworker</td>
<td>2,700,000</td>
<td>JPY120,000</td>
</tr>
<tr>
<td>5. People's Republic of China plus Hong Kong, China</td>
<td>Domestic worker</td>
<td>14,530,000</td>
<td>HKD4,210</td>
</tr>
<tr>
<td>4. Singapore</td>
<td>Domestic worker</td>
<td>12,397,000</td>
<td>SGD550</td>
</tr>
</tbody>
</table>

Notes:
Destination rank corresponds to number of placements made.
Exchange rate as of 17 March 2016.

Source: BNP2TKI (2015j).
Expanding skilled-worker mobility was originally designed to help developing countries acquire technical skills and advanced technology. TITP has since evolved into what appears to be more of a guest worker program for small and medium-sized companies to tap foreign unskilled labor. These low-skilled foreign workers are employed in Japanese companies as trainees or technical interns with valid three-year work permits (Wempi et al. 2008, Satoshi 2008).

The policy for accepting foreign workers promotes employment in “Professional or Technical Fields,” aimed at strengthening Japan’s international competitiveness. Those granted residence status should be engineers, specialists in humanities, international service, intra-company transferees, skilled labor, professors, investors, business managers, legal accountants, medical professionals (doctors, dentists, nurses, pharmacists), researchers, and investors. Meanwhile, foreign workers under economic partnership agreements (EPAs) fall under the public welfare system in the “Designated Activities” visa program (Horii 2014).

Japan’s intake of foreign nurses and careworkers is specifically cited in its EPAs with Indonesia, the Philippines, and Viet Nam, among others. The Indonesian EPA includes an agreement on migrants, allowing them entry and temporary stay under several categories: business activities, professional services, and supplying services as nurses or certified careworkers. They require an individual contract with a public or private organization.
organization, Indonesian investors in Japan, transferees from corporations in both countries, and short-term Indonesian business visitors (IJEPA 2007).^8^ IJEPA was signed in 2007, while the MOU on Placement and Admission of Indonesian Nurses and Careworkers was signed in 2008 by Indonesia’s BNP2TKI and the Japan International Corporation of Welfare Services (JICWELS). JICWELS is a semi-governmental organization sanctioned by the Ministry of Health, Labor, and Welfare. The MOU was renewed in January 2010 (Ardiansyah 2016), but there were no immigration rules or visa categories to cover careworker migrants. Medical worker visas cover nurses. However, these visas are issued only to nurses who passed Japan’s license examinations—which are conducted in Japan. As nurses and careworkers migrating through IJEPA do not have licenses, they are “exceptions” and are issued a “visa for specially designated work” (Carlos 2009, Horii 2014).

From 2008 to 2015, just 563 nurses and 1,020 careworkers were placed under IJEPA (BNP2TKI 2013, 2015f, 2016a). Indonesia had more migrant workers than Viet Nam and the Philippines during the period. However, Indonesian migrant workers under IJEPA are far below those enrolled in TITP (Table 8.5).^9^ The drastic drop in Indonesian migrants matched the overall decline in Indonesian migrants—from 429,872 in 2014 to 275,736 in 2015. The official reason for the drop was cultural and religious differences between Indonesians and Japan (metrotvnews.com 2015).

Japan accepts Indonesian nurses and careworkers under IJEPA only on a government-to-government basis. Thus, private placement agencies are not

<table>
<thead>
<tr>
<th>Year</th>
<th>Indonesian migrant workers to Japan</th>
<th>Nurse</th>
<th>Careworker</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>n.a</td>
<td>104</td>
<td>104</td>
<td>208</td>
</tr>
<tr>
<td>2009</td>
<td>n.a</td>
<td>173</td>
<td>189</td>
<td>362</td>
</tr>
<tr>
<td>2010</td>
<td>n.a</td>
<td>39</td>
<td>77</td>
<td>116</td>
</tr>
<tr>
<td>2011</td>
<td>1,508</td>
<td>47</td>
<td>58</td>
<td>105</td>
</tr>
<tr>
<td>2012</td>
<td>3,293</td>
<td>29</td>
<td>72</td>
<td>101</td>
</tr>
<tr>
<td>2013</td>
<td>3,746</td>
<td>48</td>
<td>108</td>
<td>156</td>
</tr>
<tr>
<td>2014</td>
<td>2,428</td>
<td>41</td>
<td>146</td>
<td>187</td>
</tr>
<tr>
<td>2015</td>
<td>468</td>
<td>82</td>
<td>266</td>
<td>278</td>
</tr>
</tbody>
</table>

Expanding skilled-worker mobility

There are 11 stages involved in recruitment and placement under IJPEA (Figure 8.3). First, BNP2TKI and MOH disseminate information on recruitment. Second, BP3TKI (BNP2TKI provincial offices) and MOH make the first administrative selection. Third, the national BNP2TKI, MOH, and MOM make final administrative selections, conduct competency tests, and do psychological examinations. Results are sent to Japan’s JICWELS. Fourth, JICWELS conducts an aptitude test, interview, and Japanese quiz for applicants. Interviewers assess an applicant’s knowledge of Japan (for example, language and culture), why they would like to work there, and whether they possess the required skills. Then applicants are


Figure 8.3 Recruitment and placement procedure for Indonesian nurses and careworkers under the Indonesia-Japan Economic Partnership Agreement
interviewed by representatives of Japanese hospitals or care facilities (and sometimes by JICWELS staff on behalf of hospitals or care facilities). If needed, hospitals or care facilities can conduct interviews via online networks (such as Skype). Fifth, applicants undergo an initial medical checkup supervised by JICWELS and BNP2TKI at health facilities approved by the Ministry of Health in their region. Sixth, applicants are matched with potential employers (hospital or care facilities). They can select a maximum of 20 hospitals or care facilities listed on the JICWELS website. Seventh, once notified that they have been accepted by the employer—and agree with the offered salary, working hours, and work facilities—the applicant signs a placement agreement under the supervision of BNP2TKI and JICWELS. If the applicant does not agree with the salary, work hours, and facilities offered by the employer, they can repeat the matching step until they find the right match. Eighth, BNP2TKI and JICWELS conduct Japanese-language courses and tests, and the selected applicant undergoes a second medical checkup, supervised by BNP2TKI and JICWELS, to ensure they are really fit for working in Japan. Those who pass then sign the employment contract under BNP2TKI and JICWELS supervision. Ninth, BNP2TKI, JICWELS and the Japanese Embassy in Jakarta process working visas, passports, insurance, migrant worker identity cards (KTKLN), air tickets, and airport tax. Tenth, BNP2TKI holds pre-departure orientation before departure to Japan. Finally, JICWELS facilitates entry of migrants before they undergo more Japanese-language training in Japan’s Human Resources and Industry Development Association (HIDA) and conduct on-the-job training (BP3TKI 2014a, 2014b, 2017; BNP2TKI 2015c).

The skill and education qualifications for careworkers to Japan under IJEPA differ from Taipei, China. IJEPA’s Annex specifies that applicants must be university nursing graduates (Diploma III from an Indonesian academy of nursing) or graduates from another Indonesian academy or university (Diploma III or higher) and certified by the government as qualified careworkers.

However, even without a Diploma III, careworkers may apply to work in Japan if they have passed 32 units of careworker competency—namely 3 units of general competency, 27 units of substantive competency, and 2 units of special competency equivalent to 1,600 hours of study (Lan 2016, MOMT 2007a). Also, IJEPA allows applicants to apply as nurses if they are registered as a nurse or obtain an Indonesian nursing license and have worked as a nurse for at least two years (IJEPA 2007, Aoki 2010, JICA 2012).

Indonesian nurses and careworkers under IJEPA are treated as “nurse candidates” or “careworker candidates” respectively. Thus, those qualified
Expanding skilled-worker mobility

as certified careworkers (Kaigofukushishi) are given a temporary stay for training—including Japanese language—and then an additional six months under the supervision of a Kaigofukushishi at a caregiving facility. Nurse candidates follow a similar procedure, though under the supervision of a Kangoshi (certified nurse) (IJEPA 2007).

Placement costs for Indonesian nurses and careworkers under IJEPA are relatively inexpensive (Table 8.6). The Indonesian government sets the placement cost for a nurse and a careworker at IDR 2,700,000 ($205.07). The Japanese government refunds the costs of the two medical checkups for accepted applicants. This reduces placement costs to around IDR 1,200,000 ($91.14). In 2016, the final placement cost for a successful candidate for nurse or careworker under IJEPA was 55% of the average West Java minimum wage.

Under IJEPA, costs are relatively affordable as there are fewer cost components. Also, with applicants holding degrees, there are no competency training costs. As it is a government-to-government agreement, there are also no agency fees. And the costs of pre-arrival Japanese-language training, air tickets, and airport tax are covered by the Japanese government and employers.

Japan and Indonesia have worked together to lower placement costs. The 2010 MOU between BNP2TKI and JICWELS stipulates that JICWELS will collect the initial costs from employers and transfer a $267 placement cost and $15 of a migrant worker tax to BNP2TKI. The MOU also says the

<table>
<thead>
<tr>
<th>No.</th>
<th>Cost component</th>
<th>IDR</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Nurse competency test</td>
<td>250,000</td>
<td>18.99</td>
</tr>
<tr>
<td>2.</td>
<td>Psychological examination</td>
<td>250,000</td>
<td>18.99</td>
</tr>
<tr>
<td>3.</td>
<td>First medical checkup (MCU)</td>
<td>1,000,000</td>
<td>75.95</td>
</tr>
<tr>
<td>4.</td>
<td>Second medical checkup (MCU)</td>
<td>500,000</td>
<td>37.98</td>
</tr>
<tr>
<td>5.</td>
<td>Pre-and post-placement insurance</td>
<td>100,000</td>
<td>7.60</td>
</tr>
<tr>
<td>6.</td>
<td>Pre-departure orientation (3 days)</td>
<td>600,000</td>
<td>45.57</td>
</tr>
<tr>
<td></td>
<td>Initial placement cost</td>
<td>2,700,000</td>
<td>205.07</td>
</tr>
<tr>
<td></td>
<td>Refund of medical checkups</td>
<td>1,500,000</td>
<td>113.93</td>
</tr>
<tr>
<td></td>
<td>Final placement cost</td>
<td>1,200,000</td>
<td>91.14</td>
</tr>
</tbody>
</table>

Note: $1 = IDR 13,166 as of 17 March 2016.

Source: BNP2TKI (2015c).
Indonesian government will provide pre-departure orientation. Air tickets are paid for by the employer (BNP2TKI and JICWELS 2010). Employers also pay around JPY21,000 per person annually to JICWELS as a management fee (Aoki 2010). Japan also funds preparatory Japanese-language training both in Indonesia and in Japan for nurses and careworkers (Japan Foundation 2015). Migration costs to Japan are thus shared more equitably between source and host governments and employers.

5. POLICIES TO REDUCE BARRIERS FOR INDONESIAN MIGRANT CAREWORKERS TO TAIPEI, CHINA AND IJEPA NURSES AND CAREWORKERS

There are obvious differences between Indonesian careworkers migrating to Taipei, China and IJEPA nurses and careworkers (Table 8.7). First, from the host territory’s perspective, the main contrast is openness to migrant workers. Taipei, China uses what is in effect a guest worker program for low-skilled workers, while Japan uses the bilateral agreement IJEPA.

Second, in managing migration, IJEPA involves a government-to-government mechanism to recruit and place workers exclusively through government institutions. Migrants to Taipei, China use a private-to-private mechanism allowing private agencies to take the dominant role in recruitment and placement.

Third, from the source country’s perspective, nonfinancial factors that determine who can migrate are skill and education qualifications. Careworkers going to Japan have stricter requirements: they must have (i) graduated with a nursing degree from an Indonesian university; (ii) obtained a Diploma III from an Indonesian nursing academy; or (iii) obtained a Diploma III or higher from another Indonesian academy or university and be certified careworkers. Indonesian careworkers migrating to Taipei, China have less rigorous requirements: they must have (i) obtained a senior high school education and be qualified as certified careworkers Level II; or (ii) obtained a Diploma III from an Indonesia nursing academy and qualify as certified careworkers Level III.

Fourth, there is a large gap between placement costs borne by nurses and careworkers under IJEPA and placement costs of Indonesian careworkers in Taipei, China. Placement costs for careworkers in Taipei, China are far higher than those under IJEPA. Indonesian careworkers migrating to Taipei, China must cover training costs and agency fees—large cost components not applicable under IJEPA. While IJEPA placement costs are shared by workers and host and source country governments, migrants...
Table 8.7  Comparison of migrant careworkers to Taipei, China and IJEPA nurses and careworkers

| Migrant worker reception policy in host territory | Taipei, China’s guest worker program | Economic Partnership Agreement (EPA) |
| Collaboration framework | Memorandum of Understanding | Bilateral EPA and Memorandum of Understanding |
| Migration mechanism | Private-to-private | Government-to-government |
| Education and skill qualifications | Careworker: | Careworker: |
| | Senior high school graduate and certified careworker Level II; or Diploma III from nursing academy and certified careworker Level III | (i) Graduated in nursing from an Indonesian university; (ii) Diploma III from an Indonesian nursing academy; (iii) Diploma III or higher from another Indonesian academy or university and is a certified careworker |
| | Nurse: | |
| | (i) qualified registered nurse or an Indonesian nursing license; (ii) Diploma III from an Indonesian nursing academy or graduated in nursing from an Indonesian university, with 2 years’ work experience as a nurse | |
| Placement costs | Paid by careworker | Shared by careworker/nurse, source country government, host country government, employer |
| Placement cost financing system | Provided by Indonesian government | Not applicable |
Skilled labor mobility and migration

Table 8.7  (continued)

<table>
<thead>
<tr>
<th>Major barriers to mobility</th>
<th>Taipei, China (Careworker)</th>
<th>Japan (Nurse and Careworker)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial:</td>
<td>high placement costs</td>
<td>Nonfinancial:</td>
</tr>
<tr>
<td></td>
<td>loan costs and fees</td>
<td>language proficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>cultural differences</td>
</tr>
<tr>
<td>Capacity:</td>
<td>lower educational and skill</td>
<td>ability to take Japanese</td>
</tr>
<tr>
<td></td>
<td>requirements</td>
<td>certification examination</td>
</tr>
</tbody>
</table>

Source:  Author’s summary.

to Taipei, China must cover the costs themselves. Although Indonesia established a placement cost financing system for careworkers migrating to Taipei, China, the system adds loan costs to borrowers. For nurses and careworkers under IJEPA, Indonesia does not need a financing system as costs are far lower.

The main nonfinancial barrier in Japan is the language proficiency needed to pass the national certification examination to become a qualified nurse or careworker required for a skilled worker visa.

Indonesia is concentrating on three issues related to careworker migration to Taipei, China. The first two involve high placement costs and the weak financing system. The third is low careworker qualifications (BNP2TKI 2014, 2015a). For Indonesian nurses and careworkers under IJEPA, both countries are addressing: the low pass rate of certification examinations among Indonesian nurse and careworker candidates; Japanese employer costs in accepting nurse and careworker candidates; differences in job descriptions; and workers unwilling to extend their contracts for various reasons.

5.1 Lowering Placement Costs and Improving Financing System

For careworkers migrating to Taipei, China, Indonesia plans to reduce placement cost limits and private agency fees (such as PPTKIS). It also plans to subsidize passport and medical/psychological examination costs. It is encouraging more state-owned banks—which subsidize “People’s Business Credit” (Kredit Usaha Rakyat [KUR]) for migrant applicants—to join the migrant financing system to broaden access to affordable loans. As of 2015, 13 financial institutions participate in the migrant worker loan program (BNP2TKI 2015g). Interest rates under KUR fell from 22% in 2014 to 12% in 2015, and further declined to 9% in 2016 (BNP2TKI 2015f, Amianti...
and Wiryani 2016a, Himawan and Hapsari 2016). However, further reductions are naturally constrained by Central Bank lending rates, high inflation, the high cost of bank funds and overheads, and market concentration in domestic banking (Amianti and Wiryani 2016b, Amianti 2016, Nuryakin 2016). The Head of BNP2TKI released regulation No. 22 of 2015 that said prospective migrant workers who are financially capable would not be obliged to join the government-backed loan program (BNP2TKI 2015e).

5.2 Increasing Careworker Qualifications for Migrant Workers to Taipei, China

Nearly all (97%) Indonesian migrant workers to Taipei, China in 2015 had senior high school degrees or lower (BNP2TKI 2016a). The Indonesian National Qualification Framework (Kerangka Kualifikasi Nasional Indonesia [KKNI]) has been working since 2005 to boost domestic worker and caretaker skills through training or work experience leading to formal certification (Government Regulation No. 8 of 2012).

Despite these policies, challenges remain. The first is low educational attainment (MOMT 2007b), as most certified migrants are Level II or equivalent (careworker assistant). The second is to upgrade the PPTKIS to better train potential careworkers. One study found that some PPTKIS do not follow SKKNI careworker requirements (Agustina 2013). Third, the 2015 SKKNI covering domestic workers lacks standard training and curricula for careworkers, leaving applicants with uneven skill levels.

5.3 Reducing Cultural Barriers for IJEPA Nurses and Careworkers

Since the first batch of IJEPA’s nurses and careworkers arrived in Japan in 2008, four basic problems have been identified. The first is language, as candidates must pass national language tests before receiving professional qualification and certification, required to extend employment contracts (Shun 2012, Lan 2016). Table 8.8 shows that, during 2010–2014, just 254 Indonesian nurse and careworker candidates passed the national examination written in Japanese kanji—20% of the 1,235 IJEPA workers (BNP2TKI 2015b). Japan has taken several steps to overcome this problem. In 2010 it agreed to extend the time for nurse and careworker candidates who arrive in 2008–2009 by one year. It also offered several months’ free language training in Indonesia; and since 2012 Japanese-language training was extended to six months (Japan Foundation 2015). JICWELS also distributes Japanese-language textbooks and provides e-learning at all hospitals with nurse candidates.

The second issue is the greater cultural barrier facing careworkers
Skilled labor mobility and migration

Table 8.8  Number of Indonesian nurse and careworker candidates who passed Japan’s language examination, 2010–2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Nurse</th>
<th>Careworker</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>2011</td>
<td>15</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>2012</td>
<td>34</td>
<td>35</td>
<td>69</td>
</tr>
<tr>
<td>2013</td>
<td>20</td>
<td>86</td>
<td>106</td>
</tr>
<tr>
<td>2014</td>
<td>16</td>
<td>46</td>
<td>62</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>167</td>
<td>254</td>
</tr>
</tbody>
</table>


than nurse candidates. To be eligible to take the national certification examination, careworker candidates must have three years’ on-the-job training in Japanese care facilities. They have one chance to pass the annual national certification examination during the last year of their four-year contract. Indonesian nurse candidates have a better chance to pass the national certification examination. Nurse candidates can take the national certification examination three times during their three-year contract (Aoki 2010, Rosyati 2017). If they fail, they return to Indonesia once their contract expires (BNP2TKI 2015b).

During 2008–2013, 273 nurses and 173 careworkers under IJEPA returned home. Since 2011, BNP2TKI and the Japanese Embassy have held annual job fairs for returnees to find work in Japanese companies or hospitals in Indonesia. Some 27 Japanese companies and seven hospitals were involved in the 2011 job fair—22 Japanese companies participated in the 2015 job fair (Pikiran Rakyat 2011, BNP2TKI 2015d).

The third issue is the drop since 2010 in the number of hospitals and care facilities accepting Indonesian nurse and careworker candidates. The decline is linked to training costs and cost-of-living allowances for nurse and careworker candidates. Japanese hospitals and care facilities pay initial costs—including a portion of the six-month language training, candidate living expenses, and JICWELS management fees. Also, in many cases Japanese hospital care facility staff must help nurse and careworker candidates study for the national certification examination. Japanese public health facilities already suffer from manpower shortages. Since 2010, the government has offered subsidies to hospitals accepting one or more nurse candidates and care facilities accepting careworker candidates (Aoki 2010).

The fourth issue is the gap between the nurse and careworker candidates’ expectations and the reality on the ground. Nurse or careworker candidates frequently leave their jobs even if they speak Japanese fluently and pass the
national certification examination. One reason is that Indonesian nurse candidates are often treated by hospitals as “nurses’ assistants” (Noriyuki 2012). For those trained as nurses in Indonesia, they are generally assigned as careworkers rather than nurses.

Another factor is that careworker jobs differ in Japan and Indonesia. In Japan, careworkers mainly tend to patients’ hygiene needs as part and parcel of the holistic approach to care, while in Indonesia that work is normally done by family members or personal helpers (Lan 2016, Noriyuki 2012). In the future, Japan intends to ask candidates before they enter into employment contracts whether they will continue working once they pass the national examination.

6. CONCLUSION

Indonesian health workers and careworkers have played an important role in regional healthcare, helping fill the demand for skilled workers in countries and territories with aging populations. This chapter adds to existing studies on the mobility of Indonesian careworkers to Taipei, China and migration under IJEPA. Comparing Indonesian careworkers to Taipei, China and nurse and careworker candidates to Japan, there are several lessons that may be useful when examining skilled worker mobility as the ASEAN Economic Community (AEC) evolves. ASEAN members can learn from studying host policies on accepting migrant workers and from source country policies on managing labor migration—such as the effectiveness of bilateral agreements, specific recruitment and placement mechanisms and procedures, and setting cost standards and financing systems. Source countries can enhance migrant worker qualifications by providing national competency standards through training and certification. IJEPA’s cost distribution structure between source and host governments and employers is a case in point, although overcoming language barriers and smoothing cultural differences require greater attention.

This chapter has several limitations in terms of scarce, accurate data. The secondary data used can be helpful in describing migrant worker trends, reception policies, migration mechanisms, or government recruitment and placement services. But it lacks detailed descriptions of migrant worker experience during pre-departure and placement periods. Also needed is an assessment of what Indonesian careworkers experience in their workplaces in Taipei, China—including cultural and/or language barriers. Also, the chapter does not follow Indonesian nurses and careworkers who passed Japan’s national examination and extended their job contracts.

For the AEC, further research on ASEAN members’ reception policies,
migration mechanisms, and placement services across migrant occupations would be useful. Standardizing placement costs and providing financing systems for skilled workers, potential barriers to the mobility of skilled workers, and ASEAN’s Qualification Reference Framework and national qualifications framework are also needed.

NOTES

* The first version of this chapter was presented at the Conference on Migration and Care at Hallym University, Republic of Korea in April 2015. The second version was presented at the Conference on Benefiting from Skill Mobility under the ASEAN Economic Community at the Asian Development Bank (ADB) Headquarters, Manila, Philippines on 31 March 2016. The author gratefully acknowledges the advice, comments, and peer reviews by Guntur Sugiyarto and Elisabetta Gentile of ADB and other anonymous referees on earlier drafts of this chapter.

1. Most Indonesian “careworkers” are “caretakers”, not “caregivers.” Caregivers are more skilled than careworkers. Yet, Indonesian careworkers in Japan are more skilled than Indonesian careworkers in Taipei, China because they attend a three-year nursing school before placement. But in Japan they are treated as careworker candidates, meaning they are less skilled than Japanese careworkers.

2. BNP2TKI is an Indonesian government institution at the ministerial level that implements policies on the placement and protection of Indonesian overseas workers. It was established under President Regulation No. 81 of 2006.

3. In Indonesia, “Diploma” is defined as completion of one, two, or three years’ professional education after completing senior high school education—as defined by Government of Indonesia No. 60 of 1999 on Higher Education.

4. Kementerian Tenaga Kerja (Ministry of Manpower [MOM]). Prior to 2014 the ministry’s name was Kementerian Tenaga Kerja dan Transmigrasi (Ministry of Manpower and Transmigration [MOMT]).

5. Standar Kompetensi Kerja Nasional Indonesia (SKKNI) is promulgated by a Decision of the Ministry of Manpower and Transmigration (MOMT) Number 249 of 2007.

6. See https://study.com/what_is_a_nurse_technician.html.

7. Loan costs equal borrowing rate (cost of funds) plus administration fee (cost of loan processing) plus installment payment service fee.

8. Indonesia-Japan Economic Partnership Agreement, Annex 10 referred to in Chapter 7 Specific Commitments for the Movement of Natural Persons.

9. Romdiati (2003), citing the Japan International Training Cooperation Organization (JITCO 2002, https://www.jitco.or.jp), says that the number of TITP Indonesian workers in Japan increased from 1,438 trainees in 1995 to 5,972 in 1998 and 5,817 in 2001. Unfortunately, current figures are unavailable. For instance, BNP2TKI, although established in 2006, does not produce statistics or receive statistics from the Ministry of Manpower and Transmigration.

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