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## Migrant workers' cooperatives as a crisis response

This year the theme of the International Day of Cooperatives focuses on the opportunities for co-operatives to effectively contribute to global economic recovery in times of crisis. In Indonesia, thousands of migrant workers, victims of the unfolding economic and social crisis, are returning home. Setting-up a cooperative is one option for these returning migrants, as this report by Gita F. Lingga, ILO Communication Officer in Jakarta, shows.

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**MALANG CITY, East Java, Indonesia (ILO Online)** – The global economic and social crisis has shattered the dreams of a better life and income of many migrant workers.

But the story of Waniti, a 38-year old mother of three, shows that a global crisis can also be turned into new opportunities. The former migrant worker established a cooperative specifically designed and targeted at former migrant workers and their families in Malang City, one of the main sending areas of migrant workers in the country.

"Before, I never thought of saving my income or investing it in a business. Then, when I came back home from Hong Kong a few years ago, I did not know how to make a living in my village. I couldn't find a new job and I couldn't get a loan from the bank to start something on my own," she says.

Realizing that most of the banking institutions refused to deal with clients with low incomes and little savings, she decided to establish a cooperative called Koperasi together with other former migrant workers. Established in 2005, KoperasiTKI Purna Citra Bumi Mandiri taps the potential market of migrant workers with financial products and services tailored to their needs.

Together with the ILO through its Cross-Border Labour Migration Project, the cooperative expanded its services by providing management and start your business (SYB) training.

"Wide access to training is essential for former migrant workers, particularly in times of economic crisis, so that they can improve their business skills, empower themselves to generate income and even create jobs for others," Waniti explains.

"We also work together with the Seafast Centre, a training provider from the Bogor Agricultural Institute (IPB), to conduct courses on food safety and processing and with the Malang District Manpower Office in East Java on traditional herbs. These training have stimulated many former migrant workers to start up their businesses," adds Muhamad Nour, the ILO's Project Coordinator in East Java, Indonesia.

According to Muhamad, the ILO recognizes the greater role of migrant worker cooperatives in migrant communities to promote productive use of

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remittances, as most of the personnel in the cooperative are former migrant workers with similar backgrounds and experiences.

Funded by the Government of Japan, the project focuses on knowledge base and policy research, statistical and information systems, national policy and institutional reforms, improved bilateral cooperation, capacity building for good governance of migration processes and effective remittance systems and productive investment.

Today, the cooperative provides a wide range of products from food and agricultural goods to fertilizers and micro-credit. With a total of 29 members covering 100 migrant families, the cooperative now holds total assets of Rp 130 million (USD 13,000). Its membership continues to grow as they benefit from the productive use of remittances, credit for health and education as well as income generating activities. Since last year, the cooperative has been formally registered at the Malang District Cooperative Office.

In times of crisis, the cooperative has also expanded its services, reaching out to a growing number of Indonesian migrant workers returning home.

"As a former migrant worker I know how it feels being returned home without knowing what to do next or how to use the savings wisely or even how to invest them. Through this cooperative, we would like to offer the most important thing in our lives, hope. That is why we continue to provide information and assistance needed to former migrant workers on how to save, invest and start their own business," said Waniti.

In Asia and the Middle East, Indonesian migrant workers are predominantly employed in construction, manufacturing, plantations, agriculture, hotel and catering, and health and care work, including domestic services. Among these sectors, particularly construction, manufacturing, hotel and catering have been negatively affected by the global financial crisis.

The Indonesian Minister of Manpower and Transmigration, Erman Suparno, has highlighted the urgent need for more dialogue between sending and receiving countries regarding the impact of the crisis on migrant workers.

"We agreed that the rights of migrant workers as human beings should be protected and promoted to avoid modern forms of forced labour and prevent organized human trafficking," he said in his address to the delegates at the 98th session of the International Labour Conference in June 2009. He said that ASEAN leaders shared the same commitment in this respect.

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