This paper explores the phenomenon of Indonesian return migrant and entrepreneurship issues to their hometown in Malang Regency, East Java. It discusses the linkage between migration experiences and adaption strategies in the economic reintegration of return migrant in home village. By using interviews and observations, the paper concludes some interesting issues. Firstly, the return migrants' entrepreneurship is the process of accumulating knowledge that acquired before and during migration. Secondly, the return migrants face several challenges including finding appropriate jobs in their villages of origin, including efforts to establish networking with former colleagues and friends as well as difficult to meet their family members’ economic needs. Thirdly, economic reintegration is particularly difficult for the return migrants when their home villages’ infrastructures are not well developed. Four, on the other sides, the return migrants maximize revenues/saving and social remittances for entrepreneurship associated with self-transformation and living strategy at home villages. The return migrants undergo ‘rebirth’ by acquiring new knowledge and occupations, utilizing their economic experiences and mobility, and reintegrating themselves into society both socially and economically. In conclusion, the combination of financial support and social remittance of migrant workers is a valuable asset for economic reintegration of the return migrants.

Keywords: economic reintegration, return migrant, entrepreneurship.
INTRODUCTION

Migration and entrepreneurial activities appear to be a sequential process that people who migrate go through in order to sustain their livelihoods (Benda-Beckman, 2000). According to Wijers (2013), this sequential process of migration consists of the interactions between actors’ personal histories, their entrepreneurial skills and resources, and their chances of implementing the opportunity structures available to them. Making adjustments and having knowledge of production applications in the return migration context are crucial aspects of enabling former migrants to sustain their socioeconomic lifestyle after they finish working abroad (Chobanyan, 2013). Two conditions are required for maximizing entrepreneurship and resource opportunities of the return migrants so they can experience success in establishing/ building economic activities. The first condition has to do with how the return migrants can gain and reproduce knowledge during the migration process as well as learn to practice it when they return (Gmelch, 1980; Cassarino, 2004; Anwar, 2013). Secondly, the return migrants need to develop ability and make strategic adjustments for economic survival in their home villages (Brettell & Alstatt, 2007). Regarding the intake and dissemination of knowledge and experience gained by immigrants, Levitt (1998) proposed that new ideas, behaviours, knowledge, and personal experiences are immigrants’ social remittances. These social remittances are in the forms of normative structures (ideas, values, and beliefs); systems of practices (the actions shaped by normative structures); and social capital (individually acquired through participation in informal networks, registered organizations, and various associations and social movements).

In the context of Indonesian return migrant entrepreneurship at home village, according to studies by Rosalinda (2013) and Wijaya, Sukesi, and Rosalinda (2015) on economic activities in Malang Regency where this research studied, it is shown that entrepreneurial activities are increasing in number. Of the 5,823 migrants who worked abroad in 2013, more than a third are entrepreneurs or worked on seasonal jobs when they returned. The rest are unemployed, or else they re-migrated. However, their studies yet unexplored the issues on how those migrants—with knowledge, experience and vision—have successfully maintained their economic conditions and self-determination after their return. For example, it is not known if the migrants’ working abroad experience give them cultural insights and work ethic that can improve the outcomes of their economic activities. The return migrants may also experience structural and individual strategic adjustment or develop their entrepreneurial knowledge production. Based on this reason, this paper will answer the following questions: (i) How do the return migrants define their migration for sustainability living in the future? (ii) How do the return migrants make economic activities and adjustment strategy to village condition after their return? (iii) How do the return migrants develop entrepreneurship patterns, what the effects (implications) for their future career, and whether they can change their personal life’s economic status? This paper will describe entrepreneurship pathway in a way that indicates self-transformation from worker to entrepreneur, and, to some extent, to become a community activist.

LITERATURE REVIEW

The process of return migration and economic activities has been most conceptualized under (i) the economics of labor migration or accumulation of sufficient resources (de Haas et al., 2015; Heberer, 2004) and (ii) the importance of the social, economic, and political conditions of the home countries (Cassarino, 2004). Similarly, the literature on return migrant entrepreneurship in Indonesia discuss the above topic with emphasis on migrants’ remittance management, and the role of migrants’ remittances in the economic development perspective (for example, Bachtijar & Prasetyo, 2014; IOM, 2010; Knerr, 2012; Rahman, 2010; Rosalinda, 2013). Meanwhile, Naning (2015) studied the combination of strategies (social networks and household savings) and constraints (financial and human capital) that enabled the return migrants to become landowners or entrepreneurs in their home villages. Anwar (2013a, 2016b) found that Javanese workers who migrated to South Korea gained some positive effects from working abroad that influenced their attitudes in their communities of origin, such as discipline, diligence, and hard work. Such social remittances were used for various purposes, including production, consumption, and economic investments.

The return migration literature above focused on financial aspects as determinants of the migrants’ self-autonomy. However, the human aspects of the migration and entrepreneurship interconnection processes have not yet been explored. Boissevain (1986) and Cassarino (2004) both mentioned that to be successful businesspersons, the return migrants had to consider aspects of self-confidence, achievement orientation, perseverance, and resourcefulness in their entrepreneurial practices. Two interesting studies on return migrant entrepreneurship in Vietnam (Phuong La Trand, & Wang, 2015) and the Philippines (Spitzer, 2016) reveal similarities to Indonesian return migrants who establish entrepreneurship after returning home.
Vietnam, the return migrants do not have access to job opportunities corresponding to their new skills; thus, they have difficulty gaining recognition for their internationally acquired skills. Such a situation leads to their underutilization and subsequent inefficiencies in the labor market. Moreover, in the Philippines, there is an empowerment policy that is supposed to protect the rights of the return Filipino migrant, but the policy has gaps and weaknesses. In both countries, the strong local economy should have ensured the maximization of the gains achieved from migration, but the return migrants struggle alone to survive and achieve economic sustainability.

DATA AND METHOD

My fieldwork was conducted from August through September 2015. Research location at AW and DM village at Southern Malang Regency, East Java. Data on the village offices showed that approximately 3,000 inhabitants of AW village worked as migrant workers up until 2015, and 10 percent of them might return as entrepreneurs. A relatively smaller number of returned migrant entrepreneurship was found at DM village where 355 villagers worked as migrant workers from 2010 to 2013, and about 83 home industry entrepreneurship, trading, and farming establishments in the village belong to migrant families.

The interviews completed at this field site consisted of the following: (i) 10 return migrant entrepreneurs who had at least one current business in AW; and (ii) 11 return migrant entrepreneurs who had at least one current business in DM. The interviews were conducted with the individuals in charge of the business activities and their spouses. The majority of the returnees interviewed in both villages were between 30–40 years old, and the sample included both male and female returnee migrants. Most of the informants finished primary education, followed by those who completed senior high school. Furthermore, none of the informants was single, and the married informants in both villages had only one or two children, followed by some who had three children. Those selected as the informants for this study are the return migrants who can successfully establish, initiate, and proceed entrepreneurship activities at their home villages.

At a glance, the returned migrant entrepreneurship are scattered and cannot be observed directly; they do not employ shop windows to display their products, so we must enter the migrant resident area and locate their entrepreneurial activity. Due to most business activity being in the home-based business form, information about return migrant entrepreneurship was collected through snowballing interviews. For instance, in AW, I started collecting informants based on information from the management staffs of the “PD” migrant cooperative; they have a list of the member with the return-migrant status that I used to make a list of return-migrant worker alumni who conduct business in the village. In DM, I received assistance from the head of the “SM” return migrant cooperative. She gave me a list of return migrant entrepreneurship in her village. In general, return migrant entrepreneurial activities can be sorted into two categories: those that serve primary products (food, neighbourhood, house material, cellular, etc.) and business services (salons, rental services, printing/copying, etc.).

FINDINGS

Migration as Entrepreneurship

The fieldwork locations, AW and DM villages, are agrarian areas that support the seasonal employment of two-thirds of their population. According to Yen, Platt, and Yeoh (2015) and Syafitri (2014), the occupational condition in rural East Java, including the research site area, was dominated by agricultural activities. Farmers generally produce crops like paddy rice, corn, and tapioca. The land is also widely used for cultivating sugarcane and other horticultural seasonal crop products, such as snake fruit and watermelon. Farmers sell part of the harvest (especially their sugar cane leaves and corn produce to be processed later as cow feed or chicken feed) to middlemen who would be benifited by selling their purchases to large commercial entities and village merchants (Yen, Platt, & Yeoh, 2015; Syafitri, 2014; Yuniarto, 2016).

In both villages, most of the villagers work as day laborers (mburuh) for landowners. This occupation is common for those who do not own farmland. They would temporarily work on the landowners’ farms to clear land by hand (matun) or plough (mluku), fertilize (ngabuk) and harvest (manen) crops as well as raise landowners’ cattle (ngerumat). These workers are paid low wages. Salaries for mburuh activities, for example, generally range from IDR 30,000 to IDR 35,000 (equivalent to USD 2.04 to USD 2.40; USD 1 = IDR 14,000 as of September 2015) for six hours of work. The other occupations commonly available to the unemployed include construction work, itinerant work, and bus/truck driver assistantship (seasonal jobs) with wages around IDR 50,000 to IDR 75,000 (USD 3.40–USD 5.10) per day. Furthermore, various salaried occupations such as teacher (guru), civil servant (PNS),
doctor or army officer (TNI/Polri), village official, are limited to graduates, and many of them come from the outside village.

Besides characterized as an agricultural area, AW and DM villages also notably known as migrant-sending villages for working abroad. Migration activities by the villages’ inhabitants are driven by unfavourable farm conditions and the limited availability of well-paying jobs in their living areas. According to Ms JT, head of the Malang Migrant Workers Union (Serikat Buruh Migran Indonesia-Malang [SBMI]), migration is not only motivated by economic conditions but also by the agrarian conditions that typifies the lives of the hill and mountain people in this area. For example, short planting seasons and extended dry seasons, cropping systems, and agriculture unemployment. High outmigration is also a result of the irregular nature of work afforded by the agrarian economic structure of Malang (Yen, Platt, & Yeoh, 2015; Syafitri, 2014) and by the fact that they also cannot yet become farmers. Aside from obtaining work as migrants, AW and DM residents also secure employment outside the village (Jakarta, Surabaya, or Kalimantan) as tukang bakso (meatball sellers), clerk, construction workers, timber workers, and informal sector employment. These types of job are not considered as steady jobs since they mostly work based on contractual terms for some time. It is found that some residents move back and forth from village to neighbouring towns to work in some development projects and return home when the projects have finished.

RM (age 40), a tobacco farmer and small-scale poultry entrepreneur in DM village, shared her home conditions and migration experience. Her house is located in the middle of a village plantation area on a hillside that is occupied by a minimal number of residents.

Since I was a kid, our village was always poor; farmland was typically rain-fed, and we depended on the rain season. The main agricultural products were usually sugar cane, cassava, cocoa, red pepper, and watermelon. However, our farmers here don’t have a big farm in general; otherwise, they are landless workers. Our family was a working class family. Getting a lot of money from farming is hard. In the dry season after the sugar harvest, people go to town to find a job outside. Around the ’80s, international migration started to Saudi Arabia and Malaysia. After I was married, from 2000 to 2004, I worked in Malaysia as a domestic worker and waitress; from salary saving, it was enough to build a house. Then from 2005 to 2010, I departed to Taiwan to continue my work abroad, still as a domestic worker and nursing the elderly. That time I was looking money for starting my own business. As a result, I could buy farmland outside my village. For us (her and her husband), the land is very important to maintain viability as farmers. My husband and I have backgrounds as farmers; so we just know farming. Since four years ago, we have planted tobacco in partnership with the ‘Sampoerna Cigarette Company’. Besides farming, we also raise a few goats and chickens as a form of saving. For instance, we buy baby goats and chicks for IDR 1 million, we raise them, and then one year later, we sell them for IDR 2 million.

In DM village, I also found former migrants who contended with establishing economic sustainability and who used migration as a solution. SQ (male, age 35), who owned and operated a building supply store, explained that his reason to do international labour migration was for seeking capital and improving his household welfare. He said:

My wife has worked three times in Taiwan as a domestic worker from 1999 to 2008; while I’ve worked twice there at a spin yarn factory from 2002 to 2008. For us, migration abroad means enhancing the standard of living in rural areas. It was such a tradition; my wife’s mom worked in Malaysia in the ’80s and my neighbours went to various places, like Kalimantan, Brunei, or Saudi Arabia. Now it’s time for the second generation to work abroad; it’s like we’re replacing their position. It’s the same as with the previous generation; migration was driven by unfavourable farm conditions and the limited availability of well-paying jobs in villages. First, our money was used for housing renovation to live separately from our family, and second, it was used for opening our business. We made sacrifices, saving our salary while working. We need to do economically sustainable activity when we return and we don’t want to keep migrating multiple times just because we don’t have farmland to cultivate. Therefore, we have to migrate to acquire capital for doing business, to scrape a living at home. Right now, we can establish our own business. It is our household’s economic achievement that was enabled by migrating three times to Taiwan to earn money.
Three important ideas can be extracted from the narratives of RM and SQ. Firstly, migration as an individual/family strategy for income (seeking money) and for business capital. Secondly, the migration of young people, who then return and use their savings to invest in land and business, has also been common for – at least – the previous generation. Lastly, return migrants adjust to village conditions and develop entrepreneurial activities. The return migrants adjusted to the home condition by co-opting family agricultural traditions and maximizing the job market in the village. The pattern of adjustment is closely connected to the living situation in the villages of origin and the migrants’ reflections on the villages’ economic life. It is also a response to the economic challenges that the migrants met upon their return. Their responses are expected to be a means of intermingling between the village economic structure and household needs. The responses are also the strategy by which the village middle class reproduces for itself and the next generation in the same middle-class position in society. Thus, entrepreneurship has become a working career choice of return migrants in the village. The stories above show us how migration is adopted as a livelihood strategy for capital accumulation. Moreover, migrant remittance was used as a tool for self-employment or entrepreneurship. In other words, the utilization of the remittance is for productive economic purposes. Both migration and remittance can reinforce the sustainability of return migrant livelihoods and economic activities at home village.

Economic Strategy

This subchapter explains cases of the return migrants who create entrepreneurial activities and their strategies. There are three factors that can help the return migrants to be successfully creating their entrepreneurial activities at village: (i) intensifying their family resources; (ii) the role of family (household) members in remittance management for entrepreneurship; and (iii) the return migrants’ business adaptation through the implementation of local business patterns. However, economic strategy activities at home villages could be in various pathways for each person. For instance, the story from TT (age 30), a female return migrant from AW that shared her adjustment upon her return from working abroad:

My family background is farmers and TKI (Tenaga Kerja Indonesia - Indonesian Foreign Labor). When I was a child (in the ‘80s), my father was in Malaysia working as oil-mill labor. When he returned, he bought 1 hectare of farmland and ran farming activities by planting sugar cane, sweet potatoes, and vegetables. We also raised two or three cows or sheep in between. Cows or sheep are the main sources of farmer savings. They will be sold to fund the children’s education or housing renovations, while agriculture yields use for daily consumption and land cultivation. In my opinion, my father is not only a farmer; he is also an entrepreneur. I worked in Taiwan in 2000 and then continued from 2003 to 2010 in Hong Kong as a TKI. At first, I invested in land and housing, saving my salary along with my husband’s. My husband also worked in Korea as TKI. After building our house, we started our entrepreneurship. First, we invested our money in buying paddy fields and planted them with the tumpang sari system; that is, we planted paddy combined with vegetables. For business management, we copied my father’s mechanism to find another investment to support subsistent farming activities. My husband established breeding broilers with his savings from working in South Korea. Meanwhile, I started a salon business. They were our ways to adjust to the village economic conditions; we diversified our agricultural products and occupations. I follow my father’s ways with different business interests to be able to survive in our home village.

Another informant has also shared her economic readjustment stories. SP (age 36), a female return migrant from DM village, adopted an entrepreneurial strategy by doing a trading activity, i.e. selling and buying vehicles (jual-beli). With her brothers who also one of the intermediaries of agricultural products in the village, they buy second-hand cars or motorcycles, make some modifications to repair or enhance them, and then sell them on the local market. From this trading activity, they manage to get excess profits.

A similar situation occurred to WG (female, age 30) and SW (male, age 32), a couple who raise poultry as well as cultivate chili and watermelon. They build their economic activities by following patterns and learning from family members who are successful entrepreneurs. SW’s brother has 25 years’ experience as a crop farmer, so he is an expert in diversified products and cultivating farmland. They decide not to sell their products at the local market since buyers from the local village do not have much money. Thus, they try to find buyers from outside the village, including selling their products to intermediaries.
Besides trading, products diversification and farmland cultivation, village traditions influence the development of economic activities by the return migrants. In both studied villages, the inhabitants continue to practice traditional rituals, such as the wedding ceremony (mantenan), the annual ritual for ancestors, the festival of cleaning village (bersih desa), the national independence day celebration (tujuh-belasan), the religious ceremonies (Eid al-Fitr and Eid al-Adha), and the school ceremonies (camping and graduation party). All of these events are usually punctuated by the appearance of local traditional art forms, such as music, dances, or religious group songs. In addition, these ritual practices can last for two days to a week and run from noon to midnight. These events involve all of the residents of a village, not only as participants but also as event organizers.

Many business ideas have emerged from village traditions. For example, during weddings or the national Independence Day ceremony, village members render services such as food catering, printing, rental services for sound systems and music, national/traditional wedding dresses, makeup and hair salon, party equipment; tailoring, video shoots, and souvenir supplies. The other businesses that are associated with these traditional events include food supplies, transportation services, and seed or plant supplies. Thus, the local traditions in a village foster an environment where local entrepreneurs, traders, and return migrants can create business innovations or leverage the events for their business products. In this case, return migrant entrepreneurship adjustment is highly related to the tradition aspects of the home village. They tend to activate businesses that adjust to the needs of the villagers and recent economic trends. As many villages still keep their traditional rituals, their inhabitants are embedded in local traditions. Therefore, there is a high demand for products or services related to traditional events that return migrants can fulfill—as village economic structure opportunity taken.

**Knowledge Production**

As mentioned above, regarding the intake and dissemination of knowledge and experience gained by immigrants, Levitt (1998) defined three types of social remittances, namely (i) normative structures (ideas, values, and beliefs); (ii) systems of practices (the actions shaped by normative structures); and (iii) social capital (individually acquired through participation in informal networks, registered organizations, and various associations and social movements). My observations suggest two ideas of knowledge production develop return-migrant entrepreneurship, i.e. self-development and self-adjustment.

**1. Self-development**

Migrant workers reported that the first time they worked abroad, the wages that they received was considered as uang kaget (shock money). It was because they received money that was surprisingly high or at least higher than the minimum wages in their home villages. This experience is common among first-time immigrants, and typically, they spend their incomes on excessive consumption. However, when the money begins to dwindle or when they return home with little money to show their efforts, they start to recognize that they do not have enough money. They tend to emigrate again for productive investment purposes or for earning more money. Migrants who work abroad for the second or third time usually begin to think about entrepreneurship or to prepare themselves for self-employment. It is the basic migration pattern of Indonesian migrant workers. In this basic pattern, as soon as a migrant begins to think about future financial investments, he or she begins to experience a sense of “future self-awareness.” This new awareness is the starting point of commitment to improving one’s lifestyle. It is an important step toward return-migrants’ economic reintegration (i.e., financial self-sufficiency in the economy of the home village). In this process, return migrants encounter enlightenment through their work and life experiences, and this knowledge supplements their entrepreneurial business operations.

The process of creating self-awareness and entrepreneurship was positively influenced by the open-mindedness and resilience that return migrants developed along with the knowledge they obtained from their experiences during migration and after returning home. In both villages, return migrant entrepreneurs mentioned the lessons they learned while working in Taiwan and learning the Taiwanese work culture. For example, they reported a new sense of concern such as respect for others and balanced social interactions as well as stronger work ethics related to productivity, such as discipline, promptness, balanced work and rest, diligence, and hard work. They also mentioned an increased efficiency of their consumption habits, such as saving instead of freely spending. All of the values they obtained from working abroad influenced the return migrants’ entrepreneurial behaviours in their home villages. Because of their social and cultural experiences, the return migrants learned how to solve the financial problems they faced in their home villages. The return migrant accumulated ideas, behaviours, and experiences in their host countries and then applied them to their developing businesses. Social remittances give positive feedbacks, which are useful for the return migrant entrepreneurship.
SW (male, 35 years old) presents an example of entrepreneurship that developed through this process. Initially, he was an immigrant worker in a factory and a construction worker in Sabah and Sarawak, Malaysia from 1991 to 1999. From 2004 to 2010, he worked in the Hsinchu City pipe factory in Taiwan. In Malaysia, he worked on two-year contracts, and, in Taiwan, he worked on three-year contracts. To increase his income, he worked overtime, often working from 8 am until 10 pm. He summarized these conditions as “Time is work and time is money.” Since he realized that his main working aim is for earning money, he tried to gain as much as he could in order to be able to build a house or establish a business when he returned home. Although working abroad was harder and more tiring compared to working in the village, he felt that he was already accustomed to working hard. Furthermore, albeit his less work experience at the outset and relatively less factory education, he learned valuable lessons from his work abroad experiences about discipline and perseverance. Learning about work ethics and experiencing socialization opened up his thought, which created a foundation to the establishment of his self-employment economic activities after he returned to his home village. He stated:

In my experience, the downside of work was the lack of facilities. But, working in a factory in Malaysia or Taiwan was since the conditions of service were good, and there was at least average pay. I communicated with supervisors and other friends about job responsibility, rights, and standards for rewards, work situations, and discipline to reduce misunderstandings at work. From working abroad, I actually did learn how to work on anything from operating and pattern packing to transporting goods, to watching people’s business habits and exploring areas that I did not know about before. Migration and working abroad opened up a whole other part of myself about what I would like to develop in the future.

Eventually, SW decided to become an entrepreneur when he returned home by creating self-employment. His decision was influenced by three family conditions: his parents were old, he wanted to support the growth and education of his children, and maximizing his family farmland. To initiate self-employment, he tapped into his empowering resources, mainly his farm and house lands. He set up a chicken farm in his parent’s yard, where he built a stable for about 500 laying hens that cost about IDR 50 million (USD 5,000). This chicken farm was not particularly profitable since the costs and efforts exceeded the profits. Therefore, to increase the family income, he cultivated his farmland by planting chili peppers and watermelons. His business strategy was to diversify his agricultural production and spread the profit across the ventures, which allowed him to increase his chicken farm to 1,000 stables.

On the expense side of the ledger, such as the cost of daily food, he used the house yard and planted vegetables and spices, and he bought inexpensive rice from his extended family. With this strategy, he obtained free or inexpensive food. Regarding other expenses, his family spent little. They rarely used gasoline, and they used firewood for cooking, water was usually free, electricity was used only for television and electric lights, and telephone vouchers were exclusively used for business and family members communications. Regarding entrepreneurship and survival strategies, he employed the specific types of coping strategies referred to income-maximizing and consumption-minimizing strategies (Snel & Staring, 2001). The household coping strategies to support business activities aimed to obtain revenue from a variety of sources, including yard farming and a frugal budget, when the business income was insufficient to support daily needs. To cope with entrepreneurship, Snel and Staring (2001) referred to this type of activity as “subsistence production”—that is, productive activities that yield cash income and reduce expenditures—which plays an important part in the survival of return migrant entrepreneurs’ households.

In situations like SW’s, monthly expenses tend to support business activities, such as animal feed, stable hygiene, seed plants, agricultural processing, and children’s schooling. In this situation, it is not possible to grow savings because it is necessary to improve and maintain high-quality harvests. Moreover, there is no support from local banks or governmental subsidies for small-scale village entrepreneurs like SW, except for private micro-credit institutions with high-interest rates. According to SW, a letter of guarantee, such as certificate of house or vehicle ownership, is required to obtain bank credit. In villages, banks typically require lendees to submit letters of guarantee and make fixed monthly payments. SW’s family only had a certificate of house ownership, and they did not want to establish collateral with the bank or generate uncertain revenue, so they did not want to borrow money from the bank.

Price fluctuation is another constraint on business sustainability because inflation influences the market prices of agricultural products. When prices are high, so are profits, but when prices drop, risks increase. SW dealt with this issue by maintaining a savings account at the bank and borrowing from his elder brother if he
needed capital or market assistance. In addition, he developed a relationship with an intermediary produce collector from outside of the village through whom he marketed his produce to a broader market. Taken together, he generated an average gross income of IDR 5,000,000 (USD 370) per month from the egg business, a gross income of IDR 15,000,000 (USD 1,100) every three months from the chili plantation, and a net income of IDR 3,000,000 (USD 220) every two months from watermelon production. He also employed part-time workers to help him run the business. After overcoming some difficulties he encountered while establishing his business in the village, he had the opinion that “Now, after having a stable business and getting moderate income, I am really not interested in working abroad as a TKI. Becoming an entrepreneur is better than labor.”

2. Making adaptation

Return migrant entrepreneurs’ businesses depend on and are even controlled by the traditional village structured economies. As explained in the previous part, price fluctuations constrain business sustainability. In the villages’ subcontracting agricultural farming system, business conditions often depend on fluctuations in market prices, intermediaries, and/or temporary employment contracts. Local farmers are typically low-hierarchy labors who occupy an unstable position in the subcontracting farming system. Changes in market trends and climates as well as decline purchasing power influence return migrant entrepreneurs’ abilities to organize or improve their business conditions. There are no guarantees for the longevity or profitability of any commercial establishment. Ms RM’s experience with her tobacco business from 2014 to 2015 is an example of the effects of unstable production prices. She explained:

*Dried tobacco leaf prices differ every year. They range from IDR 25,000 to IDR 35,000 (USD 1.7 to 2.4), and even dropped to IDR 5,000 (USD 0.4) in 2011. Tobacco factories and collectors control the price. The production cost for one hectare ranges from IDR 20,000,000 (USD 1,356), with a production of 1.2 tons of dried tobacco. Our profit at each time of harvest ranges from IDR 10,000,000 to IDR 15,000,000 (USD 678 to 1,017) for five months of work, or more than IDR 3,000,000 (more than USD 204) per month.*

In the poultry business, Mr. SS, for instance, a entrepreneur in breeding and laying hen business in DM village, was forced to change from an individual production system to a *kemitraan* (partnership) in 2010 because of the larger financial crisis and his dependence on intermediaries as material suppliers. In early 2010, the financial crisis inflated foreign exchange rates, which influenced Indonesia at the national level. *Peternak gurem* (small-scale poultry farmers) could not survive the fluctuations. SS stated that “profit was too low and therefore there were no savings,” since SS shifted to a subcontracting system. Under this system, they are only responsible for feeding chickens up to 36 days old, providing stable chicken-breeding facilities and equipment, and selling the chickens to their partner companies. The total gross profit earned per month under this system was about IDR 4,000,000 (USD 271), excluding the expenses of electricity, water, and gas.

According to JT, Head of *Serikat Buruh Migrant Indonesia* (SBMI - Indonesian Migrant Association) in Malang Regency, the important entrepreneurial constraints on return migrants include their minimal business experience and limited capital. These shortcomings are encountered frequently by the return migrants. In addition, their business operations are usually located far from the village’s main road access, which impedes their abilities to reach the basic sources of trade, markets, and supplies. To increase their business capacities, hardware, such as vehicles and tools, are necessary. However, these additions require capital, and to obtain capital, these entrepreneurs might (or must) emigrate for work to gain capital for entrepreneurship. These problems create slow growth for agricultural businesses. Recognizing this, the majority of return migrants enter business as producers or retailers, who, in turn, highly depend on brokers who operate in the background. JT stated that stakeholders (local governments and immigrant associations) should involve in the efforts of return migrants’ empowerment by rewarding return migrant entrepreneurs’ hard work with financial credit assistance to boost their business activities. Alternatively, the stakeholders’ support could also manifest in the forms of the initiation of business product exhibitions for promotions and market expansion. The supportive efforts should be initiated because there are increasing number of return migrants who face similar challenging constraints.

The return migrants who worked as entrepreneurs might experience monthly income decline of about 20 percent in comparison with their wages while working abroad. In Taiwan, monthly income of TWD 15,580–20,000 was equivalent to about IDR 6,500,000–8,000,000 (USD 475–600). Thus, among the numerous concerns of return migrants, the issues related to income are at the top of the list. Nevertheless, many of them prefer to work in their home villages to be near their family members. Most of the informants viewed this situation in positive terms; for example, “Although the salary is low, at least we still can survive. Just keep working hard
and being creative.” However, this situation might compel the return migrants to employ risky business strategies in order to maintain their entrepreneurial ventures and household finances. They optimized their support and resources from family members to increase their incomes. For example, they sold chicken manure as well as home-grown spices and vegetables, substituted incomes (e.g., borrowing from family members’ incomes or dividing business profits to support their own businesses) to support the business ventures, allowed husbands or wives to establish independent businesses, and/or pursued other activities to generate income.

The usual approach of these entrepreneurs to develop a business was to save money and then purchase goods to increase their production assets or renovate their establishments to improve their design. My field research revealed that people tended to adhere to the principle of arisan (rotation credit) to accumulate money. Farmers or breeders minimized their business expenses and increased their incomes by using or selling organic fertilizer obtained from farm animals. Grocery or other store owners used a credit system for purchasers, and people in the service sector implemented a proactive system. These individuals established groups or associations where they could share information and distribute jobs. To promote their businesses, entrepreneurs in the public sector tended to offer goods at low prices and as product packages. Besides that, farmers and breeders also sold their harvests at retail prices to local traders and direct intermediaries. In addition, some entrepreneurs expanded their business prospects by offering services that could be used by governmental programs, such as infrastructural development. These services included providing materials at low prices or engaging in food catering. Numerous other alternative strategies were employed to develop businesses and improve sustainability.

The entrepreneurs’ stories and experiences reflect the pathways and the constraints faced by the return migrant entrepreneurs regarding village adaptation (structural adjustment) and home condition. The types of sustainable living that developed after returning home (coping with entrepreneurship) depended on the extents of their self-awareness and creativity. Similar with findings of MICRA (2008) and Rodolfo (2006), successful implementation of social remittances at home village explicitly shows the benefit from the return migrants’ experiences in their home and host countries. The accumulation of their experiences help them to develop their entrepreneurship, strategic entrepreneurial activities, and household spending control. This study also found that the return migrants can only successfully develop their entrepreneurship if (i) they can feasibly meet their basic needs; (ii) they can establish productive economy activities or improve their financial situations; and (iii) they can develop their business activities independently. Unfortunately, the return migrants are unable to access credit, such as bank loans, to support their entrepreneurial endeavours. If return-migrants were empowered by their knowledge of self-employment and dissemination, they would succeed in their home villages. Also, in the self-employment process, as their businesses grow, it is possible that they would need to hire non-household employees.

**Entrepreneurship Implications**

Most of the interviewed return migrant entrepreneurs acknowledge that they are happy to be back to their hometown, even though their confidence is low concerning the start of their business. It is because they always compare the living and working conditions in their villages to those abroad. The appeal of a fixed monthly salary and the ability to send money to the family left behind sometimes drives re-migration. Afterward, they set up and established economic activity, and they preferred to live in their home villages. As early as they could, they launched businesses rather than work until they earned a substantial amount of money since the latter option results in unsuccessful business ventures. Starting a business from the bottom and following through with this process are common approaches to entrepreneurship, excepting those who have access to considerable financial support.

Working abroad allows the returning migrant to achieve ownership of a farm business, by purchasing a plot land, or by opening innovative agricultural business (e.g., cattle, poultry, fruits, worms, etc.). Land ownership is made possible by earnings from overseas work; previously land-owning households and farmers manage to buy land. Those involved in business use earnings to increase their business capital. Most of the migrant returnees continue to engage in agricultural work as either sharecroppers, leaseholders, landowners, or just farm labors. They also perform other agriculture-related jobs, such as vegetable dealing, harvesting, or acting as intermediaries between sellers and buyers of agricultural products. Similarly, studies by White (2016) and Pithaloka (2016) on young migrants in Yogyakarta and Sumbawa show the economic status of people who used to be day labors or homemakers change due to their economic activities as entrepreneurs.
The successful development of entrepreneurial activities by the return migrants has three implications. They are as follows: self-transformation, economic change, and the shift in the profession from migrant worker to entrepreneur through self-empowered business activities that bring economic benefits to their lives. The return migrant entrepreneurship has an economic stimulation effect on the community, evidencing positive benefits such as the transfer of business expertise, social activism, the exchange of information through the development of local cooperatives, and the exchange of knowledge and experience at migrant community events.

There are at least three types of migrant self-transformation in the migration and economic changing status. Firstly, there is a change in mentality from a ‘coolie’ in the country of origin to a factory mechanic, boat crewmember, housekeeper, and caregiver. This situation also changes the migrant paradigm from being someone who will always be a migrant worker to returning home with improved work skills in the near future. Secondly, they transform from *wong ndeso* (peasantry) into a knowledgeable person (townspeople) because they have been away from the land, spent most of their time working, and lived abroad, mostly in city areas. Their international movements also influence the migration culture of their community. Thirdly, they transform from traditional to more modern ways due to their migration abroad experiences. They learnt to see other parts of the world and the realities of life. This change makes a continual and indispensable contribution to the home village’s development. The stories above reflected on how the migration experience meant to migrants and rationalized the economic steps they need to take when they return home.

Another implication from the return migrants’ entrepreneurial activities is the development of the combined social and economic activities by the return migrants have enabled them to be considered as heroes by their families and neighbours. Similar with Zahra & Wright (2015) and Nyberg–Sørensen, Hear, and Engberg–Pedersen (2002)’s observations, the formation of social solidarity in migrant communities has a very positive result as well. Moreover, a long-term consequence of successful return migrant entrepreneurship at home villages is the reduction of remigration. It is because migrants who are unemployed after returning home are more likely to consider migrating again.

It can be summarized that the return migrant entrepreneurship in their home villages mostly using three patterns management – return, remittance, and reintegration. The return migrants are the actors because they provide the remittances of working abroad. Besides sending money, they remit new patterns of values, behaviours, and practices from their overseas experiences. They have the competency and capacity to perceive how international labor migration may affect other people, view it from a broader context other than merely its contribution to the national economy. Within this international migration sequential process, small enterprises have emerged as critical sources of livelihood for the return migrants in home villages, compared to other job opportunities. Hence, a returnee can experience a ‘rebirth’.

**Entrepreneurship as a Career Choice**

Return migrant entrepreneurship is a strategy followed by migrants to return to their homelands and resettle both economically and socially. It is recognized as a method by which the economically disadvantaged return migrants can sustain their livelihoods at home. These migrants develop sustainable livelihoods at their home region by becoming entrepreneurs and maximizing their human resources, such as money remittance, migration experience and self-awareness, knowledge production, and strategic adjustment. Since they bring different forms of capital with them when returning home, the migrants can participate in the labor market by resorting to either self-employment or entrepreneurship. From self-employment/entrepreneurial activities, their businesses can potentially grow to generate further employment. In this manner, the return migrant entrepreneurial activity may be understood as a response, method of adjustment, or strategy aimed at overcoming an inequitable economic relationship by creating jobs inside (or outside) the home village.

Entrepreneurship (self-employment) becomes a rational response to the opportunities discovered by the migrants during migration and upon their return to the home country. On returning to their home villages, the return migrants face the occupational choice of becoming either an entrepreneur or a formal wage worker. Entrepreneurs are more likely to have a prosperous household income than informal wage workers or farm workers. Moreover, since formal jobs may require a certification of skills or language proficiency or exploit different forms of capital, entering wage employment or the formal labor market can be more competitive than becoming an entrepreneur.

The potential for participating in wage employment have not been comprehensively recorded. Therefore, entrepreneurship is considered as ‘one solution and strategy’ for creating a sustainable livelihood for return
migrants by generating employment; providing new and better jobs; and, to some extent, reducing migration. Hence, it is vital that the return migrants consider entrepreneurial activities as an option since the labor market and corporate sector provide only a limited number of jobs for those who are appropriately qualified for their needs. In this study, I argue that entrepreneurship is an employment solution for the return migrants since we know that there is the only limited possibility for them to ‘seize the future.’ It is because the local economy or labor market in their home areas is still underdeveloped. In addition, the labor market in Indonesia cannot accommodate the abundance of the return migrants searching for wage employment. Therefore, these migrants, based on their experience and knowledge, can identify new opportunities by following entrepreneurship as a career choice and, in this manner, seize the future by establishing business in their home villages.

In initiating their economic future at home villages, the return migrants have to face tremendous challenges. In fact, without support, such as financial assistance, infrastructure development, and improved knowledge in entrepreneurial activities, it is impossible for their skills and entrepreneurship activities to improve and develop. Therefore, in terms of capacity building, they need help from local governments, NGOs, universities/academic scholars, friends, and family to empower the economic and social activities in their home village. In this study, we note that successful return migrant entrepreneurs can sustain their economic livelihoods and develop their careers by maximizing their individual/group resources networks.

According to Barth (1963) and Stewart (1992), entrepreneurship gives rise to positive effects (changes) through entrepreneurial activities. These effects (changes) demonstrate the role of the return migrants in developing self-employment opportunities, empowering entrepreneurship in ex-migrant communities, broadening the social basis for access to loans, and establishing new links for the transfer of information. The combined social and economic activities developed by the return migrants have enabled them to be considered as ‘heroes’ by their families and neighbours. The formation of social solidarity in migrant communities is a very positive result, as well. Moreover, a long-term consequence of successful return migrant entrepreneurship at home is the reduction of remigration, since migrants who are unemployed after returning home are more likely to consider migrating again.

CONCLUSION

Migrant workers are economically active after returning home, and most of them choose to engage in entrepreneurial activities. Based on the explanation above, migrants who shift their careers from migrant work to entrepreneurship are influenced by following conditions: (i) the shared experience that links migrants to their homelands; (ii) knowledge accumulation; and (iii) self-consciousness/self-awareness. The return migrants who develop entrepreneurship at home indicate that both individual and structural conditions play a role in their economic careers development. On the one hand, migration affords workers affluence and revenues from overseas work and return activities (i.e., occupations held upon return home) as well as exposes them to other ways of life, behaviours, and changes. Individual feedback on overseas migration is positive given the relatively high economic returns, capital investments, and formation of small–medium economic (entrepreneurial) activities. On the other hand, structural conditions may prevail wherein the village context, and business limitations become constraints to the economic career development. The return migrants utilize entrepreneurship to ensure sustainable livelihoods by activating the social remittance that they have gained through migration.

One cannot judge the degree of the return migrant entrepreneurship with a snapshot of the apparent successful mode; one has to examine motivation and processes. This study emphasized that social (and cultural) conditions are certainly important in the return migrant entrepreneurship activities. The return migrant entrepreneurship demonstrates the important role of individual norms and village traditions. Symbolic personal assets, such as self-esteem, family, working skills, and future insight, are also important. The return migrant entrepreneurship represents the individual and social sphere, and play an economically relevant role as symbolic collateral that lowers the barrier to financial access, and initiates entrepreneurial activities that may eventually turn into valuable economic capital for their future.

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