Can Indonesia be the Next Philippines?

BY JENNIE S. BEV

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The Philippines has become the favorite destination for offshore outsourcing of U.S. companies. The country's young population of skilled workers, culturally adaptable and Western-mindedness are a clear advantage. In general, Filipino workers in the global outsourcing marketplace can be distinguished into two categories: migrant workers doing low-level blue-collar jobs and in-country workers doing a full range from low to high in both blue- and white-collar jobs.

Ten million Filipino migrant workers toil as household help around the globe. Victoria Park in Hong Kong is famous as a weekend gathering spot for these workers. Throughout Singapore, Filipinos can be found smiling serving customers in restaurants and stores, doing jobs that middle-class Singaporeans shun. Filipinos have an advantage over their Indian counterparts in U.S. companies as they are more Americanized given the legacy of the Philippines as a U.S. colony.

IT and accounting jobs, which don't require cultural sensitivities, are still favorably offshored to Indians. Filipino foreign outsourced workers are better with soft-skill jobs like call center customer service, administrative assistance, research, Web search, writing and editing. A good number of hardcore IT jobs are also absorbed by the Philippines, though India is still leading the pack.

Most Indonesian migrant workers are located in the Mideast, Malaysia, Singapore and Taiwan. Approximately five million Indonesian migrant workers are currently working worldwide. No accurate data can be found on Indonesia-based IT and call center offshore outsourcing workers, though manufacturing plants are known to absorb workers in offshore outsourcing production jobs.

Globally, Indonesia is known for its outsourced manufacturing and household workers. In comparison, a relatively small number of Indonesia-related IT workers, consultants, financiers, and managerial executives are currently working in Western countries. Top nine cities for IT outsourcing in 2013 are Bangalore, Mumbai, Manila, New Delhi, Chennai, Hyderabad, Pune, Cebu City and Shanghai. Philippines cities Mandaluyong and Taguig are also on the radar. No Indonesian cities are on the list, which is understandable due to factors such as poor Internet infrastructure and low recognition for hard and soft skills.

In this globalized economy, Indonesia has an unprecedented opportunity to export, both physically and virtually, highly skilled and well-trained workers overseas. For this, an open mind is a primary requisite. Flexibility in absorbing other cultures is another. Above all, a can-do attitude and a continuous strive for excellence are two of the most important traits to succeed in the offshore outsourcing marketplace.

The government can start creating a conducive environment for this purpose. In contrast, Singapore is attracting foreign workers by creating an alluring environment with an open immigration policy and open-for-business "safe haven" taxation provisions.

Indonesia can attract more high-paid offshore jobs like paralegal, accounting, analysis, medical recording, and research, provided that English-language ability, analytical, and hardcore skills are on a par with international standards. This requires strong collaborations with educational and training institutions. An international mindset would help.

Indonesia can start by creating an environment that promotes acceptance towards other cultures with diversity and multi-cultural awareness. Understanding cultures and high-quality hands-on skills are imperative to success in the global offshore outsourcing marketplace. **F**