Asia-Pacific Research and Training Network on Trade

Social Security for Migrant Labour in the Greater Mekong Subregion

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No. 122/January 2013

ARTNeT Working Paper Series

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Please cite this paper as: Pasadilla, G., 2013. Social Security for Migrant Labour in the Greater Mekong Subregion. ARTNeT Working Paper No. 122, January, Bangkok, ESCAP. Available at www.artnetontrade.org.

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Abstract

The paper examines the labour migration trends in ASEAN and in the Greater Mekong Subregion (GMS), in particular, and analyses the ASEAN regional labour-related initiatives that seek to improve the protection of migrant workers. It discusses social protection and the access status of GMS migrant workers, as well as the legislative and legal barriers in accessing social security in host countries. Existing national social security schemes in ASEAN countries and how losses from lack of portability can be addressed, especially through social security agreements, are also discussed.

JEL Code: F15, F22, H55

Key words: Social security, social protection, Greater Mekong Subregion, portability, ASEAN, labour migration

1. Introduction

This paper provides a background on labour migration in ASEAN and particularly in the Greater Mekong Subregion (GMS) and looks particularly at the social protection access of migrants in the region, with particular focus on social security. What types of social security do labour-receiving countries offer its migrant workers? Do migrants have access to host countries' social security? Can they enjoy the benefits from their contribution when they return to their home states? These are some of the questions that this paper attempts to answer.

The paper is organized as follows. Section 2 discusses the labour migration trends in ASEAN and in the GMS, in particular, and analyses the ASEAN regional labour-related initiatives that seek to improve the protection of migrant workers. Section 3 discusses social protection and the access status of GMS migrant workers, the legislative and legal barriers in accessing social security in host countries and tries to distill some lessons and insights for the GMS economies. The last section presents the challenges at both the national and regional levels to improve social protection of migrant workers.

2. Labour Migration Trends in ASEAN

Labour migration data are generally known to have some serious limitations and need to be analyzed with caution. They do not capture a large part of migration flows – the undocumented migrant workers, and data quality is highly variable across countries. Uniform definitions do not exist – for example, some countries include skilled professionals in the administrative data, while other countries which do not require clearances for skilled professionals tend not to track their emigration. Country data are hard to compare because of varying definitions. Some governments, especially those facing large foreign immigration flows, are moreover not transparent about those information to dowse national sensitivities. With this caveat, this section discusses various estimates of labour migration in ASEAN to note changing patterns and directions.

2.1. Intra-ASEAN labour mobility: trends and patterns

Buoyed by fast growth in Asia, migrant labour have steadily increased in the region since the 1980s while a decade before, Asian workers have mostly gone to the Middle East. The high-income countries in Asia such as Japan, Republic of Korea, Taiwan, China, and Hong Kong, China, are now among the top destination for Asian workers, but some countries in ASEAN too have become net labour-receiving economies. Singapore and Malaysia (as well as Brunei

Darussalam) are major destination countries for workers from Indonesia and the Philippines,2 while Thailand, especially beginning in 1990, is the hub in the Mekong river states with Cambodia, Lao PDR, Myanmar, and Viet Nam as labour suppliers.[3] Singapore had only about half a million immigrants in 1960, but by 2010, this number has swelled to almost two million (Table 1) on the back of high and sustained economic growth, low population growth and aging population. Malaysia's documented foreign workers also grew to more than two million in 2010, most of whom are from neighboring Indonesia (about 51% of foreign workers), followed by 7% from Myanmar; 4% from Viet Nam; and 5% from Cambodia, the Philippines and Thailand combined (Asian Development Bank Institute - Organisation for Economic Co-operation and Development, 2011) (see Table 1).

Table 1. Stock and growth of immigrants in ASEAN labour-receiving countries

(in thousands)

					Compound Annual Growth Rate		
	1960	1990	2005	2010	1960–1990	1990–2005	2005–2010
Malaysia	56.9	1,014.20	2,029.20	2,357.60	10	5	3
Singapore	519.2	727.3	1,494.00	1,966.90	1.2	5	5.6
Thailand	484.8	387.5	982	1,157.30	(…)*	6.5	3.5
Source: United Nations (2008)							
*(…) data not available							

Most migrant workers are admitted as temporary guest workers; their contracts are mostly fixed for 2 to 3 years, with possibilities for extension. Admission for permanent settlement remains limited to family reunification although Singapore has been offering possibilities for permanent settlement to highly skilled and professional workers. Of the 4.8 million populations in Singapore, 11% are foreigners with permanent resident status. As of 2008, most of the other foreign nationals are temporary unskilled migrant workers holding work permits (645,000) and professionals or those with tertiary education holding employment passes (110,000) (Pasadilla and Abella, 2012).

[2]Malaysian workers also migrate or commute in large numbers to Singapore, while Thai farmers in the southern provinces have traditionally crossed over to Malaysia, often for seasonal work (Pasadilla and Abella, 2012).
[3] Of course, Thai and Vietnamese workers are also present in other Mekong countries, especially in Cambodia.

A significant number of foreign workers in some countries, notably Thailand and Malaysia, are in an illegal or undocumented situation, subject to periodic mass repatriation. Despite the preference for admitting skilled professionals in official policy, the preponderant majority of migrant workers are still employed in semiskilled and low-skill occupations in agriculture, construction, and domestic services. A significant "feminization" of migrant workers is also evident in the large number of female workers working as domestic help.[4]

Table 2 shows the intra-ASEAN migration based on estimates from the World Bank. The data shows that five countries – Singapore, Malaysia, Brunei Darussalam, Cambodia, and Thailand - have more in-migrants from ASEAN than out-migrants to other ASEAN countries (i.e., they have ratios less than 1 in Table 2). Of these five, Malaysia and Thailand, with ASEAN out-migrants to in-migrants ratio of 0.63 and 0.59 respectively, can be considered as both importers and exporters of ASEAN labour, while Brunei Darussalam, Cambodia, and Singapore are more significantly labour importers of ASEAN workers. On the other hand, among ASEAN countries that are net labour exporters, Myanmar and the Philippines host the least number of ASEAN migrants.

With regard to the origin of total in-migrants, majority in Cambodia, Lao PDR, Malaysia, and Singapore are from ASEAN (Table 2) while in the rest of ASEAN, in-migrants from ASEAN relative to total in-migrants accounts less than 50%.

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