



Investment decisions for Indonesian workers: case study of migrant workers in Joho Village, Tulungagung regency

Risdiana Himmati ^{1*}, Pranitya Septiya Rani ²

^{1,2} Faculty of Economics and Islamic Business, Sayyid Ali Rahmatullah State Islamic University Tulungagung, Indonesia

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ABSTRACT

This research aims to determine the factors that influence investment decisions for foreign workers in Joho Village, Kalidawir District, Tulungagung Regency. The population is 200 people, and the sample taken in this research was 30 by direct interview. This research uses a quantitative approach with an associative research type and a sampling method using simple random sampling or random sampling. The data management tool used in this research is the SPSS 20 application with binary logistic regression analysis. The variables used in this research consist of seven variables, namely gender, age, education, number of dependents, destination country, length of work, and income. The research results show that gender does not influence investment decisions for foreign workers in Joho Village. Age does not influence investment decisions for foreign workers in Joho Village. Education does not influence investment decisions for foreign workers in Joho Village. The number of dependents does not influence investment decisions for foreign workers in Joho Village. The destination country does not influence TKI's investment decisions in Joho Village and income does not influence TKI's investment decisions in Joho Village.

Penelitian ini bertujuan untuk mengetahui faktor-faktor yang mempengaruhi keputusan investasi bagi tenaga kerja asing di Desa Joho, Kecamatan Kalidawir, Kabupaten Tulungagung. Populasi berjumlah 200 orang, sampel yang diambil dalam penelitian ini adalah 30 dengan wawancara langsung. Penelitian ini menggunakan pendekatan kuantitatif dengan jenis penelitian asosiatif dan metode sampling menggunakan simple random sampling atau random sampling. Alat pengelolaan data yang digunakan dalam penelitian ini adalah aplikasi SPSS 20 dengan analisis regresi logistik biner. Variabel yang digunakan dalam penelitian ini terdiri dari tujuh variabel, yaitu jenis kelamin, usia, pendidikan, jumlah tanggungan, negara tujuan, lama kerja dan pendapatan. Hasil penelitian menunjukkan bahwa jenis kelamin, usia, Pendidikan, jumlah tanggungan, dan negara tujuan tidak mempengaruhi keputusan investasi tenaga kerja asing di Desa Joho.

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1. Introduction

Migration is a phenomenon that often occurs today. Migration is the movement of people from one place to another, either permanent or non-permanent, across regional or national boundaries. Migration can be categorized into two types, namely internal migration, and international migration [Nizaar & Aini \(2018\)](#). Migration of Indonesian workers (TKI) is classified as international migration. International migration can occur due to several factors. According to [Rokhmah & Islam, \(2023\)](#), there are push and pull factors for international migration. Demographic changes and the large demand for labor in industrialized countries are pulling factors for international labor migration. Meanwhile, the driving factors for international labor migration are related to population problems, crisis pressures, and unemployment, as well as networks between countries based on aspects of family, culture, and history (pull factors caused by changes in demographics and labor demand in industrialized countries).

**Table 1. Provinces by Number
Most Indonesian Migrant Workers (TKI) in 2023**

Province	Number of Migrant Workers
East Java	39,672
Central Java	34,361
West Java	29,001
West Nusa Tenggara	23,557
Lampung	11,909
North Sumatra	6,461
Bali	5,898
Banten	1,721
South Sumatra	1,257
East Nusa Tenggara	1,008

Source: Indonesian Migrant Worker Protection Agency, 2023

BP2IM data in table 1.1 shows that East Java province ranks first with a total of 39,672 migrant workers for the period January-June 2023.

**Table 1.2
Number of Migrant Workers (TKI) in East Java**

Year	Number of Migrant Workers
2019	70,410
2020	37,829
2021	28,810
2022	51,348
2023 (January-July)	39,672

Source: Indonesian Migrant Worker Protection Agency, 2023

Table 1.2 explains the number of workers from 2019 to 2023. From 2019 to 2021 the number of migrant workers from East Java decreased, this is the impact of the Covid-19 pandemic. In 2019 the number of TKI originating from East Java was 70,410 people. In 2020 the number of TKI decreased by 46% with the number 37,828, in 2021 it will also still decrease by 23.8% from the previous year with the number 28,810. In 2022 there will be an increase of 43.9% from the previous

year with 51,348% and in 2023 the January – July period will have several 39,672. This number is predicted to continue to increase until the end of December 2023.

Table 1.3
Number of Migrant Workers (TKI) in Tulungagung Regency

Year	Number of Migrant Workers
2019	8,636
2020	4,022
2021	2,365
2022	5,202
2023	4,103

Source: Indonesian Migrant Worker Protection Agency, 2019-2023

Tulungagung Regency is one of the cities with the largest number of migrant workers in East Java. In 2019 the number of migrant workers in Tulungagung reached 8,636 in 2020, a decrease of 55% from the previous year with 4,022 people, in 2021 there was also a decrease of 41% with the number of 2,365 people experiencing decrease in these two years due to the Covid-19 pandemic. 19, after the pandemic in 2022 there will be a significant increase of 67% with the number 5,202 and in 2023 in the period January to July the number of TKI in Tulungagung will be 4,103 people and it is likely that the number of TKI will increase until the end of the year. Tulungagung Regency is one of the cities with the largest number of migrant workers in East Java. With the high number of TKI in Tulungagung Regency, it is hoped that it will be able to provide benefits for the development and development of the economy in the area of origin due to the remittances provided by TKI which are used for investment and most of the TKI come from rural areas.

Joho Village is a village located in Kalidawir District, Tulungagung Regency. This village has a population of 7,260, the majority of Joho village people who have good house buildings are those who have worked abroad or are currently working abroad. People use the results of their hard work to build houses, buy land or agricultural land, and start opening businesses. Apart from that, TKI also contributes to village development to make it more advanced. The proceeds from TKI can be used to build bridges, make street lights, make gates, and also help in building community infrastructure.

According to [Xiao & O'Neill \(2018\)](#), factors that can influence investment decisions are socio-demographic factors and those included in demographic factors are employment status, marriage, income, type of work, age, gender, education, and the better a person's socio-demographics, the more it influences the type and process of making decisions. in investment decisions. Apart from that, [Putri & Rahyuda \(2017\)](#), stated that sociodemographic factors include gender, age, education, marital status, position, employment, and income. Therefore, in this research, we will discuss the level of investment decisions of TKI in Joho village by looking at several factors that influence TKI investment decisions. Several factors influence migrant workers' investment decisions, namely gender, age, education, number of family dependents, duration or length of work, destination country, and income.

2. Research Method

This research uses a quantitative approach with an associative research type and a sampling method using simple random sampling, the population used is 200 people and the sample taken in this research is 30 by direct interview. In this study, the independent variables used are gender (X1),

age (X2), education (X3), number of family dependents (X4), destination country (X5), length of work (X6), and income average (X7). Whereas the dependent variable in this research is investment decisions (Y). The data management tool used in the research is the SPSS 20 application with binary logistic regression analysis and there are several tests carried out, namely validity tests, reliability tests, and binary logistic tests to determine the influence between variables.

3. Result and Discussion

The Influence of Gender on Investment Decisions of Foreign Workers (TKI) in Joho Village, Kalidawir District

Based on research that has been conducted, gender does not influence investment decisions, meaning that gender does not influence investment decisions in Joho Village, Kalidawir District, Tulungagung Regency. This means that there is no difference between women and men in making investment decisions, both women and men have the same opportunities in making investment decisions, and in investment processing, it is not only done by men but women can also do it.

Apart from that, the type of investment decisions made by migrant workers in Joho Village is a residential investment and the majority are for building houses and purchasing land most of those who decide to invest are those who are married so when making investment decisions it is from both parties, men. and women. For those who are not married or have a family, making investment decisions is based on direction or encouragement from parents, namely father or mother.

The results of this research are in line with research conducted by [Kristanti et al. \(2019\)](#), with the research results showing that the gender factor does not have a significant effect on the decision of former TKI to invest. Because gender equality equalizes the rights between men and women, this also applies to investment decisions, not only men can make investments, but women can also do it.

The Influence of Age on Investment Decisions of Foreign Workers (TKI) in Joho Village, Kalidawir District

Based on research that has been conducted, age does not influence investment decisions, meaning that age does not influence investment decisions in Joho Village, Kalidawir District, Tulungagung Regency. So being older or getting older does not affect investing remittances.

Judging from the research location, the majority of those who are young, adults and parents have started making investments, starting with the easiest investments, such as raising livestock. Those who are still young, between the ages of 20 and 30, have started investing even though they are not yet married. Investing aims to guarantee themselves and as capital to be used when they have a family. Those who are aged 31 to 40 also make investments aimed at their children's future, for example as expenses for their children's education.

Furthermore, those who are over 40 years old, invest to save for old age. So, age does not influence investment decisions because those who are still young and those who are old (entering old age) will continue to invest for the future or security for old age in the hope that their children and families can live a more decent and secure life.

This research is in line with research conducted by [Novita et al. \(2022\)](#), from the research results it was found that age did not affect investment decisions, the respondents in the research

conducted had different age ranges, and both ages young and old people are aware of the importance of investing, they invest to avoid unexpected interests and as savings for the future.

The Influence of Education on Investment Decisions of Foreign Workers (TKI) in Joho Village, Kalidawir District

Based on research that has been conducted, education does not affect the investment decisions of migrant workers in Joho village, Kalidawir district. Judging from the research location, education does not influence investment decisions, this could be because the type of investment chosen is residential investment, such as raising livestock, and what is most often done is building a house and buying land. In selecting this type of investment, everyone does not require higher education, whether they have high or low education can do it.

This research is in line with research conducted by [Santoso \(2016\)](#), with research results showing that education has no effect on investment decisions for Indonesian workers. Having low or high education does not affect the interest of migrant workers in investing their remittances. Low education does not guarantee that the person will invest their remittances. This research is also in line with research conducted by [Nggadas & Candraningrat \(2023\)](#), which research results that education does not influence a person's investment decisions. Low or high education does not influence investment decisions.

The Influence of the Number of Dependents on Investment Decisions of Foreign Workers (TKI) in Joho Village, Kalidawir District

Based on the research that has been carried out, the research results show that the number of dependents does not influence the investment decisions of migrant workers in Joho village, Kalidawir district. Based on the conditions at the research location, people who have a large number of family dependents will find it difficult to set aside funds obtained from working as migrant workers.

This can happen because most of the income obtained has been used up to meet the living needs of the family at home and only a small amount of funds from working results are left which are then saved as reserve funds that are used by migrant workers when they return to their hometowns because most of the allocated funds for migrant workers are used for repairing or building a house are not used to open a business. Meanwhile, migrant workers who don't have family responsibilities decide to save their money in the bank and most of the migrant workers who don't have family responsibilities still live with their parents so they haven't thought about investing and their living needs are sometimes still helped by their parents.

The results of this research are in line with research conducted by [Zaqiyah \(2017\)](#), with the research results showing that the variable number of dependents in the family does not have a significant influence on the investment decisions of migrant workers from Bandung District, Tulungagung Regency. The research results show that the majority of migrant remittances are not used to invest but rather to keep their money in the bank. This is done because the family's needs are uncertain and quite a lot of accounts are used for temporary circulation so that if the family needs money at any time it can be taken straight away.

The Influence of the Destination Country on Investment Decisions of Foreign Workers (TKI) in Joho Village, Kalidawir District

The destination country does not influence TKI's investment decisions in Joho village. Based on the conditions at the research location, this is because the people who work as migrant workers are different, for example in a married family the husband and wife decide to work abroad but their destination country is different. In investing the remittances, they will discuss to decide and the type of investment that will be made. chosen.

Apart from that, some migrant workers only spend one contract working in a country. After the contract expires, they will work again abroad in a different destination country, so one person can move to the country they want to work in. So, the destination country does not influence investment decisions, even though the destination countries are different, they remain together in decision-making.

Apart from that, even though each region of another country has a different cruciform value against the Indonesian currency and the income in each country is different, this does not influence investment decision-making, for example, the value of the Malaysian cruciform is greater than the value of the Hong Kong crus, this does not completely affect the amount of income. TKI The amount of TKI's income can be influenced by other factors such as type of work so a larger amount of currency does not guarantee that they will earn more income.

This research is in line with research conducted by [Retno \(2014\)](#), with the results of the research showing that destination country variables do not influence investment decisions. This could happen because people or migrant workers do not only work consistently in one country, usually they only work after the contract expires, and sometimes they will decide to move to another country for work.

The Influence of Work Duration on Investment Decisions of Foreign Workers (TKI) in Joho Village, Kalidawir District

From the research conducted, the duration of work does not affect investment decisions. Despite the length or duration of work, migrant workers provide a lot of experience, such as work experience and financial management experience, so experience greatly influences investment decisions. Like the skills that TKI have when working abroad which can then be applied or applied to the sector they are involved in when they return to their area of origin, for example, agriculture, work experience is said to be able to influence TKI to invest for the sustainability of their future life after no longer working abroad. Apart from that, experience in managing finances will determine investment decisions, because experience in financial allocation will form an appropriate financial budgeting mindset for later life after migration ([Xiao & O'Neill, 2018](#)).

In research conducted, the duration or length of work does not influence investment decisions. This is contrary to the theory above, although the duration of work will provide a lot of experience and increase the expertise or skills of migrant workers. However, at the research location where the skills or abilities of migrant workers were conducted, they could not be applied to their place of origin because most of the respondents worked as factory workers and most of the female workers worked in households, so the skills they gained when working abroad were not available or lacking. suitable for business development in the area of origin. Most of them are confused about choosing an investment decision to take and when they return to their area of origin for a long time, they have difficulty working and have difficulty finding work. Because the abilities they have do not match the job opportunities in their area of origin, namely in the agricultural sector.

The results of this research are in line with research conducted by [Dewi & Purbawangsa \(2018\)](#), with the research results showing that there is no influence of a person's working period on decision-making in investing. This is because new employees and employees who have worked for a long time have almost the same understanding. After all, before work there is training and in the current era of developments, information can be obtained easily. This means that there is no influence of a person's working period on his decision to invest so work in the field does not influence investment decisions.

The Influence of Income on Investment Decisions of Foreign Workers (TKI) in Joho Village, Kalidawir District

From the research that has been conducted, income does not affect investment decisions. Due to the low ability of migrant workers in Joho Village to utilize their income or remittances in terms of business development, those who work abroad do not know about business opportunities in their area so they do not choose to invest their remittances but prefer to save their money in the bank.

These results are in line with research conducted by [Putri & Rahyuda \(2017\)](#), with research results showing that the amount of income does not affect individual investment decisions, this happens because the more income earned, the greater the desire to shop. So, the income earned is not used in productive ways.

The Influence of Gender, Age, Education, Number of Dependents, Destination Country, Duration of Work, and Income on Investment Decisions of Indonesian Migrant Workers in Joho Village, Kalidawir District

TKI investment decisions in Joho Village have a direct impact on the economic welfare of the community. Investments made by migrant workers, especially in the property sector, can increase the value of community assets and reduce poverty. Property investment, especially building a house, is considered an indicator of a family's economic success and prosperity. A house is a basic need for every family, and having a livable house is a symbol of high social status. Therefore, building a house is one of the most popular forms of investment among migrant workers. The construction of houses by migrant workers can increase the value of community assets as a whole. This is because building houses can increase land and property prices in the area. Apart from that, building houses can also create new jobs for local communities, such as contractor services, builder services, and building material provider services ([Ardiansyah et al., 2023](#)).

Building houses can also reduce poverty. This is because building houses can increase people's income. When the house is built, migrant workers and their families can live in the house and no longer have to rent a house. In this way, migrant workers can save on house rental costs and can use the money for other purposes, such as education, health, or other investments. Apart from building houses, migrant workers can also invest in other fields, such as agriculture, animal husbandry, or small and medium businesses. Investment in these fields can also improve the economic welfare of society. Wise management of remittances can also support local economic development and make a positive contribution to community welfare. Remittances that are managed wisely can be used for investment, such as building houses, agriculture, livestock, or small and medium businesses. This investment can increase productivity and local economic growth. Apart from that, wisely managed remittances can also be used to improve people's quality of life, such as education, health, and social welfare. This can improve the quality of human resources and reduce poverty. Based on the description above, it can be concluded that TKI investment decisions have a positive impact on the

economic welfare of the community. Therefore, efforts need to be made to encourage migrant workers to invest wisely. These efforts can be carried out in various ways, such as education about the importance of investment, providing access to information about investment, and developing microfinance institutions that can provide financial services to migrant workers.

4. Conclusions

The results of the research show that the partial tests that have been carried out show that: 1) gender does not affect investment decisions, 2) age has no effect on investment decisions, 3) education has no effect on investment decisions, 4) number of family dependents has no effect on investment decisions 5) duration of work has no effect on investment decisions, 6) destination country has no effect on investment decisions, 7) and finally income has no effect on investment decisions.

From the results of the simultaneous test, it was found that gender, age, education, duration of work, destination country, and income together influenced the investment decisions of migrant workers in Joho Village, Kalidawir District, Tulungagung Regency.

The government can provide education to people who work abroad, to provide an overview of the importance of having investments, which is also important for the families left behind because the family is responsible for managing finances. Apart from that, business training is also very influential for the community, especially the majority of the people in Joho Village who work as farm laborers and farmers so their knowledge and skills in entrepreneurship are still very low. So that the training carried out can increase knowledge and encourage migrant workers to have the opportunity to have a career in their region and not have to work abroad anymore.

For future researchers, it is hoped that it can be used as a reference, and for future researchers they, can develop research by adding other variables because there are still many factors that influence investment in foreign workers (TKI).

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