

Managing International Labour Migration in ASEAN: Themes from a Six-Country Study

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Abstract

The study presents a summary of the six-country study on managing international labour migration in the Association of Southeast Asian Nations (ASEAN).¹ The countries are grouped into sending (Cambodia, Indonesia, Philippines) and receiving (Malaysia, Singapore, Thailand). The objective was to share international migration management issues from the perspective of a sending or a receiving country. The country research teams were asked to identify and study a specific migration management issue that is deemed current and reflective of the primary migration management experience of the country.

For sending countries, the Cambodia research team studied the high frequency cross-border crossings into Thailand that is dominated by irregular migrants. The Indonesian research team looked at the role of local governments in migration management as the country embarked into substantial decentralization process. The Philippines research team look at the management of massive deployment flows spanning thirty years with special attention to the most vulnerable group – the household service workers. For receiving countries, the Malaysian research team looked at their experience in the continuing running battle with irregular migrants. The Singaporean research team look at the close interaction between the needs of the economy for migrant workers and their desire not to be too dependent on them. The Thai research team described the experience at the crossroad of being both a receiving and still a sending country.

The studies have highlighted seven important themes on international labour migration management in ASEAN, namely: (a) the importance of integrating international migration into national and regional development efforts; (b) the importance of both bilateral and multilateral agreements; (c) the importance of recognizing differences in labour market policies in sending and receiving countries in designing protection for migrant workers; (d) the need to consider general administrative capacities in designing migration regulatory efforts; (e) the importance of involving sub-national bodies in migration management; (f) the need to broaden cooperation in handling irregular migration; and (g) the recognition that the protection envisioned by the state need not be the one “desired” by the migrant, hence, the need to check often to find out the effectiveness of protection measures.

Keywords: International Labour Migration, ASEAN

JEL: F22, J61

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Managing International Labour Migration in ASEAN: Themes from a Six-Country Study²

Introduction

The Association of Southeast Asian Nations (ASEAN) is home to 604 million people (as of 2011) of which about a little less than half (263 million) are working age (ASEAN Statistics). Using estimates based on bilateral migrant stock³ in 2011, it contributes 12.8 million or 6 per cent of the total 216 million migrants of the world 3.9 million or 30 per cent of which are migrants within ASEAN. This proportion of movements within ASEAN is rapidly rising. International migration has become an important and integral component of development in many countries, including Southeast Asia. It has brought benefits to (a) migrants and their households, (b) countries to which they contribute their manpower, and (c) countries of origins to which they transfer back money, knowledge, and skills. It has also accompanying economic and social costs at the household, community and country levels for both sending and receiving countries.

This paper summarizes the themes that can be gleaned from seven country studies⁴ undertaken between July 2009 to December 2011 under the project called "Different Streams, Different Needs and Impacts: Managing International Labor Migration in ASEAN." The project is funded by the International Development Research Center (IDRC) of Canada and coordinated by the Philippine Institute for Development Studies. By design the project selected three sending countries (Cambodia, Indonesia, Philippines) and three receiving countries (Malaysia, Singapore, Thailand). The underlying premise of the whole effort is that countries in ASEAN have varied experiences as sending and receiving countries and that we can learn from each other. Furthermore, it was also deemed beneficial to examine together migration management issues from both sending and receiving country perspective. The researchers were asked to choose and focus on important migration management issues from the perspective of being a sending or a receiving country. Policy research institutions which have a track record of being players in domestic policy discussions were selected for each country namely: Cambodian Research Development Institute (CRDI), the SMERU Research Institute for Indonesia, the Philippine Institute for Development Studies, the Institute of Malaysian and International Studies, Singapore Institute of International Affairs, and the Thailand Development Research Institute. The Cambodian researchers selected the issue of managing irregular migrants which is a major issue in the border with Thailand. Indonesia researchers picked the migration management in a decentralized regime. As the country embarked on a decentralization effort, it was deemed that the role of sub-national units needed to be looked at. The Philippines is often mentioned as a model in managing massive migration flows by institutions such as the International Organization for Migration (IOM). The Philippine research team then looked at the deployment management infrastructure for overseas Filipino workers (OFWs) with special focus on the most vulnerable group, namely, the household service workers (HSWs). This is also the biggest group deployed in terms of skill category. For receiving countries, the Malaysian researchers studied the issues on its seemingly never ending running battle with irregular migrants. The Singaporean researcher provided a perspective of how the

² An earlier version of this report has been presented 16th International Metropolis Conference, Ponta Delgada, The Azores, Portugal, 12-16 September 2011.

³ WB Bilateral Migration and Remittances Matrix, 2011

⁴ Unlike the other participants, TDRI submitted two country studies.

country is managing foreign workers. Finally, researchers in Thailand discussed the issues of both the immigration and well as emigration of Thai workers. It is noteworthy that the topics chosen also covers the main features of the ASEAN migration issues such short-term cross-border movements, longer-term deployments, irregular migration, foreign workers in national development of sending and receiving countries and the nascent role of sub-national bodies in migration management.

Seven themes on migration management can be gleaned from the country reports. These include: (a) the importance of integrating international migration into national and regional development efforts; (b) the importance of both bilateral and multilateral agreements; (c) the importance of recognizing differences in labour market policies in sending and receiving countries in designing protection for migrant workers; (d) the need to consider general administrative capacities in designing migration regulatory efforts; (e) the importance of involving sub-national bodies in migration management; (f) the need to broaden cooperation in handling irregular migration; and (g) the recognition that the protection envisioned by the state need not be the one “desired” by the migrant, hence, the need to check often to find out the effectiveness of protection measures. While many of these themes are not new, the experience of study countries as sending and receiving countries provide them with novel twists and perspectives.

The rest of the paper is organized as follows. The next section provides a brief overview of migration flows and policies in ASEAN. The discussion of the seven themes follows. The last section provides a summary.

International Labour Migration in ASEAN

In August 8, 1967, the ASEAN was created to foster cooperation and to promote regional peace and stability through adherence to the principles of the United Nations Charter (ASEAN website). Currently, there are 10-member countries that make up the ASEAN namely Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam (See Figure 1). ASEAN total population is 604 million (as of 2011) with a working population of at least 263 million (ASEAN Statistics, 2013).

Figure 1: Map of ASEAN



Bilateral migration stock data reveals that the ASEAN region supplies around 6 per cent of world's migrant workers and at least 30 per cent of them migrate within-ASEAN (Table 1). The main labour destination countries in the region are Malaysia, Singapore, and Thailand. Cambodia, Indonesia, Philippines and Vietnam are mainly the origin, or labour sending countries. Even if what are presented are only the study countries and not the whole ASEAN, it demonstrates what can be expected from the rest of ASEAN such as that the biggest flows are among those that share borders such as Cambodia and Thailand; Malaysia and Indonesia and Philippines.

Table 1: Supply of migrant workers by country and destination, 2011

Country		Destination							
		MYS	SGP	THA	KHM	IDN	PHL	ASEAN	World
Source	MYS	1,060.6	3.4	-	-	0.3	1,146.8	1,481.2	
	SGP	103.3	2.1	0.6	-	0.3	109.4	297.2	
	THA	79.6	-	142.8	-	0.2	236.8	811.1	
	KHM	-	-	49.8	-	0.2	50.9	350.5	
	IDN	1,397.7	102.3	1.5	0.5	5.9	1,514.6	2,504.3	
	PHL	277.4	-	3.4	0.7	-	297.4	4,275.6	
	ASEAN	1,883.0	1,163.0	448.2	320.6	-	9.1	3,954.4	12,852.0
	World	2,357.6	1,966.9	1,157.3	335.8	122.9	435.4	6,700.9	215,763.6

Notes: Bilateral Migrant Worker Stock (thousands); figures for ASEAN are understated due to missing values in bilateral matrix

Source: World Bank Bilateral Migration and Remittances Matrix, 2011

Table 2 presents a summary of wide disparity of the ASEAN countries in terms of development levels and how important labour migration is for each of them. In terms of level of development, per capita output varies widely with Singapore at almost 60,000 PPP to Cambodia's 2,000 PPP. It is clear from the table that like in many regions of the world, the receiving countries in the regions are the more progressive ones. In terms of structure of the economy, as high as 36 per cent of output is contributed by agriculture (Cambodia) while others can be around 10 per cent (such as Malaysia) or no recognized agriculture (such as Singapore). Dependence on foreign workers also varies widely. We see very high dependence for some such as Singapore with as much as 63 per cent of its workers are foreign born while only 3 per cent of Thai workers are foreign born. For sending countries, the proportion of remittance receipts to gross national income can be as high as 11 per cent for the Philippines or relatively low at only 1 per cent for Indonesia.

Table 2: Contribution of migrant workers by country

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Country		GDP (PPP, B)	percent of GDP			GDP per capita (PPP, '000)	Labor Force		Remittance (percent)	
			Agri	Service	Industry		percent FB	percent MW	Outflow/ GDP	Inflow/ GNI
Net Receiver	MYS	414.4	10.4	43.6	46.0	14.8	20.5	12.9	2.4	0.7
	SGP	291.9	-	-	-	56.8	62.7	9.5	2.7	-
	THA	586.8	12.4	44.7	42.9	8.6	3.0	2.1	0.6	0.6
Net Sender	KHM	30.4	36.0	23.0	41.0	2.2	-	-	3.8	3.4
	IDN	1,029.8	15.3	47.0	36.6	4.4	0.1	2.1	0.0	1.0
	PHL	367.4	12.3	32.6	55.1	3.9	1.1	11.1	0.2	10.7

Notes: Per cent FB – per cent foreign-born worker (= FB / LF); per cent MW – per cent migrant worker (= MW / LF)

Source: World Bank World Development Indicators, Bilateral Migration and Remittances Matrix, ADB Statistical Database System

In 2007 ASEAN passed the Declaration on the Protection and Promotion of the Rights of Migrants which commits ASEAN. It falls short of assuring equal opportunity and treatment but certainly is a bold step toward improving protection of migrant workers. Another ASEAN initiative is the ASEAN Economic Community (AEC) Blueprint which provides for the free movements of skilled labour by 2015. That the AEC only covers skilled workers and does not cover unskilled workers is a letdown because the latter dominate the flows of migrant workers not to mention the problems. The recent mid-term review⁵ done by the Economic Research Institute for ASEAN and East Asia (ERIA) reported the completion of the mutual recognition agreements (MRAs) in seven professions (Engineering, Nursing, Architecture, Surveying, Medical, Dental, and Accounting). What is even more significant about the review is that recognizing the potential economic impact of a freer movement of unskilled labour is large it recommends that the next steps cover unskilled workers.

⁵ <http://www.eria.org/Mid-TermreviewoftheImplementationofAECBlueprint-ExecutiveSummary.pdf>

Themes from the ASEAN Labour Migration Management Experience

Integration of International Labour Migration into National and Regional Development

The better integration of international labour migration into the national development agenda of both sending and receiving countries and even in regional bodies is a well-recognized issue globally. It is a theme in many migration conferences and in fact a global forum has been created for it – the Global Forum on Migration and Development (GFMD). Yet it is clear from this study that this far from being achieved in the study countries. Like in many other countries, international labour migration is mostly dealt with in isolation particularly when arguing for or against foreign workers. The design of the study to look at migration issues from both sending and receiving country perspective has highlighted issues in a way that is not available by looking at it from either perspective. This particular perspective highlights that both sending and receiving countries should never look at the costs and benefits of foreign workers separately. There are benefits and cost to sending workers abroad and having foreign workers in receiving countries. Looking at benefits and costs separately will only lead to endless debate that will be downright unfruitful. A beneficial and less continuous approach is to integrate international migration and migrant workers better into the development agenda of countries – a case that almost everyone agree but is seldom translated into action.

Sending countries are keen on the role of international migration as a short-term solution to lack of employment opportunities domestically and on receiving substantial inflows of remittances. Cambodia points to poverty and lack of employment opportunities as the main reason for migration even in an irregular manner risking apprehension and accepting lack of protection. The Philippines that currently deploys more than a million workers annually, receives substantial amount of remittances (more than 10 per cent of GDP) which fuels considerable domestic economic activity. At the household level, several studies show a positive impact of migration and remittances on human capital investments in health and education (Orbeta 2008). There are also positive impacts on housing and poverty incidence even if there are conflicting results in other areas such as labour force participation of those who are left behind and direct investments of households. Analysts have pointed out that too much dependence on remittances which may trigger a Dutch disease phenomenon – dependence on

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