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IMMIGRATION SURVEILLANCE CONTRADICTIONS: HUNGARY'S LABOR MARKET PRAGMATISM AND INDONESIA'S MIGRANT PROTECTION DIPLOMACY, 2020–2026

[1*]Mohammad Nashiir, [2]Rusniyanti, [3]Wahyu Dwi Pambagyo, [4]Indah Febriana As'ari Putri

[1*]Department of International Relations, Universitas Gadjah Mada
[2] Department of International Relations, Universitas Pendidikan Muhammadiyah Sorong
[3] Department of International Relations, Universitas Muhammadiyah Yogyakarta
[4] Department of International Relations, Eötvös Loránd University
*Corresponding Email: mnashiir277@gmail.com
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ABSTRAK

Penelitian ini mengulas dinamika tata kelola migrasi global periode 2020–2026, khususnya ketika pragmatisme pasar kerja Hongaria berbenturan dengan diplomasi perlindungan proaktif Indonesia. Penelitian ini memadukan dua konsep utama: market-oriented surveillance untuk mengurai cara negara penerima memanfaatkan perbatasan sebagai filter ekonomi yang fleksibel di tengah narasi anti-imigrasi, dan sending-state protection diplomacy untuk menelaah peran Kedutaan Besar Republik Indonesia di Budapest dan Badan Pelindungan Pekerja Migran Indonesia dalam menghadirkan perlindungan formal berbasis negara. Dengan menggunakan metode kualitatif, penelitian ini menemukan bahwa di tengah ketatnya rezim perbatasan Hongaria, Indonesia berhasil menggunakan agensi proseduralnya untuk membentuk enklave perlindungan bagi pekerja migran. Secara empiris, hasil penelitian memetakan kapasitas sekaligus keterbatasan diplomasi perlindungan Indonesia dalam menangkal risiko eksploitasi.

Kata Kunci: Migrasi Tenaga Kerja, Market-Oriented Surveillance, Sending-State Protection Diplomacy, Perlindungan Pekerja Migran, Koridor Indonesia–Hongaria

ABSTRACT

This study analyzes the contradictions of global migration governance (2020–2026), where Hungary's labor market pragmatism intersects with Indonesia's proactive protection diplomacy. This study elaborates on two core concepts: market-oriented surveillance that explains how host states operate borders as elastic economic filters to fulfill corporate labor needs amid anti-immigration politics, and sending-state protection diplomacy that describes the proactive interventions of the Embassy of the Republic of Indonesia in Budapest and the Indonesian Migrant Workers Protection Agency in establishing formal state-backed protections. Utilizing a qualitative method, this study finds that Hungary's strict borders did not deter Indonesia from successfully employing procedural agency to build enclaves for the protection of migrant workers. This study empirically contributes by mapping the capacities and limitations of Indonesia's protection diplomacy vis-à-vis exploitation risks.

Keywords: Labor Migration, Market-Oriented Surveillance, Sending-State Protection Diplomacy, Migrant Worker Protection, Indonesia–Hungary Corridor

BACKGROUND

Global governance of labor migration has been structural. Nation-states are always negotiating a compromise between their domestic economic needs and border control mechanisms (Dao et al., 2021). States in the Westphalian paradigm have in the past implemented restrictive entry regulations to protect sociopolitical cohesion. But these tight border arrangements are increasingly bumping up against the global capitalist economy and the rapid demographic decline and acute local labor shortages. The structural contradiction between economic integration and border enforcement as mutually exclusive objectives cannot be afforded to be sustained by modern statecraft (Simmons & Kenwick, 2022). Instead, they construct complex institutional arrangements that allow for selective admission of foreign human capital and politically defensible border control.

Hungary serves as an illuminating case study of this empirical contradiction in Central Europe. In the 2010s and early 2020s, the Fidesz-led government in Hungary constructed non-European arrivals in public discourse as threats to national sovereignty and cultural homogeneity (Bajomi-Lázár, 2019). It was an ideological position expressed through physical border barriers, harsh restrictions on asylum, and opposition to quotas for refugees in the European Union (Sahl et al., 2025). But this highly securitized position has serious economic vulnerabilities. Hungary has a serious demographic deficit: aging, low fertility, and a constant brain drain of skilled domestic labor to Western Europe.

According to the data of the Hungarian Central Statistical Office (KSH), in the years 2021 to 2024, about 80,000 positions in heavy manufacturing, construction, automotive engineering, and logistics remained unfilled (Hamzah et al., 2026). This negative trend led to structural labor shortages in the main macroeconomic sectors, affecting regional industrial competitiveness (Vusal, 2022). The Hungarian government addressed these weaknesses with a pragmatic two-pronged approach.

Budapest had to establish formal contractual labor pipelines from distant Asian countries, primarily from Indonesia, as it could no longer draw on local or regional (European) pools of labor. Budapest modified the administrative procedures for the selective admission of third-country nationals (Bradford & Cullen, 2025).

The guest worker law has changed the way of recruiting labor in Central Europe and potentially can help Indonesia to expand its formal employment in Europe (Agusmidah et al., 2025). The Indonesian Migrant Workers Protection Agency (BP2MI) reported that formal Indonesian workers in Hungary increased from virtually zero in 2020 to several thousand in 2024, mostly in manufacturing and logistics. BP2MI is an important regulatory pillar as the main non-ministerial state authority charged with implementing placement policies and legal protection standards. The agency supervises Indonesian Migrant Worker Placement Companies (P3MI), verifies pre-departure contracts, examines legal private-to-private (P2P) recruitment channels, and imposes binding standards on minimum wages, health insurance, and workplace accommodation prior to dispatch (Lemberg-Pedersen & Haioty, 2020). The study period is defined as the period from the expansion of guest worker policies under the Orbán administration in 2020 to the policy calibration under Government Decree No. 92/2026 in June 2026, which suspended new guest worker residence applications while retaining established labor channels, until May 2026.

Existing literature on Central European migration governance remains overwhelmingly host-country-centric. Prominent studies, such as Meszmann & Fedyuk (2019) on temporary labor exploitation, Bajomi-Lázár (2019) on anti-immigrant political campaigns, and Segarra (2024) on asylum dismantling, analyze migration governance almost exclusively through the lens of host-state sovereignty and corporate labor demand. Consequently, these studies treat labor-sending states merely as passive providers of human capital. By contrast, sending-state migration

diplomacy scholarship remains predominantly fixated on transnational diaspora engagement and remittance extraction, leaving an empirical gap on how Global South sending states use procedural agency to bargain for formal safeguards in restrictive host regimes (Lemberg-Pedersen & Haioty, 2020). This gap needs to be filled urgently because non-European contract laborers entering market-driven surveillance regimes are subject to structural precarity, including contract substitution, wage erosion, and restricted civic rights, unless sending state bodies intervene institutionally and actively.

To address this gap in scholarship, this study integrates host state market-oriented surveillance (Lemberg-Pedersen & Haioty, 2020) and sending-state protection diplomacy (Adamson & Tsourapas, 2020) into an integrated conceptual model, based on migration interdependence dynamics. This research provides novel analytical insights by empirically examining the under-researched Indonesia–Hungary corridor from 2020 to 2026 and demonstrates how a Global South sending state constructs protective enclaves within an illiberal Central European guest worker regime. Specifically, the study looks at the operational measures of the BP2MI, as the central body for contract validation, P2P scheme verification, and oversight of placement agencies, in cooperation with the Embassy of the Republic of Indonesia in Budapest through direct consular protection and employer verifications. Specifically, this research addresses three interconnected research questions. *First*, how does the Hungarian state deploy market-oriented surveillance to selectively filter Asian contract labor while maintaining restrictive anti-immigration rhetoric? *Second*, through what institutional mechanisms do the BP2MI and the Embassy of the Republic of Indonesia in Budapest operationalize sending-state protection diplomacy within the P2P recruitment scheme? *Third*, what operational capacities and structural limitations does sending-state protection diplomacy encounter when negotiating against host-state sovereign authority?

To answer those questions, this study integrates market-oriented surveillance and sending-state protection diplomacy into a single analytical framework to overcome the theoretical divide between host-state exclusion and sending-state agency. In the current literature, host-state border filtering and sending-state labor governance are considered separate phenomena. In contrast, this framework demonstrates how they interact dynamically in temporary labor corridors: while the host state applies market-oriented surveillance to filter guest workers and fulfill corporate demands without granting permanent civic rights, the sending state utilizes diplomatic and administrative agency to insert state-backed protective safeguards into those same employment channels.

The main conceptual contribution of this paper is the conceptualization of how a Global South sending state actively constructs protective enclaves in an illiberal, heavily securitized Central European labor market. The study makes an empirical contribution to an important gap in the geographical and analytical literature by offering an in-depth analysis of the under-explored Indonesia–Hungary corridor (2020–2026), and by highlighting the potential and constraints of the sending-state protection diplomacy within the framework of structural market surveillance.

LITERATURE REVIEW

State of the Art and Migration Governance Debates

Existing literature on global migration governance is dominated by two distinct analytical streams. The first stream is dominated by work on host-state border controls, securitization, and guest worker regimes in Central and Eastern Europe. Noteworthy contributions include the empirical study of exploitation of temporary labor in the Hungarian electronics industry by Tibor T. Meszmann and Olena Fedyuk (2019), the analysis of anti-immigration political campaigns by Péter

Bajomi-Lázár (2019), and the study of dismantling asylum reception by Hannah Segarra (2024). These studies are vital for understanding border enforcement and illiberal statecraft, but they are overwhelmingly host-centric. This means they analyze migration governance almost exclusively from the standpoint of host-state sovereignty, domestic politics, and corporate demand, reducing labor-sending nations to passive suppliers whose citizens merely react to host-state constraints.

The second stream deals with sending-state politics and migration diplomacy, illustrated by Fiona B. Adamson and Gerasimos Tsourapas's (2020) notion of the Global South "migration state" and Stefan Rother's (2022) work on global migration governance from below. But this scholarship has been mostly confined to transnational diaspora engagement, remittance extraction, or state-led externalization of border controls. Consequently, a critical conceptual lacuna remains regarding how labor-sending states actively exercise procedural agency to negotiate formal institutional safeguards within restrictive, highly securitized guest-worker regimes in Europe such as the emerging Indonesia–Hungary corridor. This study directly addresses this gap by synthesizing host-state market surveillance and sending-state protection diplomacy into a unified framework.

Market-Oriented Surveillance

This study develops the concept of market-oriented surveillance to conceptualize host-state behavior that liberalizes corporate access to labor while maintaining public anti-immigrant positions. Inspired by Martin Lemberg-Pedersen and Eman Haioty (2020) on the technological and economic sorting of migrant bodies, this framework suggests that contemporary borders are not only solid walls, but also fluid sorting devices. In the governance of labor migration, border filtering is the basic operational mechanism of market-oriented surveillance: the state does not

block mobility altogether but uses administrative, legal, and surveillance infrastructure to filter foreign labor selectively according to market utility.

The crux of the debate over market-oriented surveillance is the conceptual tension between sovereign exclusion and neoliberal market pragmatism. On the other hand, scholars of illiberal statecraft argue that populist regimes prioritize territorial sovereignty and political rhetoric over economic needs. Political economists, in contrast, have shown that demographic decline and industrial labor shortages lead states to pragmatic "dual-track" migration policies (Hungler, 2022). The process of immigration is dominated by employers, with state-monitored corporate quotas, employer-sponsored visa tracks, and tight bounds on temporary residency that enable the host authorities to impose tight surveillance on foreign workers so as to preclude permanent civic incorporation even as they enable rapid corporate recruitment. This paper joins this debate by showing how Hungary's market-driven surveillance creates an elastic border that is politically restrictive but economically open to managed guest-worker flows.

Sending-State Protection Diplomacy

To counter host-centric biases, this research draws on conceptual literature around sending-state agency and protection diplomacy. This framework places sending states within a strategic institutional actor framework, where they can create enclaves of protection for their overseas workforce, rather than passive actors (Adamson & Tsourapas, 2020). The conceptual debate in this field has focused on the capacity of sending states. Critical scholars have argued that asymmetrical power relations and economic dependence on remittances have been structural constraints on labor-exporting states' protective efforts. However, institutionalist scholars argue that sending states can negotiate binding safeguards and counteract market

exploitation through bilateral governance, diplomatic presence, and regulatory oversight (Saito & Budianto, 2025).

This paper makes a contribution to the institutionalist literature by examining the implementation of protection diplomacy in temporary guest-worker corridors through formal bilateral instruments and institutional mechanisms. Specifically, sending states employ diplomatic machinery, including the Embassy of the Republic of Indonesia in Budapest and state agencies, such as the BP2MI, to establish mandatory placement standards, to verify employment contracts, and to enforce P2P recruitment regulations. Through formal bilateral Memoranda of Understanding (MoUs) and ongoing institutional oversight, sending states create protective enclaves around temporary workers, insulating them from contract substitution, wage theft, and precarity in host-country labor markets.

METHODOLOGY

A qualitative case study examines the governance architecture of the Indonesia–Hungary migratory corridor from 2020 to 2026 (Creswell & Creswell, 2022). The collection of documents consists of Hungarian laws in Indonesian, Hungarian laws in English, and official translations of Hungarian laws in English. The authors only collected data from finalized bilateral MoUs, official deployment statistics from the BP2MI, enacted laws, and peer-reviewed literature. The authors excluded opinion pieces and unverified policy drafts. The official regulatory texts contain the state commitments; the administrative data reflect the actual operational implementation.

The qualitative investigation operationalizes an integrated conceptual framework linking host state market-oriented monitoring to evaluate this migrant route (Lemberg-Pedersen & Haioty, 2020) to sending-state protection diplomacy (Adamson & Tsourapas, 2020) in accordance with established qualitative research

protocols (Creswell & Poth, 2018). Market-oriented surveillance is used to analyze Hungarian immigration laws and corporate quota frameworks to show how host states use selective border filtering and digital oversight to meet acute labor shortages while denying socio-political integration.

The sending-state protection diplomacy paradigm is used to analyze institutional records from BP2MI and the Embassy of the Republic of Indonesia in Budapest to determine how labor exporting nations establish protective enclaves through pre-departure contract validation, P3MI licensing and oversight, and direct consular intervention in formal P2P deployment channels. Finally, empirical compliance records, wage dispute logs, and legal residency constraints are triangulated against host state statutory powers to examine the structural interaction between sending-state procedural agency and host state outcome authority, revealing state-sponsored protection diplomacy's operational efficacy and systemic boundaries in host state sovereign jurisdiction. To ensure analytical validity, verified institutional data were emphasized where policy rhetoric and administrative practice differed.

Table 1.
Document Corpus

No	Document Category	Date Range	Issuing Body	Unit of Analysis
1	Bilateral MoUs	2020 to 2026	Ministry of Manpower of the Republic of Indonesia and Hungarian authorities	Diplomatic safeguards and state commitments
2	Deployment Records	2020 to 2026	BP2MI and Embassy of the Republic of Indonesia in Budapest	Placement quotas and sectoral worker counts
3	Guest Worker Laws	2020 to 2026	Hungarian National Assembly	Legal residency bounds and employer duties

Source: Processed by authors from official regulatory and administrative data

Textual data were coded into two analytical axes corresponding to the core concepts. Table 2 presents the coding protocol.

Table 2.
Qualitative Coding Protocol

No	Analytical Axis	Code	Definition	Sample Evidence
1	Axis 1: Market-Oriented Surveillance	Labor Demand and Selective Filtering	Fast track corporate entry paired with strict border enforcement to address demographic deficits	Streamlined residence permits for certified employers alongside strict humanitarian entry limits
2	Axis 2: Sending-State Protection Diplomacy	Institutional Safeguards and Verification	Proactive state mechanisms to negotiate protections, validate contracts, and monitor worker welfare	Pre-departure contract validation, P2P scheme verification, and agency oversight by BP2MI and employer credibility verification by the Embassy

Source: Processed by authors based on conceptual framework

DISCUSSION

Demographic Crisis and Hungary's Market Demand

Between 2020 and 2026, a deep structural change happened in Hungary, turning the country from a historically labor-exporting country into an important labor-importing country in Central Europe. Demographic data from the KSH paint a complex crisis picture characterized by a fast-ageing population, a persistent net natural loss of approximately 40,000 persons per year, and a continuous drain of domestic skilled labor toward higher-paying Western European markets (Florczak & Solymosi-Szekeres, 2026). This prolonged exodus of domestic labor has resulted in major, systemic shortages across Hungary's core industrial sectors, particularly in heavy manufacturing, automotive engineering, and regional logistics networks.

Macroeconomic realities ultimately demanded a pragmatic compromise against the strong nationalist anti-immigration political rhetoric originally designed to consolidate domestic electoral support. Analytical forecasts for this multi-year period suggested that the continuation of the national industrial output and the inflow of foreign direct investment would be mathematically impossible without the massive involvement of foreign labor. In Hungary, immigration policy was deliberately restructured, moving recruitment from traditional European borders to formal contractual migrant groups from Southeast Asia, notably Indonesia (Solymosi-Szekeres & Jakab, 2026).

Based on the administrative deployment data from the BP2MI, the official placement of Indonesian migrant workers in Hungary in 2017 was only 343 people. During the post-pandemic economic recovery, discussions around bilateral recruitment picked up again quickly. This active workforce was reduced to a functioning total of 112 staff in 2021, temporarily, due to COVID-19 mobility restrictions and emergency border closures (Noor et al., 2025). The Hungarian Government set an ambitious national goal of employing around 40,000 foreign workers in the country in 2022, with a special quota of around 1,500 positions reserved only for Indonesian workers in the construction, assembly, and hospitality industries (Envoy Global, 2026). This sharp demographic deficit is not a natural population movement but the main structural driver of market-oriented surveillance. It forces the Hungarian state to commodify global migration and look for highly controlled non-European labor to stabilize an industrial base seriously undermined by long-term emigration.

The KSH administrative data clearly demonstrate systemic barriers to industrial efficiency, with over 80,000 vacant positions in key manufacturing sectors between 2021 and 2024 (Hungary Today, 2025). Retaining automotive manufacturing output in industrial centers such as Gyor and Debrecen is fundamentally vital for

Hungary's overall gross domestic product (GDP) stability, export revenue generation, and regional economic competitiveness (Gagyi & Gerőcs, 2025). Deciding to import foreign nationals from distant, non-European regions such as Indonesia, thus necessitates a built-in securitization of the domestic economy. Because an imploding industrial base poses an immediate existential threat to national economic sovereignty, the state administration made a calculated ideological concession: projecting fierce anti-immigrant rhetoric for domestic political theater while pragmatically facilitating foreign labor access to preserve capital accumulation and corporate profitability.

To operationalize this economic compromise, the Hungarian government systematically diversified its labor sources through targeted regulatory frameworks, most notably the Guest Worker Act, which strictly defines foreign labor as temporary, conditional, and highly transactional (Khairazi, 2021). These statutory provisions legally identify incoming Indonesian workers as temporary contract laborers assigned to particular manufacturing and hospitality roles. They legally require them to leave the sovereign territory immediately upon termination of the contract without options for civic integration. This transactional legal framework offers structural security to the conservative administration, directly resolving immediate labor shortages without creating a permanent immigrant diaspora, thereby reconciling national macroeconomic stability with the state's rigid political identity (Parreñas et al., 2021).

The economic statistics of the mid-2020s reveal the sheer scale of Hungary's demographic dependence on external labor forces. In 2024, corporate reports from trans Danubian manufacturing corridors indicated a substantial increase in the old-age dependency ratio of Hungary, a demographic imbalance in which the number of persons 65 years and older represented more than 21 percent of the total national population (Ministerio de Economía, 2024). This demographic reality has resulted in

the old-age dependency ratio rising to 31.5 percent nationally, according to the European Union Commission Aging Report (Helgi Library, 2024). One of the largest gains of the post-pandemic industrial boom was a 14.5 percent increase in heavy manufacturing vacancy rates. A full survey of Hungarian manufacturing firms found that over 65 percent of firms' main operational constraint was a serious labor shortage, not capital or supply chain bottlenecks. Corporate executives predicted an eight percent decline in industrial output if the issue was not addressed. Indonesia's demographic profile, with 68 percent of the working-age population, offers a very compatible extra labor pool (Budapest Business Journal, 2026a). This Southeast Asian labor force was systematically supplied and stabilized factory floor operations, directly contributing to a 3.2 percent growth in Hungary's manufacturing GDP in 2026 (Budapest Business Journal, 2026b).

Formal hiring has increased fast as global supply chains reconfigure to require semi-skilled production labor. Hungary needed Indonesian contractual workers permanently when transnational manufacturers built Central European vehicle battery production hubs between 2023 and 2026. Bureaucratic evolution illustrates that demographic loss forces host institutions to adapt to global labor markets, making economic isolation unsustainable. The state had to reorganize its border infrastructure as a highly specialized filter that limits people's mobility according to immediate corporate demands to successfully exploit this crucial immigrant labor force without compromising nationalist political commitments or permanent civic participation.

Hungary's Border Filtering and Selective Entry

Empirical evidence points to Hungarian border enforcement not as a homogeneous fixed barrier but as a system of selective accessibility and legal status differentiation. This operational flexibility is indicative of market-oriented

surveillance where border mechanisms are constantly modulated to transitory labor demands of corporations, while simultaneously limiting permanent settlement rights (Korte, 2023). This study discusses a novel double-track government administration and technology monitoring system. Physical limits, rigorous asylum regulations, and bureaucratic hurdles impede asylum seekers, refugees, and illegal migrants in Hungary. The government streamlined business worker visas and legal processing. Indonesian contractual migrants enter faster through third-party recruitment firms and institutions. Instead of stopping migration, the border lets non-Europeans in based on their market value and economic advantage to Hungarian businesses (Özçürümez & Sönmez Gioftsios, 2025).

In extending this dual-track mechanism. Hence, market-oriented surveillance is envisioned as a mode of sovereign authority, where border filtering is not a dilution of state security, but a deliberate recalibration of security parameters. The Hungarian state transforms physical border controls into tools of economic valuation, thus creating a security regime that differentiates between high-risk, low-value mobility, such as undocumented asylum seekers, and low-risk, high-value labor flows, such as contractual Indonesian workers (Dennison et al., 2025). The physical barriers on the Hungarian southern border and the strict legal limitations set in the post-pandemic era are intended to effectuate a conspicuous public securitization approach. This theatre guarantees the national electorate that territorial integrity is unquestionable (Bíró-Nagy, 2022). This disguise hides the bureaucratic machinery, especially the quick issuance of visas and corporate-sponsored immigration routes, which are incredibly effective ways for foreign capital to enter the industrial sectors without causing political unrest.

The government has authorized a complicated network of corporate partnerships that operate this filtration system. From 2020 to 2026, the Hungarian government contracted with significant industrial businesses and approved external

recruitment firms to handle a portion of its border screening duties. Hungarian businesses must demonstrate that there is a labor shortage in the area and that these foreign workers will be hired on fixed-term corporate contracts in order to hire Indonesian labor (Deets, 2026). The system is safe since guest workers cannot be legally or geographically independent. If their contract is canceled under the Guest Worker Act, Indonesian workers have a grace period before being deported by immigration officials. The state maximizes economic gains while avoiding cultural and security risks by controlling the foreign labor force's mobility, residency, and legal status. The border filter commercializes human labor, making it a controllable and transient production input that macroeconomic conditions can turn on and off.

The administrative practices reflect the introduction of diverse routes of admission. Given the huge difference in the rates of approvals and refusals of visas in this time period. In line with Eurostat, Hungary reported a denial rate of around 98 percent for humanitarian asylum requests and irregular entry submissions. Moreover, the acceptance rate for single permit applications sponsored by companies for designated third-country nationals such as Indonesians consistently remained above 85 percent from 2023 to 2025 (European Commission, 2025). The new guest worker regulations have also reduced the administrative processing time for approved corporate applications by 40 percent from the usual 90 days to a more efficient 45 days (Migration Partnership Facility, 2024).

This difference shows that the bureaucratic structure of the state is not inefficient, but extremely selective. Thus, an asymmetrical border system design is a clever government strategy to reduce unproductive costs of security enforcement and increase corporate tax income based on foreign workers. By prohibiting access to all forms of state-sponsored long-term welfare benefits, this stringent procedure ensures that the incoming workforce is entirely segregated from the national social safety net, underlining their position as temporary economic resources.

The implementation of cutting-edge biometric and digital reporting technology, which Hungarian immigration officials employed until 2026, further strengthened this exclusive system. Market-based supervision was to be put into place, forcing businesses that hired Indonesian workers to notify national immigration databases of each foreign national's employment start, termination, or change, as well as the contract expiration date (Erickson Immigration Group, 2026). The government was able to decentralize border enforcement by building this digital panopticon, which moved the emphasis of surveillance from the physical frontier to the domestic site of production. Without increasing its public infrastructure or jeopardizing social cohesion, the state was able to accommodate thousands of non-European workers thanks to this architectural innovation (Canzutti & Tazzioli, 2023). The border filter demonstrated how contemporary securitized systems can rely on bureaucratic mechanisms to maintain total sovereignty over demographic trends and satisfy the ravenous demands of transnational industrial actors. It also proved to be a helpful tool for distinguishing economic integration from social inclusion.

A strict cap on stay time prevents a gradual movement from work to residency, balancing this monitoring system. However, 2025 evaluations show that the Hungarian Guest Worker Act limits third-country foreign workers to a 24-month uninterrupted stay with a three-year extension (Nur, 2026). Corporate reporting systems forbid companies from assisting with permanent residency changes or family reunion. The government set up the visa procedure so the filter has an exit route. Indonesian workers remain ephemeral economic inputs, showing how market-oriented border procedures absorb immigrant industrial labor while neutralizing long-term civic membership claims.

Indonesia's Diplomatic Protection and State Agency

The securitized atmosphere foreign contract laborers enter in a host nation exposes them to systemic vulnerabilities. Hungary's demographic crisis and labor shortages are behind this migration. The state agency's 2020–2026 empirical research strongly supports state protection diplomacy in host regulatory environments. Empirical data suggest the Indonesian state actively facilitated formal workforce deployment. Diplomacy and procedure balanced the power imbalance in Hungary's market-oriented surveillance system. Significant policy papers and bilateral MoUs show that the Embassy of the Republic of Indonesia in Budapest and the BP2MI provide proactive protection. Legal labor agreements in Indonesia provide minimum wage, secure living circumstances, and full health insurance (Faludy, 2026).

Indonesia's sending-state protection diplomacy to build an institutional protective enclave has been carried out by continuously monitoring these bilateral agreements. This diplomatic engagement ensured Indonesian workers filled real labor shortages in Hungary, but were protected from structural exploitation in a competitive market. The formal P2P placement scheme is a crucial procedural safeguard by the Indonesian government. Indonesian expatriate workers are sent through officially licensed P3MI. The prospective migrant workers should have an employment contract validated before leaving for their destination. The contract should state the rights and responsibilities of both parties (Molnár et al., 2024).

The contract includes details of the employment nature, pay rate, working hours, leave benefits, housing provisions, health coverage, and ways of resolving disputes. In addition, the placement process is supervised by BP2MI through administrative processes, document checks, and verification of the validity of employment contracts. This pre-departure mechanism offers official protections, but consistently delivering results in practice is a major challenge. This system indicates

that protection covers the pre-placement stage by regulating employment agreements and recruitment agencies, in addition to their employment abroad.

To understand this dynamic, an in-depth analysis of Indonesia's sending-state protection diplomacy is necessary. This operates as a counter-securitization strategy against Hungary's hyper-utilitarian border filter and market-based surveillance. In a global labor market with significant power imbalances, a sending country is faced with the latent security threat of its nationals being treated as expendable, subordinate workers in host countries that refuse them enduring civil rights (Kurniati & Abdillah, 2025). Recognizing the labor demographic needs of Hungary, the Indonesian government took advantage of this migratory interdependence and established official placement channels. Instead of dealing with Budapest from a subordinate position, Indonesia used its position to advocate for systemic legal safeguards (Saito & Budianto, 2025). This dynamic procedural agency shows that developing countries can impose humanitarian conditions on securitized host governments by establishing rigorous and highly structured placement mechanisms.

The use of the P2P placement scheme is the main institutional instrument in this diplomatic strategy. This research is about the legal P3MI channel that BP2MI uses to block exploitative transnational networks (Direktorat Jenderal Imigrasi Republik Indonesia, 2020). This setting provides two-fold security. Indonesia prevents its people from assuming irregular statuses overseas to maintain its sovereignty. The Indonesian government must set the minimum human rights standards Hungarian enterprises must meet to hire Indonesian workers, protecting the potential employee from the start. The Embassy of the Republic of Indonesia in Budapest can stop postings to a Hungarian factory that unilaterally changes working hours, pay, or accommodations and seek recourse. Regular institutional monitoring shows how sending-state protection diplomacy might provide a safe haven in a market-driven border system.

The concrete effectiveness of this protection system can be evidenced by the compliance and dispute statistics collected by BP2MI until 2026. Informal placements in atypical European markets were marked by systemic instability, with contract inconsistency rates reaching 35 percent before the validated P2P contract mechanism was enforced, due to hidden wage cuts and substandard accommodation (Arifin et al., 2024). The cooperative project initiatives of the Embassy of the Republic of Indonesia are focused on ensuring that Hungarian manufacturing companies observe the regulations on accommodation and health previously set. It shows that there were official safeguards and that they were closely monitored. It transforms a risky market into a regulated channel.

The 2025–2026 performance cycle added to this resilient protection architecture with mandatory consular check-ins post-arrival and the establishment of labor grievance hotlines run by the Embassy of the Republic of Indonesia. The country of origin created a system of oversight that extended beyond the point of pre-departure. This ongoing effort weakened the system of the host country that prohibits foreign workers from joining local unions (Molnár et al., 2024).

The Indonesian government plays a protective advocate role through proactive consular assistance, particularly for migrant workers who face difficulties in accessing local labor unions (Tamba et al., 2025). Full operationalization of this diplomacy reveals fundamental constraints. Indonesia has significant procedural agency, but Hungary's sovereign outcome authority limits protection outcomes. Legal residency in Hungary is limited to single-employer contracts. Contract-violating workers risk quick deportation if host state enforcement lags. This shows the ongoing conflict between sending-state safeguards and host-state law. This exercise illustrates how developing countries decide bilateral operational terms while negotiating against the host nation's ultimate outcome authority by establishing an

institutional architecture that balances sovereign labor protection and strictly regulated market access.

CONCLUSION

A case in point for a pragmatic alignment of host-state border regulation and sending-state labor governance is the Indonesia–Hungary migrant corridor (2020–2026). Hungary, facing a critical domestic labor shortage, eased border restrictions selectively to bring in contractual Indonesian workers, while maintaining market-oriented oversight of non-compliant mobility. To counter possible exploitation in this profit-driven market, Indonesia exercised sending-state protection diplomacy through two specialized institutional actors. B2PMI validated formal P2P placement schemes, set mandatory pre-departure contract standards, and regulated domestic placement agencies. The Embassy of the Republic of Indonesia in Budapest checked the legality of Hungarian employers, provided direct consular protection, and assisted with legal aid on the spot. This convergence of dynamics offers a glimpse of the procedural agency of sending states in the Global South against the final outcome authority of restrictive host states. BP2MI and the Embassy of the Republic of Indonesia in Budapest have strong institutional safeguards, but Hungarian permit policies and company compliance restrict actual results for workers, and the labor-exporting state is negotiating rather than fully controlling the market.

However, the study is significant within its limitations, as it is based on macro-level policy documents, bilateral administrative records, and formal MoUs. The document-centric scope does not address the lived experiences of Indonesian migrant workers on the ground at the micro level, nor the practical operational perspectives of Hungarian private employers and recruitment agencies. Key stakeholders and future researchers should operationalize these findings and empirical gaps. BP2MI should establish a centralized digital tracking system to

monitor contract terms before departure, and the Embassy of the Republic of Indonesia in Budapest should enhance consular outreach by collaborating with Hungarian labor authorities to monitor workplaces. Policymakers in Hungary, meanwhile, have to tighten the rules for guest workers by setting out clear rules for dispute resolution and protection of employees in the workplace. Future scholars should move beyond document analysis and conduct qualitative fieldwork, ethnographic observations, and comparative analysis across neighboring Central European states to assess the impact of different host institutional environments on the efficacy of Global South protection mechanisms.

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