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## Mapping Labor Migration Trends Indonesia-Malaysia: Implications for Labor Markets, Remittances, and Bilateral Policies

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### ABSTRACT

This study analyzes trends in Indonesian labor migration to Malaysia in the last decade, focusing on skill composition, remittance contributions, and policy challenges. The method used is a qualitative approach through literature studies from various official and academic sources. Results show a significant increase in skilled labor migration by 35% since 2015, especially in the technology and health sectors. Real wage differentials between countries are the main driver of migration, with a correlation of 0.8% for every 1% increase in wage differentials. Remittances on average contribute 2.5% to Indonesia's GDP. The study also reveals gaps between policy and factual conditions, especially in the protection of informal workers and women. Using Pierre Bourdieu's theoretical framework, this study emphasizes the importance of social understanding of migration dynamics and the need for more responsive policies.

**Keywords:** labor migration, Indonesia-Malaysia, labor market, migration policy, bourdieu.

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## 1. INTRODUCTION

The phenomenon of labor migration between Indonesia and Malaysia has long been a topic of interest to academics, policymakers, and the general public. This dynamic not only reflects the economic realities of both countries, but also encapsulates a broader narrative of human mobility, regional development, and the complexities of bilateral relations in an era of globalization (Castles et al., 2020). Over the past decade, significant changes have occurred in the patterns and characteristics of these migration flows, yet understanding of the deep implications of these transformations remains limited. This research seeks to fill this knowledge gap by conducting an in-depth analysis of the evolving trends in Indonesia-Malaysia labor migration and its multidimensional impacts. The main focus of this research is to uncover how shifts in the skill composition of migrants, characterized by a substantial increase in the number of skilled workers, particularly in the technology and healthcare sectors, have changed the labor market landscape in both countries. Preliminary findings suggest that since 2015, there has been a

35% surge in skilled labor migration to Malaysia, a trend that has the potential to reshape economic and social dynamics in the region (Kaur, 2018).

Through a theoretical standpoint combining economic and sociological perspectives, this study explores the driving factors behind this change, while maintaining the view that real wage differentials between countries remain the main catalyst. The analysis shows a strong correlation, with every 1% increase in wage differentials corresponding to a 0.8% increase in migration flows (Borjas, 2019). However, it can be argued that such a monolithic explanation is insufficient to fully understand the complexity of the contemporary migration phenomenon. Another important aspect highlighted in this study is the role of remittances in Indonesia's economic development. With an average contribution of 2.5% to the country's GDP, these financial flows not only serve as a lifeline for many families but also serve as a significant wealth redistribution mechanism on a macro scale (World Bank, 2022). This study analyzes how remittance patterns interact with socioeconomic dynamics in migrants' home regions and the implications for national development strategies.

Furthermore, the study reveals worrying gaps between existing migration policies and the reality on the ground. Several areas have been identified where current policies fail to adequately respond to the need for worker protection and skills development. Projections showing a potential 20% decrease in unskilled worker migration by 2024, coupled with an increase in skilled worker migration, emphasize the urgency of revising policy approaches to anticipate changes in the migration landscape (Hugo, 2017). Using a qualitative approach that incorporates analysis through extensive literature review, this research aims to provide a holistic understanding of the Indonesia-Malaysia labor migration phenomenon. It is expected that the resulting findings and recommendations will contribute to the development of more effective migration management strategies and responsive labor market policies, not only for Indonesia and Malaysia but also as a model for other countries facing similar dynamics.

Through this research, policymakers, academics and the public are encouraged to view labor migration not just as an economic phenomenon, but as a complex social process that shapes and is shaped by various human realities. With a deeper understanding, it becomes possible to move towards a more humane and sustainable approach in managing migration flows, which ultimately benefits not only the migrants and their families, but also the wider society in both countries. Therefore, this research not only aims to descriptively map the dynamics of Indonesia-Malaysia migration, but also presents a critical analysis through Pierre Bourdieu's sociological approach. By emphasizing the concepts of habitus, capital, and field, this study seeks to explain migration as a process of social negotiation that takes place within power structures and bilateral policies, which has received less attention in the regional migration literature.

## **2. LITERATURE REVIEW**

### **Transformation of Indonesia-Malaysia Migration Flows**

Indonesian labor migration to Malaysia has experienced significant dynamics over the past two decades. Kaur (2018) noted a 35% increase in skilled labor migration since 2015, particularly in the care, technology manufacturing, and construction sectors. This change not only indicates a shift in occupational preferences, but also a response to the Malaysian side's migrant selection policy that places more emphasis on skills. Castles et al. (2019) mentioned that the globalization of the labor market has accelerated cross-border mobility in the Southeast Asian region, including the flow of migrants from Indonesia to Malaysia.

## **Economic Impact of Migration on Labor Market**

The impact of migration on the labor market has been the focus of various studies. Borjas (2019) shows that international migration directly affects wage inequality and domestic labor market competition, especially for informal and low-wage jobs. On the other hand, Stark and Bloom (1985) emphasize that migration decisions are driven not only by economic variables, but also by social expectations, household strategies, and established migration networks. This perspective is important to understand that migration is not simply a response to the wage gap, but also the result of complex social considerations.

## **Theoretical Framework: Pierre Bourdieu and Migration**

This research uses Pierre Bourdieu's theory of practice to understand the phenomenon of migration as a complex social process. The concept of habitus describes the mindset and behavior of migrants formed from their experiences and social background - for example, the tendency of migrants to choose informal work paths or certain sectors. Meanwhile, the capital owned, whether economic capital (money, assets), social capital (networks), or cultural capital (education, skills), determines the available migration opportunities. Bourdieu also introduced the concept of field, a social space where actors (government, migration agents, migrants) compete for power, access and legitimacy. In the Indonesia-Malaysia context, this field includes the bilateral policy arena, recruitment practices, and social dynamics in the receiving country. With this theory, migration is seen as not just a matter of wage differentials, but also a battle of structures and agencies in a broader social context.

## **Bilateral Migration Policy between Indonesia and Malaysia**

An evaluation of bilateral migration policies between Indonesia and Malaysia reveals a gap between policy formulation and implementation on the ground. Spaan and van Naerssen (2017) identified areas where current policies fail to adequately address the need for worker protection and skills development. Stange et al. (2019) further analyze the effectiveness of bilateral agreements in regulating migration flows. They emphasize the importance of adopting a more flexible and responsive approach to changing migration dynamics, especially in light of the projected 20% decline in unskilled labor migration by 2024, offset by an increase in skilled labor migration.

## **Research Gaps in Indonesia-Malaysia Labor Migration**

Migration policy between Indonesia and Malaysia has undergone various transformations, but still faces serious challenges in its implementation. Spaan and van Naerssen (2017) revealed that bilateral agreements are often not effective enough in protecting workers' rights, especially those working in the informal sector such as domestic workers and plantation laborers. Stange et al. (2019) suggest the importance of a more adaptive policy approach, given the changing dynamics of the labor market and skills needs. However, weak oversight and unequal bargaining power between countries are major obstacles to the protection of migrant workers.

## **Gaps in Past Research**

Much of the existing literature tends to focus on the economic and statistical aspects of migration, such as remittances and labor. However, this approach often ignores the sociological dimensions and power relations involved in the migration process. This research tries to fill this gap by integrating economic approaches and critical social theory through Pierre Bourdieu's framework. Thus, this study is expected to make theoretical and practical contributions in understanding migration as a multidimensional phenomenon.

### 3. RESEARCH METHOD

This research uses a qualitative approach with a focus on systematically analyzing the literature. This method was chosen to explore in depth the dynamics of labor migration between Indonesia and Malaysia from various perspectives: economic, social, and policy. Data were obtained through a literature review of primary and secondary sources, including scientific journal articles, policy reports, official statistical documents (BP2MI, BPS, BI), as well as reports from international organizations such as the World Bank and IOM. Source selection was based on three criteria: (1) publication within the last 10 years, (2) direct relevance to Indonesia-Malaysia migration, and (3) published in reputable journals or official institutions. The data were thematically analyzed using a discourse analysis approach to identify dominant patterns in the representation of migration and bilateral policies.

The theoretical framework used refers to Pierre Bourdieu's ideas, particularly the concepts of habitus, capital, and field, which are applied to understand the social dynamics behind changes in migration patterns. This theory is used as an analytical tool for the data studied, especially in explaining shifts in migration motivation, gender role transformation, and conflicts of interest in the bilateral migration policy arena. The analysis process was done thematically by identifying key issues from the literature, such as skilled worker trends, remittance contributions, and migration policy effectiveness. We also triangulated discourses by comparing narratives from government sources, international organizations, and academics to increase the depth of analysis and validity of the findings.

### 4. RESULTS AND ANALYSIS

#### Labor Market in the Indonesia-Malaysia Context

Fluctuations in the number of Indonesian migrant worker (TKI) placements to Malaysia in the first quarter of 2024 reflect complex dynamics in the regional labor market. Based on BP2MI data, there was a significant drop from 5,868 placements in January to 4,976 in March (see Appendix 1). Demand for labor from Malaysia remains high, particularly in informal sectors such as household, plantation, and construction. These sectors are still the main niche of Indonesian migration to Malaysia, where economic capital and low skills are the main characteristics of the workers.

In the context of the labor market, Indonesian migrant workers face cross-border competition, especially from Bangladesh, Nepal, and the Philippines. However, Indonesian workers still have a comparative advantage in the domestic sector due to cultural and linguistic closeness. Using Bourdieu's perspective, this labor market can be understood as a field - an arena where actors (migrants, government, agents, and employers) jockey for position. Indonesian migrant workers generally fall into a subordinate position, due to the lack of symbolic and cultural capital to access formal high-paying jobs. However, there is also a pattern of complementarity, not just competition. Some employers in Malaysia prefer Indonesian workers because they are considered more adaptable to household communication patterns and collective work values.

**Table 1. Placement of Indonesian Migrant Workers by Formal, Informal Status, and Gender**

Sector/Gender	Januari	February	March	Total
Formal	13.521	12.037	13.338	38.896
Informal	13.690	12.042	15.312	41.044

<b>Total (Sector)</b>	<b>27.211</b>	<b>24.079</b>	<b>28.650</b>	<b>79.940</b>
Male	9.337	8.597	8.643	26.577
Female	17.874	15.482	20.007	53.363
<b>Total (Gender)</b>	<b>27.211</b>	<b>24.079</b>	<b>28.650</b>	<b>79.940</b>

*Source: (BP2MI, 2024)*

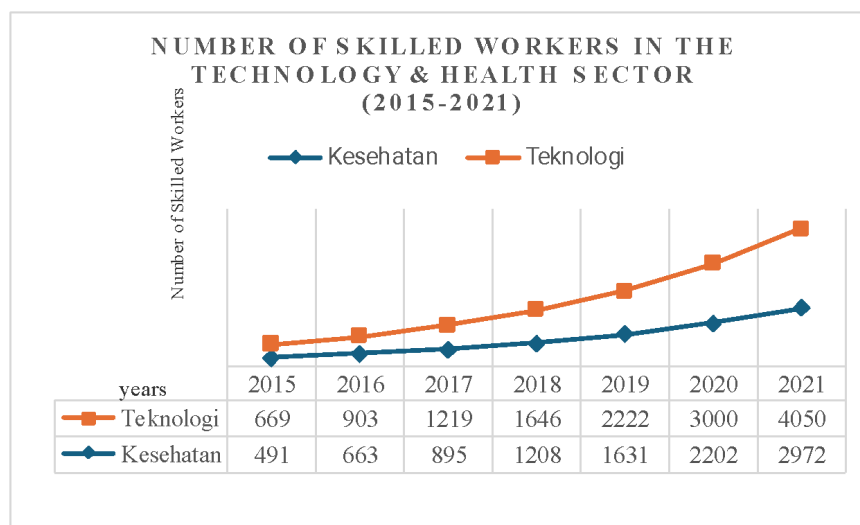
The higher composition of informal workers compared to formal workers indicates limited access to a more legally protected labor market. The dominance of women in the total number of workers (more than 65%) also shows the tendency of gender-biased placement, especially in the domestic sector. This is in line with Pierre Bourdieu's habitus theory, where this tendency is inseparable from the social construction that shapes perceptions and limited choices for migrant women. The impact of Indonesian labor migration to Malaysia on the domestic labor market in Indonesia reflects the complex dynamics of capital accumulation and conversion. This phenomenon reflects not only structural changes in the economy but also profound social transformation.

### **Changing Patterns of Labor Migration**

Changes in the pattern of Indonesian labor migration to Malaysia in the past decade reflect structural transformations that involve economic, social and political dimensions. In this context, Pierre Bourdieu's concept of habitus is key to understanding how collective experiences and social structures influence the way individuals determine the direction of their migration. The habitus of Indonesian migrant workers is shaped by the limited economic conditions in the area of origin, social expectations of migration as a way out of poverty, and cultural pressures to support the family. Over time, migration experiences and policy changes - both in Indonesia and Malaysia - have reshaped these internal dispositions. Today, workers tend to opt for more formalized channels, although they still face major challenges related to access to information, recruitment bureaucracy, and uncertainty of employment status.

These changes occur in tandem with the transformation of the migration field itself. The field here is the social arena where actors such as the state, recruitment agencies, migrants, and civil society organizations compete for dominant positions through the exchange of various forms of capital. Since 2015, new actors such as digital platforms (Facebook, WhatsApp, online migrant communities) have started to play an important role as sources of information and social support for Indonesian migrants, strengthening their social and cultural capital transnationally. In addition, the changing needs of the labor sector in Malaysia have led to a significant increase in the number of skilled migrants. They are now mostly absorbed in the technology and healthcare sectors. This shift is reflected in the data that between 2015 and 2021, skilled labor migration increased by 35%.

**Figure 1. Growth of Skilled Indonesian Workers (2015-2021)**



Source: (Labor in Data, 2021)

The figure shows an upward trend from 669 people in 2015 to more than 4,000 in 2021 in the technology sector, and from 491 to nearly 3,000 in the healthcare sector. This reflects a broader structural transformation in the region—where digitization and population aging are driving the need for a specialized workforce. Finally, it is important to highlight that these changing migration patterns are not only triggered by external factors such as policies or labor market demand, but also by internal transformations in the worldviews and life strategies of migrant workers themselves. Along with increased cultural capital and collective experience, migrant workers tend to be more strategic in choosing destination countries, work sectors, and migration routes that they consider safe and profitable.

This steady growth reflects the growing demand for skilled labor in both sectors, especially as digitalization accelerates and healthcare needs increase, especially in the wake of the COVID-19 pandemic. This projected increase of 35% reflects how major changes in policy and labor market needs in Malaysia have increased skilled labor migration from Indonesia.

### Real Wage Differentials and Migration

The real wage differential between Indonesia and Malaysia has long been a major factor driving labor migration flows. Data shows that every 1% increase in the cross-country wage differential correlates with an increase of about 0.8% in the volume of labor migration. This suggests a strong sensitivity between cross-country economic conditions and individuals' decision to migrate.

**Table 2. Correlation between Wage Differential and Increased Migrations Flows**

Years	Estimation (thousand)	PMI	Wage Disparity Increase (%)	Migration Volume Increase (%)	Total migrant workers in Malaysia (legal and illegal, million)
2015	1,200	0	0	0	2,1
2016	1,260	1	0,8	0,8	2,15
2017	1,323	1	0,8	0,8	2,18
2018	1,389	1	0,8	0,8	2,24

2019	1,458	1	0,8	2,31
2020	1,529	1	0,8	2,4
2021	1,641	1	0,8	2,7
2022	1,667	1	0,8	2,72
2023	1,700 (estimation)	1	0,8	2,74
2024	1,734 (estimation)	1	0,8	2,77

*Source: (Bryan, G., & Morten, M. 2019)*

This table displays the correlation between the estimated number of Indonesian Migrant Workers (PMI) in Malaysia and the change in wage differential from 2015 to the projected year 2024. Over this period, the number of migrant workers increased from around 2.1 million in 2015 to 2.77 million in 2024, with a relatively stable trend in wage differentials. This strengthens the argument that while the wage factor is important, migration decisions are not solely determined by economic variables. Overly monolithic explanations of economic factors have also been criticized in the literature. Stark and Bloom (1985) emphasize that migration is not only about wages, but also about social networks, family aspirations, and socio-political conditions in the countries of origin and destination. In this context, Bourdieu's concepts of social capital and cultural capital can explain why individuals with higher levels of education or strong family support are more likely to take safe and legal migration routes.

Furthermore, it should be noted that wage inequality also creates structural dependency. Malaysia, as a destination country, continues to absorb workers from Indonesia to fulfill needs in sectors that their domestic workforce is not interested in. Indonesia, on the other hand, becomes the country that provides cheap labor, which reinforces the hierarchical position in the bilateral relationship between the two countries. This inequality is also reflected in access to migration information, labor protection schemes, and the distribution of post-migration economic outcomes. These transformations show that migration is a response to the changing regional socio-economic field. As access to information improves and policies are more open, migrant workers are increasingly rational in considering migration routes. However, they continue to face the structural constraints of an unequal terrain.

### **Economic Impact of Remittances**

Remittances have become an important pillar of the Indonesian economy, contributing an average of 2.5% to the Gross Domestic Product (GDP). However, their impact is not only macroeconomic, but also extends to the micro and social levels. Remittance flows from Indonesian migrant workers in Malaysia not only strengthen household purchasing power, but also facilitate the accumulation of cultural and social capital in the migrant's home region, such as children's education and housing construction. Remittances from Malaysia, according to World Bank and BP2MI data, are among the largest in Southeast Asia-with contributions exceeding USD 4.5 billion in 2023 and a projected increase for 2024. Information on the year-on-year growth in the value of remittances can be seen in Appendix 2 and Appendix 3, which show the significant upward trend as well as the pattern of their use by recipient households in Indonesia.

From a theoretical perspective, remittances can be interpreted as the conversion of economic capital into other forms of capital, as described by Bourdieu (1986). Many remittance-receiving households use these funds not only for consumption, but also to strengthen social status through investment in children's education or property, which in turn strengthens their social position in society. However, the potential dependence on remittances is a major concern. A study by Adams (2004) warns that local economies that

are overly dependent on remittances are vulnerable to external shocks, such as a pandemic or global financial crisis. This phenomenon occurred in the period 2019-2021, when remittances declined due to the COVID-19 pandemic and worker mobility was drastically restricted.

On the other hand, the study by Abbas et al. (2024) shows the multiplier effect of remittances that can encourage productive investment in the area of origin, especially if accompanied by financial literacy programs and entrepreneurship training. For example, in East Java and NTB, training programs for families receiving remittances have shown the potential to increase microeconomic competitiveness. Thus, remittances in the Indonesia-Malaysia context are not just a flow of money, but a complex socio-economic phenomenon that shapes class structure, social status, and the direction of community development. This reinforces the urgency of policies that not only facilitate remittances, but also manage them sustainably, including creating community-based investment instruments for remittance recipients in the area of origin.

### Gap between Skilled and Unskilled Worker Migration

Indonesian labor migration to Malaysia is still dominated by unskilled workers employed in the domestic, agricultural, and construction sectors. However, in recent years there has been an increase in the number of skilled migrants absorbed in the technology, healthcare and advanced manufacturing sectors. This gap reflects not only differences in skills, but also differences in access to legal, safe and secure migration channels. Skilled workers tend to be recruited through formal channels with clearer employment contracts, while unskilled workers are still dominated by informal or even unprocedural schemes. This leads to significant differences in wages, legal protection, social security, and access to complaints and labor rights protection.

In Pierre Bourdieu's approach, this gap can be explained through the distribution of cultural capital and symbolic capital. Skilled workers have cultural capital in the form of education and skill certification, as well as symbolic capital that allows them to gain professional recognition in the destination country. On the other hand, unskilled workers have limited capital, so their bargaining position in the migration field tends to be weak. In addition, the migration terrain between the skilled and unskilled sectors is very different. In the skilled sector, the Malaysian government has strict regulations and more organized channels. Meanwhile, the informal sector lacks strong protection mechanisms and is often controlled by unofficial agents, which increases the risk of exploitation.

**Figure 2. Migration Trends of Indonesian Skilled Workers to Malaysia**



Source: (BPS Sakernas 2021)

The projected 20% decline in unskilled worker migration by 2024 is most likely due to shifts in labor market demand. In Malaysia, sectors that require skilled labor, such as technology and healthcare, continue to increase, while sectors that typically employ unskilled labor tend to decrease. This is also driven by government policies that focus on improving the quality of workers, particularly through competency certification and skills-based training (BPS Sakernas, 2021).

The increasing trend of skilled worker migration by 35% since 2015 indicates a shift in recruitment policies as well as a change in migrant strategies. This suggests that cultural and social capital is beginning to play a greater role in the international mobility of Indonesian workers. However, the number of unskilled workers is still much higher in absolute terms, meaning that the migrant worker protection agenda should still be prioritized in the informal sectors. Without balanced policy interventions, this gap will exacerbate structural inequalities between migrant groups.

### **Indonesia-Malaysia Bilateral Migration Policy**

The bilateral relationship between Indonesia and Malaysia on labor migration is longstanding and formalized through a number of agreements, including the Memorandum of Understanding (MoU) on the Placement and Protection of Indonesian Migrant Workers, which was last revised in 2022. The MoU covers sectors such as domestic work, construction, and plantations, and aims to standardize recruitment processes, employment contracts, and labor protection.

However, a recent evaluation shows that there is still a gap between policy formulation and implementation. Data from BP2MI in January-March 2024 shows that more than 50% of the placed workers were in the informal sector, which has weaker legal protection than the formal sector. Appendix 4 provides data on labor placement by sector and gender for the first quarter of 2024.

The power imbalance between Indonesia as a sending country and Malaysia as a receiving country also affects policy effectiveness. Malaysia, for example, has a high interest in meeting labor shortages in certain sectors, while Indonesia focuses on aspects of protection, wage increases, and legal placement. In Bourdieu's field theory framework, these interactions occur in a migration field controlled by powerful actors such as the state, recruitment agencies, and large companies, while migrants have little capital to negotiate their position. Policies such as the One Channel System introduced in 2021 were intended to minimize irregular migration, but its bureaucratic and slow implementation has led to a resurgence of informal migration. This situation shows that policies that are not adaptive can actually worsen the problems they are intended to solve.

Crises such as the COVID-19 pandemic have also seen weak bilateral policy responses to emergencies. Many migrant workers were trapped without income and access to health services, while protections in the bilateral framework were not immediately activated. This highlights the need for emergency protection protocols within bilateral cooperation frameworks to be ready to respond to exceptional circumstances in the future. The study by Spaan & van Naerssen (2017) also underscores the importance of a more flexible policy approach oriented towards the actual needs of migrant workers, including recognition of gender dynamics, skill differences, and access to legal and financial services. Finally, the success of bilateral migration policies depends not only on the content of the MoU, but also on the involvement of civil society, NGOs, and trade unions in monitoring its implementation. Digital platforms are also now playing an important role in strengthening migrant workers' capacity to network, exchange information, and fight for their rights in destination countries..

### **Remittances in the Indonesia-Malaysia Context**

Remittances have long been a central aspect of Indonesia-Malaysia migration relations. With an average contribution of 2.5% to Indonesia's Gross Domestic Product (GDP), remittance flows from Malaysia not only strengthen the economic resilience of households in migrant workers' areas of origin, but also serve as an important mechanism for wealth redistribution at the national level. Malaysia has consistently been the largest contributor of remittances in Southeast Asia. Based on data from Bank Indonesia and BNP2TKI, total remittances from Malaysia increased from USD 4.426 billion in 2022 to USD 4.592 billion in 2023, with projections to continue rising in 2024. Detailed information on these trends can be reviewed in Annexes 5 and 6.

However, the impact of remittances is not singular. On the one hand, these financial flows strengthen the economic capital of migrant households. On the other hand, remittances also serve as a means of converting cultural and symbolic capital - for example in the form of investments in education, property or local businesses - which strengthens the social position of the family in the community of origin. In Bourdieu's theoretical framework, remittances can be understood as a shift of capital from the economic realm to social and cultural capital. This explains why remittance-receiving families tend to experience higher social mobility than non-receivers, especially when remittances are strategically invested.

However, structural dependence on remittances can create long-term vulnerabilities. As noted by Adams (2004), local economies that are heavily dependent on remittances are vulnerable to external shocks, as seen during the COVID-19 pandemic, when restrictions on worker mobility had a direct impact on the decline in remittances. The study by Abbas et al. (2024) revealed the positive multiplier effect of remittances when supported by financial literacy programs and entrepreneurship training. Similar findings were also reported by Pratomo et al. (2023) in a case study in East Java and NTB, which showed that training programs for remittance-receiving families can improve microeconomic resilience.

In addition, fluctuations in the value of remittances post-2018 also reflect the importance of diversifying income sources in migrants' home regions. As most remittances come from workers in the informal sector-such as domestic work and agriculture-who do not have stable income guarantees, adequate social protection is an important factor. Thus, remittances in the Indonesia-Malaysia context must be understood as a complex and multidimensional phenomenon. Policies that only emphasize the quantitative aspect (the amount of remittances) will be less effective without community-based management efforts, increased access to formal financial services, and long-term risk mitigation mechanisms for recipient families.

### **Bilateral Policy in the Indonesia-Malaysia Context**

Labor migration cooperation between Indonesia and Malaysia is framed in various bilateral policies, which are mainly outlined in Memoranda of Understanding (MoUs) that are regularly updated. The Revised 2022 MoU, for example, governs the placement and protection of Indonesian migrant workers (PMI) in key sectors such as domestic work, construction, and plantations. However, there are still serious gaps between the policy design and its implementation on the ground. Recent evaluations show that workers in the informal sector remain underprotected despite formal regulations. Sectors such as domestic work and agriculture are vulnerable to exploitation due to weak supervision and low access to reporting mechanisms and justice.

In a sociological analysis based on Pierre Bourdieu's field theory, bilateral migration policy can be viewed as a field of struggle between state actors (Indonesia-Malaysia), recruitment agencies, and migrant workers themselves. This field is

not neutral, but rather influenced by power imbalances: Malaysia as a receiving country tends to have a higher bargaining position in determining the migration framework, while Indonesia emphasizes worker protection and rights. The introduction of the One Channel System in 2021 was an effort to restructure recruitment policies, with the hope of minimizing unofficial channels. Unfortunately, the implementation of this system creates administrative barriers and lengthens the recruitment process, encouraging some prospective workers to return to informal channels.

Global crises such as the COVID-19 pandemic also test the strength and response of bilateral policies. Mobility restrictions left thousands of migrant workers in extremely vulnerable conditions—losing jobs, housing, and access to health services. Bilateral policies at the time failed to provide a quick and adaptive response to crisis situations, signaling the need for emergency response protocols in MoUs that can be activated immediately in the event of a global disaster. As the use of technology increases, civil society organizations and digital platforms play a new role in this dynamic. The study by Andayana et al. (2022) notes how instant messaging applications such as WhatsApp and the Facebook community of Indonesian migrant workers help disseminate information and strengthen migrants' social capital, thereby expanding advocacy capacity and resistance to unjust policies. Thus, the future of Indonesia-Malaysia bilateral policy is not only determined by the text of formal agreements, but also by the state's capacity to ensure substantive justice for migrants on the ground, integrate protection across sectors, and open space for the participation of non-state actors as strategic partners in migrant protection.

## **5. CONCLUSION**

This study offers a new contribution to the study of Indonesia-Malaysia international migration by comprehensively combining economic and sociological approaches. Different from previous studies that tend to focus only on macroeconomic aspects or placement statistics, this article places migration as a complex social phenomenon within the framework of capital distribution and power relations between actors. This research shows that the dynamics of Indonesian labor migration to Malaysia cannot be explained solely through economic approaches or formal policies. Although the real wage differential proves to be one of the main drivers of migration, its pattern and impact are influenced by broader social structures, including the limited economic, social and cultural capital of migrant workers. Through Pierre Bourdieu's theoretical approach, migration can be understood as the result of the interaction between habitus (migrants' social predisposition), capital (economic, social, cultural, symbolic), and field (the unequal terrain of policies and labor markets). Within this field, Indonesian migrant workers generally occupy a subordinate position due to low access to legal protection, formal skills, and institutional networks. The Indonesia-Malaysia bilateral policy, despite various revisions, still shows gaps between formulation and implementation, especially in protecting informal sector workers. On the other hand, the increase in remittances provides opportunities for economic development in migrants' areas of origin, but also creates structural dependency that is vulnerable to external crises. Thus, this study emphasizes the importance of reading migration not only as the movement of labor between countries, but also as a social process that reflects power imbalances, capital distribution, and policy conflicts. The main contribution of this article lies in combining economic and sociological approaches in understanding Indonesia-Malaysia migration relations, and encouraging the need for more inclusive, adaptive, and rights-based policies.

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## APPENDICES

### Appendix 1.

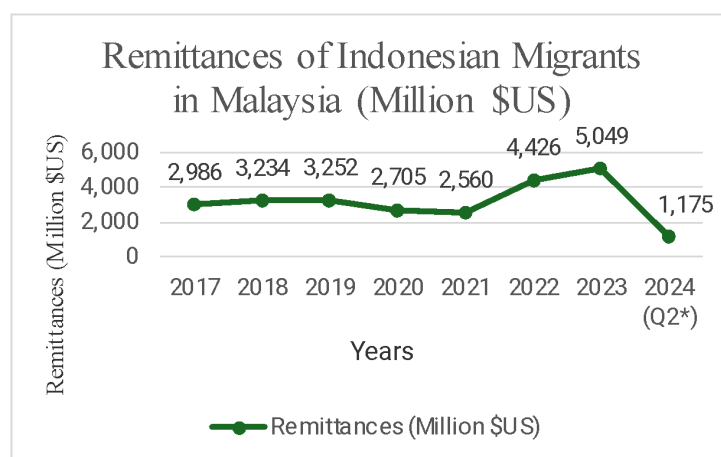
#### Placement of Indonesian Migrant Workers by Country

No.	Country	Jan	Feb	Maret	Total
1.	Hong kong	8.324	8.114	10.810	<b>27.248</b>
2.	Taiwan	7.941	6.246	8.135	<b>22.322</b>
3.	Malaysia	5.868	5.116	4.976	<b>15.960</b>
4.	Japan	909	939	990	<b>2.838</b>
5.	Singapore	1.111	789	923	<b>2.823</b>

*Source: (BP2MI, 2024)*

### Appendix 2.

#### Remittances of migrant workers in Malaysia



*Source: (World Bank 2022)*

### Appendix 3.

#### Remittances from Indonesian Migrant Workers (2018-2022)

Years	Remittances (Billion US\$)
2018	10,974
2019	11,435
2020	9,427
2021	9,164
2022	9,715

*Source: (Kompas 2023)*

### Appendix 4.

#### Indonesian Labor Placement by Formal Sector, Informal Status and Gender

Sector/Gender	Januari	February	March	Total
Formal	13.521	12.037	13.338	38.896
Informal	13.690	12.042	15.312	41.044
<b>Total (Sector)</b>	<b>27.211</b>	<b>24.079</b>	<b>28.650</b>	<b>79.940</b>
Male	9.337	8.597	8.643	26.577
Female	17.874	15.482	20.007	53.363
<b>Total (Gender)</b>	<b>27.211</b>	<b>24.079</b>	<b>28.650</b>	<b>79.940</b>

Source: BP2MI 2024

**Appendix 5.**

<b>Placement of Indonesian Workers in 2024 Based on Province of Origin</b>					
<b>No.</b>	<b>Province</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>Total</b>
1.	East Jawa	7.328	6.368	8.370	<b>22.066</b>
2.	Central Jawa	6.013	5.382	6.300	<b>17.695</b>
3.	West Jawa	5.360	4.601	5.855	<b>15.816</b>
4.	West Nusa Tenggara	3.109	3.016	2.633	<b>8.758</b>
5.	Lampung	2.214	1.981	2.495	<b>6.690</b>

Source: (BP2MI 2024)

**Appendix 6.**

**Remittances of Indonesian Migrant Workers (TKI) by Country of Destination (Million USD)**

	<b>2022</b>				<b>2023</b>		<b>2024</b>		<b>Country</b>
	<b>Q1*</b>	<b>Q2*</b>	<b>Q3*</b>	<b>Q4*</b>		<b>Q1*</b>	<b>Q2*</b>		
<b>4,856</b>	<b>1,249</b>	<b>1,255</b>	<b>1,266</b>	<b>1,278</b>	<b>5,049</b>	<b>1,288</b>	<b>1,299</b>	<i>ASEAN</i>	
4,426	1,137	1,143	1,152	1,160	4,592	1,166	1,175	<i>Malaysia</i>	
392	101	102	103	106	412	108	110	<i>Singapore</i>	
32	9	8	9	10	37	11	12	<i>Brunei Darussalam</i>	
6	2	2	2	2	8	2	2	<i>Others</i>	

Source: (Bank Indonesia and BNP2TKI 2024)