

ANALYSIS OF THE SUCCESS OF MIGRANT WORKERS ON INFORMAL SECTOR IN THE PALEMBANG CITY

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Abstract: *The purpose of this study was to analyze the effect of current age, age when migrate, education, allocation of working time, length of work, capital, the source of the goods, the diversity of the menu, number of children, and regional origins towards informal sector migrant workers success as well as see the level of success informal sector migrant workers in Palembang. Primary data was collected from street food vendor in Palembang. The analytical method used in this study using binary logistic Regression. The results of the analysis shows partially that current age, age when migrate, education, length of work, amount of capital, and the area of origin have a significant effect towards the informal sector migrant workers success. Simultaneous analysis results indicate that the proposed research model worthy to be studied or as a whole independent variables can affect informal sector migrant workers success in Palembang.*

Keywords: *Migrant Workers, Binary Logistic Regression, Informal Sector, Migrant Workers Success.*

I. Introduction

The high rate of economic growth in major cities will cause the increasing number of rural residents who make the shift from rural to urban areas, the displacement of the rural community commonly known as migration. In general, the definition of migration is the movement of people for the purpose of settling from one place to other place, transcend political boundaries and other countries limits (Central Bureau of Statistics, 2015). On a more macro level, this activity actually be in phase with the map changes in global relations, both in the economic, social, cultural and political.

Todaro (1976) suggested that in addition of economic factors, there are non-economic factors such as social, demographic and cultural factors that are still relevant for examination. This is supported by research Purnomo (2009) that there are other factors that can stimulate the occurrence of migration such as age, education, and marital status. Terdapat tendency that the factors that are most able to explain the phenomenon of migration from rural to urban areas are economic factors. The economic forces that propel a wave of migration is not only a motivating factor (push factor) which departed from the agricultural sector and rural areas themselves, but also the pull factor (pull factor) of the industrial sector and urban areas, such as wages there relatively high.

The phenomenon of migrants who stormed this great city turned out in separable of informal sector growth. The informal sector occurs when limited the city to provide sufficient jobs. Very limited employment opportunities in the formal sector led to the informal sector into the alternative destination of migrants to survive. No matter how small the income of workers of the informal sector in cities, employment in urban areas is always more widely available than in rural areas and a minimum standard of living in the city are also much higher. According to The National Development Planning Agency (2009), the informal sector has characteristics such as the number of business units that many on a small scale; ownership by individuals or families; simple technology and labor-intensive, level of education and low skills, access to local financial institutions, low labor productivity and wage rates were also relatively compared to the formal sector. Most of the urban informal sector workers are migrants from rural or other areas. Worker motivation is earn an enough income to merely survive.

The attractiveness of the big city became one of the reasons why someone is doing the migration. Besides, the main reason is due to economic factors, the same as described Mantra (1992). Even the results of the observation showed that migrant workers in the informal sector decision making migration because seeing other people (friends, relatives or family) became successful after migration from rural to urban, have a greater income than the original work, have a house or a place to stay alone without renting or riding in the family home, and were able to set aside the income to send to relatives in their homeland. This has become a strong motivation for migrant workers to try his success in the new migration destination areas.

Migrant workers in general and in particular small food traders assume the success that they get in to work as migrant workers in the informal sector judging from some of the indicators which are of the income they earn, judging from indicators of ownership of his own residence (not rented or belongs to the family), the ability to send money (or something / item) to the family at the place of origin.

The problem formulation of this research are:

- a. How the effect of current age, age at the time of migration, education, allocation of working time, length of work, amount of capital, the source of the goods, the diversity of the menu, number of children, and the area of origin to the success of migrant workers in the informal sector in Palembang city?
- b. How the success rate of traders of the migrant workers from informal sector in Palembang city?

II. Research Methods

This research was conducted in Palembang city South Sumatra Province. The scope of this study focused on the influence of the variables of current, age the age at the time of migration, education, allocation of working time, length of work, amount of capital, the source of the goods, the diversity of the menu, number of children, and the regional origin of the success of the migrant workers of informal sector in Palembang city.

Sekaran and Bougie (2013) defines a population as a collection of groups of people, events, or anything that may attract the attention of researchers to conduct research, meaning that a number of people, events, or interesting things which is expected by researchers to investigate. Sampling was also distributed in 5 districts using proportional sampling technique. With proportional sampling technique, the sample can be distributed into five districts with the highest number of food vendors. So from the apportionment obtained 150 samples representing five districts with the highest number of food vendors.

2.1 Data

Primary data was collected using the survey method (survey method) and the method of interview using a questionnaire. The use of this method is used in order to obtain accurate data from respondents about the current age, age at the time of migration, education level, allocation of working time, length of work, amount of capital, the source of the goods, the diversity of the menu, number of children, and the area of origin in relation to the success of migrant workers in the informal sector of Palembang city.

2.2 Data Analysis Techniques

Data analysis Methods used in this study is Logistic Regression Model (LRM) to estimate success (Sucs) migrant workers of the informal sector as the dependent variable (Dependent Variabel). While the factors are current age (AGE_CC), age at the time of migration (AGE_CB), education level (EDUC_C), allocation of working time (HOURS_K_C), length of work (LENGHT_K_C), amount of capital (CAPITAL_A_C), the source of the goods (FOR_YES), the diversity of the menu (MENU_R_C), number of children (J_CHILD_C), the origin area of South Sumatra and Sumatra outside of South Sumatra (ORIGIN_D_C (1)), and the area of origin from outside South Sumatra (ORIGIN_D_C (2)) is the independent variable (Independent variable).

2.3 Operational Definition of Variables

Operational definitions of variables in this study as follows: 1) Current Age (AGE_CC) is the age of the respondents, migrant workers from the informal sector starting from birth up to the time the observation is made and is expressed in years, in this study the respondent's age limit is 16 years, the ratio scale. 2) Age at the time of migration (AGE_CB) is the age of the respondents, migrant workers informal sector counted on when they do migrate to Palembang city and is expressed in years, in this study the respondent's age limit is 16 years, the ratio scale. 3) Education level (EDUC_C) is formal education completed by the respondent. This variable was measured by using a variable categories: score (0) if the education is less than or equal to junior high school and (1) if the education is more than the high school level, interval scale. 4) Working Hours (HOURS_K_C) is the number of working hours in a day that used to work by migrant workers the informal sector, the ratio scale. 5) The length of work (LENGHT_K_C) is the length of work of migrant workers into the informal sector as from small food vendors, the ratio scale. 6) the amount of capital (CAPITAL_A_C) is the amount of money that used to be the initial capital in selling, scale ratio. 7) Source merchandise (FOR_YES), is a source of food sold by migrant workers in the informal sector of Palembang city, the ratio scale. 8) The diversity of the menu (MENU_R_C) is how many kinds of types of food offered / sold by trader's informal sector of migrant workers, the ratio scale. 9) Number of children (J_CHILD_C) is the number of children of migrant worker's the informal sector as the respondent when the study was conducted, the scale interval. 10) Origin regions (ORIGIN_D_C) are the area of origin of migrant workers in the informal sector of Palembang city, Ratio Scale.

2.4 Hypothesis

Ha: the current age, age at the time of migration, education, allocation of working time, length of work, amount of capital, the source of the goods, the diversity of the menu, number of children, and leads to successful regional origin of migrant workers in the informal sector of Palembang city.

III. Discussion

3.1 Success Model Estimation Migrant Workers of Informal Sector in Palembang City

The independent variables in this study were current age, the age at the time of migration, education, allocation of working time, length of work, amount of capital, the source of the goods, the diversity of the menu, number of children, and the area of origin able to explain the dependent variable of research is the success rate of migrant workers amounted to 0.718 or informal sector at 71.8 percent, while the remaining 29.2 is explained by other variables not used in this study.

$$\text{KEB_Y_R} = - 17.214 + 5.091\text{AGE_CC} + 5.229\text{AGE_CB} + 1.350\text{EDUC_C} - 1.405\text{HOURS_K_C} + 3.568\text{LENGTH_K_C} - 1.796 \text{ CAPITAL_A_C} - 0.676\text{FOR_YES} - 0.630\text{Menu_R_C} - 0.630\text{J_Child_C} - 0.861\text{ORIGIN_D_C} + ei$$

R Square = 0,457

Adjusted R Square = 0,718

Value -2 Log likelihood = 89,741

Hosmer and Lemeshow Test (good fitness) = 0,990

Reject H_0 if the significance value of <0.05 ; on the contrary, the difference value of Chi Square was obtained by 89.741 with a significance level of $0.000 > 0.05$, then reject H_0 , it can be concluded that simultaneous or jointly variable current age, age at the time of migration, education, the allocation of working time, length of work, amount of capital, the source of the goods, the diversity of the menu, number of children, and the area of origin has an influence on the success rate of migrant workers in the informal sector of Palembang city, or at least one independent variable which has a significant influence on the dependent variable.

Chi Square value of Hosmer 1.656 with significance is 0.990, so it seems that the significance value is greater than alpha (0.05), there is no difference between the predicted classification by classification were observed. That means that the logistic regression model was sufficient to explain the data and can be used for further analysis.

3.2 Effect of Age on Success Rate of Migrant Workers of Informal Sector in Palembang City

Variable life of current migrant workers have a coefficient of 5.091 to 10.744 with a significance value of Wald 0.001 using a significance level of 0.05, then the variable current age of migrants is showing a significant influence.

Age of migrant workers informal sector on migration showed a coefficient of 5.229 with a value of Wald 14.196 with significance of 0.000 using a significance level of 0.05, and then the variable age at the time of migration showed a significant effect. Lieber (1978) which states that one of the driving factors in the migration is age.

3.3 Effect of Education to the Success of Migrant Workers of Informal Sector in Palembang City

Education of migrant workers informal sector showed a coefficient of 1,350 with a value of Wald 4.037 with significance 0.045 using a significance level of 0.05, and then the educational variables showed significant influence. (Lee, 1966) and (Becker, 1962) which states that education is one of the factors driving migrants for migration and as a motivation for them but the results of this study support the human capital theory which states that a person can increase their incomes by improving education or in other words, the success of the informal sector can be achieved with higher education.

3.4 Effect of Time Allocation of Working towards the Success of Migrant Workers of Informal Sector in Palembang City

Allocation of time working migrant informal sector showed a coefficient of -1.405 to the value of Wald 2.669 with significance 0.102 using a significance level of 0.05, then the variable working time allocation showed no influence on the success of migrant workers. Increase revenue can be used to purchase consumer goods that give satisfaction. The results of this study cannot support research and Ohtsuka Umezaki 2003 Firdausa and Arianti (2013), Soebyakto and Armansyah (2016) shows that the allocation of hours of work of migrant workers who are not limited to provide livelihood above the average.

3.5 Effect of the Length of Working towards the Success of Migrant Workers of Informal Sector in Palembang City

Long working migrant workers informal sector showed a coefficient of 3.568 with a value of Wald 10.436 with significance 0.001 using a significance level of 0.05, and then the old variable work showed a significant effect. These findings directly support research (Effendi 1996) and Full Push Theory (Lee 1966) stated that the decision of migrant workers to remain longer informal sector in the area of migration. The informal sector, so workers have to succeed first thought then return to their areas of origin or return to my hometown.

3.6 Capital Influence to the Success of Migrant Workers of Informal Sector in Palembang City

Total capital migrant workers informal sector showed a coefficient of -1.796 to the value of Wald 5.311 with significance 0.021 using a significance level of 0.05, and then the variable amount of capital showed a significant effect. This study is also consistent with research Firdausa and Arianti (2013) which revealed that the capital is the dominant factor and influence on success.

3.7 The Influence of the Merchandise Source to the Success of Migrant Workers of Informal Sector in Palembang City

Sources of merchandise of migrant workers of the informal sector showed a coefficient of -.676 with a value of Wald 0.076 with significance 0.783 using a significance level of 0.05, and then the variable source of goods showed a significant effect. These results illustrate that source merchandise in the form of small meals that are sold by migrant workers of informal sector were made directly by migrant workers or not made directly does not affect the success rate of a migrant worker in the informal sector of Palembang city.

3.8 Menu Diversity Influence the Success of Migrant Workers of Informal Sector in Palembang City

The diversity of the menu being sold by migrant workers informal sector showed a coefficient of -0.630 with a Wald value 0.572 with significance 0.449 using a significance level 0.05, then the variable menu diversity showed no effect. These findings do not support the theory of income according to Friedman (1971) and research Effendi (1996) which states that the public opinion is temporarily obtained from all of the factors that determine a person's wealth (which creates wealth), for example innovations made by the traders.

3.9 Effect of Number of Children to the Success of Migrant Workers of Informal Sector in Palembang City

The number of children of migrant informal sector showed a coefficient of 0.861 with a value of Wald 1.508 with significance 0.219 using a significance level 0.05, and then the variable number of children showed no effect. These results contrast with Full Push Theory stating that the main drivers of migration is the number of dependents such as children or wife (Lee 1966) with the results of research This is not in line with the results of research conducted by Gillani and Khan (2013) which states that the size of the family or the number of dependents of migrant workers has a positive influence on the success of migrant workers.

3.10 Region of Origin Influence on the Success of Migrant Workers of Informal Sector in Palembang City

Regional origin of migrant workers informal sector showed a coefficient of -0.626 for the first category (1) and -4.227 for the second category (2) with a value of 0.467 Wald (1) and 12.305 (2) with significance of 0.494 (1) and 0.000 (2) using a significance level of 0.05, the variable region of origin or the second category of migrant workers coming from outside the Sumatran have a significant effect.

The results of this study support the Full Push Theory, which states that one of the driving factors behind migration are destinations were deemed able to provide a better livelihood than the place of origin (Lee 1966). Moreover these results are not consistent with the results of research conducted by Purnomo (2009) which states that commuter migrants or shuttle migrants more successful than permanent migrants. That is because a close distance can save costs so that it can send larger remittances.

3.11 The Success Rate of Migrant Workers of Informal Sector in Palembang City

The success rate of migrant workers in the Palembang city is of 70.3 percent, in other words, in general, people who migrate to Palembang city and being small traders can be said to be successful. There are three indicators used to see outcomes on migrant workers in this research that the amount of income earned in a day, the remittances sent for families of workers in the area of origin, and house ownership in the area of origin. In addition to the high success rate of migrant workers in the informal sector of Palembang city there are also some workers who did not work on a migration destination, it is because of his daily income, cannot send remittances or do not own their own home.

This safe and comfortable Feel is also supported by lax regulations that hinder meal traders to be able to get around Palembang city or stop somewhere to offer his wares. These conditions resulted in traders do not feel afraid to perform trade activity until evening or can be freely set the time to trade.

IV. Conclusion

- a. The results of the analysis that simultaneously or together that the independent variable of research, namely: current age, the age at the time of migration, education, allocation of working time, length of work, amount of capital, the source of the goods, the diversity of the menu, number of children, and the area of origin has an influence the success rate of migrant workers in the informal sector of Palembang City.
- b. Partially or individually the variables has a significant effect on the success rate of migrant workers in the informal sector of of Palembang City is: The current age, age at the time of migration, education, years of service, the amount of capital, and the variable region of origin. Although some variables do not have a significant effect on the success rate of migrant workers, the significant value of these variables can describe the strength of the variables influencing the success rate of migrant workers, therefore, these results show the variables that affect the success rate of migrant workers in the informal sector is dominant.
- c. Based on data that collected, indicated that the success rate of migrant workers the informal sector is of 70.3 percent. These results indicate that the Palembang city is a city that is able to provide a decent livelihood more than the area of origin of migrant workers, this is due to the condition of Palembang City is based on the observation is a city with a safe and comfortable conditions. This is why the migrant workers in the informal sector of Palembang city, can work with an unspecified time or suit, to trade around or stay in one place.

V. RECOMMENDATIONS

No policies are expected to pay more attention to migrant workers of the informal sector as a sector that has high economic potential which absorbed a limited number of labors, so the government should make the handling and improvements to the migrant workers of informal sector in order to grow in the future. The policy, among others by facilitating traders with a decent, comfortable and safe, providing small loans are easy and safe so that makes it easy for merchants to

increase their business and provide the capital. Such policies are expected to develop the informal sector in general and improving the welfare of society in particular.

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Appendix 1: Output

		B	S.E.	Wald	Sig.	Exp(B)
Step 1 ^a	AGE_CC	5.091	1.553	10.744	.001	162.596
	AGE_CB	5.229	1.388	14.196	.000	186.698
	EDU_C	1.350	.672	4.037	.045	3.856
	JAM_K_C	-1.405	.860	2.669	.102	.245
	LAMA_K_C	3.568	1.105	10.436	.001	35.463
	MODAL_A_C	-1.796	.779	5.311	.021	.166
	BUAT_YA(1)	-.676	2.454	.076	.783	.508
	MENU_R_C	-.630	.833	.572	.449	.532
	J_ANAK_C	-.861	.701	1.508	.219	.423
	ASAL_D_C			12.391	.002	
	ASAL_D_C(1)	-.626	.916	.467	.494	.535
	ASAL_D_C(2)	-4.227	1.205	12.305	.000	.015
	Constant	-17.214	5.771	8.897	.003	.000