

Balancing the Economic, Social and Political Considerations of Cross-Border People Flow

Fifth East Asia Congress Mapping the Second Decade of East Asian Community Building

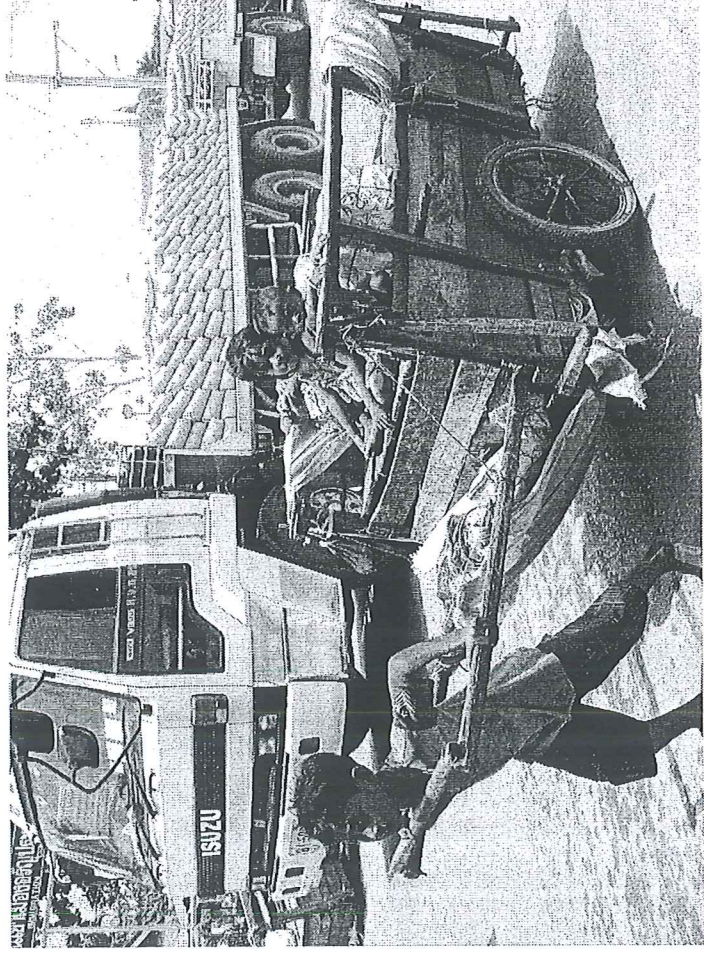
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1



Content

So much has been said about economic cooperation and integration but not much about the linkages to people flow. Nevertheless, the content covers 4 topics.

- 1) Balancing of economic development and Migration.
- 2) Patterns of movement of workers between the ASEAN and East Asia
- 3) Selected Migration Policies
- 4) Balancing economy and worker mobility

1.Balancing of economic development and Migration

There is a relationship between the level of development and migration flows.

- According to many studies, the divergence in income among the developing and transitional economies in Southeast Asia and those in the East Asian countries will likely to be greater. This disparity of incomes may be one of many factors that explain immigration to the East Asian countries and Cross-border migration.

Example: Per Capita Income (USD),2006

Singapore	30,900	Brunei D.	23,600	Malaysia	12,700
Thailand	9,100	Philippines	5,000	Indonesia	3,800
Vietnam	3,100	Lao PDR	2,100	Cambodia	2,600
Myanmar	1,800	S. Korea	20,000		

(Source: World facts and Figures)

1. Balancing of economic development and Migration (cont.)

- A continuation of economic upturn in Japan, Korea, mainland, Hong Kong China and Taiwan (China) during the past decade has created a “pull factor” that has a major impact on the labour market.
- The strong demand for both unskilled labour and highly skilled labour in these countries can not be met by local nationals which leads to increase demand for immigrants from Southeast Asian countries and elsewhere.
- Economists assess the labour shortages for most OECD member countries would be the most severe over the next 25 years due mainly to low rates of natural population growth.

1. Balancing of economic development and Migration (cont.)

- Large numbers of both low skilled workers and high skilled workers from less-developed Southeast Asian countries tend to move to more advanced countries of East Asia such as Chinese Taipei Hong Kong China, S.Korea and Japan.
- Lacking of job opportunity and low salary compared to destination countries of high skilled workers in less developed countries like Thailand, Philippines, Vietnam and Indonesia pushed to countries in East Asia.
- The links between East Asia and Southeast Asian developing economies have been strong not only through flows of trade technology and capital but also through inter-regional flow of labour (OECD, 2005).

1. Balancing of economic development and Migration (cont.)

- As many developed countries shift to knowledge-based economy based on high-level of skills and knowledge while at the same time these countries still have the labor-intensive industries which still experience shortages of low- and Semi-skilled workers.
- As consequence, many countries have opened their doors for both highly skilled professionals and low- or semi-skilled workers from countries within the OECD member countries and from Southeast Asian countries.

1. Balancing of economic development and Migration (cont.)

- However, the destination countries have aimed to give preference to certain groups of immigrant workers. So these countries have their laws and immigration policies differed across their countries in entry requirements for Origin (exporting labor) countries
- Experienced from many labor importing countries have shown that the more limited legal channels, the more likely to create irregular migration

2. Trends and Patterns of Workers Mobility

- It is expected that the very large economic disparities are likely to continue and even widen with ASEAN and East Asia and within ASEAN region
- Countries in the region will be experiencing high levels of internal and external (international) migration
- Major destinations are Japan, Korea, Hong Kong (China), Taiwan (China), Singapore, Malaysia, Thailand and Gulf (oil rich) States
- Cross-border among ASEAN member countries in the form of medium-term crossing, seasonal migration and daily crossing will be increasing in volume and number
- These trends should continue as long as un-balancing of the economy still persists in the ASEAN + 3

2. Trends and Patterns of Workers Mobility

2.1 Documented workers (mainly semi-skilled)(1990 to 2005)

2.1.1 Major destinations of migration from ASEAN to Selected East Asia

1. Cambodia is Japan (2,263 and rising.)
2. Indonesia are Hong Kong (China) (88,086 and rising)
3. Laos is Japan (2,393 and rising)
4. Malaysia are Hong Kong (China) (107,084 and rising) and Japan (7,910 and rising.)
5. Myanmar is Japan (5,342 and rising), and Malaysia (90,000 and rising)
6. Philippines are Japan (187,261 and rising), Hong Kong (China) (87,205), Taiwan (28,385 and declining)
7. Singapore are Hong Kong (China) (165,666 and rising) and Japan (2,283)
8. Thailand are Taiwan (186,65 and declining), Hong Kong (China) (92,584 and rising), Japan (37,703 and rising) , and Korea (4,227 and rising).
9. Vietnam are Taiwan (China) (90,000 and rising), and Korea (50,000 and rising), and Japan (19,000 and rising.).

2.1 Documented medium- and high- skilled workers

2.1.2 Migration from East Asia to ASEAN (1990 to 2005)

- 1. Major destinations of Taiwan (China) are Vietnam (574,248 and rising), Thailand (9,573 and rising) and Philippines(1,098 fluctuated.)**
- 2. Major destinations of Hong Kong (China) are Vietnam (183,650 and declining), Thailand (5,133 and rising) and Philippines(506 fluctuated.)**
- 3. Major destinations of Korea are Vietnam (111,460 and rising), Thailand (4,790 and rising) and Philippines(1,881 fluctuated.)**
- 4. Major destinations of Japan are Thailand (36,327 and rising), Singapore (36,327 and rising), Philippines (12,913 and rising), Indonesia (11,211 and stable), Malaysia(10,347 and stable) and Vietnam(4,207 and rising).**

2.2 Undocumented Migrant Workers

It does not matter how good the ASEAN +3 in term of migration management, they still have illegal migrant workers.

2.2.1 For Example in East Asia

- The illegal entrants to Hong Kong (China) are 16,548 (2003)
- The illegal migrants to Japan are Korea (46,425), China (33,522), Philippines(31,428)
- The illegal migrants to Korea are 181,499 (2004-overstayers)

2.2.2 For Example in ASEAN

- The illegal migrants to Malaysia are mainly Indonesians: about 1.2 million in 2004.
- The illegal migrants to Thailand are largely Burmese: about 1.2 million in 2006.

2.2 Undocumented (Irregular) Migrants

The ASEAN +3 must pay a special attention to these vulnerable group. As results of having illegal status:

- **Limit access to social and health services (no ID)**
- **Human rights abuses**
- **Exploitative labor practices (uncovered by labor protection law)**
- **Health risks such as infectious diseases, HIV/AIDS**
- **Children and Women:**
 - **abuses and exploitations**
 - **missing education and other basic rights**
- **Statelessness**
- **Trafficking, smuggling**

Source: Bruno Maltoni, IOM

2.3 Migration Policies

- The policy responses to migration workers depending upon the priority of each economy.
- Little evidences to support that any policy intervention has been effective in controlling numbers or in managing migration in desired direction.
- Policies vary toward whether they are sending workers and/or receiving workers
- Example of policy response in East Asian Countries and ASEAN countries present in the next slides.

2.3.1 Migration Policy Responses by East Asian Countries

- The East Asian economy have been fully recovered from 1997 Asian financial crisis, and became high performing countries. Policies are designed essentially to deal with immigrants, not workers. The policies are strongly biased towards high skilled labours (filled skill niches in service occupation regarded as unwanted by native workers).
- Migrant flows are basically demand driven as domestic work force is shrinking due to fewer children and increasing elderly. They are also reluctant to work in the 3-D jobs. As result, the demand for foreign workers will continue to grow in non-tradable sectors and in large-scale industries and SMEs.
- The recent policy challenge for these East Asian countries are whether they can make the new reliance on foreign workers consistent with priorities of national development policies, and changing market conditions.

2.3.2 Migration Policy Responses by ASEAN Countries

- Unlike the East Asia, as development progress countries ultimately change from being net senders to being net recipients of foreign workers, e.g. Malaysia and Thailand. They have experienced in the presence of bottlenecks to further economic development due mainly to the insufficiency of infrastructure, skilled and Low-skilled labour, and failure of industrial restructuring.
- In contrast, Philippines, Indonesia, Vietnam, Laos and Cambodia increase their emigration with improvement in prosperity (per capita) of people. As results of abundant workforce, poverty, poor income distribution and rural-urban biased. Remittances is a way out of poverty.
- Singapore is a unique country and a good example in ASEAN which has a well-conceived and explicit policy. There is a balance between promoting economic competitiveness through foreign labour augmentation and protecting its own citizens. Job creation for private sector is designed for young resident and for retrenched older workers through FDI. Gap of excess demand is filled by foreign labour.

3.Recent Policy Issues

3.1 Regional Cooperation Policies

3.2 Protection and Promotion of Human Rights of Migrant Workers

3.1 Regional Cooperation Policies

- Countries in Asia face the same policy challenges. They have to make dependency on foreign workers consistent with changing labour market conditions and priority of overall national development policy while at the same time they have to minimizing socio-cultural friction arising from the presence of foreign workers. However, regional cooperation or initiatives may be alternative solutions instead of turning a blind eye on the issues.
- There are varieties of regional cooperation to increase employment opportunities for migrant workers. This may include the followings:
 - GATS of the Uruguay Round. The Mode 4 which covers the movement of natural persons.
 - ASEAN framework Agreement on Services which aims to move beyond commitments of multilateral under GATS.
 - Japan International Training Cooperation Organization (JITCO), Japan China Skilled-Workers Exchange Center, Association for International Development of Medium and Small Enterprises, Japan.
 - Korean's Trainee program (KITCO) and open market for semi-skilled
 - Singapore offers bilateral and third country training programs. (e.g. setting up four training centers in Cambodia, Laos, Myanmar and Vietnam.)

3.2 Protection and Promotion of Human Rights of

Migrant Workers (the most recent declaration)

- The Association of Southeast Asian Nations (ASEAN) adopted the Declaration on the Protection and Promotion of the Rights of Migrant Workers at the 12th Summit held in Cebu of the Philippines on 13 January 2007.
- The declaration recognizes the contributions of migrant workers to the society and economy of both receiving and sending states of ASEAN and affirms the need to address cases of abuse and violence against migrant workers whenever such cases occur.
- ASEAN also commits to protect the fundamental rights, dignity and welfare of migrant workers entering countries of destination by providing access to services, fair and just employment and conditions of work, access to legal justice, and promoting tolerance between migrant communities and populations of the receiving states.

4. Balancing Economy and Worker Flow

Balancing Economy in the ASEAN+3

- The labour surplus countries should have a clear policy and planning to generate domestic economic growth in order to increase labor absorptive capacity within the country.
- The region should have been promoting equitable development since the countries with large and widening income inequalities would be detrimental to both economic growth and poverty eradication.
- The labor exporting countries should speed up their implementation of policies and measures aiming to reduce poverty and income distribution so as to reduce the extent of push factors.

4. Balancing Economy and Worker Flow

- The economic development should be clearly addressed among Asian countries especially from receiving countries, aiming to contribute to improvement in socio-economic conditions of labour sending countries through trade, investment, technology transfer, Aids, etc.
- Promoting economic development of neighboring countries through outsourcing from labor receiving countries to labor sending countries.
- The rise of China and India would create both seizing opportunity and threats (challenges). The Asian countries would enjoy these seizing opportunities or not depending upon their preparedness. Those who could find way to improve their HR and technologies would be able to create new niches in the region. Investment in human capital is essential for prospect workers to have required skills in the emerging market.

4. Balancing Economy and Worker Flow

Balancing Labor Flow

- The more developed countries in the region should streamlining their policies toward free flow of labor in the near future (2015).
- There is a need to streamline the cross-border process (e.g. entry visa process etc.,) so as to facilitate the movement of workers and to reduce transaction costs involved.
- The host countries should put more efforts to promote and protect the rights of migrant workers(e.g. by creating a venue for migrant workers to organize association and to launch complaints.)
- Each countries in ASEAN need to be critically reviewed the adhoc regularization policy and procedure so that the prospective migrants would be legalized and less vulnerable.
- There is a need to have bilateral and multilateral agreement among Asian members to achieve balance flow of labor.

Thank you

