

## **The Local People Perceptions on the Economic Impacts of Indonesian Workers in Rural Areas: A Case Study at Rural Johor**

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### **ABSTRACT**

The influx of immigrants into Malaysia is becoming a subject of controversy. Some local groups claim that since immigrants are demanded in certain industries namely plantation, agriculture, mining, manufacturing and construction sectors, their benefits and impact in the rural sectors needs to be studied. This study identifies the implications of migration on the rural community. The objective of this study is to explore local people's perceptions on the socio-economic impacts of Indonesian immigrants in their rural areas. The data is collected using both qualitative and quantitative techniques. Surveys were carried out to 671 local people in six villages through a purposive sampling technique. Results showed locals acknowledge the importance of immigrant labour in rural sectors and contribute to the positive impact on rural development. Generally, Indonesian workers play a significant role and have a huge impact on the economic development in rural areas. Indonesian immigrants are well known as labour replacements or seasonal immigrants and have the positive attitude as hardworking and obedient workers. Thus, policy on immigrants in Malaysia needs to be further revised due to a xenophobic reaction by the locals that create prejudices towards immigrants.

*Keywords:* Indonesian workers, rural areas, local perspective, economic impact

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### **INTRODUCTION**

In the new global economy, immigrant workers have become a central issue for every government around the world. The influx of immigrants into Malaysia

in the recent years is high and shows no sign of decreasing (Azizah, 2012). This has become a subject of controversy in Malaysia as evidenced by a series of recent laws and preventive plans to curb this issue. We have seen reported by local mass media that most Malaysian see immigrants in a negative light for the country (Liow, 2003). The anti-immigrant sentiment has received considerable attention. This can be illustrated briefly by negative impacts caused by their presence towards economy, political, social and security threats to the nation (Liow, 2003). Moreover, mass media always play the biggest role in spreading negative stories about immigrants, hence shaping a negative stigma towards their presence. This local stigma akin to the xenophobic reaction, especially amongst urbanites have prejudiced against immigrants as they are considered bad for society. Certain groups oppose this negative portrayal with a contrasting view whereas workers' presence is demanded in the certain industry including in plantation, agriculture, mining, manufacturing and construction sectors. Employers in those sectors claimed that they have lost billions of ringgit as a result of labour scarcity during government's effort to crack down on immigrants. In short, there is a general lack of research on workers from the perspective of rural views. This paper seeks to explore local people perceptions on the socio-economic impacts of Indonesian workers in their areas (rural).

## RESEARCH LITERATURE

Studies on immigrant labour in Malaysia have tended to be particularly focused on their impact in urban rather than rural areas. Immigrant labour in rural areas has a significant impact, especially in transforming the labour shortage in the agricultural sector and sustaining the rural socioeconomic climate. However, the scope of international migrant workers in the rural areas has always been neglected in rural studies, although its impact has also influenced the socioeconomic development in rural areas (Hugo & Morén-Alegret, 2008). In Malaysia, discourse about immigrants range across various disciplines, from the macro based (policy and economic consequences, public responses) to the micro level (behavioural studies, social consequences, and migration determinants). Among the issues being the development of illegal and foreign labour migrants policy (Azizah, 2005, 2012; Azizah & Ragayah, 2011; Liow, 2003; Kanapathy, 2006; Lim, 1996; Pillai, 1999; Spaan, Van Naerssen & Kohl, 2002), the public responses towards the influx of the immigrants in Malaysia (Azizah, 1987; Healey, 2000; Liow, 2003; Crinis, 2005), specific references to issues regarding Indonesian workers related to the public response and national policy in Johor (Guinness, 1990) and remittances (Singh, 2007; Hernández-Coss et al., 2008). Turning to the macro level perspective, there have been articles on the plantation employers' perspective on the workers, highlighting the issues confronted, such

as high dependency on immigrant labour (Amatzin, 2006). Attempts to understand immigrant workers' issues based on the immigrants have been carried out by several researchers (Idrus, 2008; Pye, Daud, Harmono & Tatat, 2012). There has also been studies that highlighted the characteristics of the local and immigrant labour in the plantation sectors (Zawawi, 2005). However, in general, the majority of the literature is related to illegality, the influx of foreign labour, and policies to address the issues of illegal migrants and the low cost of foreign labour.

Remittances are understood to have a positive impact on development in immigrants' country of origin or bring "general prosperity" to immigrants' families back home (De Haas, 2005; Hernández-Coss et al., 2008). However, the impact of remittances on the receiving country has not been well addressed, although the remittances also influence the economy of the receiving society (De Haas, 2005). De Haas (2005) argued that remittance reflects the immigrant worker's economic behaviour and mobility, which is important in determining the immigration policy in the receiving society. In sum, the indirect consequence of immigrants behaviour on remittances is their pattern of spending behaviour in the host society.

From the labour perspective, immigrants were portrayed as replacing the jobs left by the locals. In the US, one popular statement used to refer to immigrants' employment is that "they take the jobs that nobody wants" (Schwartzman, 2008, 129)

or even that they are called on to fill labour shortages (Hoggart & Mendoza, 1999). In Malaysia, the word "immigrant workers" was synonymous with the so-called "Three Ds" or "Four Ds" jobs, referring to dangerous, dirty and difficult (and demeaning) employment (Amatzin, 2006; Crush & Ramachandran, 2010). In countries with fast economic growth, the main sectors that are heavily dependent on the low-cost immigrants are the construction, agriculture, manufacturing, domestic and service sectors (Crush & Ramachandran, 2010). In Malaysia, Amatzin (2006) argues that dependency on immigrant labour is a necessity for the plantation sector to survive, as the "addiction" to cheap foreign labour is actually helping the labour-intensive industry, which needs to compete with other more knowledge-based related businesses.

Immigrants also have a positive impact on local business, as they tend to spend money for daily life within their local areas (Kasimis et al., 2010). Besides that, due to the shrinking rural population, immigrants in rural areas also play a role in maintaining the survival of the rural business and generate income opportunities for the local people (Taylor & Martin, 2001; Hatziprokopiou, 2003). For example, a study of Bugis migrant workers in Malaysia found a special characteristic that distinguished them from other immigrants in East Malaysia: the habit of spending locally rather than remitting the money from their income (Idrus, 2008). Idrus's (2008) study did

not provide any details on the types of economic activity and only referred to these specific immigrants, although her findings show that immigrants contribute to the growth of the local economy in the receiving/host country. Additionally, Hatziprokopiou (2003) also argued that the Albanian immigrants in rural Greece are actually saving the local businesses from the adverse effect of the multinational companies that are growing in Greece.

The consequences of migration should also be assessed from the perspective that the benefits of migration are effectively distributed locally rather than nationally (De Haas, 2005). Furthermore, analysing immigrants' working behaviour from the local peoples perspective would be useful in providing in-depth information on the survival of immigrants and its influence on the growth in the number of immigrant (Kasimis et al., 2010). Some studies have evaluated the implications of immigrants at the local level by measuring the local perception towards them, such as the works of Hatton and Leigh (2011) and Kasimis and Papadopoulus (2005).

By utilising the two surveys on the attitude of immigrant in the US (the Roper Survey in 1982 and the Knight Ridder Survey in 1997), Hatton and Leigh (2011) that immigrants performance is better in places where the immigrant community is long established and concentrated. On the contrary, regardless of immigrants' specific ethnic concentration, Kasimis and Papadopoulus (2005) argued that local people agreed that immigrants contributed

positively to the social development of the village, but at the same time, developed anxious feelings as the relationship between the locals and immigrants became closer.

The immigrants' working behaviour; hard-working tendencies and ability to carry out the work required have a positive effect on rural development (Azizah, 1997; Hoggart & Mendoza, 1999; Zawawi, 2005; Kasimis et al., 2010; Pye et al., 2012). Prior to that, Zawawi (2005) studied Malay plantation workers and claimed that the immigrants (especially from Kampuchea, Thailand or Indonesia) had a high level of tolerance in terms of pay and job conditions, were obedient and were even willing to live in poor conditions. As a result, the working behaviour of immigrants, as depicted from their migration aspirations and strategies, is seen as beneficial for the local economy. Research on the effect of immigrant labour on the rural socioeconomy found that immigrants make a major positive contribution to local development, but the locals start to become more vigilant when the relationship with the immigrants getting closer (Kasimis & Papadopoulos, 2005). The concern raised by the local people over close relationships with immigrants which are due to a xenophobic reaction (Fakiolas, 1999; Kasimis & Papadopoulos, 2005).

Examining the various perspectives and research on immigrant studies, it has been noted that there is almost no research on Malaysia on the implication of immigrant workers in rural areas. On the basis of the above review, it is indicated

that a comprehensive study that addresses the immigrants in rural areas and their links to rural socio-economic development remains insufficiently explored.

On the other hand, the structured questionnaire designed for local respondents focused mainly on exploring the local opinion towards the Indonesian workers' presence and their implications for the community. The components of operational variables constructs focused on seeking information on the roles of Indonesians in the economic activities and their impact on the local communities. Examination of the opinions of local people towards the immigrants focused on the local respondents' opinions and reactions towards the presence of the Indonesian immigrants in their areas. The impact on the local communities has

been categorised into two groups which are the immigrants working behaviour and economic. Variables construct under immigrants working behaviour mainly are looking at the (i) immigrant workers' roles in rural productivity, (ii) local community opinions of Indonesian workers' working attitude and (iii) the local communities attitude towards the recruitment of the Indonesian workers. Nonetheless, the three main components related to the economic impact are (i) unemployment and job competition between the local people and immigrant workers, (ii) immigrant workers' contribution to the local's informal business and (iii) Indonesian workers' roles in enhancing rural productivity. The conceptual framework of this study is as depicted in Figure 1.

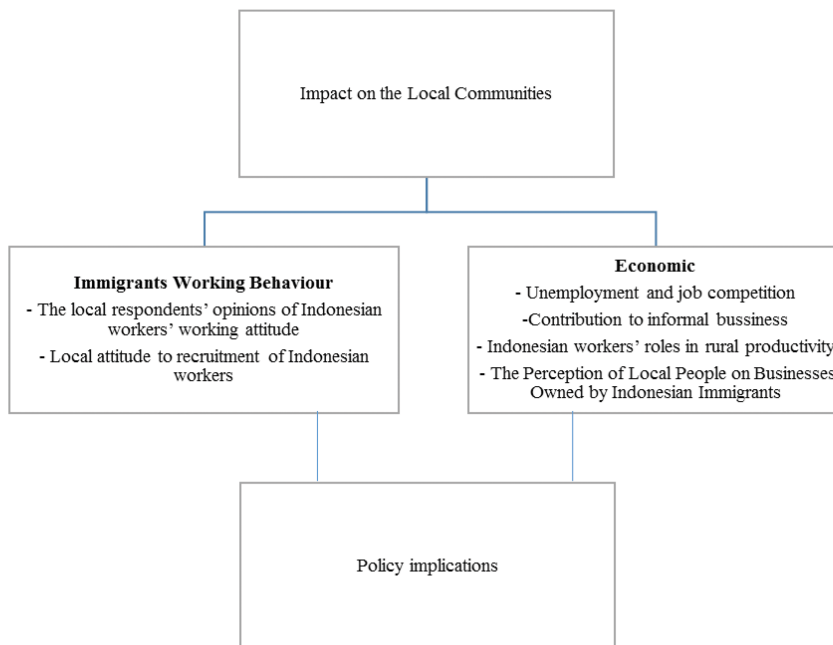


Figure 1. The Conceptual Framework  
 Source. Own Illustration

**METHODOLOGY**

This study employs mixed method approach. Quantitative techniques to explore the local perception on immigrant workers whereas the qualitative is conducted through in-depth interviews with 7 informants to get the real scenario of immigrant impact. This study was conducted in three types of rural settlement which is FELDA (land settlement scheme) (Felda Taib Andak, Felda Tunggal), traditional villages (Kampung Melayu Raya, Kampung Parit Raja) and plantation (Pasir Logok Estate, Sungai Papan Estate). Surveys were carried out to 671 local people in 6 villages, with 398 sample from FELDA, 52 sample from the plantation and 221 sample derived from the traditional village (refer to Table 1). The size of respondents was estimated based on the Krecjie and Morgan (1970) sample size table. Respondents were selected through a purposive sampling technique. Purposive

sampling selects people based on the particular purpose of the experiment. In this study, the researcher was assisted by the head of villagers and key informants to identify potential respondents. The sample of local people was based on the household, with the heads of households being selected as respondents. If the head of household was not available, the next of kin (such as wife and siblings) would be selected, depending on their consent to participate in the interview. Data were analysed with SPSS by using descriptive analysis (chi-square) to provide a better insight regarding issues pertaining to immigrants in rural areas, which aiming to identify the implications of migration to the rural community through opinions of local people. Meanwhile, qualitative data is used to supplement the findings. The study adopted thematic analysis to analyse qualitative data.

Table 1  
*The summarised profiles of study areas*

Village	FELDA Taib Andak	FELDA Tunggal	Sungai Papan/ Kampung <sup>a</sup> Tanjung Serindit	Pasir Logok	Kampung Melayu Raya	Kampung Parit Raja Darat
Type of settlement	FELDA settlement	FELDA settlement	Private plantation estate	Private plantation estate	Traditional Village	Traditional Village
Location	Kulai Jaya	Kota Tinggi	Kota Tinggi	Kota Tinggi	Pontian	Batu Pahat
No. of Houses	620	530	47	30	187	314
Sample of local people n=671	177 26%	221 33%	42 6%	10 2%	90 13%	131 20%

<sup>a</sup> The household of Kampung Tanjung Serindit was included in the survey for the Sungai Papan estate, since the location of the housing area of the Sungai Papan Estates is adjacent to Kampung Tanjung Serindit and they share the same facilities, such as mosques, a primary school, and local businesses.

## RESULTS

The majority of respondents (45.9%) had attained primary education, followed by 39.2% who had received secondary education, while only 4.2% had obtained tertiary education. More than half of the respondents in this survey were aged more than 51 years old (see Table 2). In FELDA, local respondents were dominated by those aged 51-60 years old and in the traditional village, the majority of local respondents were aged 31-40 and 61+ years old.

However, in plantation estates, the majority (26.6%) of respondents were aged 31-40 years old. Most of the respondents (35.9%) reported their average household income to be about RM1000-1999 (Table 3). Those in the estate plantations tended to have lower income. In terms of household size, the majority (52.8%) of the respondents surveyed lived in households of three to five people, followed by 28.6% with households of six or more people.

Table 2  
*General profile of respondents*

Item	Types of settlement			Total	
	FELDA	Traditional village	Estate	n	%
<b>Marriage status</b>					
Married	79.1	77.8	76.9	527	78.5
Single	6.0	10.9	15.4	56	8.3
Widowed	14.8	11.3	7.7	88	13.1
Total (n)	100.0 (398)	100.0 (221)	100.0 (52)	671	100.0
<b>Educational level</b>					
None schooling	9.8	13.6	1.9	70	13.6
Primary school	53.3	30.8	53.8	45.9	30.8
Secondary school	34.4	48.0	38.5	39.2	48.0
Tertiary	2.3	7.2	5.8	4.2	7.2
Others	0.3	0.5	-	0.3	0.5
Total (n)	100.0 (398)	100.0 (221)	100.0 (52)	671	100.0
<b>Age (years old)</b>					
<30	5.3	20.8	24.0	80	11.9
30-39	7.5	12.2	26.9	71	10.6
40-49	10.6	23.1	11.5	14.8	14.8
50-56	38.9	20.8	19.2	31.4	31.4
60+	37.8	23.1	17.3	31.3	31.3
Total (n)	100.0 (398)	100.0 (221)	100.0 (52)	671	100.0



Table 2 (continue)

Item	Types of settlement			Total	
	FELDA	Traditional village	Estate	n	%
<b>Household size(person)</b>					
<=2	18.6	17.2	25.0	38	18.6
3-5	53.3	48.9	65.4	108	52.8
6+	28.1	33.9	9.6	75	28.6
Total	100.0 (398)	100.0 (221)	100.0 (52)	671	100.0
<b>Income (RM)</b>					
<=999	35.4	10.4	65.4	198	29.5
1000-1999	33.4	41.2	21.2	235	35.0
2000-2999	16.6	27.1	9.6	131	19.5
3000-3999	8.3	7.2	1.9	50	7.5
4000+	6.3	14.0	1.9	57	8.5
Total (N)	100.0 (398)	100.0 (221)	100.0 (52)	671	100.0

Source. Fieldwork, 2012

Generally, the results indicate that immigrant workers also played a limited multifunctional role, such as providing the local people with informal services to help them in carrying out their daily tasks. In total, 34% out of 671 local respondents reported that they had employed Indonesian workers in their areas for informal tasks such as cutting grass, house repairs and cleaning their yards.

### Unemployment and Job Competition with the Local People

Table 3 illustrates that the presence of immigrant workers in rural areas was not the cause of unemployment issues in rural settings; nor did it cause difficulty

for the local in finding employment in these settings. In fact, more than 68% of locals interviewed rejected the statement that Indonesian workers in their areas had contributed to the issues of the unemployment among the youth. The results in Table 3 show that a majority (69.2%) of those surveyed denied that Indonesian workers contributed to local unemployment issues, while only 17.6% agreed that Indonesian immigrants caused unemployment in their areas. More than 65% of respondents disagreed with the statement that Indonesian immigrants made it difficult for local people to get jobs, while 18.5% claimed that immigrants did cause trouble for the locals in finding jobs.



Nonetheless, in an informal interview, an immigration officer from the Department of Foreign Labour recruitment in Johor and employer also mentioned that employers prefer Indonesian workers because they are fit enough to work in the hot weather, unlike other immigrants who are fragile and unable to withstand the hard, physical work and hot weather in the plantations.

“As for plantation and agricultural sectors, usually the employers will demand Indonesian workers. Nepalese and Bangladeshi could not cope with tough work in the agricultural and plantation sectors...maybe because of the weather- too hot and they could not adapt it. They prefer to work in factories... but they are fast learners.”

Officer A, Department of Foreign Labour Recruitment

“Bangladeshi likes to work in factories. They do not want to work with a dirty job in plantation sectors. They like a job with a “smart” attire, not a job in plantation or agricultural sectors which make them look unattractive.”

Employer A

Furthermore, interviews with the small-scale agriculture employers found

out that the Indonesian workers are crucially needed by agriculture sectors in order to sustain the economic activities in rural areas.

“I think, if the government decrease the number of foreign workers, estates will be shut down”

Employers B

“Now, we already heavily dependent on the foreign labour... in the future, we still need them. Our children are no more interested in working in plantation or agricultural sectors. I, myself do not encourage my children to work in a plantation sectors, unless they make it as a business or work in management or administrative department...but not as general workers, cutting fruit.”

Employer C

It portrays that the presence of Indonesian workers in rural areas is accepted by the local people for the 3 Ds job. This results further support the idea of Kasimis and Papadopoulus (2005) that local people agreed that immigrants contributed positively to the social development of the village, but at the same time, developed anxious feelings as the relationship between the locals and immigrants became closer.

Table 3  
Local response to unemployment and job competition in their areas

Item	Responses	Felda settlement	Traditional village	Estate settlement	Total	
					N	%
*The Indonesian immigrants in my area have contributed to the issues of unemployment among the youth <sup>a</sup>	Strongly agree	1.5	0.5	-	7	1.0
	Agree	14.6	20.8	13.5	111	16.6
	Not Sure	8.6	19.9	19.2	88	13.2
	Disagree	74.2	58.4	67.3	458	68.5
	Strongly disagree	1.0	0.5	-	5	0.7
	Total (n)	100.0 (396)	100.0 (221)	100.0 (52)	669	100.0
*The presence of Indonesian immigrants in my area makes it difficult for the locals to get a job <sup>b</sup>	Strongly agree	1.0	0.5	-	5	0.7
	Agree	16.4	21.3	13.5	119	17.8
	Not Sure	11.6	22.6	21.2	107	16.0
	Disagree	70.5	54.8	65.4	434	64.9
	Strongly disagree	0.5	0.9	0	4	0.6
	Total (n)	100.0 (396)	100.0 (221)	100.0 (52)	669	100.0
*The local workforce supply in my areas is not sufficient <sup>c</sup>	Strongly agree	4.0	0.9	1.9	19	2.8
	Agree	57.1	38.9	48.1	337	50.4
	Not Sure	18.9	35.7	28.8	169	25.3
	Disagree	19.4	24.4	21.2	142	21.2
	Strongly disagree	0.5	-	-	2	0.3
	Total (n)	100.0 (396)	100.0 (221)	100.0 (52)	669	100.0

Note.

<sup>a</sup>Pearson Chi-Square =27.357, df=8, P=0.001

<sup>b</sup>Pearson Chi-Square =21.279, df=8, P=0.006

<sup>c</sup>Pearson Chi-Square =33.609, df=8, P=0.000

\*There is a statistically significant difference between areas

Source. Fieldwork, 2012

### Response towards Indonesian Workers' Contribution to Informal Business

The study shows that a positive reaction towards the contribution of the Indonesian workers in raising the number of customers at local shops and food stalls. In brief, of 669 locals who completed the

questionnaire, 81% agreed that Indonesian workers had contributed to increase the number of customers in local shops, while 60.8% confirmed the role of immigrants in raising the number of customers in local food stalls. In fact, 69.4% out of 669 locals interviewed rejected the statement

that Indonesian immigrants in their areas had seized the local people's business opportunities.

### **Indonesian Workers' Roles in Rural Productivity**

In terms of rural production, concentrating on the agricultural economy, the local respondents were also asked about the role of Indonesian workers in increasing production. Responses towards the Indonesian workers' contribution to rural production, the results indicate a prominent role of immigrants in increasing the oil palm and plantation yield, as acknowledged by the local people, especially those in FELDA and estate settlements. A majority (60.9%) of local respondents reported that the Indonesian workers did help to increase the production of palm oil in their areas, while 31.1% were unsure. Fewer than 8% of those surveyed indicated that the Indonesian did not contribute to an increase in palm oil production. This indicated that local respondents recognised the roles of Indonesian labour in sustaining rural productivity. As many locals had pointed out, they had not encouraged their children to work in the agriculture sector (Fieldwork, 2012), and this might be the reasons why few youngsters are engaged in agriculture, which contributed to the acute labour scarcity in rural sectors, especially agriculture and plantation areas. If their children wanted to work in the agricultural sector, they preferred them to work in management or non-farming employment, such as lorry driving. Indirectly, this

selective attitude had contributed to the emergence of a new social class in rural society: the "farmer boss" as discussed by Kasimis (2008).

### **The Local Respondents' Opinions of Indonesian Workers' Working Attitude**

The results show that local respondents agreed that the Indonesian workers in their areas had a positive attitude to work. During the fieldwork, it was noticed that local respondents automatically gave positive responses to this question. In response to this question, the local people had already noted the Indonesian workers' aims of migration and thought that the immigrants have to work very hard in the receiving society to reach their migration goals. This indicated that local people have seen that a hardworking attitude is compulsory for Indonesian workers recruited in their areas, and is valuable to increase production (in this case, agricultural production).

### **The Perception of Local People on Businesses Owned by Indonesian Immigrants**

In response to the issue of seizing the locals' business opportunities, as has happened in the urban centres, the researcher also made an effort to uncover the reality of those claims from the perspective of rural settlements. In brief, the presence of Indonesian immigrants in the rural settlements at the time of the survey has not yet shown any sign of threatening the rural people's economic opportunities. In this survey, local respondents were asked about

Indonesian immigrants in their areas who owned businesses. Out of 671 surveyed respondents, only 24% (166 respondents) reported that they knew of Indonesian immigrants who operated businesses in their areas. Such businesses run by Indonesian immigrants as mentioned in the survey included food stalls, small shops, car workshops, carpentry and small traders. This finding indicates that local people did not feel that immigrants had seized the locals' business opportunities. Local respondents who were aware that there were Indonesian immigrants running businesses in their areas were also asked whether they had ever bought the goods offered by the Indonesian immigrants around their area: 59.6% of those surveyed stated that they had done so. The reasons given were that the price was cheap, they wanted to try new things, they had no choice and the immigrants sold quality goods. On the other hand, respondents who reported that they had not bought goods offered by Indonesian immigrants said that this was because they were not confident to try them, they were not interested and they preferred to buy from locals.

### **The Local Attitude to Recruitment of Indonesian Workers**

Although the employment of migrant labour was higher in the study areas, there is always a demand for a stock of local labour. The survey data revealed that the majority (86.1%) of local respondents were likely to recruit local labour if they had to choose between an Indonesian immigrant and a

local applicant for the same job. When asked to clarify the reasons for their preference, respondents said that local workers were more trusted (41.1%) and they wished to prioritise local people before recruiting immigrants (41.5%). Other reasons for the preference for the local labour were that local workers were easy to handle and employers wanted to avoid the complicated procedure of recruiting immigrant labour.

### **DISCUSSION**

The components that determined the analysis of the economic impact of the Indonesian immigrants on the local communities in this study are the pattern of labour replacement and the local attitude towards the employment of immigrant labour. On the basis of the discussion of the consequences to the economy, Indonesian workers were found to have a significant and varied role in supporting the local economy. The main contribution of the Indonesian immigrants was labour replacement in response to the acute local labour scarcity in the rural areas. The Indonesian workers in rural areas have played an important role in replacing the huge loss of local labour in the rural sector, which has been evident since the 1970s due to the large outflow of youngsters to participate in the industrial and service sectors in urban areas, which offer higher income. Additionally, the revolution in education has successfully equipped rural youngsters with better educational qualifications, which allow them access to jobs in the non-agricultural sector.

As suggested by Schwartzman (2008), Hoggart and Mendoza, (1999), Crush and Ramachandran, (2010), and Amatzin, (2006), immigrants in rural areas not only support the demand for labour but also take the jobs nobody wants creating a critical dependency on immigrants labour. However, heavy dependence on immigrant labour in such sectors can create issues with the influx of immigrants, which sometimes leads to the accusation from local people that the immigrants have taken away jobs from locals due to their willingness to accept lower wages (Azizah, 2012). To summarise, the contradiction between the employers and the locals has led to mixed reactions towards the policy regarding immigrant labour.

On the other hand, the expansion of the agriculture sector, especially for commodity products, has led to the recruitment of Indonesian labour. Therefore, the role of the Indonesian workers in helping the rural industries is undeniable. Amatzin (2006) suggests that the plantation sectors would be destroyed without immigrant labour. This has been evidenced by a local press statement by the Malaysian Estate Owners' Association (MEOA), which has urged the government to review the current policy on foreign workers due to the huge loss in palm oil business (Ooi Tee Cheng, 2012). General observation and informal interviews revealed that Indonesian workers were favoured among the economic players in the rural areas, because of their attitude and cultural and ethnic similarities. Local villagers also

favour Indonesians, because they are from the same roots and are easier to deal with. Informal interviews with the plantation management disclosed that the Indonesian workers are favoured because they are easy to train, hardworking and tough enough to handle the work in plantation areas. In addition, the employers also pointed out that the Indonesian immigrants meet the characteristics of planters, thus benefiting their employers. These results are consistent with Hatton and Leigh (2011) on immigrants' length of stay and integration in the destination country.

The hardworking behaviour of Indonesian workers in this survey have contributed positively to the production of the rural sectors and negatively to the socialisation pattern between the immigrants with the local people. Driven by the aspiration to improve family economic conditions in their country of origin, the Indonesian workers have forced themselves to work hard in the receiving countries. Their registration as unskilled immigrant workers binds them with strict regulations imposed by their employers making it difficult for Indonesian workers to top up their income except through overtime work. Furthermore, the Indonesian workers in the plantation/estate are bound by strict government and management regulations. In the same vein, Kasimis et al. (2010); Pye et al. (2012); Azizah, (1997); Zawawi, (2005); Hoggart & Mendoza, (1999) notes that hardworking attitude showing by the immigrants have contributed a positive impact on a local economic development.

On one hand, the phenomenon of seasonal Indonesian labour in traditional villages, which was revealed accidentally during the fieldwork, made an indirect positive contribution to the rural economic development in the study areas. Local planters or smallholders in rural areas needed immigrant labour to support their operations in certain seasons (in this case, for the replanting of oil palms). Thus, seasonal Indonesian immigrants could release the pressure on local small farmers in the rural areas and enable them to sustain their agricultural activity, as the recruitment of seasonal labour is achieved through informal channels and is thus much cheaper. Besides, the rural areas could control the issues of the influx of the immigrants because the presence of immigrants would increase during certain periods only. It is argued that the foreign labour policy, which does not allow immigrant workers to bring their families with them, is contributing to the issues of the influx and overstay of foreign workers in Malaysia (Amatzin, 2006; Azizah & Ragayah, 2011; Azizah, 2012). Thus, seasonal or circular migrants labour provides a win-win situation for the immigrants and the local community, helping both of them to achieve their economic goals. On the contrary, the phenomenon of seasonal labour among Indonesian workers is largely restricted to areas near to the international border. In this case, Kampung Melayu Raya is located at Pontian, and the Indonesian workers from Javanese Island benefitted the most from the circular mobility (seasonal labour)

phenomenon. Seasonal immigrant labour is recruited through the strong network that has been established between the employers/local people and the Indonesian immigrants, offering a win-win situation for rural development.

The high remittances sent home by the Indonesian workers has also benefited the local businesses, especially retailers, because it forces the Indonesian workers to spend locally in order to increase their savings for remittances. Finally, the Indonesian workers also make a small contribution to informal rural economic activities. On the other hand, the poor condition of the Indonesian workers when they arrive in Malaysia opens up informal business opportunities for the locals. The prominent role of Indonesian immigrants in terms of supporting local business was acknowledged by the majority of local respondents. Immigrants were found to contribute to the local informal economy by increasing the number of customers for local retailers and small businesses (in this case, local food stalls) and creating informal business opportunities for the local people. Immigrants also have a positive impact on local business, as they tend to spend money for daily life within their local areas (Kasimis et al., 2010). Besides that, due to the shrinking rural population, immigrants in rural areas also play a role in maintaining the sustainability of rural business and generate income opportunities for the local people (Taylor & Martin, 2001; Hatziprokopiou, 2003).

Indonesian workers have played a crucial role in maintaining the sustainability of the rural economic sector (as a labour supply). They also contributed to increasing the production of the agriculture sector. Their positive working attitude (diligent, tough, willing to work overtime) has been acknowledged by the local people as helping to increase the yield of rural production. In addition, the Indonesian workers' aspiration to achieve stable living conditions in their country of origin drives them to work hard, which ultimately benefits the economy of the receiving country (in this case, the rural setting in Johor). Also, the skills possessed by the Indonesian workers, especially in carpentry, contribute indirectly to the rural economy by providing cheap services that local people can afford. The Indonesian workers are also found to contribute to the informal business activities of the local community through the renting of properties (shop lots, houses, transportation etc.) and the buying and selling of used goods. Although the cases reported in this research are small, they do contribute some income to the rural community.

## CONCLUSION

This study was undertaken to examine local people's perception on the economic impacts of Indonesian immigrants in rural areas. This study found that generally Indonesian immigrants/workers play a

significant role and have a huge impact on the economic development in rural areas. For instance, their presence has assisted local people's businesses indirectly and also championed rural industries for so many years. Either as labour replacements or seasonal immigrants, they are known publicly as hardworking, robust, fit and bearable workers amongst local people. They are currently doing jobs rejected by local workers as the sluggish agriculture sector remains unattractive to them and young school-leavers. The study confirms that their role in rural industries is unquestionable. This result is contrary to the negative portrayal of immigrant labour in the media. A limitation of this study is that this study has a sample size that is relatively small and only focused on one state only, which is in Johor. Future research should, therefore, concentrate on the larger sample by studying other states. Besides, it would be interesting to compare experiences and perceptions between urbanite and rural people towards immigrants in a larger scale in future research. Finally, a future study investigating the impacts of government policy on immigrants in both rural and urban industries would be very interesting too.

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