The Impact of Remittances from Circular Migration on The Consumption Behavior of Families Left Behind: Case Study on Migrant Families Migrating from Madura to Jakarta

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ARTICLE INFORMATION

ABSTRACT

The focus of this research is how remittances from Madura to Jakarta affect the spending habits of families left behind. Six people are available for interview. From the interviews, the informants shared the experiences of the families and the migrants themselves in managing the remittances earned. The interviews were recorded, transcribed, and analyzed using qualitative methods with a descriptive approach. The results of the interviews show that families are very happy and supportive of their members becoming circular migrant workers. This happens because of the limited job opportunities available in Madura, and the needs of life that must be met. Before a family member migrated to work, the family's life was so poor that they could not fulfill some family needs. But after a family member migrated, their economic life and even social life became better. The money earned by the family is used not only for consumption of daily needs, but the family prioritizes investment and most of them invest by buying gold, jewelry, land, and opening or expanding existing businesses. In addition, the families also prioritize their children's education so that they can go to school to the highest level possible.

Keywords: Migration, Migrant Worker, Needs, Remittances, Social-Economic Condition
INTRODUCTION

In addition to fostering population mobility activities, rapid population growth also gives rise to employment issues and opportunities associated with the economic prospects it brings (Bloom & Freeman, 1986; Jamil, 2017; Madinah, 2020; Sadigov, 2022). The human population represents a fundamental resource for progress, and Indonesia, as a developing country, boasts the fourth largest population, contributing to a surplus labor economy. With an increasing population, the demand for products and services escalates, primarily when individuals are viewed as consumers (Rizal, 2009).

Many people seek employment in metropolitan centers, often migrating from less developed regions. The conventional assumption suggests that internal migration within a country naturally directs surplus rural workers to more modern industrial centers in urban areas, where absorption capacity is greater. However, in practice, labor mobility far surpasses the capacities of the destination area's industrial and service sectors (Todaro & Smith, 2020).

Unfulfilled socio-economic conditions in the areas of origin drive individuals to seek opportunities elsewhere. Each individual's unique needs influence their assessment of their region of origin, leading to diverse decision-making processes, even across different islands (Sekiguchi, Hayashi, Sugino, & Terada, 2019).

This study focuses on DKI Jakarta as the destination area, which holds a higher value of usefulness compared to the origin areas, particularly the districts in Madura. The appeal reflected in this higher value of usefulness is expected to provide better income and welfare for migrants from Madura. DKI Jakarta's rapid economic growth acts as a pull factor for regions with slower growth. Wages serve as the primary reference for migrants in making migration decisions, especially circular migration. Migrants will not move if the wage in their home region is higher or equal to that of the destination region. The following table illustrates that residents from districts in Madura choose to commute to Jakarta due to the higher minimum wage.

Table 1. Comparison of Minimum Wage in Madura and Jakarta, 2017-2023

<table>
<thead>
<tr>
<th>Year</th>
<th>DKI Jakarta Minimum Wage</th>
<th>Bangkalan Minimum Wage</th>
<th>Sampang Minimum Wage</th>
<th>Pamekasan Minimum Wage</th>
<th>Sumenep Minimum Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3,355,750</td>
<td>1,530,660</td>
<td>1,501,430</td>
<td>1,461,380</td>
<td>1,513,340</td>
</tr>
<tr>
<td>2018</td>
<td>3,648,036</td>
<td>1,663,975</td>
<td>1,632,201</td>
<td>1,588,660</td>
<td>1,645,146</td>
</tr>
<tr>
<td>2019</td>
<td>3,940,973</td>
<td>1,801,406</td>
<td>1,763,267</td>
<td>1,763,267</td>
<td>1,801,406</td>
</tr>
<tr>
<td>2020</td>
<td>4,267,349</td>
<td>1,954,705</td>
<td>1,913,321</td>
<td>1,913,321</td>
<td>1,954,705</td>
</tr>
<tr>
<td>2021</td>
<td>4,416,186</td>
<td>1,954,705</td>
<td>1,938,321</td>
<td>1,938,321</td>
<td>1,954,705</td>
</tr>
<tr>
<td>2022</td>
<td>4,641,854</td>
<td>1,956,773</td>
<td>1,922,122</td>
<td>1,939,686</td>
<td>1,978,927</td>
</tr>
<tr>
<td>2023</td>
<td>4,901,798</td>
<td>2,152,450</td>
<td>2,114,335</td>
<td>2,133,655</td>
<td>2,176,819</td>
</tr>
</tbody>
</table>


Numerous studies demonstrate that even after leaving their countries of origin, migrants maintain social and economic connections with their relatives back home (Boccagni, 2015). Various factors, such as migrants' socioeconomic status, education level, marital status, number of dependents, length of migration, and distance between their origin and destination, influence the extent to which they remain attached to their families and places of origin. (Liu, Guo, Mao, & Chi, 2018). These connections are realized through direct interactions, financial or material support, and simple expressions of goodwill (Madziva, 2015).
Remittances, encompassing both monetary and non-monetary contributions made by migrants to their countries of origin, along with the knowledge and ideas they bring back, play a crucial role in economic development (Page & Plaza, 2006). Examples of remittances include money, products, and ideas that contribute to the economic growth of villages and regions. Due to their positive impact on household income and purchasing power, remittances significantly influence the recipient's economy and societal development (Page & Plaza, 2006).

These remittances are instrumental in sustaining the livelihoods of migrant workers' households (Nababan, Matin, & Suryadi, 2022) and serve as a foundation for microenterprise development (Cohen, Jones, & Conway, 2005). They are a highly discussed topic when studying the impact of migration on improving the welfare of the regions of origin. Despite the huge potential of remittances, their ability to enhance welfare in the origin areas is hindered by misconceptions about their consumptive use. The perspective that considers remittances as consumptive and non-productive has persisted since the 1970s (De Haas, 2005). Moreover, behavioral factors that promote the consumptive or short-term use of remittances inhibit their long-term perspective.

However, research conducted by Putra, Chadijah, and Warsito (2014) in Seriguna Village, Teluk Gelam Oki sub-district, challenges this perspective by revealing that the pattern of community remittance utilization is predominantly productive, involving long-term investments such as land purchase, business ventures, house renovation, children's education expenses, and savings in banks. While some individuals still use remittances for consumptive purposes, such as meeting daily needs and covering the costs of religious and family celebrations, the prevailing trend highlights productive utilization patterns.

The novelty of this research lies in its focus on the utilization patterns of community remittances in the specific context of DKI Jakarta as the destination area, particularly in comparison to the mentioned studies. While previous research has discussed the impact of migration and remittances on economic development and welfare in general terms, this study specifically investigates how migrants from the districts in Madura utilize their remittances when commuting to DKI Jakarta. Additionally, the research examines the factors that influence the decision-making process of migrants, especially regarding the productive versus consumptive use of remittances. By delving into the unique dynamics of this specific migration corridor and its implications on the regions of origin and destination, this study contributes valuable insights to the existing literature and sheds light on the potential long-term benefits of remittance utilization for both migrants and their communities.

**LITERATURE REVIEW**

**Migration Theory**

The theory of migration traces its roots back to Ravenstein (in Rees & Lomax, 2020), who laid the foundation for studying population mobility among other researchers. According to Ravenstein's migration theory, the primary motive for migration is predominantly economic. This theory, known as the laws of migration, provides insights into contemporary population mobility behavior.

Migration, encompassing relocations lasting several years, encompasses movement both within one's own country and across international borders. Its historical context is rich, ranging from the centuries-old slave trade to labor mobility during colonial periods, and it is closely linked to the evolution of preexisting social and economic ideologies, particularly those concerning the working class (Castles, 2018). Throughout history,
migration has played a defining role in shaping national histories and has facilitated the intermingling of diverse cultural and ethnic backgrounds.

Apart from Ravenstein's model, Speare (in Faist, 2000) introduced another migration model that takes into account structural factors influencing labor migration decisions. Socio-demographic characteristics, satisfaction levels with the current place of residence, geographical conditions of the origin area, and community characteristics all play a role in this model. Dissatisfaction with these structural dimensions can drive individuals to migrate. For instance, in areas with infertile agricultural land, people are more likely to seek employment opportunities in other regions with better economic prospects, particularly in non-agricultural sectors such as industry, trade, and services.

According to Lee (in Faist, 2000), argues that a region's total migration volume is closely linked to the characteristics of its constituent areas. Positive attributes, such as strong educational institutions, abundant job opportunities, and a pleasant environment, increase the desirability of a location, leading to migration inflows. Conversely, negative factors make a region less attractive, prompting people to relocate. Migration occurs due to disparities in the overall value offered by the origin and destination areas. Lee (in Faist, 2000) identifies four elements crucial to the migration process, namely: a) factors in the area of origin, b) factors in the destination area, c) barriers between origin and destination, and d) factors common to both origin and destination.

Figure 1. Factors in the origin and destination regions and barriers between them

Each region has factors that attract people to stay (positive factors), as well as factors that push people to leave (negative factors). Additionally, there are neutral factors that have little influence on migration decisions (Mantra, 2007). Among these four factors, individual considerations emerge as the most decisive in the decision-making process. An individual's personal assessment of a region, whether positive or negative, largely shapes their migration decision.

Furthermore, in recent years, migration theories have evolved to incorporate a more comprehensive understanding of migration drivers. While economic factors remain significant, researchers have started acknowledging the role of other influential elements, such as political, social, and environmental factors. Political instability, conflicts, persecution, and human rights issues in certain regions can drive people to seek refuge in safer areas or countries (Oo, 2020). Additionally, social networks and cultural ties can play a crucial role in determining migration patterns, as individuals often follow the footsteps of family and friends who have successfully migrated (Torres & Casey, 2017). Moreover, environmental factors, such as natural disasters, climate
change, and environmental degradation, can also trigger forced or voluntary migration as people search for better living conditions (Rechkemmer et al., 2016). By considering these multifaceted influences, contemporary migration theories provide a more nuanced and comprehensive understanding of the complexities behind human mobility in today's globalized world.

Remittances
Remittances, as defined by Carling (2014), refer to the transfer of money or items by migrants back to their home country while they are residing in the country of destination. Over time, the meaning of "remittances" has evolved to encompass not only material transfers but also includes the transferable skills and knowledge gained by migrants during their migration experience. These knowledge and experiences become invaluable assets to migrants upon their return to their home village, as they bring fresh perspectives that can potentially contribute to the growth and development of their community.

Undoubtedly, remittances play a pivotal role in sustaining the financial well-being of the recipient families and the overall development of the local economy. Migrants frequently send money back to their families in the village, as the family unit remains a core economic entity both before and after migration. These remittances, commonly referred to as "kiriman," serve the purpose of supporting their loved ones back home.

Adams (2006) asserts that remittances primarily serve an economic function, often utilized to cover daily necessities, education expenses, healthcare costs, and provide support to dependents who take on parental roles. Additionally, migrants may invest remittances in purchasing property or establishing new enterprises in their home villages, operated by family members. Furthermore, migrants use remittances to send commodities such as clothes, home furnishings, and electrical gadgets. In the context of migration in underdeveloped nations, remittances hold significant importance as they act as a means to maintain social and economic ties with the home community despite the physical distance (Page & Plaza, 2006). Moreover, the act of sending money home is often driven by migrants' sense of moral and social obligation to support their loved ones in their place of origin.

In summary, the concept of remittances encompasses not only financial transfers but also the transfer of knowledge and skills obtained during migration (Peth & Sakdapolrak, 2020). These remittances are crucial for the well-being of recipient families and local economic development. Migrants' commitment to supporting their families and communities back home is reflected in their continued practice of sending remittances, enabling them to contribute to the growth and prosperity of their home regions.

Lifestyle
Lifestyle is a multidimensional concept that encompasses various aspects of how an individual lives, including the management of finances, time allocation, and daily activities. Miseng (2020) defines lifestyle as a person's distinctive pattern of life, which is manifested through their behaviors and activities, influenced by their environment and cultural background. Stahl et al. (2014) further explain that behavior is an individual's response or reaction to external stimuli, heavily influenced by cognitive abilities and cultural factors. The human brain and senses play a pivotal role in processing external stimuli, enabling humans to communicate, think abstractly, and conceptualize ideas. Human behavior is shaped by a combination of customs, attitudes, emotions, values, ethics, and genetics.
The contemporary world, often referred to as modernity, is characterized by diverse and evolving lifestyles (Abdullah & Jabbar, 2018). The advancement of time and technology plays a crucial role in shaping and spreading lifestyle choices in everyday life. As human needs grow, the pursuit of an improved lifestyle becomes more prominent. However, it is important to note that lifestyle choices can have varying effects, either positive or negative, on individuals depending on how they embrace and live their chosen lifestyle. One particular aspect is the consumptive lifestyle, which refers to consumer behavior that involves spending money on non-essential goods and services, exceeding their production value and basic needs.

In summary, lifestyle embodies the way individuals lead their lives, encompassing their financial decisions, time management, and daily activities. Human behavior, shaped by cognitive abilities and cultural influences, plays a significant role in expressing and adopting a particular lifestyle. The modern world witnesses a wide array of lifestyle choices, influenced by the progress of time and technology. However, the impact of lifestyle can vary, and adopting a consumptive lifestyle, characterized by excessive spending on non-essential items, may have implications that can be either positive or negative for individuals and society (Touchette & Nepomuceno, 2020).

RESEARCH METHOD

The research method utilized in this study is qualitative, aiming to gain a deeper understanding of the complexity of human interaction and to explore the phenomenon of remittances' impact on the spending habits of loved ones left behind. Qualitative research, as explained by Marshall, Rossman, and Blanco (2021), involves methods used to explore and comprehend the intricacies of human interactions. Specifically, a "phenomenological inquiry" approach (Finlay, 2009), is employed, which seeks to holistically understand and describe the experiences of the research subjects in their unique natural context, relying on words, language, and various scientific methods.

To analyze the qualitative data, the Historical-Comparative method (Demetriou & Roudometof, 2014), is employed, which combines theoretical considerations with insights gathered from in-depth interviews and supported by numerical evidence. Additionally, literature studies, involving a thorough examination of books, journals, articles, periodicals, and relevant scientific works, contribute valuable information to the research. In line with the focus on elucidation and detailed descriptions, the analysis employs an extensive use of words to present the findings. To support the qualitative findings, quantitative analysis, such as figures and tables, is also utilized. The research aims to compare consistent or atypical occurrences or symptoms related to remittance impacts with existing theories and ideas. By adopting a qualitative strategy, the study recognizes the effectiveness of this method in identifying and understanding complex phenomena.

In the end, this study employs a qualitative research method with a phenomenological inquiry approach and Historical-Comparative analysis to examine the effect of remittances on the spending habits of loved ones left behind. Through a combination of in-depth interviews, literature studies, and numerical evidence, the research aims to gain comprehensive insights into this phenomenon.

RESULTS

This study sheds light on the motivations behind the decision of these migrants to leave their families and seek employment opportunities abroad. Prior to their migration, the income of these 12 individuals was uncertain, making it challenging for them to meet basic needs such as food, housing, medical care, and education. As one participant
shared, "Working odd jobs like this is only enough for food, for education needs, and other necessities, sometimes you have to borrow first" (Interview transcript, page 1). Similarly, farmers faced precarious earnings tied solely to harvest times for crops like tobacco, rice, and maize. One farmer stated, "Revenue is unpredictable since we depend only on the planting season and save whatever is left over" (P1 interview transcript).

Upon relocating to Jakarta, most of the migrants found employment opportunities in the city, often due to the presence of their previously established family connections there. Some resorted to setting up small businesses, such as food stands selling satay and fried rice. Given the absence of college degrees, they could only secure jobs that matched their skill levels. One participant explained, "Yes, most of us followed relatives who have been working in Jakarta for a long time, and we were taught how to find a job or open a business here until we could succeed and finally did it ourselves" (Transcript of interview P1).

Before migration, their relatives back in Indonesia earned monthly incomes ranging from Rp 3,000,000 to Rp 7,000,000. In contrast, their financial situation in their hometown was much less stable, with an annual income closer to Rp 800,000 rather than Rp 1,400,000. The transition to becoming migrants significantly changed their family's economic circumstances. As one participant reminisced, "Our family was fortunate to have enough food on the table each day before we left for Jakarta" (P1 interview transcript).

However, after moving to Jakarta, their financial situation improved considerably. Remittances sent back home were utilized for various purposes, from everyday groceries to savings for college education and medical expenses, as well as setting up emergency funds for loved ones. One respondent even proudly mentioned how his family acquired various assets, including a television, refrigerator, motorbike, piece of land, and precious metals and gems, all made possible by the remittances he sent back home (Transcript of the Interview, Page 2). These findings align with the beneficial impact of remittances on developing country economies, as supported by existing research (Page & Plaza, 2006).

Continuing with the research findings, it was evident that the positive economic impact of remittances extended beyond immediate consumption and asset acquisition. The study also revealed that remittances played a crucial role in supporting the education and future prospects of the migrants' families back in their hometowns. With more stable financial resources, the families were able to invest in their children's education, which was previously challenging due to limited income opportunities. Several respondents expressed their satisfaction with being able to contribute to their children's educational pursuits, with one migrant stating, "I am proud to see my children now attending better schools and having access to educational opportunities that were once beyond our reach" (Transcript of the Interview, Page 2).

Furthermore, the research shed light on the social and emotional aspects of remittance utilization. Remittances not only provided financial support but also strengthened emotional bonds between the migrants and their families. Many participants shared how the act of sending money and gifts back home brought them a sense of fulfillment and happiness, fostering a deeper sense of connection and care among family members. Additionally, the recipients expressed gratitude and appreciation for the migrants' efforts, recognizing their sacrifice and dedication to improving the family's well-being. This mutual support system created a strong network of solidarity and reciprocity, transcending geographical distances and reinforcing family ties. As one participant reflected, "Although we are physically apart, the remittances we send and
the communication we maintain keep us emotionally close and united as a family” (Transcript of the Interview, Page 2).

In conclusion, this research highlights the transformative impact of migration and remittances on the economic, educational, and social aspects of both migrants and their families. The decision to leave their hometowns in search of better opportunities in Jakarta resulted in improved financial stability and access to education for the migrants’ families. Remittances played a vital role in supporting not only immediate consumption and asset acquisition but also long-term investments in education and future prospects. Moreover, the act of sending remittances fostered emotional closeness and solidarity among family members, bridging the geographical divide and reinforcing familial bonds. These findings underscore the significance of remittances as a catalyst for positive development and the well-being of both migrants and their families in the regions of origin.

DISCUSSION

Based on the findings derived from interviews with 12 individuals representing diverse work backgrounds, the primary motivation behind their decision to migrate to Jakarta was the aspiration to fulfill their daily needs and uplift their socioeconomic status. The study established that all participants who chose to leave their families and hometowns for work in Jakarta were successful in attaining their daily necessities and even experienced an improvement in their socioeconomic conditions back home. Notably, these migrants demonstrated a responsible approach towards remittance utilization, as they diligently allocated a portion of their earnings to support their families’ immediate needs in their hometowns, while wisely investing the remaining funds and savings in various ventures.

The migrants’ remittance practices showcased a significant contribution to their families’ well-being in their places of origin. By sending financial support, they were able to alleviate the financial constraints that had previously hindered their families’ ability to meet essential daily requirements. Furthermore, these remittances had a considerable impact on the socioeconomic development of their hometowns. The migrants' wise investment choices, such as setting up businesses and purchasing valuable assets like jewelry and gold, created a positive economic ripple effect in their communities, fostering economic growth and generating employment opportunities for others.

Moreover, the migrants’ remittance practices had a transformative effect on their own socioeconomic standing (Rosiana & Wijayanti, 2021). By allocating a portion of their earnings towards savings and investments, they could secure a brighter future for themselves and their families. The financial stability achieved through migration and remittances enabled them to access better educational opportunities for their children, empowering the younger generation to break the cycle of poverty and pursue higher aspirations.

In conclusion, the findings of this research emphasize the profound impact of migration and remittances on the lives of individuals and their families in the regions of origin. The migrants' decision to seek employment opportunities in Jakarta was driven by the desire to improve their socioeconomic circumstances and fulfill essential needs. Through responsible remittance practices, they not only provided immediate financial support to their families but also played a pivotal role in stimulating economic growth and development in their hometowns. Moreover, the migrants’ commitment to investing in their families' futures highlights the significant role that remittances play in breaking the cycle of poverty and promoting socio-economic advancement. Overall, this study...
underscores the importance of migration and remittances as catalysts for positive change and prosperity in both the migrants’ lives and their communities of origin.

CONCLUSION

Based on the research and the discussion of the impact of remittances from circular migration on the consumption behavior of families left behind by migrants who migrate circularly from Madura to Jakarta, several significant conclusions can be drawn.

Firstly, the decision to become a migrant and leave the area of origin yields positive effects on the families left behind. The remittances received from these migrants are utilized in a highly effective manner by the families. They allocate these funds to meet their daily needs, cover health expenses, invest in education, save for the future, and pay off debts. The remittances play a crucial role in enhancing the overall well-being and financial stability of the families back in Madura.

Secondly, circular migration results in a notable improvement in the socio-economic lives of the individuals who become migrants. The income they earn in their new locations, particularly in Jakarta, is significantly higher compared to their previous earnings in Madura. This newfound financial stability enables them to fulfill their primary needs, such as providing food, clothing, and shelter for their families. Additionally, they can now afford to acquire assets like televisions, refrigerators, motorbikes, and even invest in real estate by purchasing land and improving their houses.

Thirdly, families left behind in Madura demonstrate wise decision-making when it comes to utilizing the remittances received from migrants. Rather than solely focusing on short-term needs, they prioritize long-term investments that can lead to sustainable benefits. Consequently, they make prudent decisions, such as opening businesses, acquiring rice fields, investing in precious metals and jewelry, and ensuring their children receive a quality education. They view education as a long-term investment, recognizing that higher levels of education can provide better job opportunities and overall economic advancement for their children in the future.

In conclusion, this research highlights the positive outcomes of circular migration and the responsible use of remittances by families in Madura. Becoming migrants empowers individuals to significantly improve their economic prospects, while the remittances they send back home contribute to the overall well-being and development of their families. The families’ emphasis on long-term investments reflects their foresight and understanding of the potential benefits of securing a better future through education and business ventures. Ultimately, circular migration and the strategic utilization of remittances play crucial roles in fostering socio-economic progress and stability for both migrants and their families in Madura.

However, this research may not have fully considered contextual factors that could influence the utilization of remittances by recipient families. For instance, changes in government policies or local economic dynamics could affect how remittances are utilized and their impact on the development of the migrants’ places of origin. The subsequent research agenda should delve deeper into analyzing these contextual factors to gain a more comprehensive understanding of the influence of remittances.

REFERENCES


