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# "Making Connection": Indonesian Migrant Entrepreneurial Strategies in Taiwan

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In the whole history of economic activity the stranger makes his appearance everywhere as a trader and the trader makes his as a stranger. (George Simmel, 1971:144)

Comprehensive explanations of entrepreneurship must include the social context of behavior, especially the social relationships through which people obtain information, resources and social support. (Aldrich & Zimmer, 1986:11)

**Abstract:** This paper examines the function of network as a tool of problem solving in Indonesian migrant entrepreneurship escaping labor market challenges and social-cultural adjustment process in Taiwan. As the essential key to social mobility of migrant, networks is considered not only used as a migrant strategic survival, but may help them get resources to spur entrepreneurship. By cohesive personal/social networks with local fellow or nationals and using social media, it facilitated the entrepreneur's to capital, support (mentoring), knowledge (access to sufficient capital) and a reliable supply and customer. In case social network Indonesian entrepreneur in Taiwan is formed through personal or group migrant ties, religion, ethnic and hometown, or group association depends home base city where they work.

**Keywords:** Social Network, Migrant Entrepreneurship, Indonesian, Taiwan

# **Introduction: Migrant Entrepreneurship and Its Network**

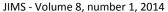
Taiwan's economic prosperity since 1980's draws people from all corners of the globe. In 2011, 37,971 of expatriate business people, language teachers and engineers of various nationalities (NIA, 2011), and in 2013 484,367 Southeast Asian factory hands, construction workers and caregivers are legally employed on the island (CLA, 2013). The presence of laborers from Southeast Asia adds to the ethnic landscape of Taiwan. Since 2000's foreign enclaves have become fixtures in several



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places which were ethnically homogeneous communities. Memorial Park in downtown Taipei is crowded with Filipino workers exchanging gossip and newspapers. The Taoyuan, Taipei, Kaoshiung Railway Station is another place where workers from the Indonesia, Thailand and Vietnam countries like to gather. In these developments of the foreign enclave on the other side encourage the growth of the ethnic economy enclave, several of the foreign businesses around the station's now full of stores sell newspapers, books, VCDs and DVDs in local language and full of restaurants, remittance bank, shipping as well.

On any given weekend, many migrants heading toward the migrant enclave meet their relatives or relaxing. They gather to sing, talking, eating and cheer as they use karaoke parlor or watch local programs on a large television. From this image, there is a person (people) behind all these activities, but busiest to serving the entire consumers, they are businessman's own store (the entrepreneurs). For an illustration Indonesian mini market and associated businesses—a karaoke parlor and a small restaurant—operated by an entrepreneur named Ratna Sari in Taoyuan city is one of the busiest enterprises in the Taoyuan Railway station neighborhood, it functions as an Indonesian cultural center also. Madam Ratna Sari the owner, an Indonesian Chinese overseas, who moved to Taiwan more than 20 years ago, opened her store in 1996 after married with her Taiwanese husband. At first she opens very modest restaurant since the budget owned is very limited and only served local food for Taiwanese. Changing to sell Indonesian food started when she has an order for migrant after a door to door to promote her restaurant around the neighborhood. Drastically changed her mind to sell Indonesian food and rent house near station to get more customer, gradually her business is progressing. Furthermore, because seeing the great business opportunity with a growing number of Indonesian migrant workers, she activated her co-ethnic resources and networks to import various products from Indonesia and get help to innovate business place. Her family, friends, and group association become business partners. They provide all the needs of her business for the eighty percent Indonesian customer; for other help such as imported local product from Indonesia, information buying house near station, and some karaoke facilities she gets from Taiwanese friends; for cultural goods: CDs and cassettes of Indonesian pop music, videos, newspapers and magazines she gets from Indonesian relatives; and employee for mini market and restaurant she gets workers from an agent who was became restaurant customers.





At the general point of view living as "economic foreigner" above, there is some issue, especially entrepreneurship in household business scale and capital low-investment, it is necessary considering a variety of ways in order to get survive through raise different types of social capital of its own ethnic community or host country resources. From a knowledge and relation what they gets, be able to detect business opportunities that come their way so that it can become an important resource for them when deciding to open up a business. Understanding to economic activity and entrepreneurship of immigrants in Taiwan must be understood in the context of changing economic opportunity structures— for instance the growth of the migrant number, as well as within the Taiwan temporally migrant policy—three year contract and three years extended, and the pattern of economic activities—as I observed well mostly working in informal form. Increasing trends number of migrants and shifting in migrant culture also important, ranging from widespread the 'enclave migrant workers' in many urban cities of Taiwan, forming 'enclave economy' of migrant (the informal economy activities), and the emerge groups of migrant. Base on this backdrop, various opportunities exist for immigrant entrepreneurs in Taiwan and related to networks are involved in these processes. There was opportunities for immigrant entrepreneurship through vacancy-chain businesses—such opening mini market, restaurants, or services. In this context, structural opportunity in migration, each market requires not only a different skill set, but also the mobilization of different resources, and hence the role and value of networks in each varies (Rath et al., 2006:2-3).

The complexity working space in the entrepreneurial adjustment process can affect social relations and lead to various kinds of multiple strategies. This paper is questioning fundamental issues regarding network and migrant entrepreneurship in Taiwan on how the network is working and what the effect on performance in Indonesian immigrant businesses? This question will answer the form of Indonesian entrepreneurs' business and social network, the entrepreneur's participation in social networks, and the existence of migrant socio-cultural bonds help to improve their business. As already mentioned above, migrant social relations build based on the identity with the certain basic principles - such as kinship (relatives), friendship, same identity, and etc. Those all patterns are used to build and manage or economic activities and carry out transaction agreement. Dimensions of individuals or household migrants relationships affect on the system

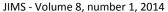


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of division of labor (relations of production), exchange of resources, determination of the rights and obligations among owner and workers, and mechanisms problem solving individually or group (see Bangura, 1994; Saifudin, 1999; Omohundro, 1983; Agusyanto, 1996; Bagchi, 2001; Netting et. all, 1984; Higuchi, 2010; Faist, 2000; Brettel, 2000).

The concept migrant entrepreneurs adjustment is the processes that make the entrepreneurs as an actor who seeks achieve to his objectives or needs, and to deal with changing social and environmental conditions for survival (Landolt 2001; Brettel 2003). This includes how to create performance and optimization work production, also negotiating with the social environment. The idea about making connection Indonesian migrant entrepreneurship in Taiwan relied through: 1) the nexus ethnic business and social capital, 2) and building network by online/offline practice. Base on my observation, Indonesian migrant businesses in Taiwan are small, middle and low class enterprises majority, running business base co-ethnic network, and the dominating sector like the beginning of migrant business activity, is the food sector and migrant basic need facilitation. The position Indonesian entrepreneur still depends on the migrant consumer as shown in term by migrant, from migrant, and for migrant. Main business activity usually accommodates migrant daily needs services (restaurant, grocery stores, ticketing and delivery services) (Yuniarto, 2011).

Despite of Indonesian businesses are 'local characteristic', practically business is not isolated units and grow from links to others or in other word there a nexus ethnic business and social capital. According to Janet W. Salaff et. al., (2002:5-7) in *Ethnic Entrepreneurship, Social Networks, And The Enclave*, ethnic entrepreneurs direct or indirectly develop multiple network with inside or outside ethnic community to help them in order to start a business. Before social networking becomes social capital, people come to recognize each other as part of the same group by defining them as belonging. For instance, those that leave and arrive from the same location at a similar time often shares biographies. Shared cultural indicators include ethnic sameness, language, or religion. The enclave economy is part of a social structure of families, neighbors, friends, and acquaintances. The advantage of ethnic enclaves are best located become self employed and share information relatively easily in a concentrated space. This entire member's enclave economy is embedded in several other networks that have a common ethnicity. People that know the same people often share





perspectives and resources and feel they are similar. In sum, entrepreneurs from the same ethnic group will get easier access to business networks in the enclave than outsiders. Besides accumulating a network base enclave economy member, entrepreneurs also can create networks based on family kinship. Ann D. Bagchi (2001:32-33) in *A Study of Networking Among Immigrant Professionals* introduce the idea "Spousal Migrant Network" as one factor in the making migrant entrepreneurship network. In the more specific marriage serving as the connection between actors in the network by spousal. The dynamic character of networks by spousal proves that family-based migrants often attempt to bring in additional family members as an employee or a labor contract.

The second idea making network by online/offline media practice used by the entrepreneurs, especially to connect with their consumers. Typically boutique, magazine, music performance, tour and travel, and entertainment restaurant are the most used online/offline media for maintaining their business. For instance, Facebook is social media often to use to stay in touch with friends, business partners, and customer beside the private website as well. Their routine update wares in Facebook status. Each others can talk about orders in Facebook timeline or private message. It is perhaps inevitable that social networking sites in particular have become a safe haven for entrepreneur to share, connect, and engagewith the audience. Online business activities in fact is not a new in business migrant, in migrant develop countries is commonly happening. To see the experience Rahman&Lian (2011:271) study on Bangladesh Migrant Entrepreneurship In Japan, Bangladeshi retail entrepreneurs have developed online shopping, Telesales, and pay-upon-delivery to expand their business and maintain a network with customers. Retailers operate online shopping facilities for customers who live in Tokyo and other parts of Japan, complete with catalogs of prices and pictures of products. Online shopping for groceries and daily necessities has changed the traditional notion of ethnic/immigrant businesses. Beside online network, I observe offline media such as group association activity—such as group tours, music event, expression, or other entertainment activities—to entrepreneurship issues and found that social media is the way to regularly

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<sup>&</sup>lt;sup>1</sup> Nevertheless, people can identify one another and interact, they need not be in one place, sometimes live in widely scattered communities, and not necessarily where they work. People form identities by mingling in ethnic stores, community centers, neighborhoods, and religion association. People with direct or indirect need not locate in a specific place to get in contact (Salaff et. al., 2002:7).



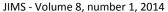
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connect with customers or business network. Following this idea, it would be easier to understand the network discourse between entrepreneurs. As mentioned by Madianou & Miller (2012), "instead of regarding social networking sites as simply a means for communication between two given localities, it is also possible to start thinking about social networking sites as a place in which people in some sense actually live" (cited from McGregor&Siegel, 2013:15).

Generally, this paper base on four monthanthropological field work in 2011 (from March to June) around Taipei City and northern areas (Danshui, Taoyuan, Zhongli City) and unstructured research in the year 2008 while study Mandarin language. I made some observation and interviewed around 15 Indonesian migrant entrepreneurs, 3academic experts and 1 civil society group member as well. Interview carried out by participation observation technique by the average interview time at last from one to three hours. Topics included past work histories, reasons for coming to Taiwan and setting up a restaurant, the challenges of starting and running a restaurant in Taiwan, and future business visions. Mostly, I do research in an enclave of entrepreneurship economy concentrated in industrial areas or railway station, and the area (places) where migrants often most hanging out together—but sometimes visit other Indonesian enclave economy near recreational parks, gardens, large and small Mosque, near the night market, cafe bars, discos or pool room. I acknowledge that the study is based on a limited number of interviewees due to the length limitation of my stay in Taiwan. This limitation I backed up with literature review on migrant adjustment and economic behavior. Gathering data used various sources of documents, i.e. online journal, article news, company websites, migrant magazine. Unfortunately, no statistical data are available for immigrant businesses in Taiwan, should be alone find specific data on the narrow topic of entrepreneurship owned and run by immigrants. Igot a general number of entrepreneur data from the Indonesian Employers' Store Association in Taiwan(APIT) but not specific either.

# **Brief Profile: Indonesian Migrant Entrepreneurship**

The rising of Indonesian migrant entrepreneurship in Taiwan, historically it could be traced back to 1990's era when Taiwan government has opened policies to recruit migrant workers at first time in 1989. In early 1990's there was only less number of Indonesian worked in Taiwan. The number more or less was ranging from 10,000 to15,000, most of them were working in Taipei and Taoyuan area





(Huey-jen, 2007: 54). From this number I estimate in the late 93s-95's the first Indonesian 'enclave workers' is formed near living in Zhongli and Taoyuan (North Taipei) areas. In line with enclave workers about 1995-1996, the emergence a few of entrepreneurs and owner Indonesian food stalls, it's formed a migrant 'enclave economy'. During the 2001 - 2005 periods, workers enclave began scattered in many major cities of Taiwan as the number migrant is increased (Huey-jen, 2007: 55). After 2007-2008 periods, Indonesian enclave economies more develop and many new businesses set up in the northern region spread to various places—Taipei city, Danshui, Keelung, or Ilan) and also in central and southern Taiwan, the number is increased.<sup>2</sup>

Indonesian entrepreneur in Taiwan comes in varying backgrounds, on my observed I found four entrepreneurs characteristic; 1) Indonesian-Chinese descent (generally from Singkawang, Surabaya, Jambi, Palembang and Medan) who married Taiwanese man<sup>3</sup>; 2) Indonesian and Taiwan joint business partner, they intentionally joint in entrepreneurship because seeing a business opportunity; 3) Former factory or domestic worker, usually after finish their job as labor contract continue to work and change status as trader; 4) Graduate student from Taiwan school, commonly they start from learning Mandarin in university and doing part time work (ex: a translator/language teacher, a waitress at a restaurant, private tutoring, commerce and others) then becoming entrepreneur.From background entrepreneur's, it can be classified that Indonesian entrepreneurship in Taiwan into 3 levels: 1) Established group: entrepreneurship with larger capital such as a shipping company, money changers, able to open branches in other places of business; 2) Middle Group: Entrepreneur who only have one type of business and have a place to sell fixed; 3) Low level entrepreneurs: the individual entrepreneur

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<sup>&</sup>lt;sup>2</sup>According to the Indonesian Employers' Store Association in Taiwan(APIT), between 2007 to 2011 they estimated the number of Indonesian migrant workers in Taiwan increased and the emergence of Indonesia entrepreneurship in Taiwan rapidly developed. The number of entrepreneurship reached more less 400 mini markets and restaurants. If they were combined with the individual business, it will be increased by one-third of the number of entrepreneurs. If the employee 2-5 staffs, overall an Indonesian entrepreneur in Taiwan employs approximately around 800-2000 staffs.

<sup>&</sup>lt;sup>3</sup> Many Indonesian Chinese descent came to Taiwan in 1992. According to my informant, importing Chinese decent is part of policy Taiwan government associated with language barriers, cultural differences, but at the same time increasing to the number of Taiwan state citizenship. In fact many Chinese descent married to Taiwanese changed their citizenship especially after they got establish live or got the opportunity to open a business.





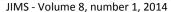
who operates with subsistence. Generally, Indonesian migrant entrepreneurship in Taiwan can be divided into two groups of formal and informal classification. Formal group consisting the entrepreneur who is а member οf the Indonesian Entrepreneurs Association in Taiwan (APIT), i.e., as an organization to accommodate all the information between entrepreneurs in Taiwan and expected in the future can help to improve their businesses in the largest business types of activities. Meanwhile, an informal group originated the friendship group comes from an entrepreneur in the same area of Indonesia or derivatives from the same school (Mandarin school). Informal groups are very popular in Taiwan comprise the 'Borneo Group', the entrepreneur from mix marriage with Taiwanese men, 'Medan Group', 'Surabaya Group' and some groups entrepreneurs comes as former migrant workers or migrant workers agent.

One of prominent example Indonesian entrepreneur is Mr. DC (37 yo), the owner Indojaya mini market and restaurant<sup>5</sup>. He was born as IBC (Indonesian-Born Chinese) from West Java, Surabaya City. In the beginning he starts learning Chinese Language at Mandarin Training Centre in 2000 then he found a lot of great opportunities to run the business. He and his Taiwanese Partner opened The First Indonesian Store in Taipei City, called Indojaya at Taipei Main Station. He has run some business for more than 13 years. His business is commonly related to the Indonesia society in Taiwan, such as Indonesia restaurant, remittance, and magazine called INTAI (Indonesia-Taiwan). He also writes three Novels and one of the producers of The Film "Diaspora & Love in Taipei" based on his novel. Since 2008 become the chairman of The Association of Indonesian Stores' businessmen in Taiwan.

The other example from ex-migrant is Ms. LA (40 yo, owner Al-Barokah Mini Market/retail shop, restaurant, and karaoke). After finishing her work contract in 2005, she works as migrant consultant and start her business while she works

<sup>&</sup>lt;sup>4</sup> Need to note here, formal groups define as organization groups, they associate have structure of organization, and receive guidance and participation such as Indonesia Government (Indonesian Economic and Trade Office to Taipei--KDEI). As for the informal group are the entrepreneurs formed by small groups base on friendship relations or ethnicity. Both of this group originated formed by socialization process between entrepreneurs, due to the proximity of the location working place or residence neighborhood.

<sup>&</sup>lt;sup>5</sup> For his detail profile please visit http://www.diasporaindonesia.org/news/pdf/DeyantoCV.pdf data access on 11/26/2013 2:32:58 PM





now. Her business has grown up beyond experienced as an ex-migrant and she knows much about migrant attitudes and customs. In general Indonesian workers in Taiwan habitually miss their homeland, especially close feeling relation with family, chatting with friends, and home food taste. She learns from daily migrant difficulties expression the feeling at different homes. She personally serves and try to close with the customers and made a good relation with them and not only making network with a business friend. She made a restaurant where everybody could gather, eat, and express they feeling. Instead, she wanted to make her own money and this is the best thing she can do.

Actually, not all entrepreneurs trade and business, has own shop and display, in many cases I found they work with many limitations, especially the capital. This is an example of a typical economy informal sector, whereas workers earn less income, have unstable income, an attempt to escape poverty and earn an income that is satisfactory for survival. Ms. RS (29 yo) from Indramayu West Java is just one example. RS is married to a poor Taiwanese husband in 2007. She doesn't have a job and become unemployed at home. Considering the difficulty to find a job at a company pushing her to create own work. Every Sunday she peddles 'tempeh' (fermented soybean cake) in the Taipei City Underground mall to Indonesian where migrant worker usually hanging around. With carries on two pieces of a cart, she carries out 150 pieces of tempeh and few bottle tomato sauce and chili paste. Depart from home in north Taipei at eight o'clock in the morning, from Keelung train station, an hour later arrive at Taipei Main Station and then she is ready to sell her commodities. She just only made 600 tiny boxes of tempeh and 100 bottles per month could not make it more. She obtained salaries around NT 60,000 per month. However, if she wants to make her business up such as small industry, it should prepare a more sophisticated machine boxed but she doesn't have money. She has been working as a tempeh trader for one a half year. She faces many obstacles when doing business, bad weather or police is a frequently obstacle faced. Especially in winter when the wind is blowing hard and because selling at the station would be subject to raids also. But all she does work with pleasure.

## **Pattern of Business Relation**

In the context network business Indonesian migrant enterprise, describing the structure of economic organization will help to understand the internal



coordination and cooperation unit business form. Business networking work as one system cause formed from different interactions between business units or individuals. At least there are four types a entrepreneurs build his of relations, (1) relations with capital assistants group; commonly related to product goods suppliers, lessees, relatives or friends acted to provide financial assistance; (2) relations with the employees; related to working system, managing business, and administrative personnel; (3) relationships with customers: mostly relation with migrant workers, also individuals costumers or company; (4) Relationship with other entrepreneurs, sometimes in the business management is required to cooperate with other entrepreneurs, this type of relationship is very helpful if someone needs product for his shop.

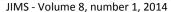
Capital Assistance: Distributor, tenant, family or friends 'ayment+ Jobs Staff: Information Result Other Entrepreneur: Administration staff Entrepreneur Network or Individual and assistance Job Order+W rder+money. subcontract age Family-Friends Consumen:

Individual or Company (institution)

Figure 1: General pattern Indonesian Entrepreneurship in Taiwan<sup>6</sup>

Conceptually, the Indonesian network business unit can be defined as a set up interaction between entrepreneurs and business unit share all his interest in the body of working system in order to sustain. The business pattern placed the

<sup>&</sup>lt;sup>6</sup> Model is adopted from Julan, Thung, Jaringan Sosial Elit Ekonomi etnis Cina di Indonesia: Studi Kasus Pengusaha Konstruksi di Jakarta. *Jurnal Masyarakat Indonesia*, tahun XVI, No. 2, 1989 (167-195)





entrepreneurs at the center of activity as the one who are responsible for planning and directing the operations of a company. Because center of this operation, entrepreneurs recognize all operational systems, including the commercial potential of a product or a service, formulates operating policies for production, product design, marketing and organizational structure. This kind of relationship can be described in the pattern diagram presented above.

Indonesian migrant entrepreneurship tends more informal at working system practices. Trust is the social capital for building relationship with others rather than in formal legal system relationship. Base of the figure above, the entrepreneurs usually gets help from providers of ware product (distributor), tenants, and relative or friend (capital assistance). Capital assistance is needed by entrepreneurs to develop their business further. Relationship with friendship and family in some way can make a significant contribution, for example, in terms of the loan money without interest. In term of capital most Indonesian migrant open business for the first time is lack of capital or capital ownership is limited, to overcome this problem is the need to have good relations and trust with tenants or product distributor. For instance, tenants give leeway in terms of payment and hope that rented house are maintained goods and not to be broken. With a distributor, usually get ease a consignment of product or get assistance like discount product up to 5-10% of the total purchase of goods.

Technically, relationship entrepreneur with the workers were divided into three types of relations, first relationship with the workers who help the business in a shop or stall, the second in a relationship with staff who his trust in managing the store when he is busy or absent, and third entrepreneurs relationship with workers was chosen as special administrative staff. The condition of this relationship depends on the size of business, if the employee only needs about 4-5 people, usually entrepreneurs can act as a worker or responsible for business to perform administrative activities. All three relations can be cross-linked.

Related to the consumers, they are typically associated with individual or institution. Consumers from an institution usually need the services provided by the entrepreneurs, such as meals, tickets or delivery product carried both in large or small quantities. If consumers from an institution have become a big patron is an advantage for the entrepreneurs because will benefit on a permanent basis. In general, there is no difference in handling individual or institutional customers, all have to serve well. For individual consumers and institutions, entrepreneurs' usually serve product delivery services with certain minimum purchases, then goods will be directly delivered to consumer address. The last, relationship with





other entrepreneur is more colored by the competition to attract the consumer. But they also formed a partnership that carried out individually or through associations. Individual's cooperation normally happens when one party becomes a sub-contractor to another party, or a source of information that bring jobs to the other party.

# **The Entrepreneur Connection**

The population in Taiwan was estimated in December 2013 at 23,373,517, spread across a total land area of 35,980 km<sup>2</sup>. <sup>7</sup> Taiwan is islet and isolated from strain and pacific ocean, but well known as land of migration in East Asia. Since 1989 Taiwan government has opened policies to recruit migrant workers for semiconductor factory or chemical industry including household sector. These migrants' mostly invited from Southeast Asian member countries such as Indonesia, Thailand, Philippine, and Vietnam came from, In 2013 there are 484,367 foreign workers with Indonesia as the largest contributor to workers as much as 211,118 migrants, almost half of total foreign workers in Taiwan.<sup>8</sup> Due to the limited geographic area and the high number of migrants across nation borders, network pattern more centered on the ethnic enclave economy and interrelated with local society. Data findings show that network Indonesian entrepreneur in Taiwan could be divided into three types: The first type is network connections among friends, classmates and fellow workers; the second network based on geographical location, association and local villagers and co-workers; and the third is family relations. Business network movement could be described into those kind of circle.

The entrepreneurs are embedded in three types of social networks which they take advantage from to manipulate for economic goals. In this pattern, the network is used to reduce economic risks concerning the creation of new immigrant businesses, and to support their co-ethnics on the access to information, capital and labor. Three types of network also consider as an important precondition to start or improve the business condition, even there's no guarantee for economic success as well as there are found business undeveloped. However, there is one interesting point related to Indonesian living as entrepreneurs in Taiwan, in term facing difficulties in business management or to improve condition affected, that is solidarity between entrepreneurs in their relations.

<sup>&</sup>lt;sup>7</sup> http://en.wikipedia.org/wiki/Demographics\_of\_Taiwan accessed at 3/28/2014 1:53:46 PM

<sup>8</sup> http://statdb.cla.gov.tw/html/mon/c12030.pdf download at 3/25/2014 1:20:40 PM



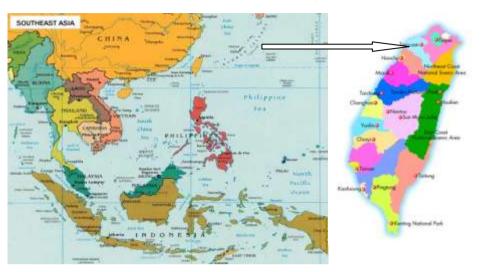


Figure 2: Indonesia and Taiwan map<sup>9</sup>

The practice of group solidarity as collective shared workplace grievances or faced with harsh conditions of the market. The practice of solidarity is covered business partnership among the all members of the group—both formal groups or informal. For instance, information exchange on business opportunities and giving suggestion/information related to open shop opportunity in some attracting place in Taiwan. This kind of simple information shared from one entrepreneur to another friends, relatives or neighbors without any demanding. Another form of solidarity is also provided to assistances other friends not only to find a strategic location for business, but also capital loan, selling product, and others related to their store or business. In terms of entrepreneur friendship solidarity being a factor in establishing relations and business, especially acted as mutual assistance in difficult times.

# Case one: family networking across border

DD (45yo from Sumatera) and RA (40yo from Central Java) has been marrying couples since 2004. Dodo still has family in Taiwan and becomes Taiwanese citizenship. They start a hair salon business first and then as a reseller of Muslim dress, Indonesian local cosmetics, and money exchange/remittance. They

Sources: http://www.worldofmaps.net/en/asia/asia-maps/map-south-east-asia.htm accessed on 3/28/2014 1:52:21 PM



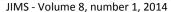


know demand Indonesia products in the local market, especially to women migrant dominated. Mr. DD asks her sister help in Indonesia to send a container of relevant products buying some —actually in this business activity his sister also asks another help from fiends/relative to provide what she wants to order. Transaction pattern across the border, it has commonly happened today since easier shipping of goods and transfer money, so indeed they don't have to invest such big the money just only for shipping cost. After order product reached Taiwan, they contacted a local agent to reseller/distribute around Indonesian grocery shop near Taipei or the person who has ordered the product by phone/internet. In a few weeks, they get some cash then they took some commissions and the rest sends to his sister in Indonesia. Finding this type of making connection,it could be said that, at first an entrepreneur starts his business network from the closest person. In Mr. DD case to continue to develop his business using family resource network across country borders.

I also found another case for making networks across the border in migrant entrepreneur from 'Singkawang'<sup>10</sup> (Borneo group)between old immigrant entrepreneur to a new entrepreneur.NR (36 yo) who establish an Indonesian restaurant, karaoke, and mini market around in Danshui (North Taipei area) around 2007, after marrying with Indonesian women with Taiwan nationality. He thought that open store is advanced business and profitable. He has experienced on-the-job training for entrepreneurship and gained information from his Taiwan employer open business in North Taipei. He and his wife started own shop with help from his other colleague and wife's family. His father in law loaned them NT\$ 500.000 for guarantee to establish the shop and he. Today his business more develop and continue open branch in another city (Taichung). He trained her sister in law to operate the store and how to order product from Indonesian suppliers in Taipei Taiwan or Jakarta Indonesia.

Opening a business in a foreign country seems is easy, but actually complicated in practice. Entrepreneurship activities are demanding a more capacious (skills) in the business management, economic and cultural knowledge, strong social relationships, and a cost. Old migrant act as a person who could become patron contribute giving a help to create business for new migrants—in

<sup>&</sup>lt;sup>10</sup>Singkawang City is located at the province of West Kalimantan or Kalimantan Barat, Indonesia. It is located at about 145 km north of Pontianak, the provincial capital, and is surrounded by the Pasi, Poteng, and Sakok Mountain. Singkawang is derived from Hakka, San khew jong which refers to a town in hills nearby a sea and estuary.





this case new migrant become his client. In many cases new migrant entrepreneurship could be a neighbor, family or friends at home countries. Actually, the process looking for a job ranging between interpersonal migrant relationships, this process has very helpful saved costs and also quick to get a job. Thus, it could be said that there are dependent practices between migrant. One of the mechanisms for strengthening relationships with the same ethnic migrant communities is through formal and informal network links with community seniors and existing businesses. A Migrant entrepreneur from business families generally did not take the employment route, but preferred to start their own businesses with financial backing from their families, the support of their husband or wife, and relatives who has connected with the business. Family support as seen by this cohort of entrepreneur has been crucial to their success.

# Case two: friendship cronyism

EW (38 yo) the owner InfoTech small company (established 2006) came to Taiwan without any family or Indonesian friends. His experience on purchases and sale of electronic products business and also shipping, he relies on his friend's wife and making friendship networks to run business. At first he is working at a factory in Taoyuan as driver and delivery operator, packing vehicle spare parts. During his work he also sells phone credit on other employees and began his own works as a phone credit seller. In short, EW met many friends are known for his work in Taoyuan and Taipei. When he looks for a place of business his friend notified that one of his friends would like to rent his place near the famous market night in Taipei. EW and his friends finally had agreed work together rent the kiosk sell electronic products and its accessories. His kiosk places near Center of Mandarin studies for students from all of the world and also office area, so quite a lot of buyers there. Relationship with old friends, this is what EW called as 'friendship connection' of network that must be assets. He said, "If you have started to be an entrepreneur, don't forget to hang out and communicate, with customers, vendors, suppliers, successful man, other's people and others shops who have been successful whoever and wherever we are. With your connection, maybe we may find important information, whatever its form, without we ask, without you thought, might be that information become solution due to our limitations". The neighborhood friendship also becomes one factor in helping develop business operation. For example, his friend who just came from Indonesia, his seed money for businesses, in progress could be more independent and can return money that



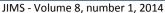
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he borrowed, and now his friend more successful and better socio-economic life compare to EW who used to give him an assist.

# Case three: inner economy enclave network

For many entrepreneurs they state that opening a restaurant and selling Indonesia food offers opportunities for migrants to invest and develop another type of business. For example, a travel agent, the jewelry store, budget hotel, IT services, electronic products, international telephone card service, entertainment, products clothing shops, and ethnic magazines. Also provides various services of immigration and information relevant to the migrant communities. Taking example on the Mr. DD case. His network could be traced after Mr. DD set up Indojaya mini market and remittance in Taipei railway station in June 2000 then he continue to set up the second restaurant Indojaya by acquired a Thai Muslim restaurant near to the Taipei Grand Mosque and Taipei Chatolic Churces then established the second restaurant on October 2002. In his store he facilitates 'basic need' that what migrant want (as seen in the paragraph above). From this attractive business he can reach more customer and networking. Successfully opened the store does not make Mr. DD satisfied. He saw another opportunity. He considers about something need by Indonesian migrant workers, which is can communicate each other and place to share stories. In October 2006, Dede publishes a magazine called 'Intai', this magazine specifically only for Indonesian migrant workers in Taiwan. Publishes a magazine with reaches circulation 7500 copies and sold with price 40 NT per copy in the first year. Publishing magazine increased significantly, in 2011 circulation achieves more than 20.000 copies with the price NT80 NT and distribute to more than 200 Indonesian stores in Taiwan.

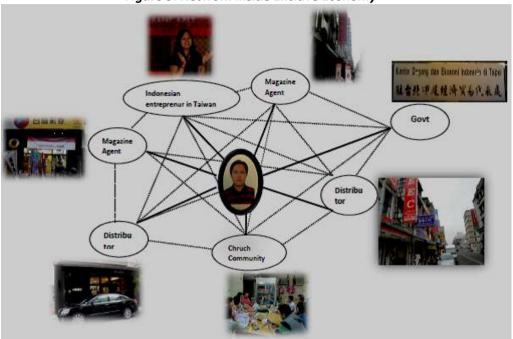
Not only active to develop business network with customer or product distributor, he also to get involved in the migrant social life organization such as The Association of Indonesian Stores's businessmen in Taiwan (APIT) and Indonesian Catholic in Taiwan (KITA) and get financial support from The Indonesia Economic and Trade Office in Taipei. My impression of the his style of entrepreneurship, it's the attention on the interaction between the resources mobilized by migrants and the opportunity structures. Basically he is not so much someone who introduces new business ideas, but rather someone who implements new combinations of existing ideas to create innovative products and processes the consumer demand. These two perspectives indicate migrant social environment





give support entrepreneurial network activities formation. To describe the model of networking it can see in the figure below.

Figure 3: Network Inside Enclave Economy



# Caption:

- 1. Center = The Entrepreneur
- 2. \_\_\_\_\_\_ Open relationship between actors
- 3. = Solid relationship

# Making online/offline networks

#### Network Online

The increasing use of internet as cell phones is a significant part of everyday life among Indonesian migrant and entrepreneurs in Taiwan. The internet social media is a communication technology that is easy to find and access everywhere in recent day. Like cell phone internet is able to own and use cell phones, even to migrant workers with low incomes and limited literacy. In my observed social media is important in keeping the migrant networks, sometimes as migrant workers are not easily able to connect to their networks on a face-to-face basis, and the cell phone and internet provide a channel for communication from





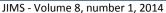
different locations. Actually, in Taiwan internet connection is able to access all over the country, even in the countryside and in remote rural areas. WiFi internet is available free and not free supports free access to the internet throughout in some city. People, especially migrant, they could connect with their networks outside Taiwan and with their families who live in the Indonesian, although in Indonesia countryside still lacks of access to the internet network system. For instance, in the case of Vietnamese female migrant workers in Taiwan, Wang (2007) found that the use of the internet and cell phones is one of the strategies they use to connect with and develop their social networks among their friends and expand their sense of community. In Loveband's study on Indonesian domestic workers in Taiwan (2009:45), it found that migrants have many contact names in their cell phones some of whom they had never met. Even in Lovebland study found in the using a cell phone among Indonesian workers, in observing I found they connect cellphone to internet. Cellphone and internet provided a sense of community and a source of information between both friends and strangers both Taiwan and Indonesian.

The most internet websites frequently used approach by entrepreneurs to make money for social media is Facebook online status.<sup>11</sup> The online media like Facebook proves potentials of monetization and networking. In the particular case of social media for network, migrants entrepreneur carries out several processes to reconfigure their social networks, especially with customers. Social media uses as 'mediated interactions' particularly in some aspects of selling product and maintaining friendship. They post product photos in wall status or making order messages by email inbox and obtaining any response or reaction. The use of photos or messages on the website serves as a manifestation of the presence pervading product and communicating with the community.

One who practice social media are Ms. SK (40 yo), a young entrepreneur and migrant only graduates from Junior High School in one small village at Central Jawa. She uses Facebook under account is MK in between her time working as a housekeeper and nursing elderly, undertake side activities by selling online as a means to reach an extra money. It's starting she since has a laptop and learn how to browse then try to put some picture selling Muslim clothes in her wall status. Her knowledge about how to use networks in virtual worlds open up her minds

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<sup>&</sup>lt;sup>11</sup> Facebook is a free online service that allows people to connect with people they know or they don't. Easily share photos, videos, links, and more with online connected friends. For Indonesian migrant entrepreneurs use Facebook effectively for strategic business networking. Facebook helps create instant networking–like add more friends and share the product. Have an objective in mind that benefits the person you're contacting (e.g. online order).





seeing an opportunity to find the additional money. Selling Muslim clothing has many advantages and profitable since the majority of Indonesian migrant in Taiwan is Muslims. In her thought on business migrant, and living as migrant socially, Taiwan much more democratic compares situation Indonesian migrant living in the Middle East. In a migrant social interaction and the opportunity to become an entrepreneur is much more open. Ms. SK incorporated in the Indonesia Muslim Family in Taiwan organization (*Keluarga Muslim Indonesia di Taiwan*/KMIT) and the Indonesian Muslim Association in Taiwan (*Ikatan Warga Muslim Indonesia di Taiwan*/IWAMIT).

Most of her customers are friends and member this organization and joint in the Facebook friendship system, but sometimes if there's any bazaar activity or event related to Indonesian Migrant (*Tenaga Kerja Indonesia*/TKI) also strive to participate. Her intention to get more friends and customers wearing Moslem clothes. Her stocks she is ordering from his sister and family Indonesia or retailed from friends, then photograph and put on Facebook wall. In addition, there are many constraints selling merchandise in cyberspace. Lack of time, sometimes forgot with the order, customers request delivered as soon as possible, it turns out not to be delivered on time. The most important is set up time fit with the main work, prepare an order to hand over to the customer, and keep maintain network with friends as main customers.

Figure 4 An example Indonesian Migrant Entrepreneur Online Shopping









# Network Offline

Typically the Indonesian business operation, such as a grocery shop and restaurant, often combined primary business with at very simple karaoke room, or with others facilities such as private learning computer and internet facilities for chatting, learning Mandarin lesson. In other side, also facilitate social activities such as Arisan<sup>12</sup>, birthday or wedding party, worshiping (Penaaijan)<sup>13</sup>, silahturahmi<sup>14</sup>, music event, tour and travel, and the group meeting association. These types of entrepreneurship gave them a chance to entering and maintaining their network by the socialization process in the dynamic migrant cultures. Social environment around migrant made the entrepreneurs a chance to socialize, entering, or maintaining their entrepreneurship world, especially making network with consumers. The variety of activities has function to contribute, the real service, give inspiration, togetherness as well as the gratitude entrepreneurs for customer support. Term of 'migrant cultural entrepreneur' is raised up considering such above reality. By drawing on a different cultural repertoire and offering a different perspective on cultural activities, entrepreneurship can potentially act as a key stimulus in the renewal and innovation of the local cultural economy (Brandellero, 2009:32).

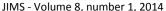
In Indonesian culture social relationship philoshopy there is a famous idiom so called "merawat hubungan" or caring relationship which meant caring out the soul of a fraternity. The other idiom is "mangan ora mangan kumpul" means that no matter if there is no food, people will still gather with each other, to show some spirit of the mutual cooperation and social solidarity. In the context migrant connection, both migrant workers or entrepreneurs defined them self as people who move to another place with the aim of earning a living (gain money) or seeking further knowledge or experience. Because far away from home migrant sharing the same feeling and try to keep their spirit togetherness with friends, in other word they practice 'who want to get sustenance and extends the age, let him tighten friendship relationship'.

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Regular social gathering whose members contribute to and take turns at winning an aggregate sum of money

<sup>&#</sup>x27;Pengajian' came from the word 'kaji' its mean 'review'. Praying session individually or with a group of people, and it is also known for reviewing surah in qur'an; religious lecture; public sermon.

<sup>14</sup> It means that come to say hallo to someone or your family and taking a conversation. This term is used for association based similarity regions, religion, or place of work.





This embodied spirit is known base on an image of the marginalized sojourner is generally depicted to Indonesian workers (Lan, 2003:119). Indonesian migrant workers do unskilled jobs, especially domestic works. They face work difficulties, including language problem, personal relationship between the employer-employee, and their homesickness. The spatial locations of Indonesian workers' Sunday activities clearly symbolize their social status of "marginal insiders." They gather at the corners of Taipei's Train Station; they eat and dance behind the prime public area in Taoyuan; and they tend to shop underground rather than in skyscraper department stores. They are seen in public, but only at those corners less visible to Taiwanese. Meanwhile, Indonesian workers still struggling for proper treatment, on the other hand, they were trying to enjoy a social life with friends (Lan, 2006; Lovebland, 2002; Young, 2004). There is one study in the aspect of migrants consumption in a specific store and social relationship (Hung Cheng, 2013:22) especially in the Indonesian migrants behavior described that usually like to choose Indonesian store, supermarket, communication/cell phone store and used to patronize the stores which selling homeland commodity.

From situation above, the entrepreneurs import local cultural values in the host society, then (re) production knowledge of migrant the way of life to make social relation (connectivity) between their business operation with migrants. Usually when there are a certain offline activities such as group celebrate Eid alfitr, the celebration of the Indonesia Independence Day or the celebration of Chinese new year. For those who business is established, they support activities as sponsor, gave them merchandise, facilitate place, or made some discount product and in the same time this moment they could advertise the company or product by leaflets, posters, handouts to migrant participant. But for others with less capital they maintaining customers made cheaper price or provide friendly services. A migrant day event usually held at Taipei or Taoyuan railway station, big Park, and near the Church or Mosque, it is common practices in those events would be crowded by hundred migrant workers facilitate migrant get their vacation, gather, relax, and be happy.

Besides celebrating national events some company invites customer take a tour travel around Taiwan—just mentioned two names Indonesian Delivery Express or Indonesia-Taiwan Magazine—they regularly held some event such as to visit the Taiwan National Museum, visit heritage place, hiking and enjoying natural scenery, bike tours, game music, short story writing competition, etc. All of this effort as an effort to further enhance the support against the development of migrants



creativity and self actualization. This event also often carried out to give company needs a function to stay in continuous contact with the existing customer base. Someone must know which customer sites are available for referral business, the state of their implementation, and which features are in production use.

Figure 5 Making Offline Network Indonesian Entrepreneur with Migrant<sup>15</sup>



Gathering (Silahturahmi) Migrant From Ngawi, Central Java



Migrant Birthday and Wedding Party



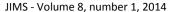
Visit Museum Event



Migrant Day Party (Music and Games Performnce)

116

<sup>&</sup>lt;sup>15</sup> A compilation from various sources





#### Conclusion

This article proved the form social networks strategy Indonesia businessman migrants in Taiwan their daily activities. Indonesian migrant entrepreneurs maintain various network relations for the benefit of their business. They have their own canals by which they obtain information, capital or employees. Defining their social network, however, is much harder. In a general sense, this study indicates the composition of networks on two levels: first, a relatively personal one of family, clan, relatives, colleagues, and classmate; and second, a somewhat broader level of hometown people, people of the same ethnic group, and others with whom people interact directly or indirectly, such as a government official, company distributors, group association, or even investors. Nevertheless, in the practice among the level of the network often happens to overlap one another. For example, social networking based upon vertical kinship, on the other side of the network also involves a horizontal connection with the neighborhood or friendship in entrepreneurship operation. The above aspects characterize an Indonesian migrant entrepreneurial strategy network. The organizing principle (or focus) is determined and the relations are delineated on the basis of their intensity, direction and type (with explicit attention to the purposes). In such a way becomes clear with which actors an entrepreneur maintains a specific kind of relation, from which at the same time ensues with what purpose the migrant keeps up that relation.

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