

THE ROLE OF INDONESIAN MIGRANT WORKERS IN EXPORT POTENTIAL PONOROGO REVIEWED BY ISLAMIC ECONOMICS

Ani Nurhayati^{1a}, Nugraheni Fitroh R. Syakarna², Fatkhur Rohman Albanjari³

^{1a}Department of Islamic Economics, Faculty of Islam Religion, Universitas Muhammadiyah Ponorogo, East Java, Indonesia 63471, e-mail: aninurhayati2104@gmail.com

²Faculty of Islam Religion, Universitas Muhammadiyah Ponorogo, East Java, Indonesia 63471

³Faculty of Islam Religion, Universitas Muhammadiyah Ponorogo, East Java, Indonesia 63471

(Submitted by Author: 30-06-2024)

(Accepted by The Editorial Board: 11-08-2024)

(Published by The Editorial Board: 31-12-2024)

ABSTRACT

This study aims to determine the role of Indonesian migrant workers in export potential Ponorogo in terms of Islamic economics. The research design used is descriptive qualitative research with a library research approach. The population in this study is all data on Indonesian Migrant Workers and Exports, with the research samples are data on Indonesian Migrant Workers and Commodities Ponorogo Regency that have the potential to be exported. The type of data used in this study is secondary data of time series data 2019 to 2023. The data collection technique uses a library research approach sourced Indonesian Migrant Workers Protection Agency, Statistics Agency, Population and Civil Registration Office, Manpower Office, Industry, Trade, Cooperatives, and Micro Units Office of Ponorogo Regency, and some previous research related to the topic. The data analysis technique uses descriptive analysis, where the data obtained from library research is entered into a table and then described using sentences that describe the actual situation. The research results show that the role of Indonesian migrant workers in export potential Ponorogo are in line with the principle of Al-Adl wa Al-Ihsan. In Islamic Economics, export activities and working abroad as Indonesian migrant workers, is contained in QS. Al-Mulk: 15.

Keywords: Indonesian Migrant Workers, Export Potential, Ponorogo, Islamic Economics

Nurhayati, A., Syakarna, N.F.R., & Albanjari, F.R. 2024. The Role of Indonesian Migant Workers in Export Potential Ponorogo Reviewed by Islamic Economics. *Jurnal Syarikah : Jurnal Ekonomi Islam* 10(2): 275-286.

INTRODUCTION

Ponorogo Regency, as one of the regencies in East Java Province, is not only a cultural city with its world-famous Reog art but there are also superior Indonesian export commodities stored in the reog land of Ponorogo Regency. By entering the top ten as a regency or city whose people have an interest in working abroad, according to BP2MI, an increase of 9,180 Ponorogo residents were recorded as active as Indonesian Migrant Workers in 2023 in destination countries such as Hong Kong, Taiwan, as well as industrial countries such as Japan and South Korea. This is a great opportunity for Ponorogo Regency to introduce local commodities to international trade through the presence of Indonesian migrant workers in Ponorogo Regency who are spread across the world as market intelligence or catalysts in the world of exports. By embracing local business actors who are directly related to the supply chain of local Ponorogo commodities such as cassava, which can be processed into derivative products such as instant gathot and tiwul, as in the inspiring story *Laris di Pasar Eropa, Inilah Kisah Mantan Migrant Workers dari Ponorogo Takuni Bisnis Gatot dan Tiwul* (Merdeka.com, 2023),

From 2019 to 2023, Ponorogo Regency entered the top ten of the Indonesian Migrant Worker Placement Data based on the Regency/City of Origin of PMI published by BP2MI annually. The total number of Indonesian migrant workers from Ponorogo Regency in the last five years has reached 35,945. The increase in the total number of Indonesian migrant workers is one of the important indicators showing the increasing mobility of Indonesian workers to the international market. This phenomenon not only has a direct economic impact through remittances but also has broader implications in the context of international trade, especially in terms of exports. Indonesian migrant workers not only

contribute through economic remittances to improve the family economy but also have the potential to open up new potential in the export sector through social remittances.

Islamic economic perspective, emphasizes the principles of justice, and equitable income distribution. Remittances by migrant workers can be seen as a form of income distribution that can improve family welfare, as in the previous research of Wahyuni and Sihalo (2022) in Galak village, Ponorogo Regency, and business capital in the areas of origin of Indonesian migrant workers are in line with Hamidah (2016), *The Impact of Remittances from Indonesian Migrant Workers (TKI) Abroad on Increasing Investment in Regions of Origin in Babadan sub-district, Ponorogo Regency*.

The involvement of Indonesian migrant workers in various countries has the potential to promote halal products and various other export commodities that are by Islamic economic principles. Thus, this study aims to determine the role of Indonesian migrant workers in the export potential of Ponorogo Regency reviewed by Islamic economic perspective in the period 2019–2024. Islamic economic related in the context of international trade, including exports and working abroad as Indonesian migrant workers.

MATERIAL AND METHODS

Indonesian Migrant Workers

Migrant workers are people who work in other countries outside their home country. The International Labor Organization (ILO) defines migrant workers as people who migrate from one country to another to be employed (ILO, 2018). The reasons why migrant workers migrate are due to push factors and pull factors. Push factors such as limited employment opportunities in the migrant worker's country of origin and pull factors such as higher salaries in the destination country of migration. Espindola *et al.*

(2006) stated that Harris and Todaro's main hypothesis is that migrants' reactions to economic incentives, income differences, and the possibility of getting a job in the destination country influence migration decisions (Espindola et al., 2006). Income disparity between the two sectors where jobs in the modern urban industry receive good salary rewards (Bandiyo and Indrawani, 2010). That is what makes someone interested in deciding to migrate and become a migrant worker.

In Indonesia, a person who migrates outside the territory of the Republic of Indonesia to do work is referred to as an Indonesian migrant worker. Regulations regarding the placement of Indonesian migrant workers abroad are regulated in Law Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers and Government Regulation Number 10 of 2020 concerning Procedures for the Placement of Indonesian Migrant Workers by BP2MI (Rolasta & Hoesin, 2022). Article 1 Paragraph 2 of Law Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers (PPMI Law) defines Indonesian Migrant Workers, or PMI, as every Indonesian citizen, both male and female, who will, are, or have done work for wages outside the territory of the Republic of Indonesia for a certain period based on an employment agreement through the PMI placement procedure. In Law No. 18 of 2017, the state promises three guarantees to CPMI/PMI, namely the Social Protection Guarantee, the Legal Protection Guarantee, and the Economic Protection Guarantee. Protection is provided before, during, and after working as a migrant worker (Indonesian Government, 2017).

The government agency tasked with implementing policies for the service and protection of Indonesian migrant workers is the Indonesian Migrant Workers Protection Agency. Previously, BP2MI was a form of transformation of the National Agency for the Placement and Protection

of Indonesian Migrant Workers (BNP2TKI), which existed in 2004 but was transformed into BP2MI since the issuance of Law Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers (BP2MI Page, 2022). Therefore, the term Indonesian Migrant Workers now replaces the term Indonesian Workers contained in Law Number 39 of 2004 concerning the Placement and Protection of Indonesian Migrant Workers.

A person is categorized as an Indonesian Migrant Worker if that person works for a legal entity employer, an individual or household employer, or works as a sailor, ship crew, or fisherman. The employers in question include the formal and informal sectors. The formal sector is working in a company that is a legal entity and has an employment contract, such as manufacturing, fisheries, health, caregivers, nurses, and others. The informal sector is work carried out by individual users who are not legal entities, such as housemaids or household assistants (BP2MI, 2022).

Table 1. Total Indonesian Migrant Workers

Sector	2019	2020	2021	2022	2023
Formal	133.989	37.172	16.809	115.985	152.760
Informal	143.500	76.264	55.815	84.817	122.205
Total	277.489	113.436	72.624	200.802	274.965

Source: Indonesian Migrant Workers Protection Agency (BP2MI), 2019-2023

Based on the Annual Report of Data on Placement and Protection of Indonesian Migrant Workers for the period 2019 to 2023, the total number of Indonesian Migrant Workers has decreased and increased in the last five years. 2019 was the highest year for the total number of Indonesian migrant workers, and 2021 was the lowest year. Initially, the total number of Indonesian migrant workers reached 277,489, dropping to 72,624. This is due to the impact of the COVID-19 pandemic, which has weakened the economies of countries around the world, and restrictions on domestic and foreign travel activities. As global conditions slowly improve in 2022, there has been a spike in the total number

of Indonesian migrant workers, from 72,624 to 200,802 in 2022 and continuing to increase to 274,965 in 2023. Over the past five years, based on the migrant worker placement sector, there has been a change in trend where the formal sector is more in demand than informal sector jobs. The increase in the total number of Indonesian migrant workers in the formal sector since 2022 (BP2MI, 2022) demonstrates this. The countries where Indonesian migrant workers are placed are spread across various countries, such as Malaysia, Singapore, Brunei Darussalam in the ASEAN region, Hong Kong, Taiwan, South Korea, Japan in the Asian region other than ASEAN, and countries in the Australia-Oceania region, the Middle East, Africa, America, and Europe.

Table 2. Total IMWs's Country of Placement

Country	2019	2020	2021	2022	2023
Hong Kong	71.779	53.178	52.278	60.096	65.916
Taiwan	79.573	34.287	7.789	53.483	83.216
Malaysia	79.659	14.742	563	43.163	72.620
South Korea	6.207	641	174	11.571	12.580
Japan	486	753	359	5.832	9.673
Singapore	19.356	4.481	3.217	6.624	7.898
Saudi Arabia	7.018	1.926	747	4.676	6.310
Italia	1.349	411	3.225	3.582	3.519
Brunei Darussalam	0	0	0	0	2.872
Turkey	730	47	874	1.489	2.289
Poland	430	837	1.195	1.897	1.524
United Arab Emirates	578	117	437	548	976
Others	10.324	2.016	1.766	7.841	5.572
Total	277.4	113.4	72.62	200.8	274.9
	89	36	4	02	65

Source: Indonesian Migrant Workers Protection Agency (BP2MI), 2019-2023

According to the Annual Report on Data on the Placement and Protection of Indonesian Migrant Workers, the five countries with the largest placement of Indonesian Migrant Workers in 2023 were led by Taiwan 83,216, Malaysia 72,260, Hong Kong 65,916, South Korea 12,580, followed by Japan 9,673. The total placement of these five countries dominated 89 percent of the total placement of Indonesian migrant workers in 2023, which was 274,965 people. Meanwhile, in the period 2021, 2022, and 2023, the three countries where Indonesian Migrant Workers mostly

worked were Hong Kong 178,290, Taiwan 144,488, and Malaysia 115,986. Overall from 2019 to 2023, Hong Kong and Taiwan have always ranked first as the countries where Indonesian Migrant Workers most often go to work abroad.

One of the biggest contributions of Indonesian Migrant Workers to the national economy is sending remittances which are a source of foreign exchange for the country. Based on the Indonesian Economic and Financial Statistics by Bank Indonesia, the total remittances brought in by Indonesian Migrant Workers in 2023 reached 14,217 million USD, an increase from 2022 which was 12,845 million USD (Bank Indonesia, 2020).

Table 3. Total IMW's Remittances

Country	2019	2020	2021	2022	2023
ASEAN	3.687	3.056	2.966	4.856	5.049
Malaysia	3.252	2.705	2.560	4.426	4.592
Singapore	355	284	345	392	412
Brunei Darussalam	79	66	60	32	37
Others	1	1	1	6	9
Asia exclud ASEAN	3.388	2.941	2.888	3.566	4.589
Hong Kong	1.229	1.064	1.137	1.530	1.821
Taiwan	1.574	1.406	1.372	1.643	2.021
South Korea	323	267	203	206	432
Japan	213	162	142	148	270
Macau	48	39	32	24	24
Others	3	2	2	15	21
Australia and Oceania	16	10	5	9	13
Australia	9	6	3	4	4
Others	6	4	2	5	9
Middle Easr	4.290	3.382	3.253	4.303	4.360
Africa	2	3	2	1	2
America	20	12	11	3	5
Europe	32	24	39	106	199
Total IMWs' Remittances (million USD)	11.43	9.427	9.164	12.84	14.21
	5	5	5	5	7

Source: Indonesian Migrant Workers Protection Agency (BP2MI), 2019-2023

From the table above, the highest total remittance of Indonesian migrant workers in 2023 comes from the ASEAN region, such as Malaysia, Singapore, and Brunei Darussalam, which is 5,049 million USD; second from the Asian excluding ASEAN, such as Hong Kong, Taiwan, South Korea, and Japan, total remittance 4,589 million USD; third from the Middle East region, total remittance 4,360 million USD; fourth from the European region, 199 million USD; fifth from the Australia and Oceania region, 13 million USD; sixth from

the Americas, 5 million USD; and the African region, 2 million USD. From 2019 to 2023, the highest remittance of Indonesian migrant workers came from the ASEAN region and other Asian regions, considering the large number of Indonesian migrant workers working in Hong Kong, Taiwan, Malaysia, South Korea, and Japan over the past five years since 2019.

H1: There is an Indonesian Migrant Workers of The Role of Indonesian Migrant Workers in Export Potential Ponorogo

Export

The activity of removing goods from customs areas to outside national borders, both by sea and air, is known as export. Export is one form of international trade practice in life between countries in the world to obtain additional foreign exchange needed to meet domestic needs and improve welfare (Laili, 2021). As well as a place to expand the market for domestic goods production and expand the workforce through activities selling domestic products, both goods and services abroad, as in the study Analysis of the Effect of Exports, Labor, and Investment on Indonesia's Economic Growth in an Islamic Economic Perspective by Fauzi and Suhaidi (2022).

Parties who export goods from customs areas or are called exporters can be individuals and legal entities, as stated in Article 1 of the Regulation of the Minister of Trade of the Republic of Indonesia Number 19 of 2021 concerning Export Policy and Regulation. Abundant natural resources, favorable geography, a large population, migrant workers spread across various countries in the world, and supportive government policies make Indonesia potentially a major exporting country in the world, following China, the United States, Germany, and Japan. In addition, Indonesia's active role in international trade organizations such as the World Trade Organization (WTO), Asia-Pacific Economic Cooperation, ASEAN

Free Trade Area (AFTA), Food and Agricultural Organization (FAO), and the International Labor Organization (ILO) indicates that Indonesia is participating in international employment through the sending of Indonesian migrant workers.

Based on the 2023 Economic Indicators by the National Statistics Agency, the export value from January to December 2023 increased monthly, but the annual trend of weakening exports in Indonesia continues, where the export value fell by 5.76 percent annually. The value of oil and gas exports in 2023 was 15.92 billion USD, and that of non-oil and gas was 242.90 billion USD. From this total, it can be said that the value of non-oil and gas exports is superior to the value of oil and gas exports. This is proof that the government is increasing and exploring the value of non-oil and gas exports. With the increasing value of non-oil and gas exports, it is hoped that the Indonesian economy will no longer depend on the price of oil and natural gas (oil and gas). Laili (2021), in the study Analysis of Competitiveness and Factors Affecting Indonesian Footwear Exports to the United States from an Islamic Perspective, revealed that with the fall in oil and gas prices in 1982, industrial development became more difficult. The government launched a series of deregulation packages to reconstruct the economy, which initially depended on oil and gas, towards non-oil and gas commodity exports based on labor-intensive advantages.

Non-oil and gas exports are grouped into primary commodities and secondary commodities. Primary commodities come from (1) agriculture, forestry, and fishing; and (2) mining and others. While secondary commodities come from the processing industry, Based on the December 2023 Economic Indicators by the Central Statistics Agency, the export value of Indonesian agricultural, forestry, and fisheries products totaled 4.40 billion USD (BPS, 2023).

Table 4. Net Weight Export of Agricultural Product (thousand ton)

Agricultural Prod	2019	2020	2021	2022	2023
Vegetables	102.5	131.0	86.9	91.3	118
Tobacco	9.2	8.8	7.7	13.8	8.7
Corn	1.7	64.3	2.5	162	92.3
Coffee	355.8	375.6	384.5	433.8	276.3
Medicinal, Aromatic and Spices	318.1	275.3	294.7	279.3	297.5
Black Pepper	17.4	27.9	14.2	13.2	9
White Pepper	29.7	24.7	18.5	12.9	11.8
Cocoa Bean	30.8	28.7	22.3	24.5	14.4
Annual Fruits	753.3	1.073.3	950.4	769.9	879.1
Bird Nests	1.3	1.3	1.5	1.4	1.4
Other Non-wood Forest Products	2.902.2	3.199.6	4.043.6	4.630.9	5.194.5
Fresh/Cold Caught Fish	53.9	57.7	55.3	52.1	48.2
Seaweeds and Other Algae	191.2	178	206.2	232.1	242.6
Others	214.6	231.7	193.3	194.1	183.5

Source: Statistics Agency (BPS), 2019-2023

In 2023, Indonesia exported agricultural, forestry, and fishery products, namely (1) Vegetables 118 thousand tons with an export value of 133.8 million USD; (2) Tobacco 8.7 thousand tons with an export value of 87 million USD; (3) Corn 92.3 thousand tons with an export value of 29.3 million USD; (4) Coffee 276.3 thousand tons with an export value of 916 million USD; (5) Medicinal, Aromatic, and Spices 297.5 thousand tons with an export value of 468.2 million USD; (6) Black Pepper 9 thousand tons with an export value of 36 million USD; (7) White Pepper 11.8 thousand tons with an export value of 63.9 million USD; (8) Cocoa Beans 14.4 thousand tons with an export value of 46.9 million USD; (9) Annual Fruits 879.1 thousand tons with an export value of 335.1 million USD; (10) Bird Nests 1.4 thousand tons with an export value of 633.3 million USD; (11) Other Non-wood Forest Products 5,194.5 thousand tons with a value of 620.8 million USD; (12) Fresh/Cold Caught Fish 48.2 thousand tons with an export value of 106.7 million USD; (13) Seaweeds and other Algae 242.6 thousand tons with an export value of

281.2 million USD; (14) Others 183.5 thousand tons with a value of 647 million USD. From this total, the export value of Indonesian agricultural, forestry, and fishery products in 2023 totaled 4.4 billion USD with a total net weight of 7,377.3 thousand tons. Meanwhile, the non-oil and gas export value generated from mining in 2023 totaled 51.51 billion USD, and the processing industry generated 186.98 billion USD.

H2: There is an Export of The Role of Indonesian Migrant Workers in Export Potential Ponorogo

The development of the hypothesis above can be illustrated in the research model in Figure 1, as follows:

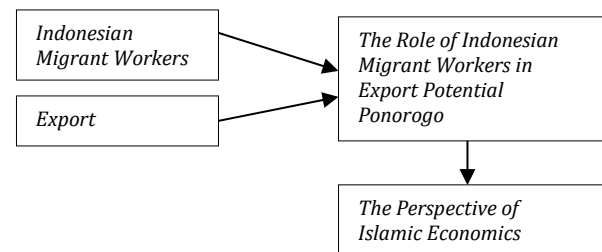


Figure 1. Research Model

Research Methods

This study uses a qualitative descriptive research design with a library research approach. The population in this study is all data on Indonesian Migrant Workers and Exports, with the research sample taken being data on Indonesian Migrant Workers from Ponorogo Regency and Ponorogo Commodities that have the potential to be exported. The type of data used in this study is secondary data of time series data for the last five years, from 2019 to 2023. The data collection technique uses a library research approach in the form of numerical data sourced from the Indonesian Migrant Workers Protection Agency (BP2MI), the Statistics Agency (BPS), the Statistics Agency of Ponorogo Regency (BPS Ponorogo), the Population and Civil Registration Office of Ponorogo Regency (Dukcapil Ponorogo), the Manpower Office of Ponorogo Regency (Disnaker

Ponorogo), the Industry, Trade, Cooperatives, and Micro Units Office of Ponorogo Regency (Disperdagkum Ponorogo), and some previous research related to the topic. The data analysis technique uses descriptive analysis, where the data obtained from library research is entered into a table and then described using sentences that describe the actual situation of Indonesian migrant workers and export potential in Ponorogo Regency. A descriptive analysis of Indonesian migrant workers' role in export potential Ponorogo will be reviewed from the perspective of Islamic economics.

RESULTS AND DISCUSSION

Result Indonesian Migrant Workers in Ponorogo Regency

Ponorogo Regency, one of the regencies in East Java, is an area that supports its people to work abroad as Indonesian migrant workers. From 2019 to 2023, Ponorogo Regency has always been in the top ten of the Indonesian Migrant Worker Placement Data based on the Regency or City of Origin of PMI published by BP2MI every year.

Table 5. Placement Data by Region or City of IMW

Regency	2019	2020	2021	2022	2023
Indramayu	23.435	10.076	5.262	12.797	19.178
Cilacap	11.525	5.175	3.433	8.681	11.344
Cirebon (kab)	12.180	4.942	2.624	7.641	10.552
Ponorogo	9.699	5.175	4.126	7.568	9.180
Blitar	9.176	5.445	4.624	6.961	8.634
Malang	7.953	5.583	4.831	6.590	7.447
Tulungagung	8.636	4.022	2.365	5.202	7.141
Lampung Timur	8.051	3.719	1.688	5.780	8.031
Lombok Timur	0	2.898	490	8.885	13.111
Lombok Tengah	0	1.900	552	7.138	10.840
Lainnya	186.834	64.501	42.629	123.559	169.507
Total IMW	277.489	113.436	72.624	200.802	274.965

Source: Indonesian Migrant Workers Protection Agency (BP2MI), 2019-2023

The total number of Indonesian migrant workers from Ponorogo Regency tends to increase every year, from 7,568 in 2022 to 9,180 people in 2023. The area of

origin that has contributed the most to the total number of migrant workers in Indonesia in the last five years is Indramayu, West Java, where out of 274,965 total Indonesian migrant workers in 2023, 19,178 came from Indramayu, and 9,180 came from Ponorogo Regency itself (BP2MI, 2022).

As for population data based on data from the Population and Civil Registration Service of Ponorogo Regency, the total population of Ponorogo Regency in 2023 reached 975,858 people, of which 491,189 female residents outnumbered 77,749 male residents. The types of jobs carried out by the people of Ponorogo Regency in 2023 are 112,474 farmers, 112,174 livestock breeders, 100,431 self-employed, 77,669 private employees, 74,200 retirees, 47,439 BUMN employees, and the rest are other jobs (SADAP, 2023).

Table 6. Population Data of Ponorogo Regency

Data	2019	2020	2021	2022	2023
Total Population	971.193	977.783	969.456	970.493	975.858
Total IMW Ponorogo	9.699	5.372	4.126	7.568	9.180

Source: Statistic Agency of Ponorogo Regency (BPS Ponorogo), and Indonesian Migrant Workers Protection Agency (BP2MI), 2019-2023

Based on the table above, it can be seen that out of the total population of 975,858 in Ponorogo Regency in 2023, 35,945 Ponorogo people worked abroad as Indonesian migrant workers from 2019 to 2023. According to data from the Manpower Office (Disnaker) of the Ponorogo Regency Government, the total number of Indonesian migrant workers in Ponorogo Regency in 2023 was recorded at 34,173 people, meaning that 1,772 people have returned to Ponorogo Regency as finished Indonesian Migrant Workers (SADAP, 2023).

Based on the results of the International Migration Study in Jambon Sub-district, Ponorogo Regency, the push factor for locals of Jambon Sub-district, Ponorogo Regency to choose to work as

Indonesian Migrant Workers is because of the economic needs, and the pull factor for choosing to work abroad in Hong Kong and Taiwan is because it is affected by income and type of work (Kusumawati & Zain, 2023). The people of Ponorogo Regency who work as Indonesian Migrant Workers take jobs in the informal sector as housemaids in Hong Kong, Taiwan, and Singapore with a minimum income of IDR 8.9 million; formal manufacturing and fisheries sector jobs through the South Korean G to G program with a minimum income of IDR 23.9 million; formal careworker and nurse sector jobs through the Japanese G to G program with a minimum income of IDR 13 million; and internship programs in the food processing, agriculture, and welding sectors in Japan with a minimum income of IDR 8.2 million (SADAP, 2023).

The remittance of salaries received by Indonesian migrant workers while working abroad and sent to their families in their home areas is called remittance. Based on the results of Hamidah's research (2016) on the Impact of Remittances of Indonesian Migrant Workers (TKI) Abroad on Increasing Investment in the Region of Origin, it is known that consumption spending from remittances of Indonesian Migrant Workers in Babadan sub-district Ponorogo Regency, 70 percent to fulfill family needs, 21 percent buys of transportation goods, 5 percent buys of electronic goods and household furniture, and 4 percent borrowed the *collega* not returned. Meanwhile, the selected investment spending is 42 percent to agricultural land assets, 40 percent to property assets, and 15 percent to business capital such as agricultural businesses, farms, grocery stores, car rentals, beauty salons, photocopy places, and internet cafes.

After the work contract period as an Indonesian migrant worker ended, there was a housewife in the Sampung sub-district, Ponorogo Regency, who developed a business of instant gathot and

tiwul from cassava. The relations gained while working as an Indonesian Migrant Worker in Hong Kong, the business owner of instant gathot and tiwul who she is ex Indonesian migrant worker from Ponorogo Regency has been successfully exported to eight countries, namely France, Belgium, Canada, Korea, Taiwan, Hong Kong, Singapore, Malaysia, and almost all islands in Indonesia (Merdeka.com, 2023).

The presence of Indonesian migrant workers greatly helps the progress of the local economy in Ponorogo Regency. The knowledge gained and the mentality formed while working as an Indonesian migrant worker abroad triggered a fighting spirit to become a resilient and innovative businessman. Good at finding creative economic potential from the many relationships with fellow migrant workers in various countries that would not be obtained while working domestically.

Result Export Potential in Ponorogo Regency

As a cultural city with its world-renowned Reog art, then what about the commodities in Ponorogo Regency? Ponorogo Regency is one of the regencies in the East Java province, located at coordinates 111° 17'-111° 52' East Longitude and 7° 49'-8° 20' South Latitude, and has an area of 1,371.78 km². Ponorogo Regency borders with Madiun, Magetan, and Nganjuk Regencies to the north, Tulungagung, and Trenggalek Regencies to the east, Pacitan Regency to the south, and Wonogiri Regency (Central Java) to the west. Ponorogo Regency has 21 sub-districts, which are divided into two sub-areas: 21 percent of the slope or peak area of the mountain, which includes the sub-districts of Ngrayun, Ngebel, Sooko, Pulung, and Pudak. And the rest of the sub-districts of Slahung, Bungkal, Sambit, Sawoo, Mlarak, Siman, Jetis, Balong, Ponorogo, Babadan, Sukorejo, Kauman, Badegan, Jambon, Jenangan, and

Sampung are 79 percent of the lowland areas (BPS Ponorogo, 2021).

In the era of globalization, the ability of a region to penetrate the international market with its local commodities is one indicator of economic progress in the region (Laili, 2021). Ponorogo Regency has natural commodities that have the potential to be exported. From the discussion of national exports that have been described in the literature review, it is known that in 2023 the export value of Indonesian agricultural, forestry, and fishery products as a whole will total 4.40 billion USD, which is divided into fourteen groups. Of the fourteen groups, there are groups of vegetables, tobacco, corn, coffee, medicinal plants, aromatic and spices, cocoa, and annual fruits in the Ponorogo Regency that have export potential.

Based on the 2023 Ponorogo Regency Regional Statistics published by the Central Statistics Agency (BPS Ponorogo, 2023), the vegetable production capacity in Ponorogo Regency is 21.7 thousand tons, consisting of spring onions, shallots, spinach, green beans, large chilies, cayenne pepper, long beans, kale, cucumber, cabbage, chayote, mustard greens, eggplant, tomatoes, and carrots. Annual fruit production includes mango, banana, tangerine, durian, papaya, melon, jackfruit, and mangosteen, with a total net weight of 225.2 thousand tons.

In tobacco commodities, Ponorogo Regency is included in the 27 tobacco-producing regencies in East Java province, with a production capacity of 15.2 thousand tons of wet tobacco leaves in 2022 and a Tobacco Excise Revenue Sharing Fund quota reaching IDR 34 billion (Kominfo East Java, 2023). The Industry, Trade, Cooperatives, and Micro Units Service (Disperdagkum) of Ponorogo Regency held training on processing liquid waste into new briquette products that have added value (Disperdagkum, 2022).

In biopharmaceutical and spice plant commodities, Ponorogo Regency has empowered turmeric farmers in ten

villages whose communities grow a lot of turmeric for export in the form of dried turmeric, with a total export of 110 to 300 tons to India in 2022 (Kompas, 2022). Ten villages whose communities grow a lot of turmeric are spread across various sub-districts, starting from Slahung, Bungkal, Ngrayun, Sambit, Kauman, Sampung, and Pulung sub-districts (Solopos.com, 2023).

Based on the previous results related to the inspiring story of a former Indonesian migrant worker from Ponorogo Regency who built a business by processing cassava plants into instant gathot and tiwul until successfully exported to eight countries, this indicates that the export potential in Ponorogo Regency is true. Not only cassava but there are still many commodities in Ponorogo Regency that have the potential to be explored into products that are worthy of export. From local to international trade.

The Role of Indonesian Migrant Workers in Export Potential Ponorogo

In addition to economic remittances that help improve the family economy through remittances brought in by Indonesian migrant workers to finance consumption needs, educational needs of family members, and purchasing investment assets in their homeland, there are also social remittances where ideas, knowledge, and concepts obtained by Indonesian migrant workers while working abroad make migrant workers human resources who have the independence that capable participate in the development of their home regions. Of the 35,945 people in Ponorogo Regency who have worked abroad as Indonesian migrant workers from 2019 to 2023, be a catalyst agent for the local economy of Ponorogo Regency through commodity exports. Agricultural products such as dried turmeric that can be produced by villages in Ponorogo district every year to export to India and export instant gathot and tiwul from casava, a business developed by a finished Indonesian migrant worker in Ponorogo district,

indicate the many potentials that must continue to be explored in Ponorogo Regency so that not only its Reog art is world-famous but also there are superior Indonesian export commodities stored in the Ponorogo Regency area that are worthy in international trade.

The Perspective of Islamic Economics about The Role of Indonesian Migrant Workers in Export Potential Ponorogo

Working as an Indonesian migrant worker is not entirely seen as the government's failure to overcome unemployment in its region. Collaboration is important to create renewal. In Islam, Allah has made the vast earth easy for humans to explore, seeking sustenance in good ways. QS. Al-Mulk verse 15 says that Allah SWT. has made the earth easy for humans to explore in a good way, indicating that Allah approves of His servants seeking sustenance as widely as possible in all corners of the world, one of which is by working as an Indonesian migrant worker. The story of the Prophet Muhammad SAW, who brought merchandise from Mecca to Medina with Siti Khadijah, indicates that international trade practices, including the beginning of the concept of export, have existed since Islam was led by the Prophet.

Then the principle of *Al-Adl wa Al-Ihsan* in Islamic economics emphasizes justice in the distribution of wealth and balance in export activities without any element of exploitation. The use of remittances from Indonesian migrant workers for business capital, such as the cassava processing business in Sampung sub-district, Ponorogo district, which has been successfully exported to eight countries, is one of the roles of Indonesian migrant workers in Ponorogo in terms of Ponorogo's export potential, in line with the principle of *Al-Adl wa Al-Ihsan* from an Islamic economic perspective.

CONCLUSION AND IMPLICATION

In Islam, international trade, including export activities and working as

Indonesian migrant workers, is contained in QS. Al-Mulk: 15 that Allah SWT. has made this earth easy for humans to explore, so seek sustenance as widely as possible in all directions and in a good way. The total number of Indonesian migrant workers in Ponorogo Regency for the last five years, from 2019 to 2023, is 35,945 people, with Hong Kong and Taiwan being the most popular countries of placement for Indonesian migrant workers. The push factors for Indonesian migrant workers in Ponorogo Regency to choose to work abroad are economic needs and pull factors in the form of income and work sectors. In terms of exports, Ponorogo Regency commodities that have the potential to be exported are agricultural products, such as dried turmeric that can be produced by villages in Ponorogo Regency with net weight exports to India reaching 300 tons, tobacco leaves produced by farmers in Ponorogo regency with customs results reaching 34 billion IDR, tobacco waste briquette training by the Industry, Trade, Cooperatives, and Micro Units Service (*Disperdagkum*) which has the potential to be exported, and business cassava that processing to be instant gathot and tiwul developed by an ex Indonesian migrant workers in Sampung sub-district, Ponorogo Regency have been reaching an export market of eight countries.

From some of these actual data, it can be concluded that the role of Indonesian migrant workers in export potential Ponorogo is not only limited to economic remittances in the form of salaries brought in by Indonesian migrant workers to make better the family economy, but also the role of Indonesian migrant workers in social remittances which are ideas, experiences, fighting spirit, the ability to see the potential of the creative economy, and relationships obtained while working abroad as Indonesian migrant workers is needed to realize the potential for exporting Ponorogo Reegency commodities in

international trade. Indonesian migrant workers are not the main factor influencing export success because there are still macroeconomic factors such as inflation, exchange rates, interest rates, oil prices, and commodity prices that have a more significant influence and are often studied in quantitative research.

The implications of the role of Indonesian migrant workers export potential Ponorogo reviewed by Islamic economic perspective are in line with the principle of Al-Adl wa Al-Ihsan, which emphasizes justice in the distribution of remittances from Indonesian migrant workers for business capital, one of which is the cassava-processed export business in Ponorogo regency, and balance in export activities without of elements of exploitation. In export, Indonesian migrant workers should bring Islamic business ethics, such as emphasizing honesty, transparency, and social responsibility, so that Falah's victory can be achieved.

REFERENCES

- Bandiyo and Indrawani. (2010). Tinjauan Migrasi Penduduk Desa - Kota, Urbanisasi, dan Dampaknya. In *Kependudukan Indonesia* (Vol. 5, Issue 1, pp. 41-56).
- Bank, I. (2020). *V. 31 . Remitansi Tenaga Kerja Indonesia (TKI) Menurut Negara Penempatan Statistik Ekonomi Dan Keuangan Indonesia Bank Indonesia V . 31 . Remittances Of Indonesian Migrant Workers (Imws) By Host Country (Millions Of USD) Statistik Ekonomi dan Keuan.* 182-183. https://www.bi.go.id/seki/tabel/TAB_EL5_31.pdf accessed on June 24, 2024.
- BP2MI. (2022). Data Penempatan dan Perlindungan Pekerja Migran Indonesia tahun 2022. *Pusat Data Dan Informasi*, 021, 8. <https://bp2mi.go.id/statistik-penempatan> accessed on June 15, 2024
- BP2MI Website. (2022). Bp2Mi | Badan Pelindungan Pekerja Migran Indonesia. In *BP2MI Website*. <https://bp2mi.go.id/> accessed on June 16, 2024.
- BPS. (2023). *Indikator Ekonomi Desember 2023*. <https://www.bps.go.id/id/publication/2024/02/29/4654a06f7be1fdd7bb99d4d4/indikator-ekonomi-desember-2023.html> accessed on June 24, 2024.
- BPS Ponorogo. (2021). *BPS Ponorogo*. <https://ponorogokab.bps.go.id/indikator/101/56/1/jumlah-desa1-kelurahan-menurut-kecamatan-di-kabupaten-ponorogo.html> accessed on June 26, 2024.
- Dinas Industri, Perdagangan, Koperasi, dan Unit Mikro Kabupaten Ponorogo. (2022). *Gelar Pelatihan Briket Limbah Tembakau, Disperdagkum Ponorogo Gandeng Puslit Tembakau PTPN X*. <https://perdagkum.ponorogo.go.id/gelar-pelatihan-briket-limbah-tembakau-disperdagkum-ponorogo-gandeng-puslit-tembakau-ptpn-x/> accessed on June 26, 2024.
- Dinas Kominfo Provinsi Jawa Timur. (2023). *Luas Lahan Terus Bertambah, Hasil Panen Raya Tembakau di Ponorogo Melimpah*. <https://kominfo.jatimprov.go.id/berita/luas-lahan-terus-bertambah-hasil-panen-roya-tembakau-di-ponorogo-melimpah> ccesed on June 26, 2024.
- Espíndola, A. L., Silveira, J. J., & Penna, T. J. P. (2006). A Harris-Todaro agent-based model to rural-urban migration. *Brazilian Journal of Physics*, 36(3 A), 603-609. <https://doi.org/10.1590/S0103-97332006000500002>
- Fauzi, F., & Suhaidi, M. (2022). Analisis Pengaruh Ekspor, Tenaga Kerja dan Investasi Terhadap Pertumbuhan Ekonomi Indonesia dalam Perspektif Ekonomi Islam Tahun 2010-2019. *Jurnal Ilmiah Ekonomi Islam*, 8(3), 2802. <https://doi.org/10.29040/jiei.v8i3.6770>
- Hamidah, C. (2016). Dampak Remitansi

- Tenaga Kerja Indonesia (TKI) Luar Negeri Pada Peningkatan Investasi Daerah Asal. *Ekulibrium: Jurnal Ilmiah Bidang Ilmu Ekonomi*, 8(1), 1. <https://doi.org/10.24269/ekulibriu.m.v8i1.33>
- ILO. (2018). *Indian Labour Migration*. International Labour Organization. https://www.ilo.org/wcmsp5/groups/public/-asia/-ro-bangkok/-sro-new_delhi/documents/publication/wcms_631532.pdf
- Trade Ministry. (2021). *Permendag 19 Tahun 2021 tentang Kebijakan dan Pengaturan Ekspor*. <https://jdih.kemendag.go.id/peraturan/detail/2166/1> accessed on June 24, 2024.
- Kompas.com. (2022). *Ponorogo Ekspor 300 Ton Kunyit Kering ke India*. <https://surabaya.kompas.com/read/2022/08/08/175744478/ponorogo-ekspor-300-ton-kunyit-kering-ke-india?page=all> accessed on June 24, 2024.
- Kusumawati, E., & Zain, I. (2023). Kajian Migrasi Internasional Di Kecamatan Jambon Kabupaten Ponorogo | Swara Bhumi. In *Swara Bumi* (Vol. 2, Issue 2). <https://ejournal.unesa.ac.id/index.php/swara-bhumi/article/view/57709>
- Laili, N. (2021). Analisis Daya Saing Dan Faktor-Faktor Yang Mempengaruhi Ekspor Produk Alas Kaki Indonesia Ke Amerika Serikat Ditinjau Dalam Perspektif Ekonomi Islam. *Jurnal Ilmiah Ekonomi Islam*, 7(2), 1019–1029. <https://doi.org/10.29040/jiei.v7i2.2385>
- Merdeka.com. (2023). *Laris di Pasar Eropa, Begini Kisah Mantan TKI asal Ponorogo Tekuni Bisnis Gatot dan Tiwul*. <https://www.merdeka.com/jatim/laris-di-pasar-eropa-begini-kisah-mantan-tki-asal-ponorogo-tekuni-bisnis-gatot-dan-tiwul-mvk.html> accessed on June 24, 2024
- Pemerintah Indonesia. (2017). Undang-Undang Republik Indonesia NO. 18 2017 Perlindungan Pekerja Migran Indonesia. *Pemerintah Indonesia*. <https://peraturan.bpk.go.id/Details/64508/uu-no-18-tahun-2017>
- Rolasta, M., & Hoesin, S. H. (2022). Perlindungan Hukum Bagi Pekerja Migran Indonesia Di Jepang (Analisis Peran Bp2Mi Pada Program G To G). *Palar | Pakuan Law Review*, 8(1), 253–261. <https://doi.org/10.33751/palar.v8i1.4789>
- Satu Data Ponorogo SADAP. (2023). *Data Dinas Kependudukan dan Pencatatan Sipil Kabupaten Ponorogo*. <https://dashboard.ponorogo.go.id/institusi/Dispenukcapil> accessed on June 24, 2024.
- Satu Data Ponorogo SADAP. (2023). *Data Dinas Tenaga Kerja Kabupaten Ponorogo*. <https://dashboard.ponorogo.go.id/institusi/Dispenukcapil> accessed on June 24, 2024.
- Solopos.com. (2023). *Berdaya & Mandiri, Desa di Ponorogo Kini Ekspor Ribuan Ton*. <https://jatim.solopos.com/berdaya-mandiri-desa-di-ponorogo-kini-ekspor-ribuan-ton-kunyit-setiap-tahun-1787940> accessed on June 24, 2024.
- Wahyuni, & Sihaloho, M. (2022). The Relation of Economic Remittances and the Life ' s Level of Indonesian Migrant (Case: Galak Village , Ponorogo Regency, East Java). *Jurnal Sains Komunikasi Dan Pengembangan Masyarakat*, 06(02), 202–218.